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13 FEB 2016 @ BRINDAVAN CAMPUS

The Department of Management & Commerce, SSSIHL conducted a two-day international workshop titled **Leading with Values (Values and Financial Decisions & Strategies Matters)** on **13 February 2016** at the Brindavan Campus.

The Vice-chancellor of the university, Prof. K B R Varma—accompanied by the distinguished guests assembled for the day—inaugurated the symposium by lighting the ceremonial lamp. Students then chanted auspicious Vedam mantras.

Sri Ruchir Desai, Associate Professor, Dept. of Management & Commerce, SSSIHL set the agenda for the day. He stressed on the current need for the long-term view of life as opposed to the present trend of an extremely short term view, thereby making leadership not only the calling of the current times, but also a vocation.

Following this, an audio recording of the Revered Founder Chancellor, Bhagawan Sri Sathya Sai Baba's His Divine message was broadcasted. Baba said that one may find leaders in many a field, in many a dimension, but it is possible only for the Divine to achieve and demonstrate to the world, to be at the supreme most position in all domains of knowledge and experience. He went on to say that Sri Krishna alone was one who set an example for the world; quoting the *yajna* performed by Yudhishtira, the eldest son of King Pandu and Queen Kunti in the Indian epic Mahabharata. Baba added that Krishna as a leader demonstrated perfect humility for the world to follow, thereby highlighting that humility is the most supreme of all the values in a leader. Baba also said that all merely worship God without following what He had to convey to the mankind.

### PANEL DISCUSSION 1

#### PARTICIPANTS

**Mr. K Ramakrishnan** – Senior Managing Director, Strategic Relationships, Spark Capital Advisors (I) Pvt. Ltd.

**Mr. K R Lakshminarayana** – Chief Endowment Officer, Azim Premji Foundation

**Mr. Kartik Kaushik** – Country Business Manager, Citibank India Group.

The first speaker, **Mr. K Ramakrishnan**, stated that leadership must emerge from the spirit and cannot be brought in on the spur of the moment. Values, principles, ethics and morality are the cornerstones of society and are tested only in the times of a crisis. He said that all are good when the going is good, but it is only when the going gets tough that values are tested. It requires a tremendous amount of passion, character, and conviction to stand firm and stick to principles. Values are, he said, relative to the per set, the country of operation, the level of competition and many other factors and thus what was correct then, may not be correct now. Thus, in short, the premise of values works on relativity and is palpably changeable; but the underlying fact being the common good of society.

The speaker mentioned that instant gratification is the present malady that ails the society and the present workforce. The 2008 financial crisis reflected this predicament of instant gratification, when normalization of deviance caused the entire system to collapse. Trust is the core of a financial transaction. Once trust is broken, the entire system collapses. Through this fact, he emphasized that the practice of values is a matter of choice. It was a choice whether to save Lehman brothers or Goldman Sachs. The government also chose the latter over the former. In times of stress, conformity to values is tested when behavioral science surfaces over financial arithmetic.

Throwing light on yet another aspect from the world of finance, Mr. Ramakrishnan said that there arises a conflict of interest in the profession of investment banking. The buy side advises the institutional clients on to whom to sell. However, within the same organization, the sell side advises through its retail and institutional customers on what to buy and where to invest. Unless there is a Chinese wall drawn in between the two departments of the organization, not only will there be a question of trust in the minds of the clients but also the reliability of the organization as a whole declines. Thus, it becomes necessary to perform the duties of the hat that a person is wearing at a particular point in time. In conclusion, the speaker reiterated the need to set in a virtuous cycle, and to be on the correct path showing conformity towards values at all points in time.





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The next speaker, **K R Lakshminarayana** began by telling three contrasting stories which embody three different kinds of actions taken by three different business houses.

The first story was that of Volkswagen where they fitted the cars with devices which could sense the atmosphere and could manipulate the emission levels if the device detected a test-environment. He went on to say that such activities may succeed temporarily but in the long run, it does not do good, to both society and the public at large.

The second story was about the CFO of an organization who was approached by a senior level manager, asking him to adjust the sales figures for subsequent months so that the profits in the financial statements would present a better picture. Here was yet another, 'brushing under the carpet' incident, wherein the employees temporarily adjust and tweak the reality to show a better picture to the world. But how long would this go unnoticed was what he raised in this second story of his.

In the third story he reminded the audience of the 1982 crises that Johnson & Johnson faced. In Chicago that year and again later in 1986, people died by taking Tylenol pain-killer medicines. Johnson & Johnson dealt with this by recalling over 31 million bottles from across the country. This was at a time when Tylenol controlled 37% of the market. By doing this, they not only improved their future sales, but also set a positive picture in the minds of the world. (Tylenol was reintroduced subsequently with tremendous success).

He then went on to explain three concepts. The first being that of the unseen victim, which if envisioned by the organization, before taking any decision, shall dramatically alter the decisions taken by the people at the helm of affairs. The second concept was of market practice and competition, wherein the companies were forced by competition to give up on their values to achieve quarter on quarter results. The third concept is called normalization of deviance. The normalization of deviance is defined as the gradual process through which unacceptable practice or standards become acceptable. As the deviant behavior is repeated without catastrophic results, it becomes the social

norm for the organization. But once this becomes the practice, it becomes difficult to revert back to the right path.

Mr. Lakshminarayana made three propositions. There are no absolute values, there are only values relative to a situation. The individual is but a microcosm in the ecosystem - whatever he does leaves a lasting impression on the psyche of the organization as well as the society; it is no co-incidence that in an organization there is focus on value creation and values are created only by practice.

He wrapped up his discussion by reiterated the message of his principal head, Mr. Azim Premji. He said that the latter always believed that following values always was not only a great social practice but also a great business practice as it saves people and therefore the organization of the burden of leading a dual character.

The final speaker, **Mr. Kartik Kaushik** began with Einstein's quote by saying that everything that can be counted need not necessarily count, and all that counts need not necessarily be counted. He went on to say that values come straight from the heart. He narrated this point of his with a few incidents from his life. He said that no matter what kind of life others may lead, if we are on the right path, life is always fair to us. There might be a choice to go astray, cut corners, to gain momentum in life, but it is always those on the right who are always happy at the end of the day. They get all that they want and deserve.

The panel was then open for a Q&A session.

### PANEL DISCUSSION 2

#### PARTICIPANTS

**Mr. C N Ram** – Co-founder, Rural Shores

**Dr. Padma Sarangapani** – Professor, Chairman, Tata Institute of Social Sciences

**Dr. T T Srinath** – Organizational Behaviour Consultant

**Mr. Vivek Gour**, MD and CEO of Airworks Private Limited





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moderated the second panel for the day, on 'Values and entrepreneurial ventures.'

With the startup scene in India today multiplying at breakneck speed, the opinion of the leaders held great relevance and not to mention provided an insightful view into corporate or rather group governance.

Starting off the discussion at the second panel, **Mr. Vivek Gour** acknowledged the need for ethics in a business-driven motive and the fact this pervasive nature of values in an organization must originate at the root, that is, the entrepreneur. His/her gestures are what are noticed, more than words, and that in turn will determine the culture of the organization. Mr. Gour further emphasized the saying, 'Holding onto your Ethics and not yielding' by narrating a personal experience of his in which he did not yield to the demand of a bribe from an Income Tax Officer for a considerable time. Not expecting to see him ever again in life after the exchange, Mr. Gour was evidently shocked when the same officer called him up to request for an internship of his daughter's with his firm. And the explanation he gave? 'Mr. Gour, you're one of the only uncorrupt officers I've seen in a while and I'd like my daughter to work under you.' So values don't go unnoticed and surely doesn't make one incompetent. He further spoke on how corruption can be tackled by creative solving of problems like the one he and his management at Genpact had solved to ensure protection of their employees in Gurgaon, Delhi.

He then concluded by saying that life is not all that pessimistic as is painted by the media, and so are opportunities in the business arena for those who dare to enter it. He signed off by asking to keep up the entrepreneurial spirit.

The next speaker **Mr. C N Ram**, an insider from the IT industry, outlined what a future entrepreneur should aspire for. He spoke on how one shouldn't work towards good valuation, but towards success or value that would naturally bring in good Vvaluation; thus nailing two birds with a single clean stone. An individual must use his discrimination in following orders but with faith must rise to levels where he can order and influence others

on the right path. He highlighted the fact that the easy way out would keep getting difficult with progress and thus we must not look to cut corners. Finally, he advised that while making judgments, the inner voice comes in handy and thus one shouldn't try and suppress it.

**Dr. Padma Sarangapani**, an acclaimed veteran from the field of education, then gave a brief outline on the current situation as well as shortcoming in India's education framework, citing several loopholes in Indian education such as growing privatization and thus commercialization of schools where money (exorbitant fees) further disrupting the conventional and sacred teacher-student relationship. This results in and today's society becoming all the more colonial with no connect between knowledge and the greater goal of life.

Dr. Sarangapani applauded and invited more and more individuals to take up and lead the sector in ways, infused with values and culture.

Lastly, **Dr. T T Srinath** gave a crisp summary of the two philosophies that he believes should govern the entrepreneurial spirit: Choice (life is nothing but what your choices make out of it) and the the fact that people are basically and inherently good (the lens you wear is what jinxes your purview). He outlined a broad set of principles for the new age leader such as co-creation, appreciative enquiry, sweet talking, the right attitude, being present in a relationship, integrity and fairness.

After a short Q&A session, the panel concluded with one of the speakers aptly quoting Bill Donahue (an American sociologist and civil activist), 'A leadership strategy without ethical clarity produces moral and economic bankruptcy.'







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### PANEL DISCUSSION 3

#### PARTICIPANTS

**Mr. N T Arun Kumar** – Managing Director, UBS AG

**Mr. Sridhar Thiruvengadam** – COO, Cognizant Technologies

**Prof. Peter Pruzan** – Professor Emeritus, Copenhagen Business School

**Mr. Srinivasaraghavan** – Managing Director, Sundaram Finance Pvt. Ltd.

The discussion began with **Mr. N T Arun Kumar** discussing a new facet of entrepreneurship as an exercise of idealism. He stressed upon the fact that today, leaders are expected to be entrepreneurs as well. He defined culture—the key point of discussion—as the best behaviour that the leader exemplifies and the worst behaviour that the leader tolerates. In short, he summed it up as the sum total of behaviours and values. He opined that culture is the most important in any organization. In any field, organisation culture is perceived as per the customer values of the company. According to him, every organization is recognized by the culture it follows.

He then said that leadership is not about governing and complying but about setting an example for the others to follow. That's why he said Sri Sathya Sai Baba is the greatest leader and entrepreneur. He also said that a leader is the one who takes the maximum blame but the least credit.

We then had **Mr. Sridhar Thiruvengadam** talking about the various facets of organizational culture, beginning with humility. He emphasized that making decisions with humility, eliminating the sense of pride and ego, is the basis of organizational culture.

He also spoke of the importance of human resources as compared to that of other resources. He felt that as one goes up the corporate ladder, he might find it difficult to remain egoless. One, according to him, must listen and learn from his juniors, peers and superiors alike. He must be able to tell sorry even to his subordinates and should acknowledge their efforts with a 'Thank You'. He must follow his heart and give up ego. He should never be in a stereotypical environment and must always stick

to his roots, come what may. He should be able to empower his environment by becoming a role model and not a hero. Mr. Sridhar distinguished between a role model and hero by saying that a hero has a designation but a role model doesn't.

He concluded by saying that if the values and culture springs from the heart, then it would become easy for the person to follow.

Following him, **Prof. Peter Pruzan**, reiterated Baba's teaching on being humble and obedient to be a successful leader. He stated that the end of any business is to serve human needs. Hence, he felt that not everything can be translated into monetary terms. He then talked of the "Three abilities" of an efficient business:

- › Profitability – the ability to effectively utilize resources
- › Accountability – the ability to operate transparently to the value-owners (shareholders)
- › Sustainability – the ability to continue in the long run

He was of the opinion that the language of money is too narrow to gauge the success of a business. He then talked of 'ethical accounting'. He defined it as a measure of the extent to which an organization lives up to its stakeholder value. It would draw a rich and informative picture of how stakeholders consider their relationship with the organization. Unlike other forms of accounting, it is designed by the receivers themselves.

The last speaker for the panel and the day was **Mr. Srinivasaraghavan**. He started with the story of the erstwhile TVS Bus Services. He went on to say that the heart of all businesses is the customer and the customer is the real boss. He stated that only a handful of the initial Fortune 500 companies exist today, because of their strong business culture. According to him, business is not a 100-metre dash but a marathon. Instead of going through the three stages of entrepreneurship, 'Go on - Go Honour - Go Honest', one must directly go to 'Go Honest' and this would give him the fame he deserved. Business is about having a long term perspective and not about being flashy. If the leaders walk the straight line (follow the honest path), then they need not even talk to inspire the people.

