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**REVISITING
NATIVE
WISDOM**

**THE PHILOSOPHY OF ENLIGHTENED
BUSINESS MANAGEMENT**

M. SETTU

CEO, Syndicate Exports Pvt. Ltd., Coimbatore

Enlightened business management is a holistic management system which will have the best capability towards creation of wealth (both physical and intellectual), in the right way adopting the principles of good corporate governance, to benefit all the stakeholders of the organization and must also have the provision to share a portion of the profit with the needy people of the society as a corporate social responsibility, towards building a great nation and ultimately serve the humanity towards universal joy and peace.

The most important things in life should never be lost for least important things. Hence, while we manage our business or profession, we should lead a life of joy and peace. This is the integration of Business Objective and Life Objective. The result of this integration leads to the evolution of ‘The Concept of Enlightened Business Management’.

HOLISTIC MANAGEMENT SYSTEM

The worth of an enlightened management would better be understood with the help of holistic management cycle.

1. Creation of wealth
2. Corporate Governance
3. Benefits to all stake holders
4. Corporate social responsibility
5. Building a great nation
6. Universal joy and peace

CREATION OF WEALTH

Creation of wealth in any business is the primary objective. Wealth is the abundance of valuable resources or material possessions, or the control of such assets. Wealth creation involves the building of assets by means of careful investment into asset based investments, usually over a long period of time so as to achieve an income stream that will ensure a continuation of a high quality lifestyle in the years beyond retirement. Factors involved in creation of wealth are:

1. Vision
2. Passion
3. Leadership
4. Self-confidence
5. Innovation
6. Motivation

CORPORATE GOVERNANCE

Good corporate governance supports effective decision making. Effective decision making in a well-governed organisation is based on:

- A well balanced accountability framework that is based on clear communication and understanding across the organisation and the roles and responsibilities;
- Robust performance, financial, risk and information management systems;
- High standards of conduct.

Main Factors which influence corporate governance includes:

1. Ethics and values
2. Accountability
3. Integrity
4. Openness & Transparency
5. Equity & Justic

BENEFIT TO ALL STAKEHOLDERS

Businesses do not work in isolation. They affect the lives of people in the global community in many ways. Reed Elsevier believes it must be accountable to communities and give something back. Through employee community work, for example, its people not only make a difference to local communities around the world.



‘Valuing People’ is a stakeholder focus which is important to Reed Elsevier. The company recognises and values its people. This focus provides benefits in the form of motivated and loyal employees. Challenges, opportunities and rewards for all workers are part of Reed Elsevier’s approach to supporting its people. This result in employees feeling encouraged involved and motivated – which leads to improved efficiency. Improved efficiency reduces costs which increases sales and improves revenues – which contribute to higher profitability. Attracting and keeping good employees means the business will achieve its objectives and meet the expectations of customers. The stake holders of any business organization include:

1. Customers
2. Employees
3. Share holders
4. Government
5. Banks
6. Creditors
7. Society/ Community

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. In some models, a firm's CSR agenda goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." CSR is a process which places responsibility for the company's actions and encourage a positive impact through its

activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

The areas which need the attention of corporate social responsibility in our country are:

1. Improving literacy and Higher Education
2. Health care
3. Employment
4. Poverty Alleviation

The status of India today in literacy, nutrition and education can be seen as shown below:

Truth of India	
35 crores	Illiterates
30 crores	Below poverty line
30 crores	Not connected to safe drinking water
20 crores children	Of-school going age not going to school
10 crores	Suffer from malnutrition

Global Hunger Index

The global hunger index by country will depict the position of each country surveyed by International Food Policy Research Institute (IFPRI). The GHI is measured with three equally weighted indicators as shown below:

The Global Hunger Index by Country 2012 GHI(Scale & Hunger Level)				
<4.9 (Low)	5-9.9 (Moderate)	10-19.9 (Serious)	20-29.9 (Alarming)	>30 (Extremely Alarming)
Algeria	China	Nigeria	Sudan	Haiti
China	Thailand	Liberia	India	Ethiopia
Saudi Arabia	Panama	Philippines	Bangladesh	Eritrea
Turkey	South Africa	Indonesia	Nepal	
Egypt	Peru	Zimbabwe	Zambia	
	Malaysia	Sri Lanka		
Source: International Food Policy Research Institute (IFPRI)				

Three equally weighted indicators:

1. The proportion of *undernourished* as a percentage of the population (reflecting the share of the population with insufficient dietary energy intake);
2. The prevalence of *underweight in children under the age of five* (indicating the proportion of children suffering from weight loss); and
3. The *mortality rate of children under the age of five* (partially reflecting the fatal synergy between inadequate dietary intake and unhealthy environments).

Something that is most bothering and worrying in India are the hunger, poverty, malnutrition and child mortality. Business organizations have a social responsibility and they have to play an active role in mitigating these social problems.

BUILDING A STRONG NATION

Nation-building refers to the process of constructing or structuring a national identity using the power of the state. This process aims at the unification of the people within the state so that it remains politically stable and viable in the long run. Nation-building can involve the use of propaganda or major infrastructure development to foster social harmony and economic growth.

The development of behaviors, values, language, institutions, and physical structures that elucidate history and culture, concretize and protect the present, and insure the future identity and independence of a nation.

Nation-building approach recognizes that every nation today confronts the classic problems of human societies, including:

- how to build effective, sovereign governments;
- how to develop vigorous economies that fit their circumstances and cultures;
- how to solve difficult social problems;
- how to achieve their own objectives in interaction with other governments;
- how to manage their environment and natural resources;
- how to balance change and cultural continuity.

A nation-building approach implies that each nation should struggle and move forward under the guidance of right kind of leaders who have the capacity:

- to improve the social life and preserve the distinct Nationhood
- to solve socio-economic problems through consistent and effective measures
- to improve the standard of living, social harmony and create a viable and competitive system

- to implement effective and culturally appropriate systems of governance.

These challenges are foundational, and they require a foundational response. The key factors that assure nation-building are:

1. Improving the Human Development Index
2. Reducing the rank of corruption perception Index
3. Improving the competitiveness
4. Infrastructure improvement

Global Competitiveness' Index : Ranking 2012-2013	
Country	Rank
Switzerland	1
Singapore	2
Sweden	4
USA	7
Denmark	12
Japan	10
UK	8
France	21
China	29
India	59
Brazil	48
South Africa	52
Russia	67
Sri Lanka	68
Pakistan	124
Burundi	144

Source: The Global Competitiveness Report 2012-2013 © World Economic Forum

It is very disheartening to note that INDIA stands at 59th Rank among the 142 countries

- China ranks at 29th
- We have to go a long way in achieving global competitiveness.

GLOBAL COMPETITIVENESS INDEX

FACTORS	INDIA (2012-13)	CHINA (2012-13)
Basic requirements	85	31
Institutions	70	50
Infrastructure	84	48
Macroeconomic stability	99	11
Health & primary education	101	35

Efficiency Enhancers	39	30
Higher education & training	86	62
Goods market efficiency	75	69
Labour market efficiency	82	41
Financial market sophistication	21	54
Technological readiness	96	88
Market size	3	2
Innovation & Sophistication Factors	43	34
Business sophistication	40	45
Innovation	41	33
Overall Ranking	59	29

HUMAN DEVELOPMENT INDEX RANKING

Country	2011 Rank	2012 Rank	HDI Value
Norway	1	1	0.955
Iceland	14	13	0.906
Canada	6	11	0.911
Japan	12	10	0.912
United States	4	3	0.937
United Kingdom	28	26	0.875
Germany	9	5	0.920
Singapore	26	18	0.895
Russian Federation	66	55	0.788
China	101	101	0.699
Sri Lanka	97	92	0.715
Brazil	84	85	0.730
India	134	136	0.554
Pakistan	145	146	0.515
Bangladesh	146	146	0.515
South Africa	123	121	0.629
Ethiopia	174	173	0.396
HDI Ranking (Source: UNDP)			

Transparency International's Corruption Perception Index

This indicates abuse of public funds, properties, resources and power for private and personal benefits. India has been ranked as one the Most Corrupted Countries in the world.

RANK OF LEAST CORRUPT COUNTRIES

Country	2011 Rank	2012 Rank	Score
Denmark	2	1	90
Finland	2	1	90
Sweden	4	4	88
Singapore	5	5	87
UK	16	17	74
Japan	14	17	74
USA	24	19	73
South Africa	64	69	43
Brazil	73	69	43
Srilanka	86	79	40
China	75	80	39
India	95	94	36
Iran	120	133	28
Russia	143	133	28
Nepal	154	139	27
Pakistan	134	139	27
Libiya	168	160	21
Myanmar	180	172	15
Somalia	182	174	8
Source: www.transparency.org			

All the above indicators show India in a poor light. The human resource of India is weak and vulnerable, both physically and morally. It is a formidable challenge to the youth of India and the leaders. The political, social and business leaders have a great responsibility in bringing about a transformation.

UNIVERSAL JOY AND PEACE

In an approach to holistic management, the ultimate aim relies on universal joy and peace. Understanding the global phenomena, taking steps to keep the environment clean and safe, being eco-friendly, avoiding violence and natural conservation will leave a good natural resource to the future generation. The focus must be on the following factors like:

1. Awareness on Global warming
2. Pollution & Environment Control

3. Energy conservation
4. Water conservation
5. Awareness on war & Terrorism
6. Save the mother earth for Future Generation

While we perform our duties to serve our business, our family and our nation, let us not forget to do our best to protect and save our Mother Earth from pollution and global warming, so that the future generations would enjoy their lives with joy and peace.

Here again, the holistic management system takes a new definition. *'A holistic management system which will have the best capability towards Creation of Wealth (both physical and intellectual), in the right way adopting the principles of Good Corporate Governance, to benefit all the Stakeholders of the organization and must also have the provision to share a portion of the Profit with the needy people of the society as a Corporate Social Responsibility, towards building a Great Nation and ultimately serve the humanity towards Universal Joy and Peace'.*

The Philosophy of the Enlightened Management will enhance the quality of life, not only of the managers and the promoters but also the people around them. The path, the journey and the destination of this human life must always be joyful and peaceful. Whether you manage your business or a trust or your family, the big picture is to have joy and peace. Thus,

*Let us enjoy our family;
Let us enjoy our business;
Let us enjoy our society;
Let us enjoy the glory our Nation;
Let us enjoy the glory of our Mother Earth.
Be Blessed with Joy and Peace, all the time.*