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**Bengaluru Round Table Report**

"Is Business Ready for Change Itself, to Change India," was the theme of the CIB Round Table held in Bengaluru on October 30, 2015. The event got off to a start, with a few delegates and this rapporteur stranded in the famed traffic of Garden City turned Tech City. In an encore of the CIB Round Table two years ago, a serene campus in the north-western part of the city was the chosen venue, with Kirloskar Electric Co. Ltd. graciously hosting the meeting as well as the lunch thereafter.

A quick cup of tea/coffee and exchange of pleasantries later, 27 participants got down to business. The discussions were moderated by Vivek Asrani, MD, Kaymo Fastener Company, Mumbai. The moderator started off by posing the question: "Is business ready for change?"

**Are We Ready for Change?**

The question elicited a variety of responses. The MD of an electronics manufacturer responded: "I'm ready for change; but the eco-system does not allow me to change."

Sounding a positive note, a senior leader in a large conglomerate observed that the next generation "looked different." Brands could not be taken for granted, he said, adding that this would force people to think differently.

The Partner at a consulting firm stressed on the need for 'change'. "Otherwise, we'll be punished by the market," she said. "We can't be competitive if we are not ethical. We need to find consensus around values, not around behaviour. "Blaming the eco-system is a feeble excuse," she observed. According to her, there was an important lesson for Indian companies from the Volkswagen episode. "One day, the law will catch up and so we cannot afford short-cuts if we want to build a sustainable business. We should be together. Individuals are struggling; it should be the industry that should fight together."

An industry veteran, who currently heads the Centre for Corporate Governance in a premier management institute, expressed surprise that leaders were complaining against the eco-system. "Leaders drive change," he pointed out, adding that "Change has to come from within." It can be frustrating when we adhere to rules, he said, but it is far more frustrating to be non-compliant.

Intervening, Seenu Iyengar, a corporate veteran and management teacher, asserted that the first step should be 'compliance'. He stressed that there is a need to ensure that people comply, and given harsh punishment for non-compliance. Referring to the recent Volkswagen episode, the moderator wondered whether 'legal compliance' was enough.

The Director of a wealth advisory firm mentioned that in India, people get away with non-compliance to law. "While wanting to grow faster, people adopt unethical practices," he said, adding, "Ambition or greed drives unethical practices."

While citing the example of Siemens, the moderator wondered that while it is possible for a multinational to face losses an account of delays, could a small-scale industry

afford to wait for years. Recalling the incident involving a young builder in Mumbai, the moderator enquired whether the eco-system could be ignored.

**Conviction versus Convenience**

The CEO of an IT company described his journey from healthcare to education. "We had clear business ethics, but felt frustrated with the response from diagnostics facilities. It became a lonely battle, leading to a change of domain, he admitted.

Another participant shared about his refusal to under-invoice goods. "It requires conviction," he pointed out.

While Mr Iyengar drew the participants' attention to the price that one has to pay for ethical business, he observed that some were not able to pay the price. "There is a spectrum, which we cannot ignore," he said. These words prompted the moderator to comment, "There is sometimes greater loss for being unethical."

This brought the discussion to the 'choices we make'. Referring to the reluctance of many to 'waste segregation' in Bengaluru, a participant shared her experience of initiating such a programme in her neighbourhood. "We need to see how do I change and expand it to others. There is an issue with eco-system but our own role is very important," she added.

The moderator posed the question, "Are we are happy to adjust? Or do we have a burning desire to be ethical?" A senior director of a software company described how he set up a centre in Mysuru, overcoming challenges. "We tend to be in convenience mode, not in conviction mode—more so in mid-sized and small companies," he observed.

## Plan for Contingencies

Sarosh Ghandy, Chairman, CIB, emphasized on the need for planning. "How much pre-planning have we done? Have we set aside time to get power connection, etc. We need to plan better when we take up new projects," he added.

The Chairman of a 'design and manufacturing' conglomerate narrated his experience. Having found out that much of India was in seismic zone, adequate safeguards were built in while implementing projects. When a warehouse was being designed, the purchase person refused to go beyond the budget to make it quake-proof. "I refused that project," he said, reiterating his stand of no compromise on values. He also shared his experience of implementing waste management practices in his company's premises on the outskirts of the city. "In six months, we stopped giving any waste outside," he said. "Workers reduced food wastage." While sharing the success story,



he also added the failed attempts to get the area's companies on board to adopt waste management best practices. "Being ethical is binary, but the process is not," he quipped.

Dilip Patel, an observer for the event and Jt. MD of a manufacturing firm, recalled how a small factory set up in the eighties with a conviction to be ethical ended up in bankruptcy within six years, but bounced back. Executives in companies where the goods were to be supplied wanted bribe, but they stood their ground. "We told them we will not compromise on values," he said. In one case, a request for undervaluing goods in the invoice was turned down, eventually leading to an order after three months. "The customer is still a good friend," he told the audience.

The discussion centred on the theme of compulsion versus conviction. "Values are evolving. We don't have to be disheartened," a participant said, adding that technology is a great enabler and use of IT has helped in streamlining processes and brought in transparency.

**The Need to Change**

The moderator introduced the next theme: "What needs to change in industry?"

An interesting interaction ensued on whether the industry is treating its people well. "You need to; you don't have a choice," responded the MD of an electronics firm. "Change has to come from you. You need to have a contingency plan," said another participant.

The founder of a wealth advisory firm spoke about the need to recognize the good work of employees. "The message should be transmitted to colleagues – what we do or say at the workplace, when we face a challenge like a bribe-demand, sends out a message to employees," he said, while adding, "We should inspire our peers."

According to Mr Iyengar, "Each one of us has a set of values. Most of us in business follow a utilitarian set of values. There is another set: Am I ready to do the right thing irrespective of consequences?" A former chief of an industry body emphasized the importance of collaboration—and its ability to bring in change.



Summarising the discussions, the moderator listed the key points:

- A *chalta hai* (anything goes) attitude is prevalent
- We are psychologically ready for change, but not physically
- The eco-system should support compliance, backed by a strong legal system
- We need to look inward
- The younger generation is different and driven by ambition
- Stakeholder expectations have changed
- Brands are facing a challenge
- India is drawing global attention
- It is business that builds the eco-system

- We will be punished – competition will force us to be ethical
- We need to find consensus on 'values' and not on 'behaviour'
- There is a cost for being ethical (are we ready to pay the price?)
- There is a cultural issue as a nation
- Get together in a forum and raise your voices—collaborate
- Are we in 'convenience mode' or are we driven by conviction
- Have we pre-planned having factored in the eco-system
- We do not have a choice; we have to be ethical
- There is lack of human values in society
- There is a struggle between 'greed' and 'conviction'

**The Path to Change**

After the coffee break, Sarosh Ghandy gave an overview of Initiatives of Change (IofC), Caux, and the scheduled CIB Conference at Asia Plateau, Panchgani, Maharashtra, in January (6th International Biennial Conference) titled 'Making Business an Engine for Sustainable Growth'. Seizing the opportunity, he requested the delegates to block their calendars from January 22 to 26 adding that since the period fell between a weekend and a public holiday, it would not mean needing to stay away too long from the office.

The interaction now turned to decisions about 'how to bring about change'.

The MD of a company shared the experience of persisting with the excise department for almost eight months. "We have to keep reiterating to our network–staff, friends, others. We have to *be at it.* It may take time."

Another participant shared about how regular persistence helped get documents without bribe. "We need to join hands. There is strength in numbers. WhatsApp, social media is helping us. We can fight together," he said.

Another participant stressed on the importance of reiterating the code of conduct. "Knowledge of code of conduct is very low," he claimed, while mentioning how a film is helping drill it down among employees and is being used as an automatic screen-saver. "Communication and articulation of code is critical," he said.

"A leader has to walk the talk," an observer pointed out. Another participant said that companies could demand 'compliance' from suppliers and vendors. "'I will take you only when you comply with certain parameters,' can be a pre-condition we can put," he suggested.

Referring to the Siemens policy, the partner of a consultancy firm mentioned the "ask us, tell us" policy. "We will support you," is the message that it sends out to employees. Whistleblower hotline helps. One can report positive actions also.

Mr Asrani narrated the story of his firm in Mumbai and how they resolved an issue at a government office. "We should believe that there is goodness in everyone and experiment with triggering that goodness," he said.



A debate followed about recognizing and rewarding (monetizing) officials who do their job honestly. The Director of a social business initiative said, "Measure people on value system, not just on performance."

**Collaborate with Competitors**

"Do not outsource bribe. There is no substitution for collaboration. We have to lead. Mindset has to change. We need to build pressure groups of industry groups and use technology to reduce bribe," suggested a participant, views that were echoed by others as well.

The moderator mentioned how he had dinner with his nearest competitor. "We decided not to take sales personnel from each other," he revealed, highlighting the importance of collaboration.

"Bring in value education—experience sharing by captains of industry, government officials; create a curriculum. Bring together 40—50 doyens to speak to students—suggested a participant.

"When there is violation, act and send a strong message," declared another participant. "Go after clean business," was the message that resonated in the room.

"Change the DNA of the organization; take away pressure of performance," was another conclusion of the gathering.

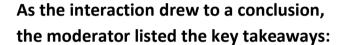Giving a summary of the second session, the moderator listed the following:

- Leaders have to 'walk the talk'
- Set an example; set the tone; change DNA
- Have patience; leaders need to have stamina
- Provide training; make HR a part of it
- Articulate and reiterate the code of conduct; communicate and reiterate
- Join hands and bring in collective pressure through industry bodies
- Connect colleagues and collaborate

- Reach out to people in the eco-system
- Leverage geographic options; think out of the box
- Boycott unethical companies; use economic leverage
- Reinforce the feeling that 'you are not alone'
- Become change agents and opt for advocacy
- Conduct round tables within our own companies; share stories
- Use technology as a tool for transparency
- Use social media; innovative practices and platforms
- Ask the right questions
- Recognize good behaviour
- Need disincentive for non-conformance of ethical behaviour
- Have a zero-tolerance policy towards unethical behaviour
- Take a strong stand – even if it is against high performers
- Top management has to define the tolerance level of the organization
- Do not outsource corruption
- Celebrate success; share stories
- Influence suppliers (on whom we have greater influence)
- Propagate 'ask us, tell us' culture within the organization
- Have a strong 'whistle-blower' mechanism
- Think strategically for a generational change
- Go after competitor's 'clean business'
- Work with students on value education; get people to share stories
- Give people an opportunity to live their family values at work
- Do not be ignorant
- Trigger goodness
- Take away the 'pressure of performance'
- Invest in capacity building of humans
- Measure people by their 'values' and not just 'performance'
- Start experimenting with yourself; change starts with oneself
- Mentor others; leave a footprint

Mr Dilip Patel provided details of the Bengaluru CIB chapter. He suggested that company heads may depute their employees to IofC programmes.

On behalf of the CIB Secretariat, Charles Fernandes announced about the two publications that the participants would receive: the monthly updates *CIB on Wings* and a quarterly on best practices, *CIB eSPIRIT*.

**As the interaction drew to a conclusion, the moderator listed the key takeaways:**

1. Key words: Conviction, communication, collaboration
2. Story-telling during weekly meeting in office; make a larger effort with garbage issue through WhatsApp group; will work with women entrepreneurs' group
3. Guiding the youngsters; open session in organization
4. Mentorship and story-telling and curriculum creation; collaboration
5. If we could replicate this in our organization and come out with even 10 ideas, it will help
6. Conduct meetings within organization; emphasize the importance; optimistic that things are changing
7. To dedicate certain time in quest to make this happen in sustained manner
8. We all can do it
9. Have standing meeting
10. Be humble while putting across your point

**Background**

The Caux Initiatives for Business (CIB) is coordinating efforts towards the 6th International Biennial Conference to be held at Asia Plateau, Panchgani, Maharashtra, in January 2016. Jointly hosted by Initiatives of Change (IofC) India and Japan, the conference is on the theme, 'Making Business an Engine for Sustainable Growth'.

Towards this primary objective, Round Tables (RTs) were being held covering different regions in India.