The moral fibre of management

An understanding of the deeper purpose of business does not come from basic intelligence alone or from the capacity to work hard between doing good and doing well. should not come as a surprise. Indeed, it is impossible to resist the calling of an individual who is driven by a larger cause or a purpose for personal gain. An individual who is committed to the cause can dive up all others. overcome resistance and march ahead with an army that is ever growing because of the sheer power that flows from working for the collective good.

The foundation on which a person’s future rests is his or her belief system. If that belief system itself is flawed, then

There is no trade off between doing well and doing good. It is possible to do both, and indeed, the only sustainable way to do well is to do good. If we find it difficult to see it that way, it is because of our myopia.

When personal success becomes an end in itself and when progress is measured in the unidimensional currency of material gains, then intellect and judgement get clouded. Patial favours well follow, and they do. The response to the spate of scandals that shook corporate America was quite predictable, more oversight and tighter laws and the introduction of the Sarbanes-Oxley Act. The Act was believed to be bringing transparency in business conduct and thus ensure prevention of such corporate failures.

But laws cannot fix good regulation, reputation can never last character. Unfortunately, the Sarbanes-Oxley Act did not prevent further collapses and we have witnessed in the midst of a crisis in the financial sector. In fact, this time the magnitude is worse—it is more widespread and is growing. Predictably, the reaction again is more regulatory. The suggestion here is not that we don’t need regulation. Of course we do, but we must never forget that regulation is not enough to stop greed and arrogance.

When the basics are forgotten, business and its management will fall into disrepute. The media and the society at large question managers who in spite of earning high compensation demonstrate poor corporate governance and are low on ethics. Society wonders—What do they learn in business schools?

The currency of growth and progress can never be material wealth. Growth can only be rooted in the well being of society, because, as someone has pointed out, we do not live in a material economy, we live in a society.

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