

The Smart Manager

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for our next smart managers



10th anniversary ISSUE

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Nilekani is Chairperson of Arghyam, a public charitable foundation working in the water and sanitation sector in India. She is the author of *Uncommon Ground*, a Penguin book based on the eponymous TV show which featured corporate leaders debating socio-economic issues with civil society.

talk time

□ rohini nilekani in conversation with tanmoy goswami

SMART SUMMARY In 2008, United Airlines allegedly broke a \$3500 custom-made guitar belonging to Canadian musician Dave Carroll. Following many rounds of fruitless dialog, during which the company's managers relentlessly cited 'policy' and refused to compensate the musician, Carroll made a music video called *United Breaks Guitars* that had amassed 10 million views on YouTube by February 2011. The impact: According to *The Times*, within four days of the video being posted, investors in the airline had lost \$180m due to a fall in its stock price. The moral of the story: Managers need to talk meaningfully with their customers while they can...or face the music.

Q The idea of continuous dialog between divergent stakeholders is fundamental to the success of tomorrow's global economy, and the foundational aspect of your book as well. Yet, even in this age of communication boom, we do not often get balanced conversations between all parties, leading to trust deficits all around. How can the corporate sector take the lead and start the process of conversation and trust-building with other stakeholders?

I think larger companies have figured out that the days of insular decision making, where other stakeholders and more importantly, other stake losers could be ignored, are long gone. So many companies in India have been reaching out to their myriad communities, with varying degrees of success. It is an iterative process and will get stronger. Certainly, the government needs to give stronger and clearer signals. But corporations too can institutionalize more platforms for discourse. The thing is they will have to be really listening, not just be



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seen to be listening. Because they are in a position of power. And if companies get uneasy with the economic slowdown, this might not find the highest priority, I am afraid.

Q Generally, we do not see mediators or interlocutors between corporates and society arising from within either of those parties. It is either the government, or NGOs, or individuals such as you who have had to play that role. Why do you think this has been the case?

There are instances of people speaking out from within, and indeed those will always be the most powerful voices. When fourteen businessmen got together recently to talk of corruption for instance, or when people like Arun Maira have spoken up for a more humane form of capitalism, as have many other people and institutions. Also, NGOs and people like myself are an integral part of the society, or *samaj*, and so many of us are raising new questions and also struggling with new models and solutions.

Q In a typical corporate setting, even today, the idea of participatory management has its own boundaries. In the non-business world on the other hand, 'participation' is often a much wider imperative. Especially in today's climate, where the common individual wants a greater say in everything. Where do we draw the line?

That really is an interesting question, and in the context of the public agitation for a Lokpal Bill with very specific clauses being insisted upon, the boundaries seem to have blurred considerably. There seem to be two

simultaneous and contradictory trends, where citizens are coming out on to the streets demanding more political rights, and where consumers are becoming less politicized and concerned more about their rights as consumers. Not too many people are focusing on obligations and responsibilities! Where this will end up is anybody's guess. The idea of our parliamentary democracy will have to struggle to remain relevant. Politicians will have to respond and rebuild trust. But there are class issues hidden here as well. What the successful middle and upper classes now want may not be what the struggling classes yet want. So certainly there are interesting times ahead, guaranteed.

Q In your show and your book, you have covered a number of sectors, including health, food, transport, land, energy and finance. Is there a set of common attitudes or temperaments that managers involved with these areas need to inculcate in order to be successful in the coming decade?

I think in all the issues that we covered in *Uncommon Ground*, some common concerns did emerge. The government's mandate to universalize public services is under considerable strain due to a scarcity of many resources—human, financial and ecological. There is a sense that the government cannot do it on its own. Yet, the role of the private sector in delivery remains hotly contested, especially by non-state, non-profit actors. In India, the debate on the model of development is still very much alive. But regardless of their positions, all these entities will have to find a middle ground and agree to some trade-offs sooner rather than later. A perfect storm might well be brewing, what with slowing growth, international issues, a young population whose aspirations

are unleashed and a shrinking natural resource base! To answer your question, managers in these sectors will have to come from a position of values, and innovate disruptive solutions that might well turn old assumptions on their head. Going beyond fear!

Q As a flipside to our first question, many corporate leaders interviewed by you have stressed the need for immediate action as the most important agenda. Is there too much talk in India, which inhibits prompt action?

It certainly often looks that way from the outside. On the other hand, India has often shown that what looks like analysis paralysis yields some later dividends. For example, our lack of decision making on family planning looks better than the quick decisions made by other countries. The debates in India are good debates, they are civilizational debates. But eventually, of course, some issues do require a clear stand and clear leadership of the government. After all, we have an elaborate constitutional structure that spells out who can take what decisions on our behalf. We don't have to challenge everything, and we have to perhaps learn to be more tolerant of mistakes, and of less-than-perfect solutions!

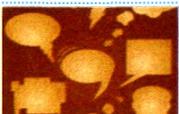
Q Umair Haque, one of the top 50 management thinkers in the world according to the 2011 Thinkers50 rankings, talks of a new capitalist manifesto that will recognize that our world today no longer resembles a vast game reserve but a cramped ark with barely any room for reckless hunting. It is a striking image and one that communicates the point more effectively than any abstract theory on growth vs development. In your experience, what are the merits and demerits of abstract thinking over concrete design-based thinking? Is there place for both to coexist in India?

We need both. In a way, India has so many examples of how to live in that cramped ark. Some really elegant

social norms have developed around a scarcity of resources. Some of them embedded within them unjust social structures that are modern anomalies. The challenge and the adventure before us in India is of retaining the wisdom of the past without romanticizing it, and of bold innovation to future-proof ourselves. There are small but promising efforts and examples in that direction, whether in water conservation, in renewable energy solutions or in alternative livelihoods. To step that up, we need both abstract models—and Indians are so good at creating stories and a vision—and practical design and redesign.

Q According to you, is there a company (or a few companies) which can be role models in the India growth story? Could you please explain your choice?

It is hard for me to pick companies, though I have a natural bias towards Infosys! But many companies are showing the way in some aspect or the other. Take inside-the-fence sustainability initiatives, for example. Or how some companies respond so quickly to consumers. Or in the way they create strong CSR programs and allow those to inform their business models. □



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