Anna Hazare receiving the Golden Peacock Life Time Achievement Award for Social & Environmental Leadership from His Excellency K Sanakara Narayanan, Hon’ble Governor of Maharashtra on 28th January 2011 at Hotel Leela Kempinski, in Mumbai (India).
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Hon’ble Mrs. Sheila Dikshit, Chief Minister of Delhi receiving the Golden Peacock Award for Women Leadership from Dr Madhav Mehra.

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Driving CSR Agenda

The 21st World Congress on Leading 360 Degree Transformation, held on 28 – 30 January 2011 at Hotel Leela Kempinski had a galaxy of global speakers and went off as one of the exciting network delivering greatest possible value for corporate, consultancy and academia professionals possible value.

The event was the largest ever conference on the issue, and featured cutting edge thinking on the conceptualization of corporate transformation. Emphasis was on knowledge acquisition and transfer. The report on the conference and special address of the Hon’ble Governor of Maharashtra, theme address of Dr Madhav Mehra the brain behind the conference, and the keynote address by Shri Ravi Kant, Vice Chairman of Tata Motors are the special features of this issue of QT.

The congress concluded that in the present socio-economic environment in the country 360 Degree Transformation requires holistic growth strategies focusing on Triple Bottom Line, social inclusion and sustainability. Candor inspires commitment, confidence, collaboration, creativity and improves competitiveness for an equitable and sustainable world.

Moving further in our mission where CSR goes beyond philanthropy and compliance and addresses how companies manage their economic, social and environmental impacts. CSR initiatives are aligned with an organizations business strategies. CSR is a core set of values that infuses a company's governance, its approach to risk management and it's compliance efforts. The perception and reality of an organisation's performance on social responsibility can influence it's reputation and competitive advantage. Today, CSR efforts demand a return on investment and should be viewed as a core business function.

The above led to the theme of our forthcoming 6th Global Conference on Social Responsibility to be held in New Delhi on 29-30 April, 2011 i.e, 'CSR- Driver of Social Inclusion, Sustainability and Profits'. The 5th Global CSR conference was held in Lisbon, Portugal. H E Dr A P J Abdul Kalam, former President of India has also kindly consented to join IOD’s CSR effort with S M Charitable Trust on 30th April 2011, in Gyandeep Vidya Mandir, a free school set up by Dr Madhav Mehra for disadvantaged children from adjoining J J Colonies.
I am indeed delighted to associate myself with the 21st World Congress on Total Quality and to present the prestigious Golden Peacock Awards.

The Institute of Directors and more particularly its dynamic Founder President Dr Madhav Mehra deserves compliments for its pioneering efforts in spreading awareness about Quality, Corporate governance, corporate social responsibility and environmental protection including climate change through this forum.

I congratulate the Institute of Directors for the hosting an international event on such an important subject. I especially congratulate the organizations who have been selected as winners of the Golden Peacock Awards.

May I also take this opportunity to congratulate the Chairman of the Awards Jury, Justice P N Bhagwati for selecting the best organizations and individuals for the Golden Peacock Awards.

As Governor of the State, I happen to be the Chancellor of 19 universities in Maharashtra wherein at least 2 million students are pursuing higher education. One of my important jobs as Chancellor is to select Vice Chancellors for the universities. In the last one year alone, I have appointed Vice Chancellors to 9 universities, purely on merit. No kind of pressure works on me. I do not entertain recommendations from any quarters while discharging my duty.

I would like to mention here that Justice Bhagwati has been helping me in selecting the best persons as Vice Chancellors in some of these universities. Thank you Justice Bhagwati.

I may like to say something about Shri Anna Hazare-ji.

On his personal invitation, I recently visited his village (Relagan Siddhi)
Ahmednagar district. I could not believe myself. He has transformed the village into a model village with innovative watershed development programme. India can call itself a developed nation when all its villages will become self-sufficient like Anna Hazare’s village. I request you to give a round of applause to Shri Anna Hazare-ji.

The 21st World Congress on Total Quality is an opportunity for Global Business Leaders to discuss approaches for inclusive growth in developed and developing economies. We are meeting at the most appropriate moment in India’s socio-economic history. India has truly arrived on the global stage.

The President of the United States of America Barack Obama aptly remarked, and I quote: “India is no longer emerging...it has already emerged.”

Today there is a growing interest in India's success story worldwide. This is both a reflection of what is happening in India and what Indians are achieving worldwide in diverse areas of human endeavour. Maharashtra has been the cradle of Indian economy and I am sure it is also going to be the centre of its resurgence and emergence as a global giant.

The India story is not just about economic growth and business outcomes. It is also about social change, social mobility and the political empowerment of more than a billion people of India.

While we have certainly achieved political empowerment with decentralization of democratic governance to the grassroots level, we have a long way to go in achieving full economic and social empowerment. We want to achieve a growth pattern where illiteracy, under-nourishment and hunger will have no place in the country. A growth pattern, where every person will have gainful employment and will get two square meals a day.

Today India presents a contrasting picture. On one hand, India has emerged as the fourth largest economy of the world, while on the other hand we have a large majority of people whose daily income is less than 20 rupees a day. The list of millionaires in the country is growing, and at the same time we still have a large number of people who go to bed with empty stomach.

Again, we have the best of universities, colleges, IITs, IIMs and other premier institutions of higher education; and on the other hand, our Gross Enrollment in higher education remains struck at just about 13 per cent. This means almost 87 per cent of our youth are outside the university education system.

Employability of workforce remains a critical issue because there are not many formal linkages between industry and universities. Providing technical education, vocational training and skill-based training to our youths to turn them into productive human resources should be as much of your concern as that of governments and planners.

I am glad to note that the holistic growth model developed by Dr Madhav Mehra is focusing on Innovation, Transparency, Engagement, Accountability and Responsibility. Businesses need to adopt and internalize transparency, accountability and good governance practices in their functioning. We can have sustainable progress and development only if the growth is comprehensive and inclusive.

I am reminded of the words of Mahatma Gandhi. I quote: “Every action we contemplate or propose should in its implementation wipe the tears of poor and downtrodden. Only when we have wiped the tears from the faces of all the poor, have we truly arrived as a nation.” (unquote)

This Congress brings top leaders and thinkers together so that they can deliberate on the problems confronting us afresh.

I do hope that the deliberations will offer new insights and solutions to some of the core issues. Once again I congratulate the award winners and wish the Congress all success.
I am pleased to know that the Institute of Directors has chosen the topic of "Leading 360 degree transformation through iTEAR (innovation, Transparency, Engagement, Accountability and Responsibility)" for its 21st World Congress. It is appropriate that the Institute intends to focus the deliberations at the Congress on the need for companies to focus on optimal delivery on the triple bottom line: economic, social and environmental. The recent global financial meltdown, which still continues to afflict many developed economies, and the imperatives of climate change have only underlined the need for business to adhere to the precepts of responsible capitalism if it is to discharge its responsibilities to society. The need for business to be socially responsible is all the more self-evident in economies such as India where an enviable rate of growth cannot hide the growing disparities and the widespread deprivation. I wish the deliberations at the Congress all success.

Ratan N. Tata
January 17, 2011
My deepest apologies to all of you for not being able to fulfill my overriding duty of welcoming you personally like in all the previous 20 years at the 21st World Congress on Total Quality because of the compelling health reasons. However, such individual concerns should not stand in the way of the challenging work we have before us to get Businesses to lead 360 Transformations through iTEAR, the theme for this momentous 21st World Congress.

The topic that is engaging the minds of today’s leaders even at Davos is why economic reforms have not helped the poor and not led to a holistic growth. The World Council has always believed that the real instrument of growth is business not government. Ford’s model T empowered the masses and made money for itself. Gains spread. But driving Model T in 2011 that uses only 2% of the fuel to drive personal mobility will only choke our grandchildren to death. In 1970s, IBM 1401 had 8k memory and filled a room full of steel. Capacity of an iPad today is million times more and eco impact a fraction. Think why such innovation never happened in the auto industry and why it could not think of cars that soak CO2 as you drive?

Unfortunately as businesses succeed they get trapped in old technology that brought them there and thus cause the greatest damage to poor. Thomas Edison is a classic example. Alarmed by the success of his competitor George Westinghouse, Edison launched a smear campaign to demonstrate the dangers of alternate current even going to the extent of electrocuting animals to make his point thus delaying AC to reach the poor as gas lighting companies did to electric companies.

Growth unless it is holistic is divisive and invidious. Holistic growth happens only through entrepreneurship and innovation of the business not by handouts of the governments as has been proved time and again. Africa is a classic example. Nothing has improved the lot of poor more than mobile telephony. Government's overriding duty is to provide level playing fields by ensuring competition is fair and there is a safety net for the weakest shared by the beneficiaries. Markets are like parachutes. They function only when open.

For this businesses have to be challenged to bring new technologies - innovate or perish. Here the governments do the greatest damage by protecting dying businesses and letting them continue to seek rent turning businesses into parasites upon society preying upon the poor and unfortunate.

Experience shows liberalisation has increased rent seeking. We are threatened by financial plutocracy of the Goldman Sachs variety. Even British legislators have quietened completely after all the talk of banker's greed. Instead threats are coming from Bank CEOs. Poor neighborhoods are living shorter and unhealthy lives in UK and millions have never had a job in their life time while rich classes continue to scrounge on the system. Obama has lost control of the House despite his health reforms to help the US poor because of big business. Eliot Spitzer who, as Attorney General of New York, fined Citigroup, CSFB and Merrill Lynch $1.1 billion back in 2001 for their fraudulent conduct well before the draconian SOX had the whole Wall Street ganged up against him.

Hegemony of business and government is the most pernicious form of corruption. I am not sure who is corrupting whom. I find them indistinguishable like tea in sugar. All governments pay hostage to the monied
class. It enables Pharma MNCs to discourage sales of mosquito nets to sell their medicines and abuse patent laws against Indian generics by incremental improvements. It permits companies to cartelise, abuse their dominance without impunity and turns markets into casinos denying benefits of globalisation to the poor and making a farce of liberalisation and free competition.

Problem also lies with our own intellectual class who sit on the boards as independent directors commanding salaries more than executives but finding it difficult to independently understand something when their remuneration depends on not understanding it.

So what can we do to fix it? Firstly we have to make businesses aware that never before in human history there was so much opportunity to make money through clean, green and gharib agenda. That will happen only if they become scathingly self critical and brutally transparent. To do this, like Shiva and Schumpeter, they have to go for creative destruction, continually disrupting the status quo harnessing turbulence through constant innovation, powered by transparency, engagement, accountability and responsibility.

We cannot do this unless we challenge our Harvard led business school model that turns out graduates who know how to perfectly seize the known but not how to seize the unknown imperfectly. We talk about governance deficit but the problem is ethical deficit that starts with our education based on success at all costs, winner takes all, do it right first time and short termism fed by concealment, cosiness (Groupthink:Irving Janis,1972) and corruption to get rich quick to pay back the king’s ransom paid for admission. What they need to learn is how to handle failures. Poor’s lot is not going to change without unleashing a nationwide spiral staircase of innovations . No innovation is going to happen without thousands of failures. Glory lies not in succeeding every time but rising faster each time we fail. We have to learn how to wear failures like badges of honour.

Instead of paying lip service to Mahatma Gandhi let us remind ourselves one of his primary message about the purpose of our effort: “Every action we contemplate should in its implementation wipe the tears of poor and downtrodden. Only when we have wiped the tears off the eyes of all the poor, have we truly arrived as a nation.”

*Dr Madhav Mehra is the President of the World Council For Corporate Governance*
Quality, Corporate Governance And Ethics

Prof. Colin Coulson-Thomas*

The occasion of the 21st annual World Congress on Total Quality in 2011 represents an opportunity to reflect on developments over the period since the first event. When the initial world congress was conceived by Dr Madhav Mehra total quality was not without its critics, and aspects of it needed to be reassessed if it was to effectively counter its detractors and remain relevant.

Quality standards were considered bureaucratic, and not a good place to start. One survey suggested that quality standards had neither captured imaginations nor produced outstanding results over a 15 year period while another found quality programmes were running out of steam and lacked management support.

Quality professionals themselves were questioning the vague and unfocused use of the term quality. For example, John Nicholls (1990) suggested use of the phrase “Value to the Customer” or VTC in place of “customer driven TQM”. While governance was a little used word, the importance of boards and excellence in the boardroom was recognised.

The quality of corporate direction was an issue in late 1980s in the sense that many boards were finding it difficult to implement their visions and ensure compliance with their policies. People in the front line were not always equipped with the processes and tools to do what was expected of them.

Quality at a Watershed

A 1990 BIM report concluded that as customers increasingly assumed quality it might no longer distinguish between alternative suppliers, while “in markets in which all suppliers have their quality programmes managers need to consider what lies beyond quality”. At stake when the first World Congress on Total Quality was held was whether quality would adapt, be complemented by other approaches, or replaced by a better alternative.

We needed to look beyond traditional quality at the quality of management; and less tangible areas such as the quality of attitudes, values, perceptions and relationships had become more significant. Ways had to be found of offering greater variety and tailored responses to individual customers while at the same time preserving quality.

In the UK, people used to come of age at 21 and cross a perceived threshold to adult status and responsibility. Much has changed since 1990. Other complementary approaches have been widely adopted such as BPR/BPM, business excellence and corporate and business transformation. After twenty one world congresses on total quality is the quality message articulated a generation ago still relevant today, and what does it mean for corporate ethics and responsibility?

Quality In A Crowded Marketplace

Since 1990 there has been an explosion in the number of people and organisations offering solutions to management challenges. Taking early retirement and setting oneself up as a consultant, coach, author and/or speaker in whatever topics are fashionable at the time is now almost a career option. There can be thousands, and in some cases tens of thousands of books, on a popular subject such as leadership.

When so many people claim to be concerned with raising performance, or tackling the latest challenges, leaders of organisations sometimes find it difficult to decide to whom to turn for advice. Companies struggle to distinguish one hyped offering from another. Chief Executive Officers (CEOs) are protected from those peddling the latest panaceas by personal assistants who jealously guard access to the executive suite.

Insecure people strive to be associated with whatever is thought to be “current”. Consultants' brochures and websites are rewritten to claim expertise in the latest 'kid on the block' fad or concern.
Governance has become an example. Consultants and experts on corporate governance seem to outnumber FTSE 100 boards. Yet in an era of governance codes, we have experienced bank failures and bail outs that constitute arguably the most dramatic failure of corporate governance in history. Direction setting, risk management and other processes have been found wanting.

**Continuing Relevance**

Where attention spans are short, and when people are too busy to think and eager to try something new, quality may appear passé and “a difficult sell”, yet for those who reflect it continues to be relevant. Quality of relationships includes relationships with internal and external stakeholders, and increasingly where stakeholders have choices, for example in terms of where to work, supply, consume or invest, such relationships must be mutually beneficial and rewarding if they are to develop and last.

Quality of management is of direct relevance to contemporary concerns with, for example, sustainability and climate change. The effective use of inputs can lead to less pressure upon scarce resources. The 1990 managing the relationship with the environment survey suggested seeing environmental challenges as an opportunity as well as a challenge.

Quality processes that are more efficient can lead to fewer and less harmful emissions. Visit an early generation plant or process, particularly in locations such as Russia, Brazil and even the rust belt of the US, and what one encounters is sometimes relatively simple, crude and inefficient compared with modern equivalents.

Opponents of cars stress their adverse environmental impact. Yet imagine the environmental consequences of an equivalent number of people travelling by coal fired steam vehicles or horse drawn transport. Quality of imagination and thinking is also important.

Successive innovations can have a beneficial impact.

Within the public sector if anything quality is more important today than it was when the first world congress on total quality was held. In his opening address to a recent conference Lord Butler (2010), a former head of the UK civil service, identified the establishment of expected levels of service and the provision of services tailored to the needs of individual citizens as fundamental trends during his career. Delivering high quality services against a background of rising expectations remains a challenge.

**Governance, Compliance And Ethics**

Governance, risk management and compliance, and corporate ethics and social responsibility, are high on contemporary corporate agendas. Quality of processes in these areas, and the delivery of beneficial outputs, is an issue for directors, investors and other stakeholders. Traditional quality considerations such as relevance and fitness for purpose still appear to be appropriate.

In relation to corporate ethics and responsibility, are codes of ethical practice and statements of corporate values fit for purpose? Are they just pious statements and words on paper? Do they affect behaviour? How are policies in these areas implemented? How can board aspirations be translated into concrete achievements?

In particular, how can front line staff doing difficult jobs be helped to get it right and to do the right thing every time when responding to individual requirements? There are cost-effective ways of doing this internationally across large organisations, while also generating compliance and assurance information.

**Consumer Expectations And Board Concerns**

Boards and quality teams face a variety of external challenges. In particular, customers continue to become ever more demanding. They and public service users increasingly desire individually tailored products and services. Many of them want to stand out and feel that what they are acquiring is distinctive, if not special or unique.

In the aftermath of various corporate scandals, and the failures and bailouts of financial institutions, the good standing of an organisation, or quality of reputation, continues to be a priority. When buying from an on-line source over the Internet customers seek to purchase from organizations they feel they can trust.

Corporate reputation and brand image can both be compromised by poor quality. Similarly, consistency and driving errors out of what people do, particularly those in direct contact with customers, clients and citizens, can enhance an image and standing, and help to justify a price premium.

When companies get it wrong they often now find there are fewer places to hide. Because the media, and other interested parties, can reach larger audiences more quickly companies are keener than ever to avoid risks. Yet quality procedures and the requirements for retaining a quality kitemark can still be a costly and bureaucratic burden. We need cost effective ways of ensuring consistency and compliance.

**Changing Priorities**

Early or traditional quality sought to reduce variation through standard offerings and prescribed processes. Statistical tools were used to increase the quality of physical products. In relation to services, feelings and values have become more important.

Retreating into a world of norms and standards can lead rapidly to low margin commodity supplier status. Increasingly, quality needs to be built into the daily tools that people use to craft bespoke offerings. Ways need to be found of
preserving quality and ensuring compliance while allowing faster, more flexible and tailored responses.

Many directors and managers feel trapped on the horns of a dilemma. People for whom they are responsible may require the discretion to respond to individual requirements if they are to create new options and choices. Yet customers retain high expectations of quality and will punish a supplier for any slipping of standards. There is a need to delegate and empower whilst still maintaining quality control.

**Diversity And Compliance**

Many companies today face a host of challenges in relation to quality. They may experience difficulty in getting it right first time in changing and novel situations. The time it takes to put separate quality checks in place to cope with each new requirement means that approaches adopted may lag behind an evolving need.

The variety demanded by customers has to be reconciled with the requirement to also keep a grip on quality. People worry about the risk of compromising quality when bespoke responses. Quality procedures may cover standard products, and a restricted set of responses, but may not cover departure from standard procedures, i.e. tailored offerings. Reviewing each case can incur costs and result in delays.

In many situations the expense of applying a bureaucratic approach to quality to a growing number of variations from the norm would be prohibitive. Maintaining traditional and stand alone quality alongside a greater burden of work, diversity and pressure to perform becomes ever more problematic.

**Partner Quality And Governance**

The proliferation of products, extra channels to market, globalisation of business and continuing innovation create new risks that require additional responses. The sheer quantity of quality procedures and standards makes it increasingly difficult to keep people up to date with quality documentation, especially those working in the field, and also up and down a supply chain.

Too often quality stops at the boundary of an organisation and does not extend to business partners or the supply chain. It may now need to embrace the activities of people who may directly influence a reputation and the quality of what is delivered to customers, yet over whom a company has little direct control.

Governance may also need to cover partner relationships. Given the greater number of different parties that might be involved, there may also be a requirement to generate additional reports. For example, it might be helpful to know who is using what approach or tool. How does one ensure consistency across different organisations?

Overall, anticipation and prevention is preferable to reaction to quality problems. Too often quality is a self-contained activity rather than an integral part of how work is done. Ways have to be found of ensuring that quality considerations are properly addressed as and when risks arise. Quality needs to become an automatic and integral element of a bespoke response.

**The Performance Tool Solution**

Organisations are responding to these challenges by creating a central and electronic quality repository and building quality into ways of working and performance support tools so that control is still exercised in delegated situations. Their responses are based upon some core principles such as forcing a focus on customer requirements and stopping errors happening in the first place.

Performance or job support tools are designed to increase workgroup productivity and corporate performance by making it easier for people to do difficult jobs. Devices such as traffic lighting can be used to prevent people from progressing along a course of action if data entered is incomplete or suggests a possible risk.

Importantly, support tools can be used to capture and disseminate best practice. At the time of the first World Congress on Total Quality while the importance of learning from high performers was recognised, there was less awareness of how the differing approaches of superstars could be cost effectively captured and shared.

**Naïve team working can be counterproductive.** Many groups used to be given tasks which could have been better undertaken by particular individuals with relevant experience and expertise. However, within most workgroups there are superstars and the essence of their success can now be expressed in better ways of doing things for others.

The automation of more routine and repetitive activities can significantly improve productivity and allow more time for activities such as differentiation and tailoring. Decision trees can be included to help ensure all aspects are considered. Performance support tools can be made tamperproof, which significantly reduces risks to quality.

Learning support can also be provided to improve the general level of appreciation of important issues affecting quality, relevant policies and ethical considerations. Tools can be programmed to prevent outputs that conflict with laws, rules, regulations, guidelines or ethical and other codes. Self-assessment diagnostics can also be included which can identify development and updating requirements.

**Social Responsibility And Ethics At The Coal Face**

A board should match its rhetoric with practical steps to help people in demanding front line roles to behave responsibly. Putting a performance support tool onto a laptop or mobile phone can make quality and compliance
portable. It is taken out of the office and put into the hands of people in the field and in partner organisations.

Such tools can increase understanding and make quality accessible over a corporate Intranet or Extranet, and internationally. Different language versions of tools can be produced, providing a more cost effective and quicker route to global operation than earlier approaches. Ethical guidelines and guidance relevant to a particular situation and context can also be provided.

Tools can help customers to make socially responsible choices, for example by making them aware of the environmental impacts of purchase decisions. When alternative implications are clearly presented many customers make up their minds and select the least damaging options. They buy, thus answering Albert Carr’s (1970) question of whether a corporate conscience can be afforded. Friedman (1962) has argued that a board best discharges its social responsibility by ensuring a company satisfies its customers in voluntary exchanges in the marketplace. Where customers want to behave responsibly and wish to do the right thing support tools that increase their understanding of the outcomes of different courses of action can both satisfy their concerns and confer competitive advantage.

Support tools can provide the quality Cadbury (1990) believes should be applied to relationships. They deliver the straight dealing and completeness he associates with integrity, which he argues is the essence of quality in our relationships with others. They can also deliver multiple benefits in the public sector when used, for example, to transform healthcare in a context in which demand is rising, resources may be constrained, and quality and patient safety are paramount.

Benefits Of Performance Support

Equipment workgroups with performance support tools offer various advantages over traditional approaches to quality and compliance. Building in quality makes it possible to give more discretion to people whilst maintaining control. Organisations benefit from a reduced cost of errors and the faster adoption of change.

Multimedia facilities create the ability to show and demonstrate things without needing the presence of an experienced person. This reduces the cost of delivering new programmes and launching new products. Use of a tool ensures a consistent approach across all personnel and locations. People find it much quicker to locate the information that they need.

By encouraging or forcing particular routes and preventing others, tools can have direct impact on behaviour. The provision of easy paths through material and incorporation of quality checks into regular activities can improve the image of quality. Where situations and circumstances are changing tools can be quickly updated in ways that allow the rapid identification of new or changed material.

Companies such as Cisco Systems, Eyretel and Friends Provident have achieved large returns on investment by using performance support tools to boost productivity, speed up bespoke responses, ensure compliance, cut costs, reduce stress and improve quality. The approach has matured and is well tested in various sectors, including finance (HSBC), manufacturing (Dana), IT (The Innovation Group), telecoms (3Com, Avaya), professional services (Hill & Knowlton, Clifford Chance, KPMG), printing and packaging (KB, SCA), and retail (B&Q).

Lessons From Adopters Of Performance Support

If quality is to remain relevant and vital it should be built into support tools and the day-to-day work process, rather than having it as a separate stand-alone add-on. By automating tasks and building quality gates in, errors can be designed out of business processes, and consequently significant savings are made. More transparent and mutually beneficial relationships rooted in shared understanding can be forged.

Electronic manuals and tools are much easier to disseminate to business partners in multiple locations. Greater reuse of materials across other corporate documentation is likely to occur if they are all held and distributed electronically. Support needs to be current, and this can be ensured by automatic updating when users are online.

A corporate-wide approach makes it easier to build quality into new product launches. People can be helped to competently deal with change. Building quality into support tools helps to ensure that it is not perceived as a burden.

Those considering whether or not to provide certain workgroups with performance support tools should seek a demonstration of actual applications to make people aware of what is possible. A workshop can then be held to examine the applicability of the suggested approach to the particular organisation and context. The scoping of the format and content of the support provided can then follow this.

Conclusion

Past concerns about a gulf between board aspiration and corporate reality can now be addressed. Expensive and bureaucratic approaches are no longer necessary. Much more practical and cost effective ways of ensuring compliance, ethical conduct, quality relationships and quality behaviours now exist. They are ripe and ready for wider adoption. Quality has indeed come of age, and it could have a promising future.

*Prof. Colin Coulson-Thomas is an consultant academic at University of Greenwich
REPORT ON 21ST WORLD CONGRESS
28 – 30 JANUARY, 2011, MUMBAI

Leading 360° Transformation

21st World Congress on Total Quality with the theme “Leading 360 Degree Transformation through i-TEAR” was organized by the Institute of Directors at Mumbai during 28 – 30 January, 2011. The conference was organized in twelve plenary sessions. The winners of Golden Peacock Awards for Total Quality and Training shared their experiences in two other plenary sessions.

Lt Gen J S Ahluwalia, Vice President, Institute of Directors (IOD) welcomed the delegates and presented an overview of how IOD has transformed the corporate thinking over the last two decades. He emphasized on crucial role played in Boardroom Transformations and Training candidates to become Independent Directors.

Dr Graham Wilson, Leadership and Organisation Development Specialist, emphasized that taking a Society Relationship Management (SRM) approach to Total Quality could provide greater spiritual depth and effectiveness to the methods.

Justice P N Bhagwati former Chief Justice of India and Chairman of the Conference described that under the dynamic Leadership of Dr Madhav Mehra, the congress aims to discuss development of strategies for a holistic 360 Degree Transformation focusing on the triple bottom line growth,
namely, economic, social and environment.

Dr Madhav Mehra, President, World Council for Corporate Governance in his Theme Address (read out on the occasion, as he was unwell) lamented that the recent economic growth in India has not translated into human development which has to be the overriding purpose of the public policy. India’s growth narrative is linked to the dreams and hope of its youth. With coverage of an average Indian below 26 year, India is one of the World’s most aspirational economies. Dr Mehra emphasizes on holistic and integrated approach, corporate governance for transparency and climate change as the greatest opportunity for creative destruction. He emphasized that the corporations of tomorrow will have to be scathingly critical, brutally transparent and driven by social and ethical agenda. Leading a 360 Degree Transformation is the key for an equitable and sustainable world. It is possible only through adoption of i-TEAR – Innovation, Transparency, Engagement, Accountability and Responsibility.

Ravi Kant, Vice President, Tata Motors in his Keynote Address appreciated efforts of IOD in conducting World Congress on 360 Degree Transformation. His full address is covered separately in this issue of Quality Times.
Ram Jethmalani, MP, delivered a Special Address on Sustainable Financial Strategies for Inclusive Growth. He lamented the corruption at all levels at the base of social development and inclusiveness. He wanted all sectors of society to fight corruption, and especially raise voice against corruption in politics and bureaucracy.

Suresh Prabhu, former Minister for Environment delivered a Special Address during the Valedictory Session and described that under Dr Madhav Mehra's leadership IOD and WCTQ have contributed a great deal in corporates globally competitiveness.

Hon'ble Shri B Sankara Narayanan, Governor of Maharashtra gave away the Golden Peacock National Awards for Quality, Training and Business Leadership at a Gala Awards Night. Addressing on the occasion he said, “The business houses are leveraging their human capital for competitiveness and the Golden Peacock Awards have been a potent way to motivate and mobilize their intellectual assets and spur them to achieve greater heights in business performance”.

A special Golden Peacock Award for Life Time Achievement in Social Leadership was presented to Shri Anna Hazare the well-known social reformist.
Golden Peacock National Awards for Innovation were presented at the Valedictory function by Justice P N Bhagwati, former Chief Justice of India and Chairman of Congress Advisory Committee.

Graham Wilson of Oxford, UK presented the summary of the congress proceedings and Recommendations, which is captured in the following session wise summary:

Plenary on Leading 360° transformation through i-TEAR i-TEAR: Innovation, Transparency, Engagement, Accountability, Responsibility is the only way forward. The society has to move forward on the ideology of Mahatma Gandhi “Only when we have wiped the tears off every poor have we arrived as a nation.” Taking a Society Relationship Management (SRM) approach to Total Quality could provide greater spiritual depth and effectiveness to the methods

Plenary on Leadership for inclusive and holistic transformations

Leadership for transformations will need consideration on following issue:

- Change may be more effectively driven by new entrants as;
  - Industry outsiders have little to lose by pursuing radical innovations;
  - Industry insiders have reasons to protect status quo as Investments in current technology and management are time focus and thus resist any change

- The irony is that each start-up tends to repeat this cycle
once it achieves success

- Transformational leaders need:
  - Vision
  - Critical evaluation and problem detection
  - Communication skills to inspire others
  - Ability to manage perceptions
  - Knowing how and when to empower followers

- When making appointments, the Board needs to consider:
  - Character (and attitudes)
  - Competencies
  - Strategic Vision

Plenary on Foster, mentor, and leverage, Gen Y to Deliver India’s Demographic Advantage

Gen Y represents a demographic advantage to India, but they...
need to be leveraged. For attaining this goal we need to be careful about the following:

- Encourage PRiME (Principles for Responsible Management Education) in Indian & international business schools
- Gen Y make career choices more on values & content
- Gen Y are looking for a new era in capitalism, with post crisis system reforms (such as Competition Law) that enable collaboration and sustainability

**Plenary on Triggering an explosion of innovation**

Significant issues relating to innovation are:

- Innovation and strategy give organisations their competitive advantage, but;
- They must be inclusive and integrate social, economic and environmental sustainability - a balanced scorecard strategy
- Inspire people more by focussing on opportunities, rather than compliance
- Dynamic 'blitz' approaches should engage people and channel their creative energy
- Local incubators be promoted to encourage entrepreneurial innovation
Plenary on Building a low carbon future

New finance mechanisms are needed to stimulate low carbon future and should be:

- Affordable and sustainable energy required
- Retooling and refurbishment for energy efficiency
- New sustainable alternatives need to be identified for many existing raw materials and catalysts
- PROACTIVATE is a realistic holistic mode of integrated development.

Plenary on Only the truly transparent will survive

Numerous weaknesses were observed in existing systems:

- Ethical leadership attitudes - not sufficiently widespread
- Remuneration - little relation to long term performance
- Governance - in name but not in spirit
- Regulatory overload – especially for SMEs
- Financial reporting too complex
- Lack of non-financial transparency
- Risk and control systems are too narrowly focussed
- Insufficient integration of governance and sustainability into overarching business model
- Lack of 'safe harbour' protection for those charged with governance
- Good governance practices don't adequately extend to public sector and non-profit organisations

To overcome all such weaknesses and ensure sustainability it is necessary to promote transparency and ethics

Plenary on Building a sustainable financial future for Gen Next
Sustainable financial future for Gen Next can be created by focusing on following issues;

- 'Personal social responsibility', not corporate, drive change
- Think global, act local
- Approaches need to be sustainable within organisations too
- A step change in financial literacy is needed [A role for financial institutions]
- Sound financial regulatory systems be established [Backed up by strong law enforcement]
- Governments need to commit to safeguard both state and private wealth
- Bar of accountability is to be raised to attract finance
Plenary on Build intense, constructive engagement – Social stroking effective

Gen Y prefers social media – knowing more people, getting to like them, building trust before making major commitment

- Important part of our lifestyle – and preferred means of communication for young people
- Companies increasingly use these tools to market products, promote brands and engage with customers
- Used to raise awareness of political issues and conduct campaigns
- While broadband penetration remains limited, Gen Y are sidestepping this with new technologies (eg smartphones)

Plenary on Corporate & Public Governance

Government policy reform is needed to ensure effective decision making:

E-Governance offers:
  - Faster decision-making
  - Reduction of duplication of processes
  - Detection of corruption & illegal transactions
  - Prevention of knowledge drain

Reduced need for crisis management

The Company Bill 2009 needs further consideration:
  - Role in protecting investors?
  - Role in contributing to economic development?
  - Role in providing framework for responsible and accountable self-regulation by corporates?
  - Better split of substantive company law (principles) and procedural company law?

A range of government of India initiatives have increased transparency and governance...

Plenary on Quality and Sustainability – Building a New Era

Concept of quality is now a part of sustainability effort and therefore quality is not separately discussed. Following issues are important

- Sustainability is a hallmark for competitive advantage
- Environmental issues are crucial for development

Recommendation

The congress made following recommendation:

- Strategy of transparency must inculcate a sense of pride by rewarding good tries and the ownership of failures
- iTEAR : Innovation, Transparency, Engagement, Accountability and Responsibility is the only model of business transformation the turbulent economy.
- Earlier TQ concerns about a gap between board room reality and corporate reality can now be addressed under total quality
- Expensive and bureaucratic approaches are - no longer necessary
- Business needs to internalise that the most compelling and convincing argument about transparency is the value it can add to companies in the internet economy
- More practical and cost effective ways of ensuring compliance, ethical conduct, quality relationships and behaviours already exist – use them!
- Information technology helps tap the resources of every individual in the organisation to deal with crises
- Financial literacy should be a right
- Quality has come of age and could have an exciting future

Report compiled by Shri Pradeep Chaturvedi, Advisor FAO

Ram Jethmalani, Member of Parliament & President, Supreme Court Bar Association presenting the Special Commendation Certificates.
What Participants say...

Excellent & full of energy. This event is really an integrating factor in the country that brings together best in class speakers, topics of national relevance & presentation of high impact. Glad & proud to be here. Thanks

**Raj Nehru, IBM Global Process Services**

Well organized & wonderful seminar, covered interesting topics, conducted by excellent speakers. Thanks

**Ananda Silva**, Asst. Governor, Central Bank of Sri Lanka, Colombo

An excellent seminar organized by IOD. The arrangements were wonderful and I could use the opportunity to interact with other participants. Thankful that NADP has received the National Award for Training, 2010 this evening.

**S. N. Patil**, Sr Principal, Director, National Academy of Defence Production

Outstanding organization and well planned event. Low profile yet high impact and with the toast of global leaders present at the event. WNS is delighted to receive the Golden Peacock Quality Award.

**Keshav R Murgesh, Group CEO, WNS**

Excellent organization. Well managed function. All events as per schedule. Would like to be associated with such a fantastic organization

**S. P. Joshi**, Head HR, TATA Motors

Very well organized. List of speakers impressive. More interactive would have helped.

**Nitin Pawar, Dy Director**, NMIMS

Fantastic insights & inspiring ideas as always at IOD conferences - as well as good food

**Andrew Dakers**, UK Corporate Responsibility Campaigner and Analyst

It was a nice experience attending this conference. The topic is very relevant for today’s scenario. Thanks

**R K Tewary**, DGM, SAIL, Bhilai Steel

A treasure of innovative thoughts and excellent platform to exchange views & meet corporate celebs, excellent conference. Thanks

**Chetan Gajjar**

Well organised with eminent speakers across the area of specialization.

**A K Paul**, Durgapur Steel Plant

Excellent! The initiative was taken by Dr Mehra years ago, have indeed become a movement and a power to reckon with.

**Dr. Chinnoy Samajdar**, Durgapur Steel Plant

Great Sessions-must for Indian business.

**Dipankar Choudhary**, CEO, Ygen Management Consulting P.Ltd

Very informative & well organised.

**Dr. Bernadette D’Silva**, Director, Mittal Institute of Management

Great event! Thanks for having me here. Looking forward to more events together, stay in touch.

**Sanjay Anand**, SOX Institute, USA

What an amazing event a great networking & a truly global one

**Sunil Bahri**, CEO, Kaizensox Consulting, Dubai

A great conference, very enriching, focused & very well organized. Congrats! Keep it up!!

**Dr. Sapna Purohit**, Vice President, Reliance Infrastructure

Another opportunity to be inspired by their and learn from the management innovations of leaders in business.

**Peter L. Walker FCIPR**, Senior Consultant, PIELLE Consulting Ltd, UK

Adding a delegation from China would add more value. (Delegate diversity should be good in English speaking). German are also great on their quality. They shall add passion & value for future Conference. "Great Conference " lot to take home.

**Rohit Madan**, CE (Mech) ONGC

Very interesting & interactive event & Summit. Hoping to see more of events conducted for Social Awareness & Responsibilities

**Rajesh Kothari, MD**, AlfAccurate Advisors

It was certainly a excellent organized Programme I have ever seen. Bringing all the forums of industry and society together to make team India progress on the world platform.

**S R Pimpale**, Ashok Leyland Ltd.

Very good event. Well organized, composed and educational

**Lalji Dwivedi**, Executive Director, Jindal Steel & Power

An excellently organised events with extremely relevant topics of diversity, pool of talented and experienced speakers and extremely committed organizing committee. My heartiest congratulations!

**Maj Gen TM Mhaisale**, Commander Technical Group, (EME)

This was a fantastic conference! Lots of networking opportunities and good variety of interesting speakers and participants. Thanks to the wonderful hosts for organizing such a fine event

**Sarah Davidson**, Vice President, Coalition for Green Capital, USA

Excellent event organized by IOD team. Very educative and full of knowledge

**Col. Om Pawar**, GM Land & CSR, JSW Ispat Industries
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- Conference creates understanding
- Understanding creates networking
- Networking creates experience
- Experience creates knowledge
- Knowledge creates technology
- Technology creates convenience

- Convenience creates well being
- Well being creates feelings
- Feelings create motivation
- Motivation creates involvement
- Involvement starts a movement
- Movement leads to desired behaviour

Mark the following Dates in your Diary
(Dates are tentative pl reconfirm the announcement)

Masterclass for Directors
New Delhi : 11-13 March 2011
Bangalore : 11-13 March 2011
Mumbai : 25-27 March 2011

SM Charitable Trust Annual Day
13 April 2011, New Delhi (India)

6th Global Conference on Social Responsibility
29 - 30 April 2011 in New Delhi

13th World Congress on Environment Management
10-11 June 2011 in New Delhi (India)

2nd Global Summit on Sustainability
28-29 July 2011 in Vienna (Austria)

22nd IOD Annual Day
19 August 2011, New Delhi (India)

11th International Conference on Corporate Governance
13 - 14 October 2011 in London

3rd International Conference Competition Law
11-12 November 2011 in New Delhi (India)

21st World Congress on Total Quality
27-29 January 2012 in New Delhi (India)

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The last two years had been a period of devastating changes. The financial meltdown in 2008 created a sudden shock which caught businesses, governments and regulators unguarded. We saw the financial institutions failing and most of economies and businesses in deep trouble.

However, the silver lining of this meltdown was the display of resilience of the emerging economies like India and China. It validated their strong fundamentals and the shifting epicenter of future growth of the global economy. BCG report quoted that while 77% of world economic growth in 2007 came from emerging and developing economies, the share increased to 87% in 2008 and in 2009 it was almost 100%.

If we specifically reflect on the growth of India, it has been making sustained progress on scale, size and pace that is unprecedented in its own history. Real GDP growth, which averaged 5.8 per cent in the 1980s and 1990s, accelerated to 8.6 per cent in the period FY03 to FY06 and peaked to 9.4 per cent in FY07.

High growth rate, primarily in last one decade, has led to significant rise in the average income levels of the populations. Per capita income doubled in just six years from $420 in FY03 to $850 in FY09. As a result, a large section of population emerged from poverty and entered the middle class, leading to fast rising domestic consumption.

Another factor which influenced this growth was rapid improvement in communication and road connectivity. While mobile penetration with 650+ million subscribers helped in urbanizing the mindset of rural India with frequent interaction with their urban friends and relatives, road connectivity has made villages accessible to urban centers. These factors are leading to greater consumerism in 70% of population living in rural India.

However, while the India economy with these factors look quite buoyant, but there are many contradictions and constraints also which can challenge the growth of India in future:

1. While there are lots of Indians amongst the world’s richest people, irony for India remains that still nearly a third of the population lives below the poverty line on less than $1.25 a day.
2. While India is known and respected for its intellectual people from IITs having made a mark in NASA and Silicon Valley, but still India’s 40% population is illiterate.
3. India also has a paradox of cheap labour with high labour cost due to low productivity levels owing to low skill levels and use of obsolete technologies, which offset the cost advantage of India, significantly.
4. In HDI, India continues to rank low – 134 out of 182 countries – which imply that growth in India has not been adequately inclusive.

For sustained growth and development, it is very important to include all sections of the population in the country’s growth story. Till that doesn’t happen, despite having such a large population, it may not prove to be a productive resource for the economy, and problem of poverty and other associated issues will continue to dog the country.

To reduce poverty and improving lives of people in the developing countries, one key factor would surely be maintain high levels of sustained economic growth for next few decades to come.

Some of them which immediately catch attention are:

1. While there are lots of Indians amongst the world’s richest people, irony for India remains that still nearly a third of the population lives below the poverty line on less than $1.25 a day.
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But apart from that, other key focus areas of ensuring inclusive growth would be:

- Education / Skill development
- Employment for all sections of the population
- Making goods and services available at affordable prices

If these issues are effectively tackled, lots of other concerns, like health, gender inequality etc. will also get addressed with automatic pull in the economy.

There are several means and ways of overcoming these issues, but I would like to restrict myself to three focus areas which I consider could be great enablers in achieving inclusive growth.
Focus on Manufacturing  
Innovation  
Collaboration

Manufacturing in my opinion is the most important lever for a nation to grow and create more employment in the country. This becomes more important for developing countries as manufacturing creates jobs for all sections of the population. In Auto industry; every car or a truck produced in India create direct and indirect employment for 5 to 13 people, with diverse employment opportunity for unskilled, skilled and managerial level people.

Fortunately, the market forces are themselves shifting manufacturing to developing countries because of their low-cost advantage. Therefore in the global value chain, a developing country like India needs to focus in achieving excellence in manufacturing by enhancing their competitiveness. China has been able to reduce poverty to a great extent by strongly focusing on manufacturing, but India has not been able to leverage it adequately even post liberalization.

Innovation is the other important catalyst to make the process of achieving the developmental goals faster. Special focus here needs to be

- Firstly on how to make goods and services more affordable and especially the ones which help in serving the basic needs of human being – health, shelter, safety, etc.
- And secondly on how to influence primary education in the country......

There are several examples of disruptive innovation which have made lots of goods and services affordable to those masses who could never have thought of acquiring it.

The first example that comes to mind is the Aravind Eye Care which does high- quality cataract surgery for a cost of $30, what typically would cost $3,000 in the US....

GE’s ultra-portable ECG machine is another example which has brought down the cost of an ECG test to $1 per person

Tata Nano developed by Tata Motors has helped in addressing safety concern of a large section of population in India commuting with their families on a 2 Wheeler.

Nokia’s sturdy Made in India phone all packed with high end technology at an affordable price of around $25 only is yet another example.

Examples are several, but point which I want to convey is that the process of development can be made much faster through such innovations. The challenges in developing countries can actually be a great opportunity for governments and businesses from both developed and developing countries to innovate and in the process also enable their nations and businesses grow much faster.

Primary education, which is another challenging task because of acute shortage of competent teachers in the country, can be overcome to a great extent through innovation.

Use of technology can become a great enabler here. Distance education through internet can make education more standardized, effective and exciting for students. It can also overcome the problem of shortage of teachers. Challenges would however be how to make the current technology more affordable.

And finally, Collaboration between nations, governments, businesses, and academia will be of key importance in dealing with humongous task that is in front of us. All the entities have different strengths, which need to complement each other to achieve the task which no single entity alone will be able to do. For example, to prepare people for employability through vocational education, government, industry and academia all should join hands to make it effective.

All nations, governments, businesses and institutions need to come together and participate by bringing their skills and resources to the table and channelize the positives in the economy to make India a better place to live where each human being gets his / her share of dignity and joy. Businesses also need to think beyond their conventional profit mindset and act with responsibility and accountability to support the cause of inclusive growth in the economy.

Tata Group in India is one of the leading examples of how businesses can play a big role in improving the lives of the people. The group companies work on the philosophy enunciated by its founder Jamsetji Tata nearly a hundred years ago – “What comes from the society must go back to the society.” Tata group work on the concept of trusteeship; not merely a conventional profit-driven company. 63 percent of the capital of our parent company Tata Sons is held by Tata philanthropic trusts which silently work in improving the quality of life of people by focusing on enhancing Employability, Education, Health and Environment in the society it serves.

In conclusion, I would like to state that while India today stands firmly on a solid foundation of growth, we all need to view it with a sense of caution. The beneficiaries of growth should not be skewed in favour of a limited section of the population but needs to be pervasive. Only by including all sections of the population, we can sustain high growth levels in future and more importantly, stability and internal peace within the country. Government, businesses and academia will have to join hands and work collaboratively, with a high sense of responsibility to achieve the objective of inclusive growth, without which the Indian dream remains unfulfilled.

*Ravi Kant is Vice Chairman, Tata Motors Ltd
Moves to open up the $450 billion retail sector to foreign investment have been pending for years, but Sharma’s comments are a strong signal that a decision could be made soon. “The inter-ministerial consultations have been held and the senior ministers are discussing this,” he said. Sharma’s ministry released a discussion paper on opening up the multi-brand retail sector last July, and the issue is being closely watched by retail giants like Wal-Mart, Carrefour and Tesco.

India, Asia’s third-largest economy with a population of over 1 billion people, allows 51 percent foreign investment in single-brand retail. Overseas investment in multi-brand retail — modern supermarkets — is only allowed in wholesale or cash-and-carry outlets. Wal-Mart, which runs cash-and-carry stores in India, has said it is ready to open hundreds of retail outlets as soon as the rules are liberalised. While the move could create jobs and reduce waste, it could drive millions of small shopkeepers out of business.

Corruption scandals have consumed Indian political life, wrecked its parliament’s work and rattled its markets, but they will not stop long-term investors ploughing money into the country. More than $80 billion may have been lost to the state in separate mobile and satellite bandwidth scams, if claims are accurate. Even Indians inured to constant low-level corruption are angry, and the opposition is gunning for market-friendly Prime Minister Manmohan Singh, who heads a fractious coalition.

Foreign investors spending money on the infrastructure, industry and commercial projects that are modernising Asia’s third-biggest economy, and many with cash in its stock market, are looking a few steps further ahead. “The specific concern across the board is that the scandals will undermine the current coalition and force a general election,” said James Winterbotham, director of corporate finance advisers India Advisory Partners.

That, he said, would be “hugely disruptive, will skew public spending towards populist and vote winning measures -- but the elephant will continue to march on.” Though it has the numbers to pass the budget later this month, the government

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**National News**

**Ties with India growing in great direction: US**

The US today described India as one of the “growing engines” of world economy with an enviable growth rate and said the bilateral ties were progressing in a “great direction”. “Now we have India growing at 9 per cent per year. The country is one of the growing engines of world economy,” US Ambassador Timothy Roemer said addressing a function to celebrate the American National Day.

Reflecting the growing convergence in the relationship, he said the ties between the two countries were progressing very overwhelmingly as cooperation and collaborations are happening in diverse areas. “There is so much progress in the relationship in the last few years...It is growing in a great direction,” he said. Roemer said that after appointing him as Ambassador of India, President Barack Obama had asked him to “shake hands with the billion people in the country” and the piece of advice is “beginning to work”.

Addressing the gathering at the Embassy, Foreign Secretary Nirupama Rao said “three successive US presidents in this century had made vast personal contribution towards transformation of India-US relationship.” “I had just returned from a very productive visit to United States. It underscored once again not just the quality and level of India-US engagements but also unparalleled breadth and diversity in our relationship,” she said. “The excitement and the energy in our relationship comes from the shared democratic values, the common celebration of pluralism, the energy of our youths, the dynamism of our open societies, the power of innovation, the potential of our economic partnership, the growing conversion of our interest and responsibility of our shared commitment to global peace and prosperity,” she said.

**India close to decision on opening up retail sector to foreign investors?**

India's Trade and Industry Minister said that talks to open up the country's multi-brand retail sector to foreign investors were at an advanced stage, but he did not give a deadline. "We are very seriously engaged," Anand Sharma told Reuters in an interview in Kuala Lumpur. "It is receiving attention of the government in a most serious manner...it is in a very advanced stage of discussion."
India will urge the G20 to pressure tax havens into revealing more information on black money from India, the official added. Prime Minister Manmohan Singh’s government is under pressure to bring back illicit funds stashed abroad, but finds itself facing jurisdictions with which it has little leverage. A report by Washington-based think-tank Global Financial Integrity (GFI) puts such fund flows at about $16 billion a year from 2002-2006.

“Any form of curbs on a country cannot work at unilateral level, as such an action can discourage foreign investments,” the official said. India has already made a strong pitch for tax information exchange agreements (TIEAs) with greater teeth at the G20 to facilitate a meaningful exchange of information on fund flows and monies parked in such jurisdictions.

The G20 is a group of systemically important industrialised and developing economies that has emerged as the premier forum for cooperation on economic issues after the financial crisis of 2008. The G20 meet in Paris will discuss the reform of the international monetary system. Some jurisdictions have privacy protection laws that hinder information exchange on tax evaders.

“The idea is to generate enough pressure on the issue globally to ensure joint action,” the official said. Independent experts also favoured such an approach. “Multilateral forum is a better option for India to exert collective pressure on the concerned tax havens. This has also been favoured by the OECD, which has taken the lead by forging G20 initiative in this regard,” said Sudhir Kapadia, tax market leader at Ernst & Young.

The official said it was because of multilateral action that a number of tax jurisdictions, including Switzerland, had agreed to share information on bank accounts of tax evaders. New Delhi is pursuing the issue at the steering group of the Global Forum on Transparency and Exchange of Information for Tax Purposes at the Organisation for Economic Cooperation and Development or OECD, of which it is a member.

The official said the peer review process underway at the OECD to examine domestic tax laws of all jurisdictions was aimed at increasing global pressure on everyone to act. India is the vice-chair of the peer review group, where it plays an active role in assessing quality of information exchange permitted by domestic tax laws of different jurisdictions. It has already presented a paper at the forum that seeks domestic laws that are supportive of information exchange on evaders.

The official said the OECD should not merely stop at labelling such tax havens as non-cooperative but also pressure them to change their domestic laws. However, this has not meant that India will not take up the issue bilaterally. It has prioritised 22 countries or jurisdictions for negotiation under the TIEAs. It has already signed pacts with the Isle of Man, Bermuda, the Bahamas, and the British Virgin Islands. India is also upgrading its double taxation avoidance agreements with several countries, after revising its treaty with Switzerland, for greater information exchange.

International News

India likely to seek G20-support against tax havens, black money

India will seek strong action by the Group of Twenty (G20) nations against tax havens as it feels any unilateral action can act as a deterrent against foreign investment. “Multilateral action is more effective,” a finance ministry official said, ahead of the meeting of G20 finance ministers and central bankers in Paris.

Still, foreign direct investment (FDI) fell to $19 billion in 2010 up to November, down from $25 billion in the comparative period of 2009, according to Indian central bank data. The bank blamed the decline on the environment ministry’s opposition to mining and construction projects. If that was the main reason, recent moves may signal a reverse is likely. Indian authorities last month gave the go-ahead, after three years of delay, to a $12 billion steel mill to be built by South Korea’s POSCO, the biggest single foreign direct investment in India. POSCO, world number three steelmaker, wants access to India’s market, which is growing while demand from mature economies slows. “I am not aware of major FDI projects being deferred on account of the corruption scandals,” IAP’s Winterbotham said.

For years, investors have been resigned to corruption as part of the Indian commercial landscape. “If you are a company looking at going into India, you have to look at these issues and you have to do your due diligence,” said Richard Heald, chief executive of the UK India Business Council, which promotes trade between Britain and India. Britain is one of the top five direct investors into India, and its prime minister, along with heads of state from China, France, Russia and the United States, was one of many high-profile leaders to visit India in the past year to boost trade.

With India’s economic growth, and with the spectacular amounts alleged to have been skimmed off, is coming greater clamour to clean up.

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With India’s economic growth, and with the spectacular amounts alleged to have been skimmed off, is coming greater clamour to clean up.
More than 500 such bilateral pacts have been signed so far after the G-20 pledged to crackdown on tax havens at the London summit. The OECD has released a list of such tax havens based on compliance with international tax standards.

India, Brazil to Press China on Yuan

Brazil and India will join the U.S. in putting pressure on China to let its currency appreciate at a faster pace during meetings of finance ministers and central bankers from the group of 20 leading economies. The three countries have formed an unofficial pact to express their disappointment.

Better coordination of global monetary policies is one of the hot-button issues on the table at the G20 meetings. Central to the talks is the Chinese currency, the yuan, which many of China’s trading partners complain has been kept artificially low to help the country’s exports. China is resisting such pressure, the official said. The official said it will be the first time that India and Brazil have come out in the open to criticize Beijing on its foreign exchange policy. China is used to U.S. pressure, but it considers itself a leader and an ally of the developing world.

China’s policy of keeping a tight lid on the yuan, despite some moves toward liberalizing its currency, has become increasingly irksome to developing nations such as Brazil and India. Low interest rates in the U.S. and Europe are fueling massive investment into emerging nations that promise higher cash yields, but the under-valued yuan is forcing other developing nations to bear the brunt of the adjustments given that their exchange rates are largely already floating at market rates. The burden has helped to align the positions of Brazil and India on the yuan with U.S. pressure on Beijing for faster appreciation.

The U.S. is attempting to leverage many of the G-20 issues as an opportunity to keep the pressure on China. Under the French agenda, the group is tackling re-balancing the global economy and emerging-market concerns about volatile capital flows and commodity-price inflation as some of its top priorities. As chair of the G-20 this year, France has called for the group to develop "rules of the road" for capital flows and controls, an effort supported by the U.S. and the International Monetary Fund. Another avenue for debate over currency policy is the G-20 focus on crafting an alarm system for dangerous distortions in the global economy. Finance officials have yet to reach agreement on a set of indicators that will be used to gauge whether countries are pursuing policies that cause imbalances in the world economy.

An official at a G20 member government said that a consensus is building that current account balances should be the main indicator. But proposals to include other indicators such as the size of foreign exchange reserves are meeting "strong resistance" from China. Beijing is opposed to such benchmarks because they could provide grounds for censure of its foreign exchange policy, Japan’s finance minister said that roughly half of the Group of 20 members including China oppose using price-adjusted, trade-weighted foreign exchange rates or foreign currency reserves as indicators to help assess external imbalances.

Indian SMEs can collaborate with US counterparts

The Indian Government said Indian small and medium enterprises (SME) can collaborate with their US counterparts in the field of agriculture, IT and healthcare to help each other in production and marketing of their products.

"The SME initiatives presents a win-win opportunity for both the nations... Like in India, IT, agriculture, health, entertainment and education are the priority sectors which can be tapped by the US SMEs," Minister for Micro, Small and Medium Enterprises (MSMEs) Virbhadra Singh said at an Indo-American Chamber of Commerce function.

Stressing on the need to make small units more competitive and encourage them to produce higher value-added products, he said, one of the strategy to overcome these obstacles is through promotion of cluster development with the help of the US companies. "This facility will help in mobilisation of financial and human resources, enabling small enterprises to climb up and grow."

The SMEs in the country face various problems like credit crunch, less technical know-how and lack of research and development facilities. Besides, the minister said, the US and India can cooperate in integrating American and Indian small businesses into the global supply chain. This initiative would expand trade and create jobs in both the countries. The MSMEs account for 45 per cent of the country’s manufacturing output and 40 per cent of exports. The sector employs 50 million people in 26 million units producing over 6,000 products.

Pricing power most important in business: Buffett

Warren Buffett, the billionaire CEO of Berkshire Hathaway, said he rates businesses on their ability to raise prices and sometimes doesn’t even consider the people in charge. “The single most important decision in evaluating a business is pricing power,” Buffett told the Financial Crisis Inquiry Commission.

“If you’ve got the power to raise prices without losing business to a competitor, you’ve got a very good business. If you have to have a prayer session before raising the price by 10%, then you’ve got a bad business.” Buffett accumulated the world’s third-largest personal fortune through a career of stock picks and takeovers. He has bought companies like railroads, whose pricing power stems from a dearth of competitive options available to clients. Buffett has also built stakes in firms which rely on the appeal of their brands to attract customers.
Environment News

We expect leadership from India: UN climate chief

India played an "exceedingly helpful role" in the last climate summit and "we expect the same this year and beyond", UN climate chief Christiana Figueres said. "India represented its own interests and stood firm with other developing countries, and then was incredibly helpful in showing that it's mostly in the interest of developing countries to move forward" to combat global warming, said Figueres, executive secretary to the UN Framework Convention on Climate Change (UNFCCC). Figueres praised India for having "brought forward new concepts to bridge the North-South divide". The climate changes are already affecting farm output, making droughts, floods and storms more frequent and more intense, and also raising the sea level. The UNFCCC head from Costa Rica gave examples.

"India's concept that all countries need equitable access to sustainable development was a very good contribution," she said. "So was the idea of international consultation and analysis (of actions by developing countries and aid by the developed nations). Minister (Jairam) Ramesh was incredibly helpful in putting down a 10-point concept note on this." Ramesh has been criticized by some NGOs and former members of the Indian negotiating team for moving away from the country's earlier position that instead of asking the developing countries to do anything, industrialized countries must do much more to reduce the emission of greenhouse gases they release into the atmosphere.

With rich countries led by the US opposing this view, global climate negotiations have been stuck for many years. The world is now looking at a scenario where the Kyoto Protocol -- the only global deal that obliges rich countries to reduce emissions -- may be lamed after 2012 because many industrialized nations are refusing to commit to such reductions after that. Figueres said that while the world had to "resolve what we are going to do with the Kyoto Protocol, I hope India takes leadership in ensuring enhanced (emission reduction) commitments" from developed countries.

As for the developing countries including India, Figueres said "they are doing it in their own interest because their first responsibility is poverty eradication, and they can use the international mechanisms from the Cancun agreement for their national programmes." Cancun, in Mexico, hosted the last climate summit. On the agreement itself, the UN climate chief described it as "very important for the community of nations, but a very small step for the planet. It's the largest and most far-reaching effort ever for emission reductions and probably the most comprehensive package to support developing countries" to move towards a greener economy.

As examples of what the Cancun Agreement had achieved, Figueres referred to the setting up of the Green Climate Fund, under which rich countries are supposed to provide $100 billion from 2020 to combat global warming. She also referred to the setting up of a mechanism to share green technologies, a process India has coordinated for years. But she agreed that the emission reduction commitments from all countries would only go 60 percent of the way to restrict global temperature rise to two degrees Celsius, a key goal of the agreement. "We expect industrialized countries to take on deeper (emission) cuts," she said.

It's going to get hotter and wetter in India

Don't let the cold winter this year blindside you to a contrary phenomenon that is creeping up upon us. Temperatures in India are set to get higher—higher than what the country has recorded in the past 130 years. The monsoon too is going to change; it will rain as much, perhaps higher, but in short, intense bursts, heightening the risk of floods and crop failure.

These are some of the grim findings of prominent meteorologists at the Indian Institute of Tropical Meteorology, a government-funded research centre at Pune. IITM scientists K Krishna Kumar, S K Patwardhan and B N Goswami, along with scientists from France, USA and Thailand, have concluded that higher temperatures have a strong probability of coming true.

Day temperatures will be higher and there will be less respite from the heat at night, says their research paper. The band of high-temperature days will get longer than now. In turn, these changes could result in higher heat-wave deaths, apart from impacting crops. The average annual temperatures across the country could rise by 2 degree celsius by the middle of this century and by 3.5 degree celsius by its end, the scientists have said on the basis of several scientific and mathematical formulas that were used in tandem to predict the future. One such model suggested that temperatures could rise by as much as 6 degree celsius by the end of the century.

If green-house gas emissions are not reduced or controlled, the average daily maximum temperatures before the onset of monsoons would routinely stay above 45 degree celsius. And rains across the country could increase by 8-10% by the end of the century and come down with higher intensity, increasing the risk of floods and bad crops. According to the scientists, rain in the May-October period could rise by 20%. This, they say, means the monsoon period could get extended.

The impact of these changes in the climate could be disastrous unless government pushes adaptation policies. Even adapting, such as introducing heat-resistant seeds, would not be able to completely counter the impact of the changes, the scientists warn. The scientists found that in a pocket near Delhi—a good sample area for the Indo-Gangetic plain—the daily minimum temperatures could rise by as much as 5 degree celsius. Some studies show that a one-degree change can hit crop yields by 10%.

The authors of the research suggest that even if they were to take a conservative view, a 20% reduction in crop yields due to such increases in temperatures would be sufficient to badly hit the economy. "Such a situation of decreasing yields coupled with increasing population could be a major socio-economic
issue," they warn. Their conclusion is dire: "The changes are likely to have a large impact on agriculture and public health and a pervasive negative effect throughout the entire economy, unless, the government acts."

### 2010 was warmest year on record: UN weather agency

India and other South Asian countries face rising temperatures and extreme weather patterns as the world recorded the warmest year in 2010, the World Meteorological Organisation said. "The 2010 data confirm the Earth’s significant long-term warming trend," WMO’s secretary-general Michel Jarraud told reporters. "Last year was an exceptionally warm year over much of Africa and southern and western Asia, and in Greenland and Arctic Canada, with many parts of these regions having their hottest years on record," he said.

Global average temperature last year was 0.53 degrees Celsius above the average level during 1961-90, and it is higher than the two previous warmest years -- 1998 and 2005 - - in the last decade. More disturbingly, the Arctic sea-ice cover, which is a protective layer against global warming, was the lowest on record last month, with an average monthly extent of 12 million square kilometres or 1.35 square kilometres below the 1979-2000 average for December. Further, global temperatures during the last ten years, 2001-2010, have averaged 0.46 degrees Celsius above the 1961-1990 average. Incidentally, they are the highest ever recorded since the beginning of instrumental climate records in early 19th century.

The heat wave and forest fires in Russia during summer last year and the devastating monsoonal floods in Pakistan and the recent floods in Australia, Brazil, and Sri Lanka point towards an uncertain period of weather-related disturbances, the IMO cautioned. For countries in South Asia, including India, the weather patterns and unusual La El Nino/La Nina oceanic conditions could pose a major threat to monsoons, said an IMO official.

Already, the floods in Pakistan last year and the early January floods in Sri Lanka are a grim reminder that monsoon could turn out to be irregular and also wreak havoc in extreme cases, the official said. The South Asian countries also face the risk of receding Himalayan glacier as it is happening with other glaciers in the world. The so-called biblical floods in Australia in December and the first half of January are associated with the continuing strong La Nina event while the flash floods in Brazil which caused untold human misery are due to unusual weather patterns.

### India faces a crisis of growth

In 1991, when Manmohan Singh rose to present his first Budget as the country’s new finance minister, India was reeling under an imminent foreign exchange crisis - which could have led to defaults. We did not have enough money to pay for even two months of imports. The choices staring Singh were stark; either continue with the disastrous economic policies and see India reduced to an economic basket case or seize the moment to usher in far-reaching reforms. He chose the latter option and the rest is history. It was the time for making bold decisions.

Today - for many different reasons - Finance Minister Pranab Mukherjee is faced with a new set of challenges. Thankfully, the situation is not as desperate as in 1991. Then it was a crisis of survival - now it is a crisis of growth - especially double-digit growth. India’s true potential is not in 10+½ GDP growth - but a set of recent events have made this seems difficult to achieve. The threat to this aspirational goal of double-digit growth for the next 10 years could be the opportunity for making some bold decisions. This current threat to the India story is a result of many external as well as internal factors.

The government seems to be caught between a rock and hard place when it comes to the fiscal consolidation. The FM will find it politically impossible to curtail subsidies and funding for schemes like the National Rural Employment Guarantee Scheme (NREGS). Many of these programmes are worthwhile and necessary for inclusive growth, but the key challenge now is get more of limited resources for this as the government’s ability to increase outlays will be curtailed in this Budget. Options to raise additional revenues like using 3G spectrum auction proceeds to bridge the fiscal deficit are no longer available at the same level. Disinvestment is likely to rope in 40,000 crore. So, taxes will have to provide a boost - though the tax revenues are healthy; it is unlikely that in view of rising inflation, individual tax rates will be raised. So, the only option will be to raise some more from corporate and indirect taxes.

Tax revenues for the next year could also be under pressure if the GDP growth rate buckles under the pressure of political pressures and inflationary factors. The case of inflation control is the biggest issue in front of the FM - it is also probably the most politically sensitive. The classical response till now has been to raise interest rates, which the RBI has already done seven times during the year. But this has failed to rein in a price rise which is caused by supply-side bottlenecks and inadequate investments in infrastructure. Also inflationary expectations are on the rise, which is dangerous. The FM has to supplement the RBI’s actions with tighter fiscal policy measures - to control inflation, for sure; but, more importantly, to rein in inflationary expectations. This is easier said than done as the fallout of this could be GDP growth slowing down.

### Views

**Independent Directors strengthen audit**

The board of directors of a listed company is primarily an
oversight board. It oversees the management of the company to ensure that the interest of non-controlling shareholders is protected. It also functions as advisory board. Independent directors bring diverse knowledge and expertise in the board room and the CEO uses the knowledge pool in addressing issues being faced by the company.

The most important function of a monitoring board is to provide direction to the company. In the previous essay, in this space, I argued that it is a myth that the board of directors provides direction to the company in which the promoter (e.g. government, family and a multinational company) holds the controlling interest because the promoter does not want to give up the absolute power of formulating strategies. In a professionally managed company in which no individual or group holds significant voting right, the strategies are formulated by the CEO. The board finds it difficult to propose alternative strategies or to audit the strategy proposed by the CEO due to the knowledge gap between the CEO and independent directors.

Another very important function of a monitoring board is to set the ‘tone at the top’. It is expected to create the right culture within the company. I wonder whether, in practice, the board sets the ‘tone at the top’. I guess that the ‘tone at the top’ is set by the CEO (or the controlling group) and independent directors do not get the opportunity to set or change the organisation culture, particularly in a promoter-run business. For example, it is unlikely that the agenda of the board meeting includes an item on lobbying with the government or the audit committee knows the account head against which the speed money is adjusted. The board of directors is expected to ensure that the company does not expose itself to reputational risks by engaging itself in unethical behavior. But ethical issues are seldom discussed in the board. The board discusses only those issues that are placed before it by the CEO. It may be interesting to know how independent directors in the board of companies, whose name has been surfaced in the telecom scam, have reacted after knowing that their company might have been involved in unethical activities.

It might be an exaggeration that the board of directors, as an institution, has failed. But, it may not be far from truth to say that the board of directors, as an institution, has failed in its monitoring role. The reasons are quite obvious. Although, as per law, directors are appointed by shareholders, in practice, the incumbent management (CEO or the controlling shareholder group, if the CEO is a professional) appoints independent directors. Usually, an enlightened CEO desires a strong advisory board and not a strong monitoring board. It is unlikely that the incumbent management will select independent directors who can ask uncomfortable questions or who takes the task of monitoring too seriously. Therefore, the board functions as an advisory board rather than a monitoring board. If you ask the independent directors to analyse deliberations in the board meeting and define their roles, perhaps, most of them will come up with the answer that their primary role was advisory. Most independent directors are happy with their advisory role because that helps them to remain within the boundaries set by the ‘board room decorum’.

Monitoring might require independent directors to break the ‘board room decorum’. Presence of individuals, who are respected for their work in other fields, does not necessarily improve the corporate governance. This has been established time and again by corporate governance failure in companies (e.g. Satayam, Enron, WorldCom) in which the board had luminaries from different fields of work as members.

There is a gap between what we (academics and other experts in corporate governance) expect from independent directors and what they can do in practice. Independent directors, in enlightened companies, improve enterprise performance by providing innovative solutions to issues that pull down the performance of the company. They, through the audit committee, strengthen audit functions and risk management systems. They usually stop decisions that directly hurt the interest of non-controlling shareholders. And perhaps, that is what shareholders expect from independent directors.

Role of CEO in Corporate Governance

In today’s globalized economy, corporate play a major role in shaping quality of life of the society as a whole. According to Nobel Laureate, Amartya Sen, "Market forces alone are not sufficient for equitable distribution and some sort of intervention is required, be it political or from business houses, towards society."

Companies should be responsible to the society for their activities and owe to the environment in which they operate. Consequently, environmental protection, transparency among stake-holders, education, health, employee welfare activities and compliance with the legal requirements, has gained importance for corporate world-wide.

A company should take a balanced view of the components of corporate social responsibility and implement the strategies in coherence with the vision, mission and values of the company. Corporate Governance is the method by which a corporation is directed, administered, or controlled.

Corporate governance includes the laws and customs affecting that direction, as well as the goals for which the corporation is governed. The principal participants are the share-holders, management and the board of directors. Other participants include regulators, employees, suppliers, partners, customers, constituents (for elected bodies) and the general community.

As a result of the separation of stake-holder influence from control in modern organizations, a system of corporate governance controls is implemented on behalf of stakeholders to reduce agency costs and information asymmetry. Corporate governance is used to monitor whether outcomes are in accordance with plans; and to motivate the organization to be more fully informed in order to maintain or alter organizational activity. Primarily, though, corporate governance is the mechanism via which individuals are motivated to align their actual behaviors with the overall
corporate good (i.e., maximum aggregate value generated by the organization and shared fairly amongst all participants).

Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

Of importance is how directors and management develop a model of governance that aligns the values of the corporate participants and then th Equitable Treatment of Share-holders: The CEO should respect the rights of share-holders and help share-holders to exercise those rights. He can help share-holders exercise their rights by effectively communicating information that is understandable and accessible, and encouraging share-holders to participate in general meetings.

**Interests of Other Stake-holders**

The CEO should recognize that they have legal and other obligations to all legitimate stake-holders.

**Role & Responsibilities of the Board**

The board needs a range of skills and understanding - to be able to deal with various business issues and have the ability to review and challenge management performance. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties. There are issues about the appropriate mix of executive and non-executive directors. The key roles of Chairperson and CEO should not be shared.

**Integrity & Ethical Behaviour**

The CEO should develop a code of conduct for their directors and executives that promotes ethical and responsible decision-making. It is important to understand, though, that systemic reliance on integrity and ethics is bound to eventual failure.

**Disclosure & Transparency**

The CEO should be ready to clarify the company's position to the share-holders and the board and management to provide share-holders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

**Issues involving Corporate Governance Principles include:**

- Oversight of the preparation of the entity's financial statements.
- Internal controls and the independence of the entity's auditors.
- Review of the compensation arrangements for the chief executive officer and other senior executives.
- The way in which individuals are nominated for positions on the board.
- The resources made available to directors in carrying out their duties.
- Oversight and management of risk.
- Other studies have linked broad perceptions of the quality of companies to superior share price performance. In a study of five year cumulative returns of Fortune Magazine's Survey of 'Most Admired Firms', Antunovich et al found that those "most admired" had an average return of 125%, whilst the "least admired" firms returned 80%. In a separate study, Business Week enlisted institutional investors and 'experts' to assist in differentiating between boards with good and bad governance, and found that companies with the highest rankings had the highest financial returns.
- On the other hand, research into the relationship between specific corporate governance controls and firm performance has been mixed and often weak.

**The Role CEO in Corporate Governance**

- To constantly improve what is essential to human progress by mastering science and technology -

**Constantly Improve**

The CEO must have the oath "If you can't do it better, why do it?" It under-scores our drive to become an ever better and bigger company.

**Essential to Human Progress**

The products that are made by the company to find their way into products that provides people the world over with improved life-styles. One must understand and take pride in this. The company must also use this concept to further connect with the external markets and its serve. When the company thinks in terms of the markets it serve, the company becomes more outside-in focused and the company can better seek growth opportunities.

**Mastering Science & Technology**

The company must put the science and technology to work to create solutions for the customers and for society.

**Integrity**

The company believes that its promise is its most vital product - 'our word is our bond'. The relationships that are critical to the company's success depend entirely on maintaining the highest ethical and moral standards around the world. As a vital measure of integrity, the company will ensure the health and safety of its communities, and protect the environment in all it does.
Respect for People

The company believes in the inherent worth of people and will honor its relationships with those who let it be part of their world.

The company's stake-holders are the engines of value creation; their imagination, determination, and dedication are essential to growth. The company will work to celebrate and reward the unique backgrounds, view-points, skills, and talents of everyone. Respect for people is measured by how the company treats them, by the contributions that flow from the company diversity, by the productivity of the company's relationships, and by a job well done, no matter what the job. The company communities are the neighbors; their acceptance of the company is vital to its ability to operate.

The customers are the company's partners in creating value; their loyalty is its greatest reward.

The share-holders are the beneficiaries of the company's success; their on-going commitment to the company is based on returning to them superior profits over time.

The company's respect for people also extends to the consumers whose lives it touches. The company will strive to answer people's most vital needs: for food, water, shelter, transportation, communication, health and medicine.

Unity

The CEO must think like this, "We are one company, one team." The company believes that succeeding as one enterprise is as important as succeeding independently. Balancing empowerment and interdependence makes the company strong.

As one company, impact on the world is far greater than the impact of any one of its parts. The company's stake-holders will work together, building relationships to create ever-greater value for the customers and consumers the company serves.

Outside-in Focus

The company believes that growth comes from looking at opportunity through the eyes of customers and all those it serves. Taking an "outside-in" view ensures that the company's efforts are always relevant and that the company's unique talents are applied to "real world" opportunities.

The company will see through the eyes of those whose lives the company affects, identifying unmet needs and producing innovative and lasting solutions. The company will bring to this task all of its experience and knowledge as the unique individuals the company are.

Agility

The company believes its future depends on speed and flexibility - mental, emotional and physical. Responding resourcefully to society's fast-changing needs is the only road to success. The company will meet the forces of change with power and grace. The company will make course corrections that demonstrate flexibility as well as courage, and that highlight the company's ability to keep itself aligned with a world in motion.

Innovation

The company believes that meaningful, productive change - solving problems - only comes by looking at challenges and opportunities from new angles and exercising the company's curiosity.

In the name of innovation, the company will make science a way of living. The company will not only master the science of the physical world, but the science of the mind and heart. The company's job is to unlock answers that make a fundamental difference to people's lives. The company will use technology to help lead society forward. The company will conceive, design, engineer, and execute solutions that remove barriers to human potential and productivity.

In a Nutshell -

- Ensure group-wide adherence and commitment to the principles and values of Pick'n'Pay.
- Foster a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social and environmental responsibility.
- Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees.
- Develop and recommend to the Board a long-term strategy and vision for the Group.
- Ensure that the day-to-day business affairs of the Group are appropriately managed by the MDs, and that proper systems and controls are in place for effective risk management of the Group.
- Ensure, in co-operation with the Board, that there is an effective succession plan for the CEO in place.
- Recommend to the Board the appointment of MDs and ensure succession plans are in place for those MDs.
- Consistently strive to achieve the Group's financial and operating goals and objectives.
- Ensure continuous improvement in the quality and value of the Group's products and service provided.
- Ensure that the Group achieves and maintains a satisfactory competitive position within its industry.
- Formulate and oversee the implementation of major corporate policies.
- Serve as the chief spokesperson for the Group.
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- Transforming your Business by engaging with Stakeholders
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