

21st World Congress on Total Quality

Leading 360° [100%?] Transformation

Summary and recommendations

30 January 2011

Leading 360° transformation through i-TEAR

i-TEAR: innovation, Transparency, Engagement,
Accountability, Responsibility

“Only when we have wiped the tears off every poor have
we arrived as a nation.” *Mahatma Gandhi*

Taking a Society Relationship Management (SRM) approach
to TQ could provide greater spiritual depth and
effectiveness to the methods

Leadership for inclusive and holistic transformations

Change may be more effectively driven by new entrants...

- Industry outsiders have little to lose by pursuing radical innovations
- Industry insiders have reasons to protect status quo
 - Investments in current technology and management time focus on maintaining and marginally improving existing systems

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 need to consider:

- Character (and attitudes)
- Competencies
- Strategic Vision

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

- 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

Triggering an explosion of innovation

- Innovation and strategy combined give organisations their competitive advantage
- 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 engage people and channel their creative energy
- Use local incubators to encourage entrepreneurial innovation

Building a low carbon future

New finance mechanisms are needed to stimulate...

- Affordable, sustainable energy anywhere in the world
- Retooling and refurbishment for energy efficiency
 - EGs: “Coalition for Green Capital” & Global Investment Trust for Clean Energy (GITCE)

New sustainable alternatives need to be identified for many existing raw materials and catalysts

Only the truly transparent will survive

Numerous weaknesses 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

[part 1 of 2]

- 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**

[part 2 of 2]

Building a sustainable financial future for Gen Next

- 'Personal social responsibility', not corporate, drives 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
 - [Backed up by strong law enforcement]
- Governments need to commit to safeguard both state and private wealth

Build intense, constructive engagement

Gen Y prefer 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)

Corporate & Public Governance

Government policy reform is needed...

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

[part 1 of 3]

Corporate & Public Governance

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?

[part 2 of 3]

Corporate & Public Governance

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

- However we should not forget those that have lost their lives trying to apply Right to Information (RTI) Act 2005 powers:
 - Amit Jelhwa – murdered in August 2010 for exposing illegal mining in the Gir forest region
 - RTI activist found dead in August 2010 after exposing corruption in food grains and fuel distribution

[part 3 of 3]

Recommendations...

- Financial literacy should be a right
- Ask business schools of which you are Alumni (or a prospective student) whether they are signed up to – and applying – the Principles for Responsible Management Education (PRiME)
- 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

[part 1 of 4]

Recommendations...

- “Strategy of transparency must inculcate a sense of pride by rewarding good tries and the ownership of failures”

Madhav Mehra

- If you have not already, try using IOD’s ITEAR model:
Innovation, Transparency, Engagement, Accountability and
Responsibility

[part 2 of 4]

Recommendations...

- Information technology helps tap the resources of every individual in the organisation to deal with crises
- Earlier TQ concerns about a gap between board room reality and corporate reality *can* now be addressed
- Expensive and bureaucratic approaches - no longer necessary
- More practical and cost effective ways of ensuring compliance, ethical conduct, quality relationships and behaviours already exist – use them!
- Quality has come of age and could have an exciting future

[part 3 of 4]

Recommendations...

“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.”

[part 4 of 4]

Thank you...

To you all, the delegates and speakers, for the stimulating papers, presentations and rich dialogue...