

CIB Pune Round Table at Thermax Ltd.

A Report

Sudhir Gogate, Director of Keihin Fie Ltd. and CIB's Pune Chapter Steering Committee member welcomed all present; thanked Thermax Ltd and the MD, Mr. Unnikrishnan for co-hosting this Round Table. This event that was held on June 24, 2016 at the Thermax Learning Academy (TLA) in Pune was actively chaired by Mr. Unnikrishnan and was followed by a sumptuous lunch. Sudhir Gogate and Sanjiv Mehta of CIB-Pune moderated the discussion.

Participation:

A total of 24 delegates took part in this RT. The majority of delegates were MDs or CEOs and Directors of companies and institutions. In addition, six MBA students from Symbiosis Institute of Computer Sciences and Research (SICSR) assisted in the coordination of this event. CIB-Pune thanked SICSR for its commitment to providing a unique learning opportunity for this batch of students.

Opening:

Sudhir Gogate, opened the meeting by providing a brief background of CIB in context of the Initiatives of Change (IofC) worldwide movement. "The earlier name for IofC which is remembered by quite a few even today was Moral Re-Armament (MRA)," he said. Caux, a small hamlet in Switzerland holds special place for both MRA/IofC and CIB, since it was here that a few Germans and Frenchmen soon after the Second World War, met up in a spirit of reconciliation. Frank Buchman, the founder and key catalyst for this movement was invited by many eminent Indians, including JRD Tata, to visit India in 1952. "Asia Plateau at Panchgani, in Maharashtra, India is a marvellous location for reflective transformation where several programs of IofC and CIB are run," Mr. Gogate continued, stressing that CIB is an outcome of individuals' efforts. CIB has a presence in Germany, Japan, Kenya, Malaysia, South Africa, South Korea and Switzerland, besides India. In India, a few city chapters have recently emerged to contribute towards advocating CIB's mission which states that businesses can be competitive and sustainable by remaining ethical. "We truly appreciate you sparing this quality time for the RT," he said. He then invited Mr. Unnikrishnan to deliver the opening address and set the tone of the meeting.

Setting the tone:

Mr. Unnikrishnan stated that the theme for this RT was, "*Role of top leaders in sustaining ethics in business*". He then outlined the agenda for the day, emphasising that this RT too was designed with an outcome orientation, similar to the one held at SKF Ltd in March, this year. In context, he updated the delegates about the first project that had emerged from the earlier RT. "The first project that has commenced is an effort of rapprochement between local

industry and state government in Pune,” he said. While he is pleased to lead the industry team, Dr. Sunil Dhapte from YASHADA, Pune is championing efforts from the government side. The other industry committee members are Pradeep Bhargava, Director, Cummins Ltd, Jehangir Ardeshir CEO, Forbes Marshall Pvt Ltd, Shishir Joshipura, MD, SKF India Ltd and Hemant Joshi, Partner, Deloitte. The CIB-Pune project team is represented by Sanjiv Mehta and Kiran Gandhi. So far three meetings have ensued. Updates about the progress will be shared by the CIB-Pune team from time to time.

In setting the tone, Mr. Unnikrishnan requested the audience to reflect upon a few questions. These were:-

(a) *Are we ethical? Is there a way we can measure it?*

(b) *How does one define his/her sense of morality?*

(c) *Are we fully aware that there could be some contradictions to our sense of 'personal versus professional ethics', as leaders?*

He then shared a brief description about a few related words –

- *Ethos* – origin of the word morality
- *Ethics* – being morally correct. Is all pervasive in every aspect of business, every function/department/transaction.
- *Ethical* – a moral principle that governs, guides or influences our behaviour as leaders
- *Value* – a standard or benchmark of morality in one's personal life
- *Values* – Is not definitive in nature; is more of a generic guideline for conduct

Ethics is actually driven by an activated and energised conscience.

During the first session of this RT a 'break-out session' was executed. Delegate CEOs openly shared their thoughts in three separate groups. The topic posed was "WHAT are some significant ways in which leaders can visibly demonstrate their commitment to ethical decision making and practices while leading the company's business objectives & aspirations? Is a change of mindset warranted (with all stakeholder communities)? Each group conducted a short duration 'deep dive' into the given topic and then shared their suggestions on a way forward to this key issue.

Post-tea, after a concise sharing of the thoughts from each of the three groups, the second session commenced. Sanjiv Mehta of CIB-Pune introduced the session - HOW best to accomplish what leaders are required to do to visibly demonstrate their commitment to ethical practices, in their respective organisations. Delegates voices in response to this probing question at the RT are listed below:-

Delegates voices:

- (a) Need to 'walk the talk' and 'talk the walk' in our organisation, as well as with stakeholders outside the organisation. It is vital to build a culture based on trust with the stakeholders who matter. It is then important that we cascade these lessons down the line in our organisations as well as across the entire supply chain.
- (b) The real issue is the conflict between personal interest/choices and professional ones; particularly in behaviours. There is an immediate need to put in place mechanisms to manage such conflicts when they surface.
- (c) Such initiatives by CIB will not fetch much benefit to society unless we hand-hold our suppliers and stakeholders at the base of the pyramid, with a combination of true heart and mind. Ethics needs to be felt at the base of the pyramid for it to truly sustain.
- (d) A topic of ethics is far more of a right brain than left brain issue. Root cause for unethicity is greed or fear. These temptations or emotions can only be handled by the right brain. Spirituality and one's conscience handle these aspects well. We should carefully balance the two sides of the brain as leaders.
- (e) What keeps us engaged with a team like CIB is the fact that while we have several rules and regulations in place, we have nothing to guide us in terms of driving ethics in many of our organisations.
- (f) Since the behaviour of top leaders reflects upon the well being of an organisation, we must not only do but also be seen to be doing the right thing.
- (g) Let us define and lay down what we mean by ethics in our business and in our organisation.
- (h) Once a transgression has occurred, it is important to shame the incident not the offender. It is good practice to share a brief message conveying the WHAT of the incident rather than the WHO all were involved in the incident; process of investigation-cum-decision closure.
- (i) Since an investigation carried out by internal teams in organisations isn't a legal process, we need to be wary of handling matters that are reported on social media.
- (j) In small companies, compliance is mostly because of a fear/apprehension of regulation; seldom beyond these causes. Therefore, we need to consciously build upon ethical nature of transactions in our culture both with internal as well as external stakeholders.

- (k) Each leader needs to have two sets of guidelines for values-driven behaviour; one a set that operates in a binary manner and the other that provides a spotlight in the grey zone.
- (l) Before we can point our finger at the government, our priority is to get our house in order first.
- (m) Conscious capitalism actually deals with the aspects in business of fear, greed etc...

Questions by delegates:

- (n) Shouldn't CIB operate on a basis of some form of membership, going forward? Is the current initiative sustainable?
- (o) How do we in business cater to educating the next gen before they can join the work force? What examples can we share with them?
- (p) Is there any tangible basis to justify to the Board a course correction (in striving to be ethical in business)?
- (q) During sourcing of candidates, what are some of the questions that we can ask candidates to gauge their mettle for ethicality? What scenarios can we infuse into this process?
- (r) From a CIB-Pune platform, how do we multiply what we are doing to other companies, cities, towns in India?
- (s) Can we listen more to the little voice within, and the voices of our children and spouse?
- (t) A root cause of unethical actions is that we are not honest enough to face the market. The "Satyam debacle" a few years ago is an example of this fact. Am I on the truest of terms with myself on a principled stance?
- (u) Can each one of us delegates commit to taking up just one action point in concert with the CIB-Pune RTs?

All delegates recognised the implementation of business ethics as a continual journey, with new challenges unfolding. The active voices of a significant number of delegates revealed that ethical practices in business counted as a real differentiator in the eyes of their partners and other stakeholders, positioning them with a clear business advantage. Moreover at a personal level, a few delegates shared that being ethical allows them to sleep better.

The practice of "Quiet Time", a 10 minutes silent reflection time, was then initiated to help delegates reflect deeper on what *actions of change* they could commit themselves to, post this RT.

Project team: A team of willing volunteers came forward to work jointly on a project to be selected shortly. This team would be supported by members of the CIB-Pune team. The volunteers are:-

- Mohan Nair, MD, Esquire Healthcare & Logistics Pvt. Ltd.
- Manish Deoghare, Director - Global Procurement, BMC Software India Pvt. Ltd.
- Nitin Chalke, MD, Eaton Technologies Pvt. Ltd.
- Aseem Srivastav, MD, Kirloskar Ebara Pumps Ltd.
- S. Gadgil, Director & CEO, Baer Hella Thermo Control (BHTC) India Pvt. Ltd.
- Mr. Dakhneja, Plant Director, Gestamp Automotive India Pvt. Ltd.

Conclusion:

Delegates departed with a sense of the collective in orchestrating change for the better in their respective businesses, endowed with an underpinning of ethics in the way they viewed business in the city. A project that was initiated as an outcome of this RT will soon be decided upon by the CIB-Pune team, in concert with the project team. At the next RT in November 2016 to be held at Cummins Ltd, footsteps in the direction of this second RT project would be shared.

The sentiment on which the RT ended was one of hope combined with challenges about sustaining the future of ethically operated business. Networking bridges and collaborating with positively charged personalities and forces will give the ethics movement added impetus in navigating these challenges.

The CIB-Pune core team of Sudhir Gogate, Sanjiv Mehta and Lt. Col. Allan Burby thanked all delegates and the energetic SICSR students for their active participation. Mr. Unnikrishnan, the Chairperson and the Thermax team were thanked by one and all for skilfully co-hosting this RT. This time around, the event has culminated in a renewed commitment to bring about meaningful change in promoting ethically operated businesses, going forward.

Next RT: Cummins, India Ltd, has kindly agreed to co-host the next RT at Pune on November 4, 2016.

Students' voice: Post lunch and after the RT, the CIB team captured the voice of six SICSR students who helped facilitate this event. A brief summary of their voices is shared below.

- We were keen to hear about leader's experiences where they were not fully ethical in the past and how they overcame that. This sharing would have brought up a better learning experience. The exact reason for practicing any unethical task should be known to others so as to serve as a lesson.

- Nobody mentioned the unethical things that took place in their company and measures taken to solve them.
- The factor that holds honesty is trust and where trust is present, nothing wrong will be provoked. Honesty is necessary to practice ethics as the base line of ethics is not doing anything wrong.
- The working environment should be such that it should help the employees to remain in the organisation for a longer time frame. It should be such that it fulfils the needs to maximum level of any employee working in the organization. This will make the person feel content and he/she is unlikely to think of shortcuts or any unethical practices to satisfy his/her needs.
- The behaviour of the leaders should be nice because the behavioural communication is far more difficult to forget than verbal one. The reason for having a good behavioural communication is to build trust and confidence so that unethical practices can be minimized and the companies are motivated to follow the ethics.
- A leader must have the power to lead, the ability to lead and most of all must nurture people right from induction.
- Build a framework that covers all aspects of business ethics.
- Involve internal stakeholders, and employees of all levels into discussions.
- Stay firm on your moral values.
- Goodwill is more important than profit.
- Not to make assumptions on what someone wants. Don't force someone to do what you think they would want. Discuss dilemma cases.