

# CIB on wings



December 2017

Caux Initiatives for Business  
Global Secretariat  
Asia Plateau  
Panchgani  
412805 India

M [csc@cibglobal.org](mailto:csc@cibglobal.org)  
P +91 8408 940 940  
W [www.cibglobal.org](http://www.cibglobal.org)

  
Initiatives of Change  
Caux Initiatives for Business

Dear Readers,

In this month's CIB on Wings, we are delighted to share about the opportunity CIB had in addressing a gathering of around 200 Auditors from India. The challenge of remaining unpressured in the face of unethical requests was a need that most Auditors grapple with. Read the update provided by one such professional as he describes his presentation.

Another report of a meeting with senior executives of small and medium enterprises throws light on how these leaders viewed critical questions that related to sustainable business.

More insight into the planning of the CIB Conference and what to expect fills the other pages of this issue. We do hope you will find it informative.

*Editor*



# CIB at the IIA Conference

## A Report



There were over 200 members in the Institute of Internal Auditors (IIA) conference.

Since the forum was on ethics in the field of Internal Audit, I started the presentation with statistics out of a recent survey:

1. 23 percent of internal auditors worldwide have been asked, at least once, to change or suppress an important audit finding, and 11 percent “preferred not to answer” the question. — *IIA’s 2015 Global Internal Audit Common Body of Knowledge Survey.*
2. 20 percent of staff auditors have been pressured “occasionally or frequently” to alter audit findings, while 14 percent declined to answer, which the report suggests could be because of “intimidation”.
3. 29 percent of Chief Audit Executives (CAEs) reported being pressured at one time, and 5 percent of CAEs left that question unanswered.
4. What happens when internal auditors don’t want to go along with unethical requests? According to the report, 33 percent said they’d be excluded from meetings, 18 percent would lose opportunities, 4 percent saw budget cuts, 1 percent was demoted, another 1 percent had their pay cut, and 13 percent said “other”.

On a show of hands, most of the members of the audience had faced the above dilemmas.

Thereafter, I presented CIB with special emphasis on:

- Being ethical, yet learning to win using ethical means.
- Sharing experiences by those who have successfully walked the straight path so that others could be encouraged.



- CIB's platforms of Round Tables and Chapter meetings around these ethical dilemmas.

- Biennial conference at Panchgani in February 2018.

- Making a difference in the workplace and

- Joining as CIB members.

A deep gratitude to Nagesh Pinge, Advisor to Executive Director & President, Bangalore International Airport Ltd., for providing the platform to showcase CIB.

*Written by S.Venkatesh  
Convenor, CIB Mumbai Chapter  
and Head - Risk & Internal  
Control, Siemens Ltd., Mumbai*

# Challenges in Ethical Business

## A Report



On November 21, 2017, MD of Ensigns Communication and Software Ltd., Mohan Nair, conducted an inaugural conversation with entrepreneurs from Small and Medium Enterprises (SME) at the conference

hall offered by the Mahratta Chamber of Commerce and Industry Association (MCCIA), Pune from 9.30 am to 1.00 pm. 18 of Pune's captains of industry, chiefly MDs, CEOs, & Directors of a fairly large cross-section of business and industry participated in this session.

The theme at the core of this conversation was "Challenges in operating an ethical business".

The program commenced with a welcome address by Luis Gomes, CIB's Central Secretariat member and Trustee of Initiatives of Change (IofC). He welcomed all present, thanked Mohan Nair for this initiative and then went on to introduce the Guest Speaker from Germany, Folker Mittag, a senior long-standing CIB international member.

Mohan Nair moderated the conversation and soon deliberations were sparked by active sharing of experiences and perspectives around the

theme by fellow participants.

Salient points are summarized below. These provide an overview of the inputs received during the discussion –

Part A:

***Question: Which comes first - Profits, Process or People?***

Response from the participants:

1. All participants agreed that people come first, since they primarily contribute to profits through processes applied.
2. If people are ethical, aligned processes automatically follow regardless of profits or loss.
3. People lack courage to stand up to unethical practices.



4. Experiences of positive & negative consequences of practicing ethics in business were shared & discussed.

5. People from large companies squeeze/ exploit vendors and suppliers for lower costs of delivery, without a sense of fairness.

6. Large companies apparently adhere to legal compliances, which give an illusion that ethical practices are being followed in the organization and various stakeholders.



7. Ethics is individual driven. It is a choice.

8. Some entrepreneurs perceive ethics is situational and based on convenience.

9. Educated people, by and large, are more

ruthless and may perhaps be more unethical and less values-oriented.

10. Ethics has a major impact on longevity of the company life span. Ethical companies have strong goodwill and brand and hence, sustain through good and bad times.
11. People are happier and give better output/perform better in ethically operated companies.
12. Strong leadership can drive ethics.
13. Ethical decisions and actions need to be nurtured into business practices in the company culture.
14. Associations provide a platform to support and reach out.
15. People must focus on the larger picture with a goal to remain ethical.
16. Being ethical, means being authentic as a social responsibility.

## Part B:

*Question: What are the challenges faced by people?*

Response from the Participants:

1. Making an ethical choice in operating a business here is often accompanied/ followed by tough consequences.
2. Being ethical involves no shortcuts and will not impact higher costs to the company in the long run.

---

---

*Making an ethical choice in operating a business here is often accompanied by tough consequences.*

---

---

3. How to provide best quality of product or quality at low price.
4. Fair pricing is very difficult and not sustainable at low prices, without compromising quality of product/ service delivery.
5. Truthful conformance to laws, rules and regulations such as people management, environment, resource utilization, energy use, etc.
6. The system is often deep rooted with unethical practices, which leave people with only three choices –
  - (a) lump it and continue to be a part of it
  - (b) face consequences or
  - (c) leave the organization.
7. Small organizations tend to overlook several ethical practices in the race to remain competitive. Hence practices such as no minimum wages, compromised product/ service quality, extended labour hours, low compensation, environmental pollution, inhumane working conditions, etc. are prevalent.
8. To find a balance between practical decisions & ethical choices.





## Part C:

**Question:** *What can be the Solution?*

Response from the Participants:

1. Initiate an open dialogue and discuss possible solutions with the concerned party/ies. Grow this into a process going forward.
2. Constantly work on innovation within the organization, while remaining ethical.
3. Have courage & strength to be ethical without compromising on product or service quality.
4. Constantly change and evolve with time, to meet customer demand while not compromising values.
5. Strong leadership & top management can drive an ethical organization. This lead can co-exist with a supportive ecosystem across the supply chain.
6. Out-of-the-box thinking.
7. Bring in new initiatives.
8. Associate with building a fraternity for promoting ethics in business.
9. Stay humble and grounded.
10. Work on constant knowledge upgradation.

11. Introduce and focus on a whistle blowing policy.
12. Get your priorities right. Leaders need to hold themselves to account in role modeling ethics in the business.
13. Share experiences and create awareness, consistently and with all related stakeholders.
14. Create an ethical culture based on trust & values.
15. Be cognizant and wary of the traps of 'Willful blindness' while operating a business.
16. Invest minimum 30 minutes of your day on thinking about the future and goals - personal & professional.
17. Remember the purpose of why you started the business. Continue this purpose towards creating a legacy.
18. Use tech support to enforce ethics.

At the end of the deliberations, Folker Mittag also shared his own experiences on the above questions at the RoundTable. On a concluding note, the participants decided to regularly come together and continue to get involved in such fruitful discussion.



*Contributed by the office of Mohan Nair, MD,  
Ensigns Communication and Software Ltd.*

# CIB 2018 Conference Sneak-Peeks



Lawrence Bloom is currently Secretary General of the Be Earth Foundation, a UN Inter Governmental Organisation which advises, assists and enables in the implementation of the Sustainable Development Goals on behalf those Countries with which it has Treaties. He is often described as “Thinker, Speaker, Activist and Chairman”.

He is a member of the Board of Dakia Global, a major infrastructure organisation

combining creative financial and technical solutions enabling countries, corporations and sovereign wealth funds to achieve their sustainable development goals and targets. These successes are achieved through Public Private and Social Partnerships tied into profound expertise and strong leadership. He believes that this collaboration is the key to our collective future.

He was recently voted by SALT magazine as among the top 25 most Conscious Global Leaders globally, and some months ago received an award at the UN from the Humanitarian Innovation Forum for Conscious Leadership.

Lawrence Bloom is one of the Plenary Speakers at the CIB International Conference to be held at Panchgani, India from February 5 to 8, 2018. If you would like to participate in this conference, please register at [www.cibglobal.org/register](http://www.cibglobal.org/register).



Hugo is, since 1990, CEO of Manual Moderno, which is a leading publishing house in the fields of medicine and psychology in Spanish language, based in Mexico City and with subsidiary offices in Bogota, Colombia. The company has received awards for its social responsibility programs for the past 5 years.

At present Hugo is Vice-President of the International

Publishers Association, where he has also served on its Executive Committee from 2004 to 2010 and from 2013 to present.

Hugo Setzer is one of the Plenary Speakers at the CIB International Conference to be held at Panchgani, India from February 5 to 8, 2018.

The design of the conference has been planned in such a way that delegates get the opportunity to play a participative role during sessions. The two Plenary sessions each day in the morning and the interactive session with a CEO in the afternoon promises to be a rewarding experience and would set the tone for how others in business could make their organizations more in tune with a constantly changing environment.

If you would like to participate in this conference, please register at [www.cibglobal.org/register](http://www.cibglobal.org/register).



# Post-conference Option

Immediately following the Biennial International Conference at Panchgani, CIB is organizing a two-day tour of four industries within Pune, so as to offer the foreign delegates a glimpse from close quarters on the way some industries function in India. This trip is being planned for February 9 and 10, 2018.

At present a delegation from UK, Sweden, South Africa and possibly Kenya hope to participate in this overnight visit. In order to make the tour meaningful, the numbers are to be restricted. Planning is underway and if anyone participating in the CIB conference intends to join this conducted tour, please write to the CIB Secretariat at [cib.ap.india@gmail.com](mailto:cib.ap.india@gmail.com) not later than January 5, 2018. Preference would be given to overseas delegates.

