



The changing attitudes towards corporate social responsibility

A new generation of Indian business leaders is busy changing the widely-held perception that business by its very nature is antithetical to societal needs. Just how widespread is this new thinking and how deep is the transformation? For an answer, *Mint* partnered with Oslo-based consulting firm Xynteo, whose path-breaking study 'Leading Out' gives empirical evidence of this new agenda especially among future enterprise leaders of India's top companies. Beyond the numbers what it tells us is that the passivity of corporate social responsibility (CSR), with its ring of self-righteousness, is giving way to the more positive intent captured by the phrase corporate social opportunity. Significantly, as Xynteo's research shows, for those companies which have integrated these sustainability goals with the core of their businesses, the commercial returns have been well worth the efforts. That's the real marker for our future because regardless of which end of the pyramid we are in, there are some needs that are universal.



(From left) Vibha Jindal, delivery partner at Tata Consultancy Services; Ishita Anand, founder and CEO of BitGiving; Raheel Khursheed, head (news partnerships) at Twitter India/South Asia; Mint's Sundeep Khanna; and Sanjeev Mehta, CEO and managing director (South Asia) at Hindustan Unilever, in New Delhi on Tuesday. PHOTOGRAPHS BY PRADEEP GAUR/MINT

EXPERT VIEW OSVALD BJELLAND



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LEADING OUT FOR NEW GROWTH

The purpose of business is to address real human needs—that's something I learnt as a young boy in rural Norway, welding sheep bells, then selling them to farmers. By providing the farmers with a way to keep track of their sheep, I could buy myself new football boots and put a little away to fund my future education. It taught me that business can make money and improve people's lives.

Tata Sons Ltd and the Aditya Birla Group, two of the great pioneers of Indian business, were founded on a similar idea—that capital should be invested in a way that delivers commercial returns and benefits the people.

In my mind, this approach to business and society is more important today than ever. India is at a truly historic moment. It's now home to the world's largest population under the age of 30 and an abundance of talent, knowledge, technology and capital. And it has made considerable progress; for example, child mortality is at the lowest level we have ever seen.

Yet, there are even greater opportunities to invest India's resources in a way that it achieves the maximum human return on investment.

Take the empowerment of women. At just 27%, the proportion of India's women participating in its workforce is less than half that of China or Brazil. How are we going to ensure that all of India's women reach their full potential?

The answer is leadership. In my work, I've had the opportunity to collaborate with some remarkable leaders—leaders who are transforming their businesses and society at large. Unilever's CEO Paul Polman has challenged business leaders to define themselves by the problems they solve; Mastercard Inc.'s CEO Ajay Banga says the highest form of leadership is pursuing what is in your best interest and the interest of others.

To explore support for this new way of doing business, Xynteo, an Oslo-based consulting company with a focus on sustainable growth, asked a group of emerging business leaders the extent to which they are aware and committed to such an approach.

The findings are extremely encouraging: a new generation of Indian business leaders is emerging. They are transparent about their vision. They are engaging with the outside world to identify new opportunities beyond their core businesses. They are combining forces across industries and sectors to unlock new commercial value.

These emerging leaders are not afraid of doing business differently. They are "Leading Out". The study shows one in five emerging Indian business leaders sees these behaviours as integral to their success.

Right now there are some great companies already driving this new leadership movement in India and beyond.

Take the Taj Group of Hotels, which is training underprivileged women to take on new kinds of roles in the hospitality sector, thus creating equal opportunities in that industry. Through this initiative, the hospitality industry is realizing new opportunities for a diversified workforce and contributing to the empowerment of India's women.

Like Taj, more and more Indian companies are actively seeking commercial opportunity through addressing societal and environmental challenges. And with a third (31%) of emerging Indian leaders seeing that it is possible to make money this way, this is more than corporate social responsibility.

This is Leading Out. *Osvald Bjelland is chairman and CEO of Xynteo.*

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NEW DELHI

With the mandatory spending on corporate social responsibility (CSR) reduced to just another ineffectual piece of legislation, a mindset change that entails looking at CSR as an opportunity for growth is emerging as the change agent in India.

Panelists at an event in New Delhi to launch Oslo-based consulting firm Xynteo's new report *Leading Out* discussed the ways their companies are focusing on the pressing issues in society.

Whether it is the need for clean drinking water or roads or inexpensive housing or even broadband access in the remotest parts of the country, the Sustainable Development Goals adopted in 2015 by the United Nations, are now becoming the fulcrum for emerging growth markets.

As Sanjeev Mehta, chief executive (CEO) and managing director (South Asia) at Hindustan Unilever Ltd, said, "Companies start with charity, then they open educational institutions, then espouse causes related to marketing, and then CSR. What we are trying to achieve is work towards societal good and reducing the environmental footprint, not that something you superimpose on the business—that's the subtle difference."

Mehta agreed with Xynteo chairman and CEO Osvald Bjelland, who said upfront that companies need to reinvent their growth model. The serial entrepreneur said it had been his second nature from early in his career to focus on economic growth married to human needs.

He emphasized the fact that the key to this is committed leadership, and it is the quality of the leader, his purpose and morality that is very important. Bjelland mentioned that in a recent survey it was found that only one-third of the people trusted bankers in the UK and it was the same in many other countries.

On the report, he said: "We are in trouble as the physical world is unravelling in front of our eyes, emotional stress is rising, leaders are with a broken spirit and they are losing spiritual



Osvald Bjelland, chairman and CEO of Xynteo.

altitude, so we need to look at emerging young leaders. That has been a very positive experience. One out of five young leaders are interested in leading out."

Other panelists at the event included Vibha Jindal, delivery partner at Tata Consultancy Services Ltd, Ishita Anand, founder and CEO of BitGiving (a crowdsourcing platform) as well as Raheel Khursheed, head (news partnerships) at Twitter India/South Asia.

The changing attitude represents the best hope for a meaningful battle against the challenges that have kept the poorest Indians underserved and deprived of the basics of human existence even after 69 years of political freedom.

In as much as businesses are the primary drivers of development in this era, it is business leaders who need to come up with answers to the needs of society. When what is good for society becomes good for business as well, a winning combination emerges.

Mehta concluded: "For us, innovation is a lifeline. Don't worry about failures, learn from it and keep going on, it is then your purpose and values come in handy."

Corporate social opportunity: the new mantra

Is it possible to convert the pressing problems of our times into opportunities for corporate growth? Oslo-based consulting firm Xynteo, which advises global companies on programmes that enable them to grow while keeping in sights the resource, climate and demographic realities of the 21st century, has done a pioneering study among Indian business leaders. The objective: to understand the imperatives and drivers of businesses in the country and how closely they address social issues. Following are the key highlights from the report titled "Leading Out".

Leading out: The five leadership behaviours

- In the open:** I set a transparent and accountable vision which will deliver commercial benefits, and I am clear on how to achieve it.
- Outside influence:** I go beyond my organization and industry norms to bring together the most effective ideas from a variety of external sources.
- Out of my comfort zone:** I have the courage to try something that hasn't been done before and do not let fear of failure hold me back.
- Through outward collaboration:** I recognize that most problems can't be solved alone, so I pursue win-win initiatives that benefit my organization, our suppliers, partners and even our competitors.
- Through modelling out:** I set a positive example that builds consensus and inspires the wider industry, regulators, governments and consumers to follow suit.

How do Leading Out champions differ from other emerging Indian business leaders?



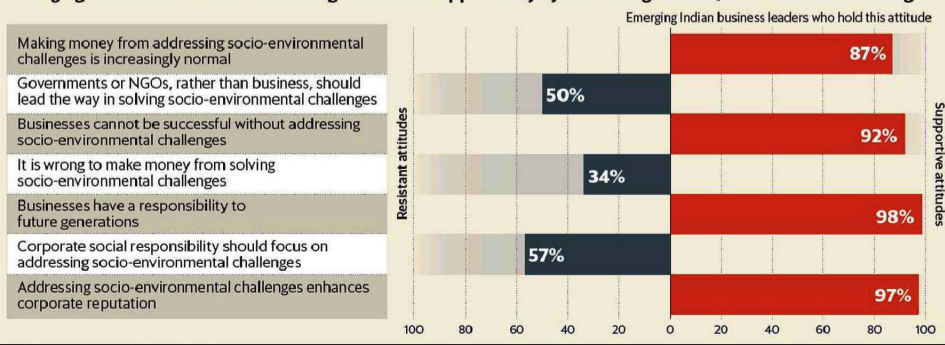
32% of those who rank their firms as industry leaders say support of central leadership is key. Other factors cited by those "doing things right" include the adoption of new technologies (29%) and the increasing number of industry peers also adopting new models for growth (11%) as well as employee influence (11%).

Indian business leaders who picked one of the following barriers to seeking commercial opportunity by addressing socio-environmental challenges



Respondents were asked to select the top three "internal" and top three "external" impediments to their organization when seeking commercial opportunity by addressing societal and environmental challenges.

Emerging Indian leaders differ on seeking commercial opportunity by addressing societal, environmental challenges



GRAPHICS BY SANTOSH SHARMA/MINT

Source: Xynteo