

CIB on wings



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Caux Initiatives for Business
Global Secretariat
Asia Plateau
Panchgani
412805 India

M csc@cibglobal.org
P +91 8408 940 940
W www.cibglobal.org


Initiatives of Change
Caux Initiatives for Business

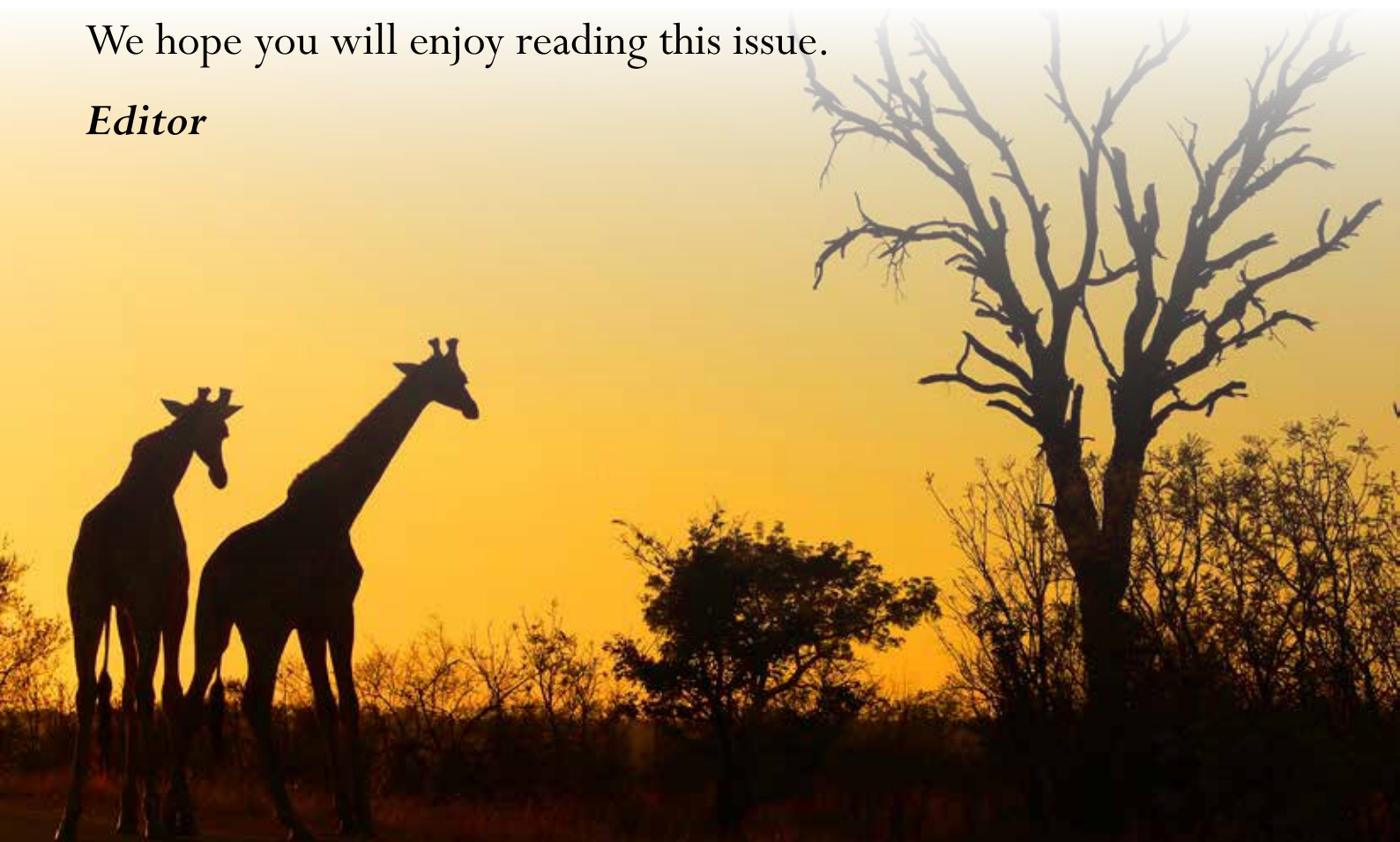
Dear Readers,

Caux Initiatives for Business is happy to carry three reports in this issue. While in India, the CIB Mumbai Chapter met as usual for its monthly meeting at the start of 2017 to debate on yet another topic that has assumed relevance in recent times. If a significant number of people are positively impacted, is it justified if the means are unethical? Brief though the report is, we believe you would find the discussions interesting. In addition, a small team met to plan and discuss major CIB events in February 2018. A brief on this too is included.

In a northern town in Germany, a University welcomed for the fiftieth time a guest lecturer who spoke frankly to students on issues relating to business—how to compete and survive internationally with the various problems of corruption involved; how to maintain high ethical standards; and how we can build trust.

We hope you will enjoy reading this issue.

Editor



CIB Mumbai Chapter Meeting

A Report



The CIB Mumbai Chapter began 2017 with meeting on January 14 in the IofC flat at Worli Sea-face to consider relevant issues that plague business in particular and society at large. Eight members of the Chapter gathered together to discuss

issues that were ethically debateable in nature. The purpose in essence was to consider a case for study and debate on it so that what seems to have shades of grey could take on a more distinct colour instead. It was hoped that through such an exercise, the members in the Chapter could reflect on decisions at their own workplace and benefit from the discussions.

Following a brief round of introductions, S. Venkatesh, the Convenor of the CIB Mumbai Chapter first chose to set the ball rolling by talking about prominent business enterprises that made recent news on ethical issues. He spoke of the hefty USD14.7 billion fine that Volkswagen had to pay; then of the USD13 million that Mondalez India had to shell out to settle FCPA violations in India. He also mentioned the Wells Fargo case. If the big and mighty are brought to their knees by neglecting ethics, can this oft-neglected aspect of basic moral principles be swept aside?

Venkatesh then shared of how happy he was at the fruitful debate that the team had in last month's mini Round Table on demonetization

of the Indian currency. Based on the feedback received, he decided to continue with taking up a topic at each meeting so as to provoke discussion with the hope that it would be helpful for each member at the end of it.

The topic at hand that the Chapter placed before them at this meeting was what is sometimes called, “The Amma Effect”.

“Amma”, the Tamil word for mother was affectionately used for the late Tamil Nadu Chief Minister, Ms. Jayalalitha Jayaram. She was an Indian actor turned politician who served five terms as the Chief Minister of Tamil Nadu, for over fourteen years between 1991 and



2016. Her government received attention for its extensive social-welfare agenda, which included several subsidised “Amma”-branded goods such as canteens (Amma Unavagam), bottled water and salt. Three years into her tenure, she was convicted in a disproportionate-assets case, rendering her disqualified to hold office. She returned as chief minister after being acquitted in May 2015. She died on December 5, 2016 after spending nearly 75 days in a Chennai hospital.

The issues discussed on the “Amma Effect” were:

1. Is it ethical to do something wrong as long as a significant number of people are positively impacted?
2. If not, does doing good works compensate for being unethical?
3. What lessons should we take from this in business and corporate?

Based on the questions posed, a number of points came up at the discussion.

- It is not the right thing to use public funds for populist measures.
- Giving anything free or for cheap may be more damaging in the long run. It may lead to people shirking their responsibilities.

At this point another member debated that all were not employable and that there were many living under very harsh conditions. Such have not had equal opportunities and have been brought up with difficulties. “Is it wrong then to give such people some benefit,” he asked?

- “It is ethical and permissible to use one’s own personal wealth to help others but not public funds,” said another.



Such a thought was also expressed by Davy Crockett, a 19th century frontiersman, legendary folk hero and three-time Congressman in the US. He said, “We have the right as individuals to give away as much of our own money as we please in charity; but as members of

Congress we have no right to appropriate a dollar of the public money.”

- The unanimous view was that it doesn’t matter what right an individual does, it cannot compensate or justify for the wrong actions carried out.

In much the same way, in corporate life, a wrong action cannot justify the outcome of all the good done.

After the debate on the “Amma Effect”, Venkatesh listed some of the other topics that he felt could provoke discussion. These were:

- Ethics beyond Compliance.
- Is there any work which apparently appears to be right but is actually unethical; and those which apparently look wrong but is ethical?
- Message from the movie “Nayakan” which conveys that as long as our actions benefit people and does not impact anyone negatively, it is right for business.
- Message from the movie “3 Idiots”
- Workplace behaviour
- Ethics in Accounting and Reporting
- What are the attributes of an ethical organisation?

Venkatesh then requested all members to contribute any news that they may have in the field of business ethics or topics that they would like to discuss in subsequent meetings (other than the ones already mentioned above). The meeting ended with Venkatesh thanking all members for their active participation in the meeting.

Post-script: A few weeks after the meeting of the Mumbai Chapter it was reported that Ms. Nishi Kapoor who had been regularly attending the Chapter meetings had passed on from this world. She had been present for this meeting too. The news was received with shock and sadness.

A Big Festivity at Flensburg

The celebrations started with a dinner hosted by the newly elected Dean of the Business school, part of Flensburg University for Applied Sciences on December 5, 2016. He and Prof. Dr. Uwe Szyszka, who teaches Controlling at Flensburg and who attended the CIB conference at Panchgani in 2013 welcomed Folker Mittag to celebrate his 50th guest lecture over the last 25 years. He is, therefore, the longest serving guest



Left to Right: Prof. Dr. Thomas Severin, Acting President of Flensburg University, Folker Mittag and Prof. Dr. Uwe Szyszka

lecturer at Flensburg's business section.

Folker comes twice a year to present some practical insights from his business career as well as to share his international experience with the students in their final semester. During the course of the years, Folker also noticed substantial changes in the attitudes and behaviour of students. He is known for his direct answers to many questions about his career steps and his way to reach his position in International Controlling in a German Multinational.

After retirement, Folker still continued to travel abroad to countries like India, South Korea, Malaysia, Kenya and South Africa where he always tried to address students in business schools. Students abroad are more interested in career opportunities and ethical questions than in Folker's home country, he found.

German students seem to reach a point of saturation because society is responsible to provide them with a good job.

His contact with the Symbiosis Institute of International Business (SIIB) in Pune, India, was helpful to establish links between SIIB and Flensburg. For some years, there is a student exchange between both universities in the area of business and economics. These contacts with students in different countries showed him how much students there are motivated to learn, work and study hard for a good job in future, unlike Germany where students are becoming more comfortable and less eager to push themselves. They seem to reach a point of saturation because society is responsible to provide them with a good job.

One of the really great achievements of the European Union is a student exchange programme with partner universities all over the world which Flensburg joined several years ago. This programme called ERASMUS allows students from outside Germany to study at a partner university of their choice for one or more terms in order to learn more about

different cultures and mainly to understand the different approaches to work in business. Students from Flensburg have the chance to enjoy a term or more outside Germany with the positive side effect of collecting credentials for their final exams. The exchange is sponsored financially by the EU.

During his last visit, Folker addressed students from France, Spain, Ireland, Turkey, Poland, Denmark, Finland, India and Namibia. Here, the main issues are international business and how to compete and survive internationally with all problems of corruption involved and how to maintain high ethical standards and how we can build trust.

In all his lectures, Folker is trying to focus not only on the subject matter but also on the personal development of behaviour and decision making. Over the 25 years, Dr. Uwe Szyszka and Folker have developed a personal friendship and the next guest lecture is already in the pipeline for 2017 so that more students can benefit from practical international experience.



CIB 2018 Events

Preparation and Planning

Over the past few months, a small planning team has been meeting regularly to look at two major CIB events that have been planned in February 2018.

The first is a conclave for CEO's from business and industry to discuss pertinent issues that require attention. The second is the Biennial International conference.

As both events were of such an important nature, a small planning team of nine persons, comprised primarily by leaders from business, met at Mumbai on January 8, 2017 in an attempt to put their heads



together. Apart from stalwarts that had come from various parts of India, and who have run successful enterprises, the team that met this time was also privileged to have Peter Vickers, Chairman of Vickers Oils, UK.

At this meeting, it was proposed that:

- The CEO conclave should be held over the weekend from 6:30 pm on Friday, February 2 up to 2:00 pm on Sunday, February 4, 2018.
- The CIB 2018 International conference could then follow, beginning at 3:30 pm on Monday, February 5 and concluding by 2:00 pm on Thursday, February 8, 2018.

In addition, the design of the conclave and the format of discussions were also discussed.

Gratitude was expressed to Suresh Vazirani for hosting the meeting.

