

How can we fight greed to build lasting leadership?

Start from formative years: Ethics and values do not spring up one fine morning in a company. It is usually the result of what is seeded by the founding leader. The personality and character of a business enterprise is shaped in its formative years itself. The image that is imprinted in this period stays with the enterprise in some form or the other, right through its existence. If you really need to build lasting leadership, do not wait till you grow bigger or more influential. Practise it right away, from the beginning.

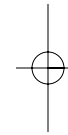
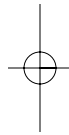
Well thought out, not impulsive: Adherence to ethics and values is not an impulsive decision, but a well thought out strategy, which is a result of a great deal of introspection and discussion. Priorities are clearly defined and are built into the code of conduct of the organisation, rejecting any temptation to jostle for short-term gains or make opportunistic moves.

A few of the most important clauses from the Tata code would give us a fair idea about this:

- ▶ No Tata company shall undertake any project or activity to the detriment of the wider interests of the communities in which it operates.
- ▶ A Tata company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards.
- ▶ A Tata company shall fully support the development and operation of competitive open markets and shall promote the liberalisation of trade in every market in which it operates.
- ▶ A Tata company and its employees shall not, unless mandated under applicable laws, offer or give any company funds or property as donation to any government agencies.

Establish long lasting institutions: Leaders who really want to walk their talk do not just define ethics and values on paper. They build institutions that could truly help every member in their organisation to practise these values and ethics. In Tata, about two-third of the capital of the parent firm, Tata Sons, is held by the Sir Dorabji Tata Trust and the Sir Ratan Tata Trust, where top priorities remain rural projects, especially for those that promote the advancement of women and children. According to a rough estimate, the Tata Group as a whole, through its trusts and its companies, spends about 30 per cent of its profits after tax on social-upliftment programmes.

The greatest strength of Tata's corporate social activity is that it is looked upon as a business process, like any other, not post-profit philanthropy.



There is an annual business plan, with mid, short and long-term plans specified, thereby encouraging the company to think in terms of sustainability. The Tata Index for Sustainable Human Development is a trendsetting attempt to map and measure the social development endeavours of the Tata Group of companies.

The truth as it is: Today's world is all about a truth well told, which treads closer to lie. It could definitely help in acquiring a few customers or influencing a few investors in the short-run. But building a leadership legacy is about taking the opposite path — no dodgy promises, no rigged publicity, no tall claims. Tatas follow these principles to the T. The group, even now prefers to go by a low-key, heads-down approach. The results, take time to arrive, but then they speak for themselves.

Trustee, not the owner of wealth: Considering themselves as trustees rather than owners has a great effect on the mindset of the promoters. Jayaprakash Narayan explained his concept of trusteeship as, "Under it, all wealth is a social trust and every individual — the employer, the engineer or even the ordinary *mistry* — is a trustee, entitled to its proper utilisation for the common good." In such a system, the promoter takes the role of a parent, a benign ruler rather than a selfish despot who looks towards amassing power and wealth to himself.

Trustee of the community: It is easier to take, but difficult to give. It is easier for a leader to be a parasite on the community, to take advantage of it, and thrive. It is a difficult proposition to encompass a culture of social responsibility that not only sustains but also enriches the lives of the communities it supports. But that is what establishing a lasting legacy is all about — shunning the easier path and embracing what is difficult — though it hurts in the shorter term.

Tata Group's corporate social responsibility was inspired by Jamshedji Tata's conviction that, "In a free enterprise, the community is not just another stakeholder, but is, in fact, the very purpose of its existence." Tatas approach to its business has evolved from this concept and the wealth the group has created is continuously returned to the people through its community initiatives. A good example is Tata Steel, which about a 100 years ago, first made its imprint on a small, insignificant place called Sakchi, which later transformed into Jamshedpur, the birthplace of Indian steel. Today, Tata Steel is a beacon to the corporate world, in its endeavours to enrich the lives of the people and the communities it touches.

Never succumb to temptations: It is easier to be opportunistic about your values, adhering to them only when you can. It is definitely not an easy journey, though a worthwhile one. Any leader on the path to lasting legacy would be tempted several times. Private enterprise in India had to deal with a lot of frustrations up to the 1980s. Businessmen had to grapple with red tapism and bureaucracy. But never did Tatas go easy on their values and ethics. Several great business empires were built during the license raj time, exploiting the system of the times. But never did the Tatas relent.

JRD Tata, the captain during that time had been disappointed by the political and economic climate of those days, but was never discouraged. He had, without a doubt, the country uppermost in his mind, even ahead of the group, even during the most frustrating times. He said, "Without a progressive India, the rest is nothing, and our industries and everything else will progress only when the nation does." Values, for those who are looking at leaving a legacy, are not a matter of opportunity, but a way of life.

Steps to Enable You to Live on to Leave a Legacy

- *Wealth does not pass three generations.* [Chinese proverb](#)
Be aware that only good values, not wealth would prevail in the end.
- *Be on your guard against all kinds of greed; for one's life does not consist in the abundance of possessions.* [Bible: New Testament, Luke 12:15](#)
Be aware of your weaknesses — especially when your self-interests can take the form of greed.
- *Someone's sitting in the shade today because someone planted a tree a long time ago.* [Warren Buffett](#)
Decide to leave your legacy.
- *Truth is the only merit that gives dignity and worth to history.* [John Dalberg-Acton](#)
Think and define your true values.
- *Do you wish to rise? Begin by descending. You plan a tower that will pierce the clouds? Lay first the foundation.* [Saint Augustine](#)
Lay a strong foundation.
- *Be your own master. Never change according to situations.* [Alan Keyes](#)
Do not be opportunistic.
- *I tore myself away from the safe comfort of certainties through my love for truth — and truth rewarded me.* [Simone de Beauvoir](#)
Walk your talk.
- *One mouse dropping ruins the whole pot of rice porridge.* [Chinese proverb](#)
Never compromise on your values.
- *The main foundation of every state, new states as well as ancient or composite ones, are good laws.* [Niccolo Machiavelli](#)
Build long-term institutions that could make it easier for others to understand and practise values.

