Indian Knowledge System (IKS) and Ethical Leadership in the AI Era: Lessons for Modern Entrepreneurs

Anitha V

Assistant Professor, Department of Commerce, Sri Muthukumaran Arts and Science College, Chikkarayapuram, Chennai, Tamil Nadu, India

Email: anitha@smasc.edu.in

Abstract

The rapid advancement of Artificial Intelligence (AI) is transforming entrepreneurship, business decision-making, innovation and leadership. While AI provides entrepreneurs with opportunities for automation, predictive analysis, personalised services and new business models, it also creates ethical concerns relating to privacy, bias, accountability, transparency and human dependency on technology. In this context, Indian Knowledge Systems (IKS) offer valuable philosophical and ethical perspectives for developing responsible and human-centred leadership. The Indian Knowledge Systems Division of the Ministry of Education promotes interdisciplinary research and the contemporary application of Indian knowledge traditions. This paper examines selected principles from Indian philosophical traditions and explores their relevance to ethical leadership and entrepreneurship in the AI era. Concepts such as Dharma, Nishkama Karma, Satya, Ahimsa, Lokasangraha and self-discipline provide a framework for responsible decision-making, social responsibility and stakeholder-oriented leadership. The study adopts a conceptual and descriptive approach based on secondary sources. It argues that AI should be treated as a tool that strengthens human capability rather than replacing human judgment and ethical responsibility. The paper proposes an IKS-based ethical leadership framework integrating technological innovation with human values, accountability, social welfare and sustainability. Such an approach can help modern entrepreneurs create innovative enterprises while maintaining trust, fairness and social responsibility.

Keywords: Indian Knowledge System, Ethical Leadership, Entrepreneurship, Artificial Intelligence, Dharma, Bhagavad Gita, Responsible AI, Human-Centric Leadership

1. Introduction

Artificial Intelligence has emerged as one of the most significant technologies influencing contemporary business and entrepreneurship. Entrepreneurs increasingly use AI for market research, customer analysis, financial forecasting, recruitment, marketing, product development and decision-making.

However, technological advancement alone cannot guarantee responsible entrepreneurship. AI systems can reproduce biases, create privacy risks and reduce transparency in decision-making. UNESCO's Recommendation on the Ethics of Artificial Intelligence emphasises human dignity, human rights, transparency, fairness, accountability and human oversight.

Indian Knowledge Systems provide an important perspective for addressing this question. The Ministry of Education's IKS Division promotes interdisciplinary and transdisciplinary research and seeks to connect Indian knowledge traditions with contemporary societal applications. Therefore, the integration of IKS + Ethical Leadership + Entrepreneurship + AI can provide a meaningful framework for responsible business development.

2. Indian Knowledge System and Its Contemporary Relevance

Indian Knowledge Systems represent diverse intellectual traditions developed through observation, experience, experimentation, analysis and practical application. The Ministry of Education describes IKS as encompassing jñāna, vijñāna and jīvanadarśana, with applications across areas including education, administration, law, health, manufacturing and commerce.

The contemporary relevance of IKS is not limited to preserving historical knowledge. It can also contribute to addressing modern challenges through ethical thinking, sustainability, social responsibility and holistic approaches.

The IKS Division was established under the Ministry of Education with the objective of promoting interdisciplinary research, preserving and disseminating Indian knowledge and encouraging its societal applications. For entrepreneurs, this provides an opportunity to combine traditional wisdom with modern technology.

3. Ethical Leadership in Indian Philosophical Traditions

Indian philosophical traditions contain several concepts that can contribute to modern leadership.

3.1 Dharma – Duty and Responsibility

Dharma can be understood in this context as responsible conduct and duty according to one's role and circumstances.

For an entrepreneur, Dharma can mean:

- Acting responsibly towards employees
- Providing fair treatment to customers
- Maintaining business integrity
- Protecting stakeholder interests
- Considering social and environmental consequences

Thus, entrepreneurship should not be viewed only as profit generation but also as a responsibility towards society.

3.2 Nishkama Karma – Responsible Action

The Bhagavad Gita's concept of Nishkama Karma emphasises performing one's duty without excessive attachment to the fruits of action.

In modern entrepreneurship, this principle can encourage leaders to focus on:

Right action → Ethical process → Long-term value

3.3 Satya – Truthfulness

Truthfulness is particularly important in the AI era. Entrepreneurs should ensure that:

- AI-generated information is verified.
- Customers are not deliberately misled.
- AI-generated content is appropriately disclosed where necessary.
- Business data is represented accurately.

3.4 Ahimsa – Non-Harm

The principle of Ahimsa can be connected with responsible innovation. AI entrepreneurs should consider whether their technology could cause:

- discrimination,
- loss of privacy,
- economic exclusion,
- psychological harm,
- environmental damage, or
- unfair treatment.

3.5 Lokasangraha – Welfare of Society

The idea of Lokasangraha, commonly associated with the Bhagavad Gita, provides a strong foundation for socially responsible entrepreneurship. Entrepreneurial innovation should create value not only for business owners but also for:

Employees + Customers + Community + Environment + Society

4. AI and Modern Entrepreneurship

AI has created new opportunities for entrepreneurs.

Major applications include:

Area	Application of AI
Marketing	Customer prediction and personalised marketing
Finance	Risk analysis and forecasting
HR	Recruitment and employee analytics
Retail	Demand prediction
Banking	Fraud detection
Education	Personalised learning
Healthcare	Decision-support systems
Start-ups	Automation and business intelligence

AI can reduce operational costs and help entrepreneurs make faster decisions. However, entrepreneurs must recognise that efficiency is not the same as ethicality. An AI system may

produce a technically efficient decision that is socially unfair. Therefore, human oversight remains essential. UNESCO specifically identifies human oversight, accountability, transparency and fairness as important principles for ethical AI.

5. IKS-Based Ethical Leadership Framework for Entrepreneurs

This paper proposes the following framework:

IKS → Ethical Values → Human-Centred AI → Responsible Entrepreneurship

IKS Principle	Leadership Application	AI-era Entrepreneurial Application
Dharma	Responsibility	Responsible AI decisions
Satya	Truthfulness	Transparent AI
Ahimsa	Non-harm	Bias and harm reduction
Nishkama Karma	Selfless action	Long-term stakeholder value
Lokasangraha	Social welfare	Inclusive entrepreneurship
Self-discipline	Responsible conduct	Responsible technology use
Sustainability	Balance with nature	Sustainable innovation

This framework suggests that technology should remain value-driven rather than technology-driven.

6. Ethical Challenges for Entrepreneurs in the AI Era

Modern entrepreneurs face several ethical challenges.

6.1 Data Privacy

Businesses collect large amounts of customer data. Entrepreneurs must ensure that personal information is collected and used responsibly.

6.2 Algorithmic Bias

AI systems can generate biased outcomes when training data or system design contains bias.

6.3 Lack of Transparency

Customers may not understand how AI systems make important decisions.

6.4 Human Dependency

Excessive dependence on AI may weaken human judgment and accountability.

6.5 Employment Concerns

Automation may transform or eliminate certain jobs, requiring entrepreneurs to focus on reskilling and human development.

6.6 Digital Inequality

If AI benefits are available only to technologically advanced groups, existing inequalities may increase. These concerns are consistent with UNESCO's AI ethics framework, which highlights risks involving bias, discrimination, privacy, transparency, accountability and unequal access.

7. Research Gap

Existing discussions on entrepreneurship frequently focus on technology, innovation, finance and business growth, while AI ethics research focuses primarily on issues such as privacy, transparency, fairness and accountability. There is comparatively less conceptual integration between:

Indian Knowledge Systems + Ethical Leadership + AI + Entrepreneurship.

Therefore, this study attempts to bridge this gap by examining how selected Indian ethical principles can inform entrepreneurial leadership in the AI era.

8. Objectives of the Study

The study has the following objectives:

1. To examine the relevance of Indian Knowledge Systems to modern entrepreneurship.
2. To identify ethical leadership principles from Indian philosophical traditions.
3. To analyse the ethical challenges associated with AI-enabled entrepreneurship.
4. To examine how IKS principles can support responsible AI leadership.
5. To propose an IKS-based ethical leadership framework for modern entrepreneurs.

9. Research Methodology

The study adopts a **conceptual and descriptive research methodology**.

Sources of Data

The study is based primarily on secondary sources, including:

- Books on Indian philosophy and management
- Bhagavad Gita and related interpretations
- Government publications on Indian Knowledge Systems
- UNESCO publications on AI ethics
- Research papers and academic literature
- Reports relating to entrepreneurship and AI

The study uses conceptual analysis to connect selected Indian ethical principles with contemporary entrepreneurial leadership.

10. Findings and Discussion

The conceptual analysis suggests that IKS can contribute to entrepreneurial leadership in five important ways.

Finding 1: Ethical values should guide AI adoption

AI should not be adopted simply because it is technologically advanced. Entrepreneurs should evaluate its social and ethical consequences.

Finding 2: Human judgment remains essential

AI can provide information and recommendations, but final responsibility should remain with human leaders.

Finding 3: Social welfare should accompany business growth

The principle of Lokasangraha provides a useful foundation for creating businesses that generate both economic and social value.

Finding 4: Ethical leadership can strengthen trust

Transparency, truthfulness and accountability can improve trust among employees, customers and other stakeholders.

Finding 5: IKS can complement modern AI ethics

The values found in Indian philosophical traditions can complement contemporary principles of responsible AI such as fairness, transparency, accountability and human oversight. UNESCO's global AI ethics framework similarly emphasises these values.

10. Suggestions

Based on the discussion, the following suggestions are proposed:

1. Entrepreneurship education should include ethical AI and Indian Knowledge Systems.
2. Start-ups should develop internal AI ethics policies.
3. Entrepreneurs should maintain human oversight of important AI decisions.
4. AI systems should be evaluated for bias and discrimination.
5. Businesses should promote data privacy and transparency.
6. Entrepreneurship programmes should encourage socially responsible innovation.
7. Higher education institutions can organise IKS-based entrepreneurship workshops.
8. Women and youth should be encouraged to develop AI-enabled socially responsible enterprises.
9. Entrepreneurs should consider sustainability while designing AI-based products.
10. IKS should be studied critically and applied appropriately to contemporary business problems rather than treated merely as historical knowledge.

11. Conclusion

Artificial Intelligence is creating significant opportunities for modern entrepreneurs, but technological capability must be accompanied by ethical responsibility. The future of entrepreneurship should not be defined only by automation, efficiency and profitability. It should also be shaped by human dignity, fairness, responsibility, sustainability and social welfare.

Indian Knowledge Systems offer valuable conceptual resources for this transformation. Principles such as Dharma, Satya, Ahimsa, Nishkama Karma and Lokasangraha can be interpreted as relevant ethical foundations for contemporary entrepreneurial leadership.

The IKS Division of the Ministry of Education itself emphasises the contemporary and societal application of Indian knowledge traditions. At the same time, international AI ethics frameworks emphasise human rights, transparency, fairness, accountability and human oversight.

Therefore, integrating Indian ethical wisdom with responsible AI practices can help develop a new generation of entrepreneurs who are not only innovative and competitive but also socially responsible and human-centred.

"The entrepreneur of the AI era should not ask only, 'What can AI do?' but also, 'What should AI do for human and social welfare?'"

References

Ministry of Education, Government of India. Indian Knowledge Systems Division (IKS Division).

Ministry of Education, Government of India. Indian Knowledge Systems: Annual Report / Department of Higher Education.

Government of India, Ministry of Education. National Education Policy 2020 and Indian Knowledge Systems.

UNESCO. (2021). Recommendation on the Ethics of Artificial Intelligence.

UNESCO. (2022). Recommendation on the Ethics of Artificial Intelligence.

Mahadevan, B., Bhat, V. R., & Nagendra Pavana, K. (2022). Introduction to Indian Knowledge System: Concepts and Applications. PHI Learning.

Radhakrishnan, S. (Trans.). The Bhagavadgita. HarperCollins.

Sharma, R. S. (Trans.). Kautilya's Arthashastra. Penguin/related scholarly editions.



Open Access & Licensing

Dr. BGR Publications supports Open Access scholarly communication, enabling published works to be freely accessible online.

License: Creative Commons Attribution 4.0 International License CC BY 4.0

Copyright: © Author(s)

Published by Dr. BGR Publications | India