In general, Regulation is an instrument used by Governments to benefit the Public.
‘Sustainability’ challenges our governance arrangements and board leadership.
How can companies ensure effective governance of Governance and that relevant laws, regulations, codes and other requirements are understood and observed across a corporate organisation?

How a Board should apply these tests to Governance?

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Corporate Governance for Sustainability

The corporate have to move beyond compliance -- that means doing better than minimum requirements in terms of environment sustainability. Growing consumer expectations are driving organisations in their push to achieve more than what the government legislation requires. It has been observed that socially responsible companies see it not only a way to help the environment but as a way of gaining a competitive advantage. There are advantages but their moving beyond compliance also has potential costs associated with the move. The corporate will need to invest in new technologies and innovations to create new solutions and processes.

Public services impact directly on businesses and their customers and employees. Their quality is an issue for business leaders in areas ranging from education and health of employees to transportation infrastructure, the availability of utilities and the efficient management of the economy. Many companies face financial constraints and the increase in demand are outstripping available resources. Many industrialised countries are facing heavy debt and slow economic growth, so it is not a surprise when media laments that there is no money for global development and social needs. Yet the global economy produces astonishingly well. There are more billionaires across the globe today than ever before -- the number of wealthy individuals increased by 28% between 2009 and 2011. To meet the needs of the poorest people on our planet, we will need to harness the opportunities offered by the changing global economy. This means being innovative in how we finance development. Financial innovation has to be used for the good of humanity and the business will have to take lead to provide solutions thereby finances raised through public involvement may complement official development assistance.

Realising that global discussion and action has to be supported also at the national and local levels, IOD has decided to follow-up the London Global Convention with the conference focusing on Corporate Governance practices in India in December 2014 so as to create awareness about global best practices and their possible adaptation under Indian conditions.

From the Editor

Pradeep Chaturvedi
Vice President, IOD
Since inception in 2004, YES BANK has created a paradigm in Indian Banking, through continuous Innovation and Excellence. As a full-service commercial and retail Bank, we dedicate ourselves towards delivering the Finest Banking Experience in India.

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Fundamentally, there is a level of confidence that is associated with an organization that is known to have good corporate governance practices. Good governance positively influences the company's financial performance, the movement of its stock price, and makes it easy for them to source capital at more reasonable costs.

Thus, corporate governance could be viewed as more than just complying to regulatory requirements, as there exists a fundamental link with business, corporate responsibility and shareholder wealth maximization. Modern organizations need to articulate a multi-stakeholder model of accountability that will manage the symbolic relationship between various stakeholders. This approach could be central to the day-to-day functioning and in implementation of business strategy of such an organization.

According to the IFC, the first generation of corporate governance focused on legal issues, structures and individual competencies and independence. The second generation of corporate governance focused on stakeholder engagement and new models of accountability. We are in the third generation of corporate governance where governance is for sustainability.

Over time, the roles and expectations from the Board of Directors, too, have changed, responding to emerging trends and evolving economic systems.

The Cadbury Report in 1992 and the King Report in 1995 were key documents that have shaped the way Boards function today, such as the setting up of audit committees, including independent directors on the Board, and protecting the interests of small shareholders.

In the last two decades, topics such as human rights, and environmental and social impact, emerged as issues that organizations were expected to address, leading to an expansion in the duties of the Board. Similarly, there is a greater call for Boards to be more gender balanced and include more women as directors.

Sustainability has emerged as the next megatrend (Deloitte, 2012) and the organization of the future will be judged not by its tangibles but more by the strength of its intangibles, such as reputation, trust, integrity, and risk management.

The global financial crisis eroded public trust in corporates, particularly the banking sector. The 2012 Edelman Trust Barometer saw trust in banks drop globally, moving from one of the most trusted industries to one of the least trusted. In this “new normal” scenario, the financial sectors adopted robust sustainable strategies, reducing irresponsible risks, tightening internal compliances and moving towards an overall holistic approach that brought Environmental, social and corporate governance (ESG) considerations at the heart of decision making.

Companies with poor corporate governance practices are now finding it tougher to do business, with a more aware consumer base, increased investor activism, changing regulatory regimes, and a society that, in general, expects them to act fairly. Companies successfully adapting to the new normal, on the other hand, have demonstrated that sustainability is not a silo, and there is a clear risk adjusted, profitable business case for it.

Companies in India too are increasing moving beyond the traditional approaches to sustainability & CSR as philanthropic activity to an integrated approach by embedding it into core operations.

Changes in the global environment have also put pressure on Governments, regulators and stock exchanges across the world, to develop smart regulatory measures for embedding sustainability into economic activity.

Within India, in 2007, the Reserve Bank of India had released a notification to all scheduled commercial banks on their role in CSR, sustainable development and non-financial reporting. National Voluntary Guidelines released in 2011, on Social, Environmental and Economic Responsibilities of Business was a step by the Government to help the corporate sector with its efforts.

The Business Responsibility Report, mandated by SEBI in 2012, was the first initiative that effectively linked sustainability reporting to business reporting in India. The onus of reporting on non-financial performance fell on the company secretary, and as it is reported in the Annual Report, had to have a sign-off from the
With the Companies Act 2014 passing the CSR Rules, a significant step has been taken in the institutionalization of the role of the Board in an organization's Corporate Social Responsibility imperatives. For the first time, legislation has made the Board responsible for an organization's action on CSR, right down to the implementation of projects and publicly reporting impact.

In the last few decades, investor activism on non-financial performance of companies has gained prominence, with investors questioning organizations on their corporate governance practices, impact on local communities and environments where they operate and other such issues.

According to an article published by McKinsey in March 2014, “activist investors are getting more and more adventurous.” The article notes that internationally, it has been observed that investor activism positively impacts target organizations. Activist campaigns impact strategy and operations, strengthen corporate governance practices and ease “perceived pressure for short-term performance.”

Shareholder activism on ESG topics gained prominence when a small group of investors came together to form CERES, primarily in response to the Exxon Valdez oil spill in March, 1989, with an idea to create a bridge between the environment and business. Since then, shareholder activism has manifested itself in global standards, statements and commitments such as the GRI, CDP and the Natural Capital Declaration, which press on organizations on pertinent issues such as GHG emissions, non-financial reporting, and sustainable finance. The CDP, for example, now represents 767 institutional investors holding USD 92 trillion in assets and has set the benchmarks on how organizations report their GHG emissions. Most recently, the 2014 Global Investor Statement on Climate Change was released before the UN Climate Summit held in September in New York City. The Statement was signed by 347 investors and outlined their commitment to transitioning to a low carbon economy.

The Board, being the foremost decision making body in modern corporations, not only has the responsibility of responding to the emerging trends, but also has the task of equipping itself to effectively respond to such trends in the most complimenting manner. The Board's direct oversight on sustainability issues is necessary for ensuring that an organization imbibes the same values and practices from the top to the bottom.

To ensure that the Board's views reach the grassroots of an organization, effective management systems need to be established that are completely in sync with the Board and in control of the organization's processes and systems. Usually, the MD or ED is the link between the Board and the rest of the organization. These individuals hold the key and need to be empowered and experienced to ensure seamless implementation of the Board's vision and intentions across an organization.

Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The Board's mandate is becoming more action oriented and directly linked to an organization's stakeholder management and reputational risk management.

Good Boards must quickly adapt to emerging stakeholder expectations, such as adequately responding to emerging regulatory requirements, increasing the quality and responsibilities of Independent Directors, improving gender diversity, and addressing skill gaps.

In conclusion, transparency and accountability to all stakeholders are the fundamental principles to sound Corporate Governance, which ensures that the organization, led by an experienced and equipped Board, is managed and monitored in a responsible manner for 'creating and sharing value'.

Leadership has a plethora of definitions and theories; no common agreement.

"The Capacity and the will to rally people to a common purpose, and the character which will inspire confidence".

Montogomery in 'Path to Leadership'.

"Leadership is the projection of personality, It is that combination of persuasion, compulsion, and example that makes other people do, what you want them to do".

Field Marshal Slim in 'Defeat To Victory'.

"The art of influencing human behaviour, so as to accomplish a mission, in the manner desired by the leader".

unknown.
I am honoured to be here today to share with you some thoughts on Corporate Governance and its impact on business. Corporate Governance is not a new topic to all of us in this room. Given that most of you are CEOs, entrepreneurs and company directors, you are used to dealing with corporate governance issues.

But I believe until the financial crisis hit the corporate world, corporate governance was not a topic that attracted much public attention. It was a topic reserved for discussion in the Board rooms. The crisis impacted the future of corporate governance. While there were many players at fault for their contributions to the economic crisis, many observers faulted boards – the most important line of defence against corporate breakdowns – for a fundamental failure of oversight. And by doing so, the financial crisis has made corporate governance a major issue and has changed the way it is dealt with in the board rooms.

I am, therefore, pleased that the IOD has chosen this topic for today's discussion.

In my role as the founding Director General of the Commonwealth Business Council (CBC) and as the founder of Commonwealth Investment Corporation (CIC), as well as sitting on the boards of various companies – both big and small, I have seen how corporate governance plays a key role in the long term prospects of a company.

Perhaps it would be useful to begin by defining what corporate governance means.

To put it simply- It is the balance of control between the stakeholders, managers, and directors of an organization. It is a system of rules, practices and processes by which a company is directed and controlled. According to the IOD- Corporate governance is "the system by which businesses are directed and controlled".

As mentioned before, the financial crisis had a big impact on the understanding and practice of Board rooms.

One positive outcome of the economic crisis may be a fundamental paradigm shift from concern over short-term earnings to a focus on more meaningful measurements focused on market viability, long-term sustainability, and consistent profitability.

A contributing factor to the economic crisis was that “outsized risks propelled enormous short-term revenues that fed top executive compensation packages based on such near-term performance”.

As the crisis proved, I believe, short-term earning based on greater risk-taking is not consistent with long-term shareholder value. A more long-term focus by senior management in their decision-making could positively alter how business is conducted. Many companies have since taken the advantage to build a culture based on transparency, openness and corporate social responsibility.

As my good friend Narayana Murthy of Infosys has said “the bad news should take the escalator while the good news should take the stairs”.

Since the crisis, companies have witnessed some positive steps to ensure better corporate governance. I will share a few of these with you here today.

In the past 10 years, Corporate Governance has changed from ticking the boxes and filling in forms to, changes in the management culture and decision making. It has affected the culture of the organisations particularly how the Board of Directors are playing a role in managing the companies. It has also played a role in affecting the relationship between stakeholders and the company including shareholders, customers and employees.

Boards are responsible for ensuring senior leadership has applied due diligence to their decisions and for asking what risks the company is exposed to as a result of those decisions. However, though boards have had these responsibilities in the past as well, boards in general said that they did not get enough of the right kinds of information in order for them to effectively execute their responsibility of risk oversight. This is being addressed now.
Post crisis, corporate governance is being driven by risk assessment and management. Boards are now assessing management's ability to reduce risk and determine if management is thinking broadly and carefully enough about risk. With this increased focus on management and business fundamentals, boards will also see increased demands on their time.

**Roles** between boards and management are also being redefined with this increase in board oversight. According to KPMG, “Top management will spend more of their time as stewards of risk”. In addition, senior executives will have to articulate, both internally and externally, the implications of such risks in order to satisfy an increased demand for transparency and the need to benchmark against other companies.

In the last few years the organisational structure and corporate processes have got affected considerably to ensure the transparency of decision making. This includes how the directors are appointed, how the management decisions are made, how suppliers are selected and how the process of appointing and getting rid of employees has evolved.

A change of attitude is visible. Senior management are looking into not just big-picture evaluations, but more details of their businesses. I believe, management needs to challenge their assumptions and decisions and cultivate an environment where challenging assumptions is acceptable to promote the long-term betterment of the company.

Other changes we are already witnessing include the separation of the roles of CEO and Chairman.

The financial crisis had a major impact on big companies and in fact some like Lehman Brother paid a heavy price for their lack of good governance. Many wonder if good corporate governance is a matter only for big companies?

**Small vs Big Companies**

Many of you in this room are leading or working in small companies. As you know, the corporate governance for small and unlisted companies is very different to that for large, traded corporations.

Many unlisted enterprises in the UK are owned and controlled by single individuals or families. In case of India and Africa, this is more so, where a large proportion of businesses are generally owned and run by families. Good corporate governance in such a context is not primarily concerned with the relationship between boards and external shareholders (as in listed companies). It is neither about compliance with formal rules and regulations. It is more about establishing a framework of company processes and attitudes that add value to the business, help build its reputation and ensure its long-term continuity and success. It makes SMEs attractive to investors and helps companies identify and mitigate risks. As mentioned before, it also increases market confidence.

**Corporate governance in India and emerging markets**

Corporate Governance has changed universally both in developed and developing countries over the last ten years. The financial crisis did play a major role in the corporate governance issues in the UK. Similarly, in the last few years the issues of corruption did focus on corporate governance. This was more visible in the developing countries. In India, we have seen a more robust approach to governance and corruption; there are promising and positive signs.

However, there are certainly differences in practices between developed and emerging markets. In the developed markets there is increased emphasis on the structure and the processes. The banking crisis has increased the demand for transparency and adherence to set up processes involving Company Board and Directors and Management.

**Conclusion**

I would like to conclude by saying that I have generally found that there is a relationship between good governance and the reputation of the companies.

As Corporate governance has been thrust in to the public space, the investors and general public will react to any news or information on problems of the Governance for companies. The value of the company through the stock market does vary on the basis of news related to governance issues of the company. We are also aware that the mission of the Institute of Directors is to ensure the highest professional and ethical standards amongst directors and the boards on which they serve.

Moving on, I want to say, Training and Skills Development have played a major role and there are a number of working groups and think tanks focussed on corporate governance particularly in the area of training of independent non-executive directors. Companies like KPMG and institutions like the IOD have set up training and virtual institutes for information dissemination. These are important step in the right direction.

*Dr Mohan Kaul is Executive Chairman, Commonwealth Investment Corporation*
Business, political, professional and thought leaders recently came together in London for IOD India's 14th Global Convention on Governance and Sustainability. They assembled to discuss the leadership provided by boards. The convention's conference was held in the city with the world's highest number of top institutions in the global ranking of universities. It was fitting therefore that senior academics and university vice-chancellors contributed to the proceedings.

Summarising the presentations of around 100 speakers of standing in their fields and the many comments from participating delegates is no easy task. Inevitably a personal reflection involves one individual's view of what transpired, but in this case the reviewer has experienced several previous conventions. So what stood out as particularly significant this year from four intense days of discussion and debate in multiple locations in the Cities of London, Westminster and Leicester?

There were calls for integrated and holistic thinking - endeavouring to see situations as a whole - and more of a focus upon behaviours. Various contributors stressed the importance of boards and their chairs as they try to reconcile and synthesize contending interests, build collective views and determine a sustainable way forward. The visions and goals that are articulated, the objectives that are set and the policies that are agreed must meet enough of the interests of different stakeholders to engage them and enable a company to build mutually beneficial relationships with them.

**Individuals and Teams**

The presence of entrepreneurs who have founded and lead companies that operate nationally and internationally illustrated the impact that individuals can have. While often the first to acknowledge the help they receive from others, many business leaders contribute to innovation, sustainable growth and the betterment of mankind in ways that are equivalent to those of moral, thought and other leaders in their respective fields.

When emphasising teamwork we should not overlook individuals. Given the responsibilities of boards, individual directors, whether executive or independent directors, can make a significant contribution. With multiple challenges and opportunities in business, market and operating environments the exercise of individual thought and judgement has never been more important. Individual directors speaking up to encourage, warn or challenge can and do make a difference.

IOD India recognises the significance of both individual directors and boards. Since its inception the institute has championed director and board development. Its various activities are designed to build better boards. Growing numbers of directors and experienced executives are attending its Masterclasses, either to hone their understanding or prepare for directorial careers. Many are responding to the requirement for independent directors created by the Companies Act.

**Extending Development**

If we are to build better boards and provide improved support for boards, other groups such as company secretaries and internal auditors may require development. Additional help may also be required by particular categories of director, for example board chairs, financial directors and chief executive officers (CEO). A new trinity of board chair, CEO and company secretary has emerged.

Director and board development specialists often stress the importance of the distinction between direction and management. Directors are advised to focus on strategic issues and not to stray into operational matters that are properly issues for the CEO and members of the executive team. In reality, a person can have multiple roles. An individual can be an investor or shareholder, a board member with the legal duties and responsibilities of a company director, and a manager - a member of the executive team with day to day operational duties.

**Direction, Management and Implementation**

Some directors are so concerned to avoid being seen as interfering busybodies that they make general observations and Olympian statements. They stress the importance of values, while avoiding...
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any practical suggestion that might leave them accused of leading the management team or infringing upon its responsibilities. Formulating strategies, policies and guidelines is one thing. Ensuring their implementation and/or observance occurs is quite another.

Many boards should ask more questions and provide more challenge concerning implementation. Agreeing an item, handing it to the executives and hoping for the best is not enough. More boards should follow through and check if implementation is happening and if relevant and sustainable ways of achieving desired aims and priority objectives are in place and being monitored, reviewed and refined in the light of experience. Support arrangements may be required to enable people - and especially those in demanding front-line jobs - to act appropriately and excel at difficult jobs.

The role of the CEO is particularly demanding. Like that of a financial director (FD) it is double facing or faceted involving both direction and management. The CEO has to manage both upwards and downwards, involving governance relationships with board members, including non-executive or independent directors, and management relationships with members of the executive team.

**Simplicity and Proportionality**

Corporate integrated accounting and its implications are high on the agendas of many FDs. Whether one is in reactive mode and responding to developments or being proactive and seeking to influence discussions and emerging standards the event hosted by the Institute of Chartered Accountants in England and Wales at Chartered Accountants Hall (ICAE&W) emphasized the journey that needs to be made from technical issues to reports that are understandable to investors and other stakeholders, and which can assist responsible and informed decision making.

For those seeking to build overseas businesses, the session providing global perspectives on corporate governance highlighted the value of establishing core principles that can be adapted to suit the requirements of local jurisdictions and ensure consistency across international operations. At the same time it is in the interests of businesses with global reach and/or aspirations that the general direction of travel is reasonable and appropriate. Ensuring that what emerges is practical and proportionate, does not distort decision making and is not unnecessarily onerous may require some participation in the process. Silent, muted or blatantly self serving voices may be ignored.

In relation to reporting, governance and sustainability, boards should give a lead. Different leadership approaches and models were explored in business and other arenas such as education. The purpose of leadership and the importance of ethical leadership was stressed at a number of points in relation to preventing fraud, ensuring sustainability and ethical conduct, and embedding CSR and an ethical ethos in the boardroom.

**Collaborative Capitalism**

The presentations on smart cities reminded delegates of the value of collaboration. Businesses can cooperate as well as compete. Infrastructure and connectivity are important in both urban and rural areas. More businesses are finding it advantageous to work together to influence developments and achieve improvements. As a new Government in India establishes priorities and/or formulates implementation plans it could be a good time to raise issues and articulate requirements.

During the period 1985-1994 when I was a member of the UK’s National Biological Standards Board I became very aware of potential threats posed by virulent and mutating viruses that can pass between species. The rapid spread of Ebola in parts of West Africa and inadequate initial national and international responses highlight both governance failures and the threat posed to the sustainability of local communities and current methods of travel and healthcare.

Effective responses to a global threat such as Ebola require collective action. Both commercial and public organisations have a role to play. In the field of healthcare there is much that determined action can achieve in relation to new fears and traditional concerns. The Order of St Lazarus and other organisations stress that although treatable Leprosy is still found in many countries. In recent years a half of all new cases have originated in India. Supported by corporate CSR budgets India could give a lead in helping to eradicate leprosy, a traditional scourge of mankind.

**Engaging the Professions**

The presence of presidents of leading professional bodies at the convention was a reminder of the contribution of certain professions, especially accountants and company secretaries. Engagement with relevant bodies, whether individually or collectively, can help to ensure that the initial training and subsequent updating of professionals meets the changing requirements of business employers and keeps pace with evolving reporting, governance and sustainability requirements.

It is hoped that dialogues between business and professional leaders will continue. Following the memorandum of understanding (MOU) with ACCA that is already in place, the conclusion of an MOU between IOD India and ICAE&W during the convention is encouraging in this respect.

**Formal and Informal Relationships**

Governance debates sometimes focus upon formal relationships,
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21 International Airports
(3 Civil Enclaves & 3 Joint Venture Airports)

Chennai, Kolkata

Pune, Indore, Srinagar

07 Custom Airports
(4 Civil Enclaves)

78 Domestic Airports

19 Other Civil Enclaves

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for example those between a board and investors, or between a board and different committees of the board. They often overlook informal relationships between certain individuals and professional communities that make a significant contribution to the effectiveness of corporate governance. In some companies, for example HSBC, regular meetings occur between company secretaries, internal auditors and finance directors, even though their reporting relationships may suggest they operate in separate silos.

The company secretary may be primarily responsible to the board through the chair, while the financial director reports to the CEO and the internal auditor reports to the audit committee and its chair. Occupants of all three of these roles might expect to have an interest in improving the quality of corporate governance. Hence it makes sense for them to periodically get together to share observations, insights or concerns.

The importance of learning from others is a rationale for the Golden Peacock Awards. The winners whose achievements in the areas of governance, sustainability and innovation management were celebrated during the conventions awards ceremony, gave short executive presentations on the second day of the conference to share their insights with delegates.

### Change, Continuity and Vulnerability

Calls from conference speakers for general and fundamental change, particularly changes of structure, culture or procedures should trigger alarm bells. Continuity can be as important as change for customers and other stakeholder groups, particularly continuity of relationships and consistency of experience that meets expectations and requirements. Consumers can and do sometimes resist change, for example by boycotting a redesigned offering.

Too much change and change for change sake can create new opportunities for fraud, theft and hacking, new loopholes that might be exploited for a variety of abuses. Uncertainty during a period of transition or transformation, or while changes are bedding in, can create new vulnerabilities, for example to hackers. The hacker can exploit naivety, whether the purpose of an assault is financial fraud, theft of IP, to secure a military advantage, or merely to cause embarrassment.

### Focusing Directly on Behaviour Change

At many conferences multiple speakers call for cultural change. Although customers, employees, business partners, suppliers and investors may represent a diversity of cultures, religions, values and nationalities culture change is often advocated. Yet there are practical and affordable ways of directly changing behaviours and achieving desired aims irrespective of a current mix of cultures. If boards are to lead and have a beneficial impact they need to set the tone, articulate principles that should be followed, and adopt cost-effective ways ensuring that conduct across what might be a geographically dispersed organisation is in accordance with them. Hence, the convention included sessions on principled corporate governance and dealing with such realities as corporate fraud.

Fraud, theft, hacking and other abuses usually result from technical loopholes and vulnerabilities that can be exploited by the malevolent, greedy and unscrupulous rather than deficiencies of attitudes and values. Where one director might call for a culture of greater vigilance and honesty, another may call for steps to quickly close loopholes and make it easier for people to respond in desired ways, better monitoring systems and other counter fraud measures. The former director might feel virtuous and statesmanlike while the second deals with the problem.

### Leadership as Service to Others

Given their legal duties and responsibilities why would anyone want to become a company director? Some join boards to augment their income or “give something back”. A portfolio of directorships might be assembled for lifestyle reasons. Directors should not be self-interested. Their first duty is to their companies.

Business leaders exist to serve, to help customers, support their people and build mutually beneficial relationships with various stakeholder groups. The latter have various ways of expressing their displeasure, ranging from resigning, selling their shares, taking their business elsewhere, refusing to supply, calling in a loan or commencing an investigation.

Proponents of governance stress its benefits. Not surprisingly, as boards endeavour to do the “right thing” in as many areas as possible, studies reveal an association between certain features of governance and corporate performance. However, there are opportunity and other costs associated with unthinking compliance. So what might someone who does not have a vested interest in more complex governance, reporting and sustainability requirements conclude?

### Confronting Realities

Older directors may still remember a time before the terms governance and corporate governance were widely adopted. One might not come across these terms when reading an article on how to become a better director or listening to a lecture on building more effective boards. Prior to committees of enquiry into corporate governance someone who supported boards and helped them to build businesses would encounter a rich diversity of board types and practices. People adopted or developed governance arrangements that matched their aspirations and the situations they were in and evolved as companies developed and board
Corporate Governance
priorities changed.

In the pre-governance age many directors were modestly paid by today's standards. In the English speaking world there were united and unified boards. The focus was upon customers, challenges and opportunities in the marketplace, and building a business. Directors and boards contributed to business success. Their reward and source of satisfaction was the achievements of their companies.

In an era before a person could become a global sensation by placing a video of oneself on You Tube directors worked hard to build global businesses. On retirement they might be presented with a watch. There were scandals - as one might expect when human beings are involved - but like remuneration and the homes of directors they were also modest by today's standards. A failing might be an over-valuation of stock rather than a threat to the world's financial system.

**Consequences of Contemporary Approaches to Governance**

Following a succession of governance reports and codes the current situation is very different. Irrespective of particular circumstances, stages of development and areas of operation, there is greater uniformity of board types and practices, as people comply with standard models and observe codes. Directors now receive massively higher remuneration packages as a result of remuneration committee policies of paying “above average” or “in the top quartile”. Many live in trophy homes.

Since our preoccupation with governance codes board membership is divided between executive and non-executive directors. The latter keep an eye on the former. The focus is often internal, upon compliance, the management and/or avoidance of risk, and contracts and insurance to protect the interests of directors. Contemporary scandals and governance failures are on a much larger scale, some with international implications. When directors are removed they often receive huge pay-offs. Few successful entrepreneurs ascribe their success to their corporate governance arrangements.

**Challenging the Consensus**

Maybe the narrator was fortunate to encounter so many competent and dedicated directors during the 1980s, but recent experience suggests all is not rosy and that some re-assessment and critique of the current direction of travel is required. Vested interests have grown up around governance, reporting and regulation. Measures introduced for the best of motives can have unintended consequences and some aspects can be costly to implement. There are cost-effective alternatives.

Taking an objective and detached view one could ask certain questions. What has happened to relevance, economy, simplicity, proportionality, adaptability, flexibility and diversity of board types and practices? Why are so many boards just ticking boxes and doing just enough to comply with codes? Given the number of people whose jobs are now dependent upon governance and reporting perhaps suggestions for additional requirements should prompt two questions. How much will it cost my business to adopt what is being proposed? How much money will you make out of it?

If anything the need for better governance is now greater than it has been in the past. In our era of pre-occupation with corporate governance many people have lost confidence in a wide range of contemporary institutions. The rapid spread of Ebola and the threat that it poses is evidence of governance failures in a range of public services as bodies struggle to cope with the realities on the ground in West Africa and how to respond to threats elsewhere. Since the financial crisis in 2008 there are those who have lost faith in the capitalist system. So what can be done to restore trust?

**Exercising Individual Judgement**

As directors, entrepreneurs and business builders we should exercise individual judgement rather than go with the flow. We have a choice. If we think our fellow directors are walking overheads and just a cost of operating through a company then we can give “governance” to someone who can tick the boxes and come up with an appropriate form of words for the annual report. If we think they could add value and contribute to the growth of the business we could move on from adopting standard models and invest the time and energy to get our governance arrangements right for our particular companies, and we can revise them as they develop and governance challenges change.

Discussions at the convention emphasised the contribution of the Indian diaspora in the UK and internationally. Opportunities are opening up for trade and investment between India and other parts of the world. Conference inputs from regulators and others illustrated how as a global city London now offers an unrivalled range of business, financial and professional services. These can play an important role in helping entrepreneurs and Indian business families to build global brands. Insights and connections gained from attendance at IOD India's London conventions can assist this process.

*Prof. Colin Coulson-Thomas is a member of the business school team at the University of Greenwich, UK and Director General of IOD (India) for UK and Europe Operations*
Today's corporate landscape is vastly different than what it was two decades ago. The change is pushing companies to be more transparent and accountable for their actions, open about engaging with all their stakeholders, in a manner that balances the needs of the community, while mitigating and negating social and environmental impacts of the business. Thus, their approach towards stakeholder engagement, disclosure, corporate governance and corporate social responsibility have become a very important part of their sustainability strategy. The ultimate purpose of any organization is to create value for its stakeholders. Therefore, management needs to focus on results, which demonstrate creation of tangible and intangible values.

Today's business environment provides a multitude of new challenges, and also significant opportunities, for those who can master its dynamics. Businesses will have to grapple with new concept of values that move beyond a focus purely on profit, and incorporate non-financial metrics, putting a new onus on their ability to measure and communicate progress.

The Business Excellence case for good governance and long-term sustainability is now well-established. A pro-active business response to environmental and social problems is not only cost-effective but also creates business opportunities, offering companies a competitive edge. A new generation of businesses in clean technologies, energy management and renewable, are capitalizing on the opportunities thrown up by these challenges.

**Organizational Change**

There is need to explore the dynamics of organizational change for corporate responsibility and sustainability. We need to consider strategic integration and internal organizational change in greater depth, in the following areas:

- The role of the board in initiating and supporting organizational change: integrating CR in corporate governance policies, structures and processes.
- Integration of CR into a comprehensive overall change management project and process.
- Integration in the strategy process – how are market and non-market factors related in diagnosing the business environment and developing integrated strategies, possibly from a scenario planning perspective?
- The role and the place of the CR department is only a part of how internal accountability pressures are integrating in organizational structures.
- Few companies manage to develop an “adaptive” culture, that continually align organizational systems with desired outcomes, in a rapidly changing business environment.

Successful strategies are underpinned by organizational design and by organizational capability. We also know that successful leadership is geared towards shaping organizations to better respond to external challenges. Resource-based approaches to strategy go even further and show that integral capability and core competencies are the successful drivers for strategy. Strategy itself is an outcome of leveraging organizational resources. The vision must be supported by appropriate values and beliefs. These, in effect, form the company culture or personality, often defined as 'the way we do things around here'.

**Board To Lead**

The board’s accountability to owners is constant; the board is a permanent authority. A proper board is not a crisis, standby authority. It does not exist to help management, or duplicate management, or to fill in weaknesses of management. Proper governance exists to exercise an ongoing authority, establishing values that drive the company through all its known and yet to be known challenges. Management’s job is to apply those values to the company's operation in a world of shifting conditions, opportunities, and threats.

Boards sit between owner and management, and the boards authority or leadership is a group authority and accountability. Board provides protection from risk for owners, and freedom to act for operators. The board possesses authority only as a group. A major driver behind the willingness of directors and executives to enter into shared leadership of the company has been the increasing market complexity of company decisions. A board must be an active, deciding, independent link in the chain of authority from owners to operators. Accountable boards, then, are commanders, not advisers.

The board provides security, particularly of investors, through checking that all is well in the company and ensuring proper disclosure of information. To do this, the board typically requires management to bring its major plans and intentions for board
approval and to subsequently update the board with progress reports. Boards must stimulate, embrace, and then resolve diversity, balancing the inclusion of widely different values and perspectives, with the need to be decisive.

Board leadership today is required to steer the organization to safer harbors, and to new trajectories of growth. Corporate leadership is required to reinvent itself, reset their sights and identify new niches and frame works to align with, in these years of transition for exceptional performance. Boards need to reinvent their strategies to cope with emerging complexities. A focus on new geographies and new technologies, coupled with responsible leadership, are the new dominant anchors of growth.

Boards today are shaping the architecture of the company in unprecedented ways. It will redefine shared leadership of directors and executives, and highlight how creative, flexible and innovative processes provide the foundation for long term sustainable partnership, by laying the boundaries that boards and companies often fail to recognize. With a more active role and increased board engagement, directors need a new road map. Governing boards should take more active leadership of the enterprise, not just monitor it's management. Monitoring is still important. Governance matters.

The board of directors should be the principal agent of enterprise, risk-taking and commercial judgment within a company; the board should be the body that considers and decides those matters that will determine a company's prosperity. The board should focus on its key purpose, namely, to seek to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and relevant stakeholders. Effective boards will have a balance of well-chosen, competent directors, who, with the chairman's leadership, provide a cohesive working group to shape the destiny of the company, safeguard its interests and ensure its profitable performance.

Long-term adaptation to change is entirely dependent on the board. The CEO tends, to be too involved in the operations to have the needed objectivity over the long term. His function is the definition of strategies and their execution. You need an independent board, people with objectivity and detachment with broader perspectives. Even if the CEO can continue to adapt the company, you still need independent oversight to validate his ability, and to ensure effective long-term adaptation.

An effective board is a combination of directors with the right mix of competencies and behaviors that will, result in a board with a high level of probability of making optimum decisions. The leadership skills of the chairman is the single most important factor in determining effective board process, optimal decision-making and overall effectiveness of a board of directors.

Boards provide leadership in a well organized organization. It is crucial that the division of responsibilities between chairman of the board and chief executive of the organisation is clearly defined, and that each understands and respects the other's role and objectives. In the best companies, these objectives are shared by the chairman with the rest of the board. Openness and trust are the foundations of a good working relationship, between the two people at the top i.e. chairman and CEO.

What matters is not whether the chair is non-executive or not, but the leadership behavior possessed by that person. Given the obvious knowledge, resource and information at the chairman's disposal, the behavioral governance posture of the chairman is critical, if not highly determinative of board effectiveness. If the chairman is a change agent, consensus-builder, counselor or challenger, then there is a greater likelihood that the board of directors will be effective. Shareholders should insist that the performance of the chair of the board, based on the charter of leadership exception, is annually assessed and that the compensation reflects the selection of person to fulfill such requirements.

**Corporate Governance**

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit, and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development.

Successful good governance underscores the importance of adopting systems that ensure adherence to ethical business practices, spotting deviations and stamping them out, since unethical practices reduce productivity, drain resources and cause significant behavioral issues. After the recent global financial crisis, there is an ever growing realization that good corporate governance is a must to regain credibility and trust in the industry.

Corporate governance is a way of life, and not a set of rules alone; a way of life that requires due consideration of stakeholders interest in all business decisions. It can be achieved through a code of governance, which incorporates a system of checks and balances. Good governance at any level depends on greater simplicity combined with strong checks and balances, clarity of roles, assignment of responsibilities and obligations, which will enhance accountability.

**Sustainability**

“Sustainability” is the concept of delicately balancing the economic prosperity of an organization, it's environmental performance, and its social equity in a way that gives the organization an edge over its competitors. Sustainability is a dynamic state, in which global ecological and social systems are not systematically undermined. Sustainability has become a doctrine in its own right.

21st century markets will be driven by aspirations of sustainability. Sustainability is a game changer. The business case for sustainability is a well-worn litany of benefits, both tangible and intangible. Reenergizing leadership will be the real differentiator between successful and mediocre organisations. The strategy of integrating sustainability into financial, environmental, social and governance considerations leads to
long term value creation. By addressing social and environmental risks, investors can create resilient, stronger and more profitable portfolios, and deliver a more sustainable economy.

Sustainability reporting helps organizations to set goals, measure performance, and manage change in order to make their operations more sustainable. A sustainability report conveys disclosures on an organizational impact – be they positive or negative – on the environment, society and the economy. The new focus on materiality means that sustainability reports will be centered on matters that are really critical, in order to achieve the organizations goals and manage its impacts on society.

We need to see how the leading brands offer insights and ideas through their Annual 'Sustainability Reports', concerning their engagement strategies and measuring social impact. Over 100 Indian companies in India have submitted their Sustainable Reports, as per GRI-4 guidelines this year. We have to see how the new 'Integrated Reporting Systems' is trying to manage the reports of a wide range of vital corporate performance drivers.

Organizational social-media literacy is fast becoming a source of competitive advantage. Few domains in business and society have been untouched by the emerging social-media revolution – one that is not even a decade old. Many organizations have been responding to that new technology for corporate life. We believe that capitalization on the transformational power of social media, while mitigating it's risks, calls for a new type of leader.

Conclusion

The Board is expected to inspire, lead and motivate shareholders and also help build the vision for an organization, which is holistic and achieving. Sustainability development continues to gain increasing prominence and strategic importance, in our quest for an improved triple bottom line.

Effective boards welcome and promote disclosure of their corporate governance practices. Directors must recognize that not only do they have a fiduciary obligation to their shareholders, the people who own the company, but they also have a moral obligation to all their stakeholders, to operate the company in a legal and ethically responsible manner.

Sustainability is the new currency of the realm. Sustainability is a constant exploration of new frontiers, through a process of creative destruction that disrupts the status quo and leverages turbulences to achieve organizational goals, through constant innovation and transparency. The same technology that has polluted the environment can become part of the solution. How can sustainability become a part of an organisation's DNA, through the leadership chain?

* Lt Gen J.S. Ahluwalia, PVSM (Retd.), President, Institute of Directors, India
Diversity in the Boardroom can relate to a number of different types, including gender diversity; race; age; and qualifications and experience. This presentation will consider only bridging gender diversity, which is a key issue in many countries of the world, including the United Kingdom and India, given the heavier proportion globally of male Board members on listed companies.

This presentation on bridging gender diversity, or promoting the number of women on corporate Boards, is divided into five main aspects, which are:

1. Some current statistics relating to the number of women on corporate Boards;
2. Legislation versus self-regulation to increase the number of women on corporate Boards;
3. What holds back women from taking positions on corporate Boards?
4. What are some remedies to bridge the diversity gap in the number of women on corporate Boards?
5. What are some of the advantages of having women on corporate Boards, including improvements in Business Ethics.

**Some Current Statistics Relating to the Number of Women on Corporate Boards**

(i) **The United Kingdom**

The latest figures issued by the UK Department for Business, Innovation & Skills (BIS) of October 2014 for UK companies show that women’s representation on the Boards of FTSE100 companies has increased to 22.8% (up from 20.7% in March 2014), while the number of women on the Boards of FTSE250 companies is now 17.4% (up from 15.6% in March 2014).

(ii) **European Union (EU) Member States**

According to a European Commission Report of April 2014, the UK is 10th among the EU Member States in women’s representation on corporate Boards. However, the report states that large companies across the EU continue to be led disproportionately by men, although there is considerable variation between Member States of female Board members, with Finland leading with 30% of women on corporate Boards, as against just over 2% in Malta.

Despite improvements in EU Member States of women on corporate Boards, following the European Commission’s first announcement in 2010 that it would consider targeted initiatives to improve gender diversity in companies, progress is still insufficient to meet the European Commission’s target of 40% by 2020 set in a proposed Directive of 2012 (still pending legislative finalisation).

(iii) **India**

India is reported in August 2014 to have only 4% of women on the Boards of publicly listed Indian companies. However, the Indian corporate Boardroom displays a different percentage of women in different sectors, with the Iron & Steel industry in India having the maximum representation of 10.98%.

The big change in women on Indian corporate Boards will emanate from the new Indian Companies Act of 2013 (section 149 (1)), which makes it mandatory for every listed company and every public company – with a minimum paid up share capital of INR one billion or an annual turnover of INR three billion - to appoint a woman Director to the Board. Hence, an Indian report published in August 2014, states that some 966 women need to be added to these Indian corporate Boards by the deadline of 1st October 2014 specified in the Act for listed Indian companies!
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NBCC - MAKING A DIFFERENCE
Legislation Versus Self-regulation to increase the Number of Women on Corporate Boards

Some reports argue that self-regulation does not bring about substantial and rapid change in regard to increasing the number of women on corporate Boards. For example, the European Commission’s Report of April 2014 gives this argument as the reason for deciding on 14th November 2012 to take legislative action by means of a proposed Directive to improve the gender balance among Non-Executive Directors of companies listed on the stock exchanges of EU Member States. As of October 2014, however, this proposed Directive has yet to become law, although it is under legislative consideration.

Evidence provided by the European Commission in 2014 demonstrates that a legislative quota or target has increased the proportion of women on Boards to more than the EU average and has driven change. France, for example, introduced a law in January 2011 and is second, after Finland, in achieving by October 2013 29.7% of women on the Boards of companies on the CAC-40 index. Denmark, Poland, and Germany have taken steps also regarding a quota law.

Conversely, large economies, such as the United States of America, China, and Japan, have no quotas for women on Boards and have the lowest increase in female Directors – thus, a report from India maintains that “companies do not bring in more women unless they are forced to”. India has chosen to legislate via the new Companies Act of 2013 for women on corporate Boards and it will be interesting to see the results by 1st October 2014 in this regard.

In the case of the UK, however, self-regulation is preferred by both the Government and British companies. Nevertheless, the UK has reached 10th among the 28 EU Member States in achieving women on corporate Boards – although self-regulation targets have been set. Britain, nevertheless, opposes the European Directive which, if it became law, would change the UK’s approach from self-regulation to legislation. The answer to legislation versus self-regulation to bridge the diversity divide between men and women on corporate Boards may be as much a matter of cultural tradition and preference by countries – although India has “taken the bull by the horns” and introduced ground-breaking legislation by virtue of its Companies Act 2013! Indeed “India is the first country among developing nations that has chosen to make representations of women on company Boards mandatory”.

What holds back women from taking positions on Corporate Boards?

There are many reasons why women are held back from seeking, and achieving, corporate Boardroom positions as Executive and Non-Executive Directors. These reasons include the following:

- Social-cultural norms and inadequate time for women in family roles; Many talented women’s ambitions are diluted by family and other commitments. Furthermore, in some countries there may be a lack of an “enabling environment” to permit a woman to re-enter the workforce after a period away on maternity leave; a lack of role models; and a lack of a flexible work environment.
- An aversion to differences of opinion in the Boardroom;
- A lack of clarity about who on the Board is responsible for diversity, especially in cases of Boards with a rotating Chairperson;
- A limited understanding of the value of women in Board positions;
- A lack of women in the corporate pipeline;
- Risks and liabilities perceived by women about holding a corporate Board position;
- Unsuitable recruitment and appointment practices in some companies.

What are Some Remedies to Bridge the Diversity Gap and Achieve an increase in the Number of Women on Corporate Boards?

A number of remedies have been advanced to bridge the diversity gap and achieve an increase in the number of women on corporate Boards, in addition to legislative action by some Governments. Such remedies include:-

- Clarifying who on the Board is responsible for driving the diversity agenda;

Both the Board Chairman, and the Nomination Committee, play an important role in driving the Board diversity agenda. It is critical that they own the process of hiring a woman Board member – from identifying the “Spec” to integrating the new woman into a “fully functioning” Board member.

- Women should build their visibility;

Potential women Board members are recommended to attend Board-related events; take up speaking engagements; and write articles for publication. These activities are deemed helpful to get women on the radar of companies looking for female Directors.

- Women should undertake due diligence concerning any risks and liabilities they perceive about a Board position;

To overcome risks and liabilities that women may associate with Board membership, they are advised to conduct systematic due diligence to mitigate these risks before accepting a Board position.
for example, reading Audit reports of the company and satisfying themselves that existing independent Board members are of high integrity.

At the same time, women are advised to be selective in accepting Board memberships and ensure that they can add value as a Director. It is recommended that they have open discussion with the Board Chairman, the CEO, and other Directors, to gain clarity on expectations, Board functioning, and their contribution, before agreeing to join the Board.

• Companies should look “outside the box” for female Boardroom talent;

Companies should consider women in areas other than the “traditional corporate world” for Boardroom talent – for example, in the non-profit sector; the public sector; and academia. And, as this author has recommended in an earlier publication entitled “Corporate Governance and Anti-Bribery: Critical Board and Company Secretary Issues” (2013), many female Company Secretaries in the UK would be pleased to accept a Board position as a Non-Executive Director.

• Improved recruitment and appointment processes, with greater transparency;

In the UK the Equality and Human Rights Commission has launched an inquiry into the recruitment and appointment practices of the top FTSE350- listed companies at Board level. The inquiry will work closely with these companies to examine their recruitment and selection processes and the experience of applicants and decision-makers.

The inquiry builds on a previous Commission report which found that “the appointment of women to FTSE350- listed Non Executive Director roles is being held back by selection processes which favour candidates of similar characteristics to existing largely male Board members”. The new inquiry findings will be published in Spring 2015 and used to produce best practice guidance.

However, an important point to note regarding the UK is that it is unlawful under equality law to use women-only shortlists in order to increase gender representation on corporate Boards.

Other reports, including from India, also have called for a systematic appointment process to be installed in companies to identify a Board member.

• UK Voluntary Code for Executive Search Firms;

The UK Voluntary Code for Executive Search Firms was drawn up in 2011 by the executive search community in recognition of the important role the search firms have in supporting their FTSE 350 companies (their clients) to improve the gender balance on their Boards.

This Code of best practice for executive search firms is reported to have had a positive impact on discussing the role brief; identifying women who possess the skills to take a Board position; and supporting them through the process. The Voluntary Code articulates the executive search firms’ role within the whole process of increasing the number of women on corporate Boards. As at 31 December 2013, 68 executive search firms, covering the whole of the FTSE350, had become signatories to the Code, pledging to uphold the nine provisions of best practice set out in the Code.

**What are some of the advantages of having women on corporate boards, including possible improvements in business ethics?**

The UK Department for Business, Innovation & Skills (BIS) asserted in a publication of July 2012 that diverse Boards are better Boards, benefitting fresh perspectives, new ideas and broader experience, enabling businesses to better reflect and respond to the needs of their customers.

Similarly, the European Commission in its report of April 2014 attributes strong economic and business advantages in having gender balance on corporate Boards and the presence of qualified and talented women.

In India, the new Companies Act 2013 is said to recognise that having women in a company’s Boardroom correlates with better performance and sustainability.

Although there is no hard evidence for these stated advantages, as yet, it is hoped that, with an increase in women on corporate Boards around the world, these assertions may prove to be fulfilled.

It is possible also that some of the unethical business practices which have arisen in a number of countries including by Boardroom members – ranging from Enron and World Com in the USA; to Boardroom accounting fraud at the Olympus Corporation, Japan; and the current corruption investigations taking place in respect of the UK global pharmaceutical company, GlaxoSmithKline - may be prevented in the future as a result of more women on company Boards and more attention to promoting Business Ethics.

*Dr Rosamund Thomas is Director of Centre for Business and Public Sector Ethics, Cambridge, UK. She is an expert in Government Ethics, Corporate Social Responsibility, and Business Ethics.
India is the first country in the world to mandate Corporate Social Responsibility (CSR) spending, through a statutory provision under the Companies Act 2013.

9th International Conference on Corporate Social Responsibility

on 19 - 20 January 2015, Hotel Taj Lands End, Bandra (West), Mumbai (India)

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I have great pleasure in inviting you to the 9th International Conference on Social Responsibility, being held on 19-20 January 2015, at Mumbai. The theme of this International Conference is ‘CSR - An Actionable Business Agenda’.

The International Standards organizations (ISO) issued the International Standard ISO-26000 in Nov 2010, covering 'Guidance on Social Responsibility' followed by Government of India’s (Ministry of Corporate Affairs) issue of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business in July 2011. The guidelines use the term 'Responsible Business' instead of CSR. Businesses have to endeavor to become responsible actors in society, so that every action leads to sustainable growth and economic development.

The best approaches to CSR have been so fragmented and disconnected from business and strategy, as to obscure many of the greatest opportunities for companies to benefit society. If, instead, corporations were to analyze their prospects for social responsibility, using the same framework that guide their core business choices, they would discover that CSR can be more than a cost, a constraint, or a charitable deed - it can be a source of opportunity, innovation, and competitive advantage.

The deliberations of our last International Conference on Social Responsibility, held in Bengaluru on Strategy to leverage CSR, underscored the importance of social issues for Competitive Advantage. It was noticed that companies engaged in CSR, and clean and green issues were thriving, despite a worldwide meltdown.

From drawing board to boardroom, and shop-floor, in this Conference we would like to examine the corporate strategies a number of companies at the forefront of strategic CSR, as well as their alliance partners, and explore the evolution of corporate citizenship, and attempt to peep over the horizon to what's next. The choice is no longer one of 'whether or not?' but rather of 'How to?' and 'To what extent?'

This international conference will provide a platform to interact with movers and shakers and CSR professionals, from around the world. There are many ways you can contribute and benefit from the Congress - presenting your Business solutions and case studies for sustainability through social responsibility or, show casing your products, profiling your brand as a sponsor, exhibitor or becoming a partner to promote the conference among your advertisers or becoming a partner to promote the conference among your prospects for social responsibility, using the same framework that guide their core business choices.

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I look forward to welcoming you, at this International Conference.

Yours sincerely,

Justice M.N. Venkatachaliah

Chairman, IOD Advisory Council and former Chief Justice of India

OBJECTIVES

1. National Policy and Legislation For CSR
   - CSR principles, National Policy and concerned corporate laws.
   - Boards to provide sound leadership and strategy for leveraging CSR, for the success of the enterprise.
   - Aligning and embedding CSR in business Strategy
   - Sustainability - an ethical imperative, based on Integrity Engagement, Accountability and Social Responsibility.
   - Diversity Disclosure and Transparency as Social prerequisites for global trust and successful teamwork in 21st Century.
   - Corporate Ethics - Realigning the moral compass of the board.
   - Social Accountability and need for an integrated Corporate Reporting System.

2. Integrating CSR in Corporate Strategy – an Actionable Business Agenda
   - Driving CSR - embedding CSR in the business strategy.
   - CSR – driver of social inclusion, sustainability and profit.
   - Strategy to maximize CSR value for stakeholders
   - Turning your business into a cause – alleviating poverty
   - Business social initiatives and community involvement strategy.

3. Board's Responsibility for CSR
   - Ensuring long term commitment for CSR policy and programs.
   - Maximizing CSR’s contribution to development and sustainability of company.
   - Board’s leadership and Control - CSR committee of the board
   - CSR Toolkit – training and soft skills for CSR professionals.
   - Linking CSR budget with socially sensitive marketing and advertising.
   - Social investment & Community Development – Creating social capital.

4. Social Innovation for Economic Growth and Business Sustainability
   - Social innovation – Practical challenges in managing Strategic CSR
   - Social Dimension of Business conscience or social entrepreneurship.
   - Social innovations as drivers of Economic Growth – Role of Media.
   - Social entrepreneurship – converting social needs into business opportunities.
   - Create an enabling environment for strategic CSR and social innovation.

5. CSR for Building a Socially Sensitive Brand
   - CSR plus – strategy to enrich the poor and build corporate brand.
   - Enhance your brand through CSR initiatives, and shared values.
   - CSR as driver of social inclusion, sustainability and profits.
   - Performance Indicators for societal corporate benefits of CSR.
   - Civil Society challenges – social impact assessment.
   - Leveraging competitive advantage through CSR and stakeholder engagement.

6. CSR – Communication and Integrated Reporting
   - Reporting system GRI – 4 version, and universal integrated Reporting Framework.
   - Role of Social Media, as the driver for CSR.
   - Social Audit, CSR disclosure and reporting systems.Measuring CSR performance, against stakeholder expectations.
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Emerging Role of Company Secretaries in the Boardrooms

A Company Secretary occupies a unique position in corporate world where his office remains key point of contact for Board of directors and for entire organisation. Company Secretary bridges the gap between the boardroom and the executives, with privileged access to both and is a “Secret Keeper” of the Board having access to all information relating to business of a Company.

Earlier, role of a Company Secretary was limited to conducting Board and Shareholders meeting and keeping record of the same with added responsibility of ensuring Statutory Compliances. By doing so, sometimes his position was misunderstood as clerical position.

Gradually with increasing demands on Board and Management due to increased focus on corporate governance, CS profession has got a renewed recognition and greater visibility. Company Secretary is now required to be more outward-looking, interacting with major stakeholders, proxy advisor to Board and Management in major decisions and in day to day affairs of the Company.

In India, the Companies Act, 2013 has come into force recently replacing six decades old Companies Act. The new Act puts responsibility of self-compliance and self-regulation on the shoulders of the Board and Key Managerial Personnel (KMP). Now Company Secretary is also a KMP alongwith Executive Directors, CEO and CFO. CS professionals are swiftly transforming into governance professionals.

The role of Company Secretary is now centered around three core areas:

- guiding the board members, collectively and individually, with respect to their duties and responsibilities;
- ensuring that organization is complying with the law of the land; has highest level of Corporate Governance and;
- communication between the Company and stakeholders

The role of CS is now shifted from administrative to managerial

Maintaining corporate boardroom integrity and ethics

*It is true said that a corporation has no conscience; but a corporation of conscientiousmen is a corporation of conscience.*

Ethical and disciplined corporate behavior with transparency and adequate disclosures are foundations of boardroom integrity. A Company Secretary acts as advisor to the board and each individual directors on all matters relating to governance. To maintain corporate boardroom integrity and ethics, CS is required to adopt a pragmatic approach and should remain open to consider all available avenues. The role of a Company Secretary, is crucial, since he acts as a facilitator in the entire corporate governance process to ensure that the corporate entity is run on sound governance principles and practices.

Anti money laundering and anti terrorism financing

The role, functions and responsibilities of a Company Secretary as a key functionary in the corporate hierarchy has become more significant with the process of liberalisation and globalisation which has ushered in a large inflow of foreign capital compounded by the unprecedented economic growth and consistently improving performance of the corporate sector.

Being Compliance person, a Company Secretary has a big role in setting up checks and balances and ensuring control within the organization so that transaction undertaken with the clients /firms does not have any element of money laundering. It is necessary to develop policy, procedure and internal environment/awareness to curb/eradicate Money Laundering from the financial system of the Company. Company secretary can educate the team to create awareness and guiding on the steps to be taken to prevent money laundering and terrorism financing within the system of organization.

Integrating corporate governance into company's operations

The main reasons for upsurge of Corporate Governance are economic liberalization and demand for new corporate ethos and stricter compliance with laws of the land coupled with demand for greater accountability of companies to their stakeholders. The issue of corporate governance has been in the realm of public discussion for more than two decades when it started with the report of Cadbury Committee on the financial aspects of Corporate Governance in UK.

In India, SEBI has appointed the committee on Corporate Governance on May 7, 1999 and thereafter various committees were set up to bring transparency in corporate functioning specially where public money is involved. A large number of recommendations of all these committees have been brought in the
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The diminishing lifespan of companies

The average lifespan of a company listed in the S&P 500 index of leading US companies has decreased by more than 50 years in the last century, from 67 years in the 1920s to just 15 years today. This has had a number of consequences that have not generally been acknowledged by the leadership development community.

Conservative recruitment strategies, and the growth of business schools

A few decades ago, and certainly until the 1980s, the leaders of organisations steadily climbed a ladder that was largely internal, with selection boards being cautious to entrust the most significant roles in their firm to individuals who they had not themselves already tested out. They were concerned that newly appointed senior executives should have a good understanding of the strategic leadership of the business and also have proven their ability to engage their peers effectively within the organisation's particular culture.

It was in this environment that we saw the number of business schools grow exponentially as a popular choice for those in employment to develop their leadership credentials and for employers to entrust their future rising stars to. The larger employers, would send their strongest potential leaders to complete an MBA, safe in the knowledge that they would return better equipped for the most senior roles.

More diverse employment patterns and less rigour in recruitment

Later, it became more common to switch jobs quite regularly and, in the 1990s especially, more appointments were being made from an external pool of candidates. These new recruits were thought to have gained more diverse experience and have a wider sphere of influence.

Individuals who saw that their career was not progressing as smoothly as they had hoped within their current employer turned to the MBA as a way of moving between firms. The larger colleges saw this influx of self-funding candidates as a mixed blessing - as corporate sponsored places reduced, these self-funded places bolstered numbers. However, they also threatening the credibility among larger employers and so the schools were careful to manage the balance between the two on programmes.

Recruiters began to assume that issues of strategic understanding were addressed by a diverse career path. The assumption was also made that the ability to lead others in a particular culture was something that a competent high flyer could do anyway.

Stagnation of many fields of business knowledge

Obviously fields are evolving. New ideas do enter the arena or, more often, new ways of describing existing phenomena are found. However, in many fields the core theories were developed in the second half of the last century.

If we take my own field, leadership, as an example. The emergence of psychological theories, especially the work of Lewin in 1935, spawned many ideas and approaches in the 1950s, 60s, and 70s. There were relatively few genuinely new ideas generated in the 80s and 90s, and virtually nothing since.

Anyone can generate a new 'model', and there are plenty of unsubstantiated ones in circulation that have achieved almost mythical powers. However, a genuine evidence-back approach has yet to truly influence the business community in the way that it has the medical one.

Changes in funding, the extraordinary pace of change of the business world, the focus of business schools for their income, and the substantial transition of staffing away from long-term full employment towards part-time, teaching only, hourly-paid lecturers, means that relatively little directly applicable research is ongoing in many academic environments. In recent years, in the leadership arena, most new developments have come from meta-analyses performed by freelance journalists rather than the academic community.

Stagnation of the business schools and a continuing focus on the high-paying senior executive

The programme of study for most MBAs remains largely the same.
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as it was in the 1980s and 1990s. While efforts are made to move with the markets (typically involving study tours to the BRICs countries), the content has little changed, and the pedagogy remains substantially the same. Whereas digital delivery has improved, few schools genuinely embrace the continuing evolution of the digital world.

In the early 2010s, I was invited to apply for a role in a successful, and at the time growing, British business school. As part of the selection process, I was asked to illustrate how I would adapt their ongoing programme to a new generation of students. As part of this process, I did a simple analysis of the promotional text from the world’s ten largest business schools and compared it with the content of 20 or so interviews with half a dozen well-known, and highly regarded, entrepreneurs. There were two words that those entrepreneurs frequently cited as being key to their success - networking and luck. Neither subject was considered sufficiently important to feature in business school curricula. Needless to say, my suggestion that the school concerned should embrace them, was met with incredulity and I wasn't offered a post. [I am still open to offers!] To the best of my knowledge, these two critical contributors to entrepreneurial success remain absent from virtually all business school trainings.

With fees in excess of £60,000, it is not surprising that the business schools largely attract students with a corporate sponsor, those who have achieved personal wealth early in their career and often see the MBA as a career break, or individuals who are gambling substantial savings (or borrowings) on a very significant return on their investment later.

The coalescence of business and entrepreneurship

Even in the ‘noughties’, the distinction was often made between ‘business’ and ‘entrepreneurship’. Serial entrepreneurs made good TV or could be relied upon to give inspiring after-dinner speeches, but they were often seen as too maverick for the established corporate to follow too closely.

Small businesses, which are largely the home of the entrepreneur, contribute roughly 50% of the GDP of the UK and the USA. It is important to see that entrepreneurship (largely delivered through SMEs) is critical to the growth of most Western economies. While there are a few centres of excellence studying the entrepreneurial environment, they are few and far between, and their insights have little impact on the ground. This is exacerbated by the focus of business schools on the high paying students from established large firms. Few, if any, studies have looked in depth at the key fields of business and considered how they need to be different in the new era.

However, this is not the end of the story. The nature of entrepreneurs themselves has changed too.

The younging down of business education

In the 2000s, the diminishing number of employment opportunities for younger people, the popularity of programmes like The Apprentice (2005 onwards in the UK) and Dragon’s Den (2005 onwards in the UK), wider public interest in celebrity entrepreneurs, and a growing belief that entrepreneurship was a viable career choice for school-, college-, and university-leavers, led to an escalating number of micro- and small-enterprises established by individuals with little or no experience of a particular sector, little business education (whether on-the-job or more formally delivered), limited strategic awareness, and no experience or training in the practical leadership of others.

Today, business studies is taught as a subject on the curriculum at GCSE and GCE as well as at undergraduate and postgraduate levels. Fifteen years ago, this wouldn’t have been dreamt of. Today, a young person at 16 can take Business Studies at AS/A2 level and enter the workplace with a relatively wide understanding of the key issues facing business. The focus of the curriculum is on broad brush understanding, and although it is intended to distinguish between SMEs and larger enterprises between the two years of the A-level course, there is still little directly related to entrepreneurship itself and the practical challenges of being an entrepreneurial business leader.

The younging down of entrepreneurship

We can debate the use of any metric of success. For simplicity, in a business environment, generation of profit is generally accepted - and this is usually expected to be reflected in the personal wealth of the leaders of those enterprises.

Each year, Forbes magazine publishes a list of the 400 wealthiest Americans. Many inherited their wealth, however, each edition features a number of self-made billionaires. Among them, are a number who had little or no formal post-compulsory education, a few who had some higher education but dropped out of college early because it didn't work for them, and a few who acknowledge the benefit they gained but felt that they had what they needed to succeed outside without completing their formal education.

Some well-established members of the list include:

- David Geffen (71; Dreamworks; $6.6Bn)
- Mickey Arison (65; Carnival Cruises; $6Bn)
- Les Wexner (77; retail; $6.3Bn)
- Haim Saban (69; TV & media; $3.4Bn)
- John Paul DeJoria (70; Paul Mitchell hair products; $3.2Bn)
- David Green (72; Hobby Lobby; $4.7Bn)

None of these self-made billionaires graduated from University,
let alone a business school. While this has always been a phenomenon, the number of younger such billionaires is growing. Examples include;

- Mark Zuckerberg (30; Facebook; $32.2Bn)
- Dustin Moskovitz (30; Facebook / Asana; $7.6Bn)
- Elizabeth Holmes (30; blood testing; $4.5Bn)
- Travis Kalanick (38; Uber; $3Bn)
- Sean Parker (34; Facebook / Napster; $2.8Bn)
- Jack Dorsey (37; Twitter; $2.5Bn)

In addition, each year there will be many who graduated in disciplines with no business element.

**Conclusion**

Our market-based economy depends on successful enterprise. The entrepreneurial community is growing, and rapidly becoming younger - to the point that many have opted to begin their first enterprise soon after leaving school.

Our understanding of how to grow and lead successful enterprises is largely based on studies of previous generations and not the current one. Changes in the funding and infrastructure of business schools means that there is limited research ongoing into the evidence-based knowledge, skills, or attitudes, that will enable the current generation of entrepreneurs to succeed.

Business schools are largely based on financial models that serve previous generations of successful large-enterprise executives. This does not bode well for the future of business schools, nor does it look good for the future of the economy.

Secondary schools and further education colleges are currently the only source of education on business that many of the new generation of entrepreneurial leaders will be exposed to.

It would appear that there is a significant gap in the provision of support that FE colleges especially may be in a strong position to develop and deliver in the future.

It may be that an alternative to the current model of apprenticeship that is focused on the development of work-related skills through a combination of one-the-job experience and in-college training and development, could be considered to support this new generation.

*Dr Graham Wilson graduated with a PhD in Behavioural Science from the University of Bristol. He is a lecturer in leadership and business at The Oxfordshire Business and Enterprise School.*
Introduction

India and China are the fastest growing economies in the World, but as the pace of development increases rapidly, both the countries face increasing challenges to ensure that their future growth is sustainable and inclusive. Innovation has played a key role in not only driving growth and competitive advantage, but also ensuring that this development includes a larger cross section of people and its socially, economically and environmentally sustainable. Realising that innovation is the engine for national and global growth, employment, competitiveness and sharing of opportunities in the 21st Century, the Government of India has declared 2010-20 as the “Decade of Innovation.”

India has unique challenges and large unmet needs across diverse areas such as health, education, skills, agriculture, urban and rural development, energy and so on. India also has significant challenges of exclusion and inequitable access due to multiple deprivations of class, cast and gender – all of which require innovative approaches and solutions, and looking beyond the conventional way of doing things. Innovation is expected to be central to providing solutions to the most pressing challenges and for creating opportunity structures for sharing the benefits of the emerging knowledge economy. Affordable solutions, innovative business models, and all processes which ease delivery of services to citizens can enable more people to join the development process.

Internet of Things

The Prime Minister of India in his Independence Day Address has emphasised on Digital India that will transform the rural and urban fabric of society and bring better economic prosperity. This approach will include a number of actions calling for innovation and will also support and promote innovation at the very root of the society. Access to Internet is projected as access to economic freedom. And that wish is strongly supported by evidence of growth in other countries.

The general impression is that the Internet of Things is a new thrust area where the technology has now played its role. As a matter of fact the global attention was focused on this topic almost a century back. The Internet of Things has its root in First World War battle field communications. The exigencies of the 1914 – 1918 conflict meant that electronic communications on the Allied side had to find new ways to inter-operate both on the battle field and the home front. The beginning of 2014’s interconnected domains be found in innovations that came out of the necessities of the First World War.

When First World War began the British War Office seemed to pay little attention to the development of new technologies to be deployed in the prosecution of hostilities. There was, of course, no way of knowing in 1914 that the conflict would last more than four years, all that electronic communications would come to play such an integral part of the allied war effort on both the Frontline and the Home Front.

The general stance was that significant new technological development would proceed gradually, as no one could foretell, that they would be needed or that the fighting would last long enough for new products to be realised.

In fact the contending military forces discovered that the Allied forces needed to revolutionise thinking on communications before hostilities could be brought to an end.

A century later the “Internet of Things” is now connecting the Real Economy. The Internet of Things is the next revolution in computing. While smart phones in the mobile internet saw the advent of application for the consumer, we expect to see the pervasive integration of semi-conductors, mobile communication, and big data/analytics propelling the Internet of Things into the wider economy.

The two key drivers of Internet of things are:

i) price reduction and standardisation of key hardware and software components, and

ii) the level of integration with Big Data/Analytics, from which companies in various sectors can increase revenues and reduce inefficiency.

The Morgan Stanley Analysts, globally, found that the Internet of Things, IoT, could be an opportunity for several large industries, driving potential changes in business models and public on
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significant cost savings. The industries with the greatest potential IoT impact are: Utilities (smart metering and distribution), Insurance (behaviour tracking and biometric for Auto and Life product lines), Capital Goods (factory automation, autonomous finding), Agriculture (yield improvement), Pharma (clinical trial monitoring), Healthcare (leveraging of human capital and clinical trials), Medtech (patient monitoring), and Autos (autonomous driving).

Disruptive Innovation

Dr. Madhav Mehra, founder of Institute of Directors, talked of disruptive growth in the late 90s, thereby meaning that the future developments will not be incremental growth on then existing situations, but will be based on factor growth thereby disrupting the market processes. Also Clayton Christensen first defined disruptive innovation, in 1997. He referred to it as “disruptive technologies”. Revolutionary power of the Internet, VOIP Telephony, reduced health risks with non-invasive surgeries – all disruptive innovations continue to change the growth. They redefine the growth models. Innovation is the buzzword of this era. Industries, markets, advertising or art – everybody is out to do something different; to try and leapfrog ahead of competition. Many organizations choose the safer path by plotting their innovation graph as continuous improvement for what they have delivered well. This can only result in process or product improvement, it can very rarely take the organizations to an entirely new leap, as a disruptive idea can.

The tremendous pace of change in today's world needs no emphasis. More disruptive thoughts and solutions are needed to address real-life problems. The winner is not the one who prepares for change, but the one who accelerates to reach it faster and be in a position to define it.

Sustained innovation endorses the thought that if we consistently improve, what we offer the customer will give about a natural adaptation to changes around. Nothing could be further from the truth, because it does not take into account disruptions which break-through suddenly.

The advent of mobile telephony and the mobile internet are the examples of all the entire reality has changed with the mobile explosion now seen in India. Imagine, if Internet companies only focus on improving their PC experiences in a repeatable model, where would they be? A demand for on-the-go consumption does not mean just extending content from a PC mode to a mobile, it actually means building experiences which move seamlessly across screens. It means taking into account how people actually live in the midst of enabling technology and how that may impact business models.

Role of Innovation

Innovation has come to be recognized as a key element in competitiveness, national performance and achieving socio-economic objectives. More precisely, many countries have come to feel that there are weaknesses in their innovation systems – the Institutions, and relationships between Institutions, that generate and apply knowledge. Foresight is seen to provide tools that could help connect and integrate components of innovation systems.

Indian Model of Innovation has to be Frugal

The Management Guru, late Dr. C.K. Prahalad had called on the Indian industry to make the growth pattern inclusive of the bottom of the pyramid. And, for making the population from the bottom of the pyramid to benefit from economic growth, Dr. Prahalad had asked the industry to evolve measures to reduce costs of products drastically through innovative approaches and measures. The 12th Five Year Plan of India mentions that in the same spirit the Indian 'Model of Innovation' has to focus on affordability and inclusive growth which can then be a model for emulation for countries across the globe, facing similar challenges of sustainable development. Decision making process at all levels has motivated entrepreneurs and policy makers to move towards this Inclusive Model of Innovation.

Ethics Check Essential for Sustainability

Ethics is essential for sustainability and sustainable development and performance. It also helps in arriving at solutions, which are more equitable. It reduces stress levels, as ethical paths can be very clearly charted as against the paths which are followed for achieving the goals through unethical means. As Ethics is essential for Sustainability, the Sustainability of Ethics becomes even more important.

The 'Ethics Check' proposed by Norman Peale could be used as a broad guide.

The three 'ethics check' questions, suggested by Norman Vincent Peale (1988), are a good guide and one can use them to determine whether the action is ethical or not. The three questions are:

(i) Is it legal, i.e. whether one will be violating either a civil law or an organisational policy
(ii) Is it balanced, i.e. whether it is fair to all concerned in the short term as well as in the long term? and
(iii) How will it make one feel about himself? Would one feel good if the decision was published in a newspaper or his family knew about it?

If the answer to any of the three questions is in the negative then the concerned action is not ethical.

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The Handbook on Emotional Intelligence is a brief condensed account of what Emotional Intelligence is, how it is related to Organizational Excellence, and how it affects corporate strategy. It covers the multidisciplinary and multifaceted nature of Emotional Intelligence.

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essential if engineering is to catch the 7th wave of technological revolution; relating to knowledge for sustainable development, climate mitigation and adaptation, and new modes of learning.

This follows the sixth wave of technological revolution relating to knowledge generation, dissemination and application to knowledge and information societies and economies, in such areas as ICT, bio-technology, nano-technology, new materials, robotics and systems technology, characterized by cross-fertilization and fusion, innovation, the growth of new disciplines and the decline of old disciplines, where new knowledge requires new modes of learning. Needless to say the seventh wave will have to build on the outcome of the sixth wave.

The other five waves of technological revolution have been as follows:

• Fifth wave of technological revolution was based on electronics and computers;
• Fourth wave of oil, automobiles and mass production;
• Third wave of steel, heavy engineering and electrification;
• Second wave of steam power, railways and mechanization; and
• First wave of the technological and industrial revolution and the development of iron and water power.

Business-Centric Development: A Must

The call for sustainable Development that addresses poverty eradication, employment creation, safe human health and social infrastructure calls for higher income generation through economic development. The 12th Five Year Plan (2012-17) of India realizes that investments for all such growth have to be sufficiently supported through private sector and foreign direct investment. This obviously means that the private sector and the business should play more active role in attaining higher growth rates. Although the economic growth has slowed down in the terminal year of the 11th Five Year Plan (during 2007-12) but there is a greater need for a big push to the economic growth. It is therefore, relevant that the future growth should become business-centric through innovative measures by creating an overall environment for innovation both in terms of newer technologies, marketing strategies as well as improving institutional framework for innovation. Micro, small and medium enterprises have a significant role, in support to large business enterprises in creating larger job opportunities in the country. The same need to be fully exploited.

Towards an Innovation Eco-system: The Role of National Innovation Council (NInC)

Conversion of R&D to results for people requires an eco-system of enterprises working in conjunction: entrepreneurs, researchers, finance providers, business enterprises, and policy makers working together. Therefore, the national strategies for innovation need to focus on various types of institutions in the eco-system and aim for more effective collaboration amongst them. India has laid down Agenda of the 12th Five Year Plan to accelerate inclusive growth through innovation.

Government has a critical role to play in strengthening the innovation ecosystem. It must provide:

• the enabling policy interventions;
• strengthen knowledge infrastructure;
• improve inter-institutional collaborations, provide a mechanism for funding business innovations at all levels especially small and medium scale enterprises (SMEs); and
• provide vision through a national-level road map for innovations;

Recognising this need, the Prime Minister has set up a NInC with the mandate to formulate a Road Map for Innovations for 2010–20 with a focus on inclusive growth.

NInC’s initiatives also aimed at fostering an innovation ecosystem across domains and sectors to strengthen entrepreneurship and growth, and to facilitate the birth of new ideas. While conceptualising these initiatives, the key drivers are going to be parameters of sustainability, affordability, durability, quality, global competitiveness and local needs. Finally, through its various initiatives, NInC will aim to expand the space for disruptive thinking, dialogue and discourse on innovation.

Principal initiatives already undertaken by the Council to drive innovation and create an innovation ecosystem in the country are mentioned below:

Supporting Financial System and Mentoring: India Inclusive Innovation Funds: While India is amongst the top recipient in Asia for Venture Funds and Private Equity Funds, these investments are so far focused on relatively large and safer investments. Innovators need financial support at an early stage to develop and test their ideas in the market place. Venture Funds are recognized globally as the most suitable form of providing risk capital for the growth of innovative technology and breakthrough ideas. The seed funding stage in the innovation pipeline, where amounts required may be small but risks high, is severely constricted.

To plug this gap and to promote inclusive innovation and entrepreneurship focusing on the needs of people in the lower echelons of society India Inclusive Innovation Fund is being established. The fund seeks to promote enterprises engaged in developing solutions in key areas such as health, education, agriculture, handloom, handicrafts and other small business enterprises. The fund will combine commercial and social
returns. The fund will be capitalized to any eventual target size of Rs. 5,000 crores (US$ 1 billion), to be achieved in phases.

**Increasing Skills, Productivity and Competitiveness of Micro, Small and Medium Enterprises through Innovation:** MSMEs are among the largest job creator in the country. They also contribute to 40% of export and recognized as engines of economic growth. However, to keep up the pace of strong economic growth and to stay globally competitive, MSMEs need to innovate at all levels of business. Recognising this need, NInC has envisioned the Industry Innovation Cluster initiative.

The focal point of this initiative would be the creation of a Cluster Innovation Centre (CIC). The CIC will actively seek relationships to address the needs of the cluster and establish frameworks for knowledge and best practice sharing. By connecting and creating local ecosystem encompassing actors and stakeholders who can bring in technology, financing, skills and mentors, the CIC will help enhance productivity, growth and employability.

**Platform for Best Practices and Innovations:** Currently, there are many enterprises across the country which are delivering benefits to citizens and meeting challenges of inclusion in areas such as health, education, energy, low-cost housing and sanitation, through innovative solutions. It is often said that India is a country with many successful experiments that do not achieve scale. Scaling up the impact of such innovations requires that such ideas be spread around rapidly so that others could emulate them. And it also requires that larger business organisations and venture funds become aware of them and support them. Therefore, the strengthening of the innovation ecosystem requires a platform for information sharing and dissemination. While some knowledge portals for innovations in specific areas already exist, the NInC has developed the India Innovation Portal to enable easy access to these as well as to become a wider information repository on innovation and a platform for collaboration as well.

**Developing Institutional Framework for Innovation:** An extensive innovation ecosystem requires many lateral connections, often at local levels, between producers, sellers and financiers, and the facilitating government machinery. To create a cross-cutting system to boost innovation performance in the country, NInC is facilitating the setting up of State Innovation Councils in each State.

**Partnering for Innovation: Collaboration and Networks:** NInC is also focused on facilitating and leveraging platforms for international collaboration for driving innovation and multidisciplinary research.

Creating a robust innovation ecosystem will also require focus on Intellectual Property Rights (IPR) issues. Management of IPR has become extremely important in the new knowledge economy with global competition. Adequate rights on the intellectual property produced by an innovator enable innovators to recoup their investments and make profits IPR management would spur innovation. Good national IPR systems also enable knowledge of technological advances to be accessible through the patent system to others who can build on them. To obtain both these benefits, India has planned improvement in its management of IPR.

**Conclusion**

This clearly indicates that India and other economies will have to strongly push innovations that will support business-centric development. Government has already made it abundantly clear that it does not wish to fund to support social and infrastructural development and that the business community has to support future development.

Disruptive innovation can delight and win over the consumer, by surprising them with a desire, they were not yet aware of. Disruptive innovation aims to deliver a cheaper, faster, easier experience built around an insight into consumer's life. With technology continuing to gain importance in our life, it is imminent that disruptive innovations will gain ground, and keep shaping new business models and products that challenge the status quo and rock the rules of the game. All such changes will be business centric development.

Where as the semiconductor price decline and standardisation are taking place the telecom services are striving to capitalise on network maturity. Operators are seeking to drive growth from the billions of connected devices in prospects of their wired and wireless networks as penetration of smart phones, tablets, and home broad-band reaching maturity. The tower companies are perhaps the most obvious potential beneficiaries of the Internet of Things, IoT, as new devices and applications should only accelerate the need for broader and deeper wireless coverage around the world. We also see significant potential growth in new software applications around IoT, which will also require new development platforms. Some of these will support new business models for companies, moving the value from product to services. It is however, necessary that IoT applications are integrated into existing business processes and IT landscapes. This could drive a new wave of spending on integration (middle ware) on a refresh of existing core applications to make them IoT friendly.

The Prime Minister's Independence Day Address sends strong message that Digital India will be a step in the direction for linking the whole country and creating a platform for information access. How will that information be transformed into knowledge and wealth for the common man will need innovation in processes, products and institutions.

*Pradeep Chaturvedi, Vice-President, World Environment Foundation*
Corporate governance could be defined as "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers.” However in today’s world, for corporations the main stakeholders are the shareholders, debtholders, trade creditors, suppliers, customers and communities affected by the corporation’s activities. With CSR moving to the boardrooms and into the main foray it has received priority among corporations and their boards. CSR has put under spotlight a parallel ‘good governance’ model which puts under scrutiny the composition and behavior of corporate boards. A related but separate thread of discussions focuses on the impact of a corporate governance system on economic efficiency, with a strong emphasis on shareholders’ welfare. There have been various thinkers who have unraveled the layers of corporate governance. Letza, Szwajkowski & Vinten worked on broadly differentiating between the two perspectives of corporate governance which were the shareholder and stakeholder perspective.

However, as one delves deeper in this thought, a point which must be addressed should be to understand how to facilitate corporate governance process towards more responsible governance which looks at both CSR and good governance mechanisms. The solution to this layered debate is of fitment or amalgamation of responsibility towards the society by a Corporation. It is a fundamental understanding that no governance structure, corporation or otherwise can sustain itself without being responsible enough towards the society at large.

Since time immemorial, the dichotomy between the two schools of thought has existed and will exist for years to come. However, the confusion gets starker when the paradigm of social responsibility by the corporation becomes an end product of the profit that is defined in percentage of its allocation but is not a part of the process that leads to the profit. So, the way forward must look at the need of embedding and amalgamating Social Responsibility within the system of business. It is important to understand it cannot be taken care of as a responsibility of an exclusive department but as a responsibility of every department working cohesively towards the goals.

There have been various events in history that showed us that corporations who have adhered to the above mentioned philosophy have increased profits and become sustainable over a period of time. They have also been able to withstand challenging times with the minimum negative impact.

Social Responsibility for the Corporation must not start and finish with allocation of percentage of profit and to invest in few projects. It needs to extend into the very depth of the overall functionality of the organization and could lead to devastating results if ignored. The stigma of not adhering to this philosophy can be brand sustainability, brand reputation & organizational perceptions which could include both internal and external.

Therefore, Social responsibility and Sustainability is no longer a subject of auxiliary importance but a stage-setter for organization who are competing fiercely in a given space. Hence, the matter is now no longer a subject of philanthropy discussion but needs to become one of the primary agendas of the corporate governance structure, to be discussed in detail by the policy makers inside the board room and the stakeholders outside. There is enough available evidence where companies have done exceptionally well in case of investments but very poorly on corporate governance, ethics and moral values which was also the reasons for some of the biggest scams.

It is one thing to imbibe social responsibility through the eyes of a percentile amount of your profit and it becomes very narrow in case of the impact is concerned. Corporations should not forget that the consumers are the drivers of any business who are a part of the same society for which the very existence of CSR prevails.

It is therefore the need of the hour for corporates and especially board room players to realize and adopt the standard of CSR with a special emphasis on labour policies, transactional policies, quality check processes, employee's welfare schemes and customer service mechanisms so on.

It is imperative for the business to understand that in such a volatile and competitive market where survival will be not only by marketing the product but will also be in giving enough importance to the fact that being responsible as an institution and with value proposition has gone beyond the delivery of product and services. It is no longer a question of survival but it is now the question of leading responsibly and surviving.

*Soumitro Chakraborty, Chief Executive Officer, Fiinovation*
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In my teaching, research and consulting, I no longer use “NP-58201 Corporate Governance Guidelines,” June 17, 2005 (“Guidelines”), that apply to publicly traded companies in Canada, as an example of exemplary corporate governance. I regard them as stale and dated. I cannot think of another developed country that has not updated its governance guidelines in almost 10 years. There have been more changes to governance since the financial crisis of 2008 than in a generation. And we are only about half way through all of them. Canadian regulators – including all provinces and territories – need to keep up, and step up.

Here are the ten deficiencies to the Guidelines as I see them:

**Lack of principles and practices**

Our Guidelines are four pages long. The UK’s new Code (September 2014) is thirty-six pages. Australia’s Principles and Recommendations (March 2014) are forty-four. South Africa’s “King III” (2009) is sixty-six pages, to pick only three examples. Quantity is not necessarily quality, but by having such succinct guidelines, the opportunity to set out (i) best practices that (ii) achieve the objective of principles is gone. It is comply or explain against a perfunctory unitary guideline, which can be – and is – gamed by reporting management. There should be more robust guidance, where the regulator explains various ways good governance can occur, from which listed companies can pick and choose according to their circumstances.

**Lack of focus on risk management**

Take risk for example. The Canadian Guidelines state that the board should identify principal risks and ensure appropriate systems are in place to manage these risks. I have no idea what this actually means, nor may directors. Risk management oversight now involves an explicit risk appetite framework, internal controls to mitigate, technology, limitations, and assurance provided directly to the board and committees by independent risk, compliance, and internal audit functions. None of these practices, which are very much addressed by other regulators, appear in the 2005 Guidelines. Consequently, many public companies have immature risk management, especially in addressing non-financial risks such as cyber security, operations, terrorism and reputation. Regulatory inaction has an effect. Even a forward-thinking director may be blocked by intransigent management to devote greater resources to mitigating risk because of inadequate regulation.

**Lack of Independence of mind**

In Canada, a board can subjectively believe a director to be independent, but this belief need not be independently validated, nor tied to any objective or reasonable standard. Nowhere else can a conflict of interest lack a perceptual foundation. As a result, directors tell me how colleagues are compromised by an office, perks, vacations, gifts, jobs for friends, social relatedness, relations to major shareholders, excessive pay, excessive tenure, interlocks, and other forms of capture. If a director or chair is captured, they are owned by management and totally ineffective. If there is a difference between regulatory independence and the independence of mind of directors, the fault lies with the regulation. Regulators should implement an objective standard of director independence, not a subjective one.

**Lack of industry expertise**

It was admitted in open forum that the original 1994 committee did little research. Sufficient industry expertise on boards is glaringly absent from the Guidelines, and consequently in many boardrooms. We are suffering from an independence legacy, perpetuated by entrenched directors, and unsupported by academic research. For example, in Australia, two academics claim this has cost their country’s decline in shareholder value between 30 and 50 billion Australian dollars (“Does “Board Independence” Destroy Corporate Value,” by Peter L. Swan and David Forsberg).

Fraud, meltdowns and underperformance such as Nortel, RIM and CP all had a paucity of industry experts on their boards, including, most recently, Tesco in the UK. JP Morgan at the time of the risk management failure did not have a single independent director with banking experience. Prior to Bill Ackman’s involvement in...
CP, not a single independent director had rail experience. I recently assessed a similar board and not a single director had the necessary industry experience. The Guidelines should require relevant industry expertise on boards. I recommended this to OSFI when I was retained by them to examine their earlier guidelines, and this is now the law for all federally regulated financial institutions, along with risk expertise being present on boards.

**Lack of financial literacy and internal audit**

There is no requirement to be financially literate to sit, initially, on an audit committee of a Canadian public company. This presupposes someone can acquire financial literacy as opposed to having it to begin with. There is also no requirement to have an internal audit function for a Canadian public company. This should also change so audit committee members hit the ground running, and there should be a comply or explain approach to internal audit. In many compliance failures, there is a defective or non-existent internal audit function, with a weak audit committee lacking recent and relevant expertise. Regulators are now moving towards “independent coordinated assurance,” which means that reporting to, and functional oversight by, the board and committees are fulfilled by internal and external personnel who are independent of senior and operating management, including, most importantly, an effective and independent internal audit function.

**Lack of shareholder engagement**

The words “investor” and “shareholder” are mentioned once each, in a perfunctory manner, within the 2005 Guideline. Shareholders own the company and regulators and investors are explicitly providing context now for investor input on director selection; for engagement and dialogue between investors and directors; and for the use of technology in shareholder communication and annual meetings. The foregoing are all absent from the Guideline. Canada has still not adopted “say on pay,” which has also been a catalyst for shareholder engagement.

**Lack of focus on strategy and value creation**

“Strategy” is mentioned only once within the entire Guideline, and that is that the board should approve a strategic planning process, and approve, at least annually, a strategic plan. It is hardly surprising that many boards short-change strategy at the expense of compliance. This requirement of once a year essentially marginalizes a board. When I interview top directors who add value strategically, the strategic oversight and involvement by boards are much more focused and engaged. There are strategic best practices here that would enhance the performance and value that a proper board can make. Regulators drafting this guidance should have experience creating listed company value.

**Lack of focus on sustainability**

The word “environment” or “sustainability” is not mentioned at all in the 2005 Guideline, a noticeable omission. Australia’s emphasis on economic, environmental and social sustainability risks, within its Corporate Governance Principles and Recommendations, is second to none, as is South Africa’s focus on “integrated sustainability reporting” within King III. This omission is especially noticeable given investor focus on the environmental, social and corporate responsibility. The lack of environmental stewardship and response to climate change is also a broader issue.

**Lack of compensation guidance**

The regulatory movement from short-term, quantitative, financial metrics, to risk-adjusted, long-term, qualitative, non-financial metrics for executives is absent from the Guideline, as is guidance on non-executive remuneration. Investors, regulators and good boards are focusing on leading performance metrics that reflect the entire business model and value chain (most of which is non-financial), and that are longer-term in nature.

**Lack of focus on the chair of the board**

Lastly, but far from least, the position of the board chair has undergone a metamorphosis since 2005. There is no guidance at all offered on the role, responsibility and attributes of an independent chair, within the Guideline. Other codes offer extensive guidance on skill-sets and responsibilities that and on which the chair should possess and execute. Without this regulatory guidance, a chair (and committee chairs) can be bullied or unduly influenced by dominating reporting management such that they are rendered ineffective, albeit formally independent. More guidance is needed. Chair position descriptions should not be drafted by management lawyers or management-retained lawyers.

**Conclusion**

Does Canada improperly have a false sense of governance superiority? In this rapidly changing field, if you rest, you are left behind. Nine years is sufficient rest.

There are arguments (i) by industry and advisors to management that corporate governance in Canada is fine; and (ii) by regulators of scarce resources and how difficult it is with fragmented securities commissions and the diversity of Canadian companies. I have never been persuaded by any of these arguments.

*Richard Leblanc is an Associate Professor, Law, Governance & Ethics, at York University.*
Introduction

An all-inclusive and complete agenda document has severe positive impact on board functioning. It would create right atmosphere for adequate board discussions and for their ultimate consensus. Such an agenda keeps board focused to optimally utilize board-meeting time. Those corporations where lead director finalizes board agenda after serious discussions with the Board Members/CEO and after including all items of relevance to the board would produce a complete document. The complete document, when discussed to satisfaction of all board participants with full transparency as to whether it is for information/discussion or for approval -- would create a right ambience in the boardroom. Such a practice would improve performance of the corporation, would create good brand value and enhance its reputation. A good example is Satyam group of companies where a merger item was perhaps not brought to the board with an adequate flag that it was meant for discussion and approval. What happened perhaps was that it slipped the board attention, was not given attention it deserved, and merger issue was approved. This created a huge furor when merger issue got leaked out to the public, which ultimately led to the closure of the group. No further board meeting could be held, as the group collapsed, and the merger issue never saw the board confirmation.

A complete and all inclusive agenda helps board members to gel well, discuss each item giving adequate time and attention, it deserves. Lack of focus frustrates board members leaving them dissatisfied and unhappy. They feel that they did not have adequate time to discuss pertinent and relevant issues and hence are not adding much value to the board. This in turn, as well frustrates CEO, as he starts developing a feeling that directors are not concentrating on important issues rather, are just discussing trivial ones, going tangents and are perhaps trying to micro manage operations of corporation. By not being in sync with each other, there is likelihood both CEO and the board would not gel well and form a team, which would then adversely affect board performance.

Developing one-year agenda and relevance of each item to be included therein-

One-year agenda is complete and all-inclusive if it includes all items of relevance to the board to give complete confidence to board functionaries. To develop this document, it is necessary that lead director should take the lead along with CEO. The lead director should ensure that each director is taken on board and his input sought for finalizing agenda. It is suggested that, both lead director & CEO should start preparing for board agenda, for the next year, in the last quarter of previous year, preferably in one of the board meetings. These discussions would ensure that each director has given his thoughts for the items to be discussed in the board meetings to be held next year. This way, all-important issues for the upcoming year would be prioritized that would need input and comments from management as well various board functionaries. Board would prioritize items keeping adequate time for discussing each of them, in order to derive satisfaction that they contributed to finalization of this important document.

Fixing a one-year list of items to be discussed in the board is neither a meeting schedule nor any set agenda for the meeting, but it does assist in including all items of relevance, their prioritization and time to be allotted for each one of them, as well how many times in a year these need be discussed.

While items of relevance to be discussed over a period of one year would depend upon type of industry and business corporation is in, but normally agenda items to be discussed over the full year would include following –

- Compliance
- Financial performance
- Operational effectiveness
- Strategy
- Mergers/acquisitions
- People issues
- Appointment of Directors
- Risk management
- Routine items, like minutes of various committee meetings, minutes of the subsidiary companies and various miscellaneous items of relevance
- Emergent Items, as and when these arise.

Each of above are described here in below in greater detail –

Compliance report, which is normally on the top of list, is a routine calendar item and should enjoy that position in all the board
meetings. Although this is routine, it is extremely important that all board members ensure company secretary or some other senior official (of the equivalent status in the corporation) signs the compliance certificate. This item is normally for information/noting of board members, concomitantly but board should ensure that at every meeting it should not be a replica of the same, rather fresh items mandatorily required at the end of different quarters in the year should be included. In addition, Company Secretary or the official signing declaration should be present in each meeting to confirm that all rules/regulations have been complied with.

Financial performance of corporation for previous quarter should be discussed in the following quarter. This is a regular item for each board meeting and is normally for its approval. Once a year, board would need audited accounts as well, along with audit report, which would need to be studied by each director, and qualifications in the audit report, if any, would need proper comments/explanation from the management duly supported by the Chairman, Audit Committee. While this is an important item, it should be ensured that line by line discussion of each item should be avoided, which may create quite a dissatisfaction in management as well Chairman, Audit Committee. But it is necessary that board members should know how to read and understand at least cash flow item of each division of the corporation, so as to ascertain whether it is making money and from where, and as to how long competitive advantage the division is enjoying would last. It would assist if each director as well understands basic items appearing in corporation and divisional balance sheets and profit and loss accounts.

Operational effectiveness is quite an important item for board continuous discussion and, at times, for approval. This should find place in each of the board meetings. It assumes importance as future prosperity or survival of corporation would depend upon how operational effectiveness improves with internal or external changes. These changes would include technological improvements, new distribution channels coming up, amendment in regulation and legislation; global market changes and new market trends, etc. It is imperative that with each change, operations of corporation would need to be tweaked so that it improves and becomes more and more effective. The continuous reporting by the management to the board on effectiveness of operations would ensure that management has continuously assessed changes and is evolving plans to adapt to them.

While finalization of strategy is board responsibility, execution thereof has to be done by the management. Board would need to get a report from management for all its meetings about the strategy execution. The report is mostly for board discussions, but at times for approval as well, which would enable them to intervene at right opportunity. The board may need to make suitable amendments therein with a clear focus that improvement in strategies today, would manifest in better operational profits tomorrow.

Mergers/aquisitions are part of any modern organization, as all of them need to grow and produce better results. Although organic growth is quite relevant and organizations should always look for that, yet mergers/aquisitions always play an important role while handling global competition or for improving operations of the corporation. It is, therefore, necessary that board should spend adequate time to understand as to how these steps are going to assist the organization and, in what manner. This may not be a regular board item, but may come up before the board as and when such events arise. It is necessary that, boards should be careful while dealing with these items keeping in focus as to what has happened in Satyam group of companies, as mentioned in preceding paragraphs.

People issue is one of major items for board as it encompasses important issues like CEO evaluation and his fitness for the corporation, his pay package, succession issues in the corporation, and creation of leadership pool etc. CEO’s fitness for the corporation, his evaluation along with his pay package are very serious issues which board is always thinking about and is discussing both within and outside of board meetings. It may not be a regular agenda item in board, may be twice a year would suffice, but board should always be serious about it. CEO’s succession and creation of leadership pool for corporation is major critical factor on which its success is centered. In addition, the success is as well linked to right leadership and skill mix at every level in the corporation. With right leadership, corporation would be able to cross all short or long time hurdles thus moving on the growth trajectory.

It may as well be important for board to have good leaders in various positions that could convey bad news at ease, like any good news, without putting any sugar coating around it. All organizations are likely to face problems, which could come from any unimaginable source, and right leaders in different positions around corporation would convey right feedback well in time, so that adequate and timely intervention by board would stop any further dent.

Although people issues are very important, yet it may not be regular item on board agenda, it may suffice if this item comes up twice a year or so. But, each board member should always be concerned about issues and need to discuss them all the times, so that timely interventions could assist.

Board chair as well chairperson of board nomination committee should always be concerned about creating diversity of skillset in the board. Skill diversity in board assists in improving quality of decisions taken and initiation of timely action. Therefore, appointment of new directors to comply with revised regulation/legislation as well replacement of existing directors on their retirement should always be on the top of mind of board members. This is not a regular item on the board agenda, but would come up as and when vacancies are likely to arise.

In current complex environment, mitigating risks is responsibility of the management and board. Normally, boards manage risks through a committee appointed by them. The committee meets periodically and its minutes come to the board for perusal and noting. While risk committee could take the lead and make
recommendations, whole board should involve itself with risk assessments, minimum once a year. They should make efforts to understand risks involved in business of corporation and constantly suggest mitigating it. Boards should also suggest stressing test its chosen strategy initiatives and suggesting ways for managing them.

Issues like minutes of various committee meetings and meetings of subsidiary companies are normally of routine nature, but board should ensure that they should go through them with all the attention, should there be an item already discussed in these meetings which should invite attention and therefore need to be discussed in the main board meeting. In addition, there could be other issues of routine nature, like:

- Declaration of interests by directors
- Action taken report on minutes of previous board meeting
- Shareholding pattern of corporation
- Reconciliation of Capital Certificates
- Statement of significant transactions entered into with subsidiaries
- Foreign exchange exposure of corporation and steps taken to hedge the exchange risk
- An update on regulatory issues and how it effects the corporation

The above list is not exhaustive, but there could be few other items of relevance which board should be concerned about. Hence they need to insist on inclusion of these items on the agenda.

The board has to deal with emergent issues that may arise all of a sudden. These issues should take priority over other normal board meeting items. Such issues may be of a nature where board needs to amend its policy or take an urgent decision or an emergency meeting may have to be called for. These issues may appear on agenda, as and they may emerge. However, board needs to be careful to ensure that these emergent issues should not defer other normal board issues to an eventual date, which may create other problems of bigger magnitude.

If each board member understands relevance of all the items they are going to discuss in board meeting, it would substantially improve board functioning and such boards would then become very effective. They would together form an effective team and would gel well. They would be highly satisfied that they have together increase brand value and enhanced reputation of corporation.

**Finalizing agenda for each board meeting**

Once board agenda for the meetings to be conducted over a span of one year has been decided and board functionaries are assured that all items of relevance have been covered, it would be easier to finalize agenda for each board meeting to be held in a year. The items to be included would be directly drawn from one-year agenda and could include –

- Compliance Certificate, every meeting.
- Routine items, every meeting
- Balance sheets, profit and loss and cash flow statements, every quarterly meeting held immediately after the end of each quarter.
- Operational effectiveness, twice a year.
- Strategy, once a quarter.
- Mergers/Acquisitions, whenever arises.
- People issues, maximum twice a year or whenever arises.
- Appointment of directors, whenever arises.
- Risk management, once a year.
- Emergent items, whenever arises or minimum once per year.

The agenda prepared on these lines should be circulated minimum seven days in advance and directors should come to the meeting, fully prepared to jump right in with dialogue and questions. Normally board meetings may last for full day or may be more. However, longer meetings do not guarantee that board is adding value. What is important here is that agenda should be so designed to include all items of relevance and presented well in advance that each director should concentrate right from the time meeting starts till end on issues which are relevant and important. Such a designed agenda would give boards time to do real work and personal satisfaction to all its functionaries.

**Conclusion**

Governance in corporate sector has assumed lot of importance. Each country across globe is constantly reviewing, updating and evolving their rules and regulations in this area. Regulators across globe expect board functionaries to function within the ambit of these revised regulations. Additionally, promoters, various investors as well as shareholders expect them to achieve excellent result. Although, It is well known that there is a causal relationship between good corporate governance and good performance, and it is likely, that good corporate governance would lead to better performance for the corporation. But to achieve these twin objectives in a mannered expected of board functionaries, the only way is to develop a complete and all-inclusive one-year board agenda.

Agenda for each meeting then need be evolved from one-year agenda. When one-year agenda in place and agenda for each board meeting is deduced from there, quality of board meeting and the way it has been conducted improves. Time management becomes better and directors can easily visualize as to how much time they have got for each item. None of directors would ask repeated questions and focus of each meeting improves. Directors gel well and they together work for a sole objective of delivering maximum for various stakeholders, in an ambit of good corporate governance.

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COMPANY LAW SETTLEMENT SCHEME

Ministry of Corporate Affairs launched an immunity scheme - Company Law Settlement Scheme 2014 in August and is valid till 15th November 2014. The Scheme offers an excellent opportunity to corporates who have defaulted in filing of their Annual Documents with the Registrar of Companies to make good their default. The Scheme provides twin benefits – immunity from prosecution and lower additional fee. “Handbook on Company Law Settlement Scheme 2014” by Ashish Makhija is an excellent correlation of filing of annual documents of a company with the intricacies of the prosecution on directors and officers in default. This is the only book available in the market on the subject. The book explains the Scheme and filing procedure in a simple way indicating the benefits to the companies and directors. The author is a well-known expert on company law having a rich hand on experience in dealing with corporate law matters. He is also a faculty for Institute of Directors Master class program for Directors.

Upon review, we found that the Book not only elucidates the procedure under CLSS-2014 but also brings out the single most advantage to the directors i.e. saving directors from the disqualification on account of past defaults by companies relating to non-filing of documents. The benefit of non-applicability of disqualification provisions stands out from the rest and the directors of defaulting companies, upon filing documents under the Scheme, can start fresh innings with a clean slate. On surface, the Scheme looks simple but contains many aspects, which require thorough understanding, as any lethargic approach will take away the benefits of the Scheme. This book lucidly explains various provisions of the Scheme in a clinical manner and also deals with practical aspects of filings to be made under the Scheme. The book also discusses new concepts of inactive and dormant companies, which have been introduced for the first time in the history of company law in India. The book is divided into 6 chapters and has 27 appendices for ready reference.

One of the prominent and eye catching feature of the book is that it enlightens the reader on the untold aspect of limitation for filing prosecution. It projects a clear picture on the time limit within which the regulator could exercise its powers to initiate prosecution against the companies and its directors. The Author provides an insight into this aspect supported with judgments wherein Courts have quashed the criminal complaints, which were filed by the Registrar of Companies beyond time. Indeed the book is not only a pleasure to read but an asset to preserve. It is a must have book for the professionals such as Chartered Accountants, Company Secretaries, Advocates and also for all corporates. It is reasonably priced and is easily available on flipkart and Amazon.
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