

Social Vision

Markets are embedded in society. This is an insight which, as for all great insights, seems obvious in retrospect. We owe it to Karl Polanyi, who articulated it in his 1944 book “the Great Transformation”. And yet, we see it being disregarded. Witness the ham handedness of the US in Iraq and elsewhere. The difficulties we experience in “developing” UP or Bihar also comes from the constraints of their societies. So, it is in the enlightened interest of business to strengthen the societies they operate in.

We have been in throes of this transformation since Independence, and it is very much work in progress. 65% of our population is still in the villages and connected to agriculture.

A century ago, there was a vigorous debate between Tilak and Agarkar, in my very own Pune, about what we should focus on; political reform or social reform. Tilak carried the day but as we now realize, it was perhaps Agarkar who was right. We need social reform and industrialization by and large is good for our society. It provides employment, higher incomes and productivity, opportunities for social mobility, breaks down caste barriers, puts a premium on education, etc.

Now, it is common place to see people as the source of all value. Because companies are built and prosper on innovation and productivity improvement. The success of Apple and Google demonstrates this unequivocally.

For quite a while this was obscured in our country. Capital bought out technology, entry privileges seemed to be more important. Till the Information Technology sector and opening up of the economy laid them to rest.

And, people will put their energies in an enterprise, ofcourse, for financial considerations, but at a deeper level, for the pride in being part of the enterprise. For the meaning that the enterprise lends to their lives. The values that it embodies.

So, each enterprise needs a social vision. To attract the talented and for them to keep enhancing their sense of professional and personal fulfillment. And this does not mean only its employees. It means its suppliers, distributors etc. One could well argue that ideally it encompasses even its customers.

There are examples of an enterprise exuding a social vision. I believe that this is not an option but is essential for a successful enterprise. If one digs deeper into the success of any enterprise, one finds that it strikes a social chord. Be it Infosys or HDFC or Jain Irrigation. Or “Hamara Bajaj” (I am not given to modesty!)

We, in Bajaj, were lucky. Given our roots in the freedom struggle, industry was chosen and I repeat chosen, as the vehicle to build the country. We were founded on a social vision. Trusteeship was not a concept that we adopted, but which my grandfather Shri Jamnalal Bajaj, in Gandhiji’s judgment, exemplified. We are nowhere as great as Jamnalalji, but we do try that even though we cannot add to his greatness, we should not lower the family name.

From inception we have practiced some principles. First, is to be independent and make our own destiny. Second, is to be fair but firm, in our dealings with all we deal with. Third, is to gun for volumes based on technology, quality and cost competitiveness. Fourth, is to continue the tradition of philanthropic work and support for constructive activities of Gandhiji, especially those benefitting the poor. This very much predates the mandatory CSR regulation!

Successful companies contribute greatly to the society. Be it in taxes, salaries & profits to all in their value chain or dividends and share appreciation to their shareholders. They have to ensure that in their operations and those of their associates, justice is done in letter and spirit to their obligations towards labor, environment and the government.

Some Indian industrial groups have had a tradition of being embedded in society. Be it Jamshedpur of Tatas or Vikhroli of Godrej’s. Or support to employees for housing or school education. I feel proud that even my grandchildren go to the Company school set up for our employees, just as my children did.

But, in a country with ineffective governance and considerable poverty and inequalities, there is a need and an opportunity for the well off to support the less advantaged and support important social causes which are underfunded. It is also an opportunity for industry to prove that innovative thinking and commitment to both outcomes and their quality, can yield both results and make the rupee spent travel further.

In this having one's own core organization, built around one's core program, together with partnering with reputed NGOs is a good way to proceed. At Bajaj we have focused on education, health and livelihood issues, primarily in rural areas. There is no magic bullet. In my view, diversity of approaches is a good thing. An industrial group is running hundreds of its own schools and another is supporting a very large number of public schools in improving their academics.

In the World today, perspectives are very important and a source of great advantage. With the right perspective one can move quickly. But a vision means little, if it does not yield consistent outcomes. We must temper the vision with suitably paced reality checks.

Indian society and industry stand at a rare cusp of history. We have a history of frittering away our opportunities, but a bigger history of creating new opportunities! Let us all pull together this time.
