

“VALUES- DO THEY HAVE A PLACE IN THE INDUSTRY?”

- A synopsis of deliberations on 27th March 03

Introduction:

I stand in pain, yet I stand because there is hope! – Was the opening statement of Mr. PK Sarangi, moderator at the Management Discussion, hosted by The Management Group at India Habitat Centre on **“Values- Do they have a place in the industry?”**

In his introduction talk, he said, “this evening is not only a time to discuss and analyze what our generation did or at least was a silent spectator to the erosion of values and trust of the million of nameless shareholders by the Harshads and Parekhs. It also is a time to get united, form a nucleus to deliberate and act on what needs to be done and how?”

With this, Mr. Sarangi took opportunity to introduce Dr. MB Athreya; the key speaker of the first session- **Creating value based organization- a necessity**. Dr, MB Athreya, as rightly said by Mr. Sarangi needs no introduction. A Strategy and Organization Expert. Widely consulted by MNCs, leading Indian conglomerates and Government.

Session I:

He started the discussion with **Why do we need to talk about values?** What has changed in the environment that calls for a drastic action in the field of corporate values? The answer is globalization and domestic liberalization.

Globalization has brought with it, freedom from the ‘license raj’ and responsibility of acting as per ‘Dharma’. Like political governments, organizations, throughout, are also being held accountable for their actions. With declining investor confidence in investing and that of customer in spending there is a need for imbining at least 3 core values- Human dignity, Working together and Dharma, which simply put is a code of conduct, a way of living.

Before going over to, how can values be taught, let us first analyze, **whose values are we talking about.** To be able to imbibe organization’s values in employees, dealers, lenders, partners etc., their aspirations and needs are to be taken into account. He shared the examples of his work with Marico, Maruti and Telco and commented that more the aspirations of stakeholders are taken into account; the better is the internalizing of the values. He stressed the need for values to be well integrated with the vision of the companies.

While rewarding, we should ask, are we in anyway rewarding performance that is devoid of values? Answering to a question on **whether there is an intrinsic clash between values and performance, he with a lot of conviction said, No.** Sharing his experience he told that even though professional track devoid of values seems faster than one with values, the former gets stuck soon. In **G.E. as the person goes higher up in terms of position, of the two critical factors i.e. competencies and character, more weight is being given to the character. Why?** Because trust if broken, it takes a long time to build, and the people at the top are the keepers of the stakeholders trust in the company.

Mr. P.K. Sarangi, concluded the first session in a very crisp and concise manner. He talked of **four quadrants in a matrix of delivery and values** and these were high value – high delivery, low value-low delivery, high value – low delivery and low value – high delivery. The 1st is of course the ideal situation and the second the worst. The confusion however is between situations of **a) high value, low performance and b) low value, high performance**. He advised to take the path of high values – low delivery because sustenance during the recession/bad times is possible only in this position. On the other hand, the low value – high performance has good chance of collapsing even during good times. He said that there were enough examples to prove this in the recent times.

Session II

The second session, **Creating a value based organization- People dimensions** was of Dr. Shushanta Banerjee, a well-known Behavioral Sciences Consultant with proven track record of re-energizing organizations through mindset & cultural change. His first question to the audience was “what is common between Osama, Jesus Christ and you?” Human, is the answer. Business is a product of human beings. It exists because society is there and not vice versa.

For full potential of an individual to come into play, all four needs of an individual’s need to be met. These are rationality, instrumentality (delivery), expression and emotionality. **Unfortunately, the focus of the organizations in their dealing with employees is limited to the first two and hence the performance is limited to 30 to 40% of the actual potential.** He said that employees spend as high as 80% of their waking time for their jobs/organizations and **do not get an opportunity to meet their basic needs of expression and emotionality. He wondered if the word compensation is meant for these damages they suffer in an organization.**

To prevent it from happening, companies must find ways to not only compensate the employees, but also to ‘heal’ them. Organizations must live as a community as against a market place. He again drew from his experience in Shriram Group, Escorts, Ranbaxy, etc and said the ROI on the investment made by these companies for change of culture have been as high as 120 to 150% right in the 1st year.

Closing:

Mr. P.K. Sarangi then closed the session, by inviting Mr. Pitamber Pant, Managing Partner of The Management Group. He took the opportunity to thank the guests for their participation and talked about three critical requirements for a business to survive in today’s environment i.e.

- Continuous improvement in product, processes and (thereby profits)
- Correct and timely decisions
- Courage & enthusiasm across the organization, particularly during recession/bad market conditions.

And to create above conditions, there are two specific values which organizations need to adhere to:

- a) Organizations operate on the principle of TRUTH in its various manifestations and

b) Faith in people's capabilities and respect for humanity at large.

He requested participants to commit time out of their busy schedule to deliberate on this subject further and said that The Management Group will be happy to create a forum provided the Corporate in NCR were keen to do this.