Social Transformation through Integrated Corporate Governance and Corporate Social Responsibility

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The Managing Director of Acetate International Chemical Industries, a reputed chemical unit was aghast at the recent performance of his unit. Stock prices was down, job turnover was increasing, employee morale had fallen, everything seems to have gone wrong, though he had his policies well in place and was very concerned about the employees welfare. Suddenly it dawned on him that the system of corporate governance was inadequate and needed to be upgraded. Improvement of technology kept away traditional hard working people, use of conventional systems kept his customers away reducing growth. Caught between his loyal employees and potential customers he had to do something fast to stem the rot caused, due to no fault of the directors.

This was a common situation with many upcoming industries. A quick scanning of Corporate Governance commencing from the renowned Cadbury Committee Report indicated that the above company would be rated high. All issues of compliance to good governance revolved around financial compliances and statutory obligations, which were excellent.

Literature Review:

In "A Study of Stores: Marketing and CSR" (Peter Jones, Daphne Comfort, and David Hillier –Market Intelligence and Planning 25, 1, 2007) where the authors studied the role of CSR in U.K.'s top ten stores indicated varying degree of interpretation and use of the various CSR possibilities.

In "For business or good for all- a Finnish Approach to CSR" (by Elisa Juholin- Corporate Governance, 4,3, 2004) the researcher reviewed the attitude to CSR in Corporates and found it favorable. In Social Responsibility in Environmental Marketing Planning (Jari Karna, Eric Hansen and Heikki Juslin- European Journal of Marketing, 37, 5/6, 2003) the authors examined the social responsibility aspect of companies while formulating their marketing planning and found these to be an integral part. However Enron or Arthur Anderson fiascos have stunned the entire (responsible) corporate world. Further the financial compliance system has not improved the understanding or concern of some Corporates to go beyond themselves and promote systems that would be contributory to all stakeholders and society. This led to a detailed reflective thinking on what ails Corporates today and what would be the solutions.

As all articles studied were found to repeat the same management jargons, in different terminologies, but were empty in implementation, one had to look beyond these for possible solutions of a committed nature. Contemplation on the sayings of the yogis (Indian Masters) was combined with the experts' views on management, while writing this article. Sporadic references to journals were made but more of the simpler reflections of Masters were reviewed for integration, as these literature reviews would influence only intelligent readers and academicians and are found to be quite repetitive in nature. Let's have a quick look at our society today in spite of the greatest advancements in technology and Management, and review the corporate situation today.

Society today is in a state of turmoil all over the world, with changes taking place at such rapidity that the best of beings/corporate(s) flounder. Stress seems to be the order of the day in spite of all the comforts and plenty compared to days not far away. But what is this change about, what is the situation leading to? What can come out of the confusion prevailing today? As is

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the case of all transformation/revolution there is a storm before the calmness. Therefore this is perceived as turbulence before the crystallization of knowledge and advancement. This has been noted in the industrial revolution as well. However with age we have progressed and are now in a position, if suitably committed, to benefit positively from this turbulence. We are well conversant with management principles of transformation, in both developmental and survival times. The question is - Are we willing? And to what extent and rapidity? The literature indicated earlier and also studies by Mohamed Zairi ("Social Responsibility and Impact on Society"- TQM Magazine 12, 3, 2000) as well as studies of "Corporate social performance reporting in Bangla Desh" by Shahi Imam (Managerial Auditing Journal, 5,3,2000) indicated an unfavorable inclination to CSR and if suitable leadership direction is given and inclination of Corporates strengthened the performance is expected to be better. Therefore this opens up a new challenging possibility of designing a corporate world born of CSR suitably handling the challenges of Corporates and social issues for creating a better world. The question is- could we take this up? i.e. Can one organization take society or nations globally as a whole, could we board the bandwagon of converting turbulence into constructive energy, so that there is not merely sectoral development of industries, but (rather) total integrated development of humanity (especially the underprivileged). How do we go about? Is it easily possible? Would it take too long and be fruitless? It is important that we urgently devise a formula that could fit into a simple and effective solution to the above crisis, good governance companies facing a threat of extinction for no valid or professional reason that could be perceived?

With the researcher's wide experience of advising industries, banks and government authorities for over two decades and having gone through rich processes of transformation through Indian yoga systems, efforts have been made here to devise a humble, simple, yet an effective model to be put in place for any voluntary corporate to judiciously work out a system that would enable them to get over threats of survival.

These efforts thus have been deliberated in this paper in an unconventional manner some thought provoking issues, as to what possibly could be the cause of this deviation from what constitutes an idealistic corporate performance? A research on key issues underlying/ governing the ideal corporate performance was felt necessary.

Theoretical Framework of the Research.

Simply stated it is $A + B => C + D$

Where A = Good governance and issues (Management theories plus ideology)

B = Efforts in social Transformation (social process + spiritual ideology)

C = ICG + CSR (Integration Process)

D = Social transformation and humanitarian development (desired or designed deliverables and targeted outcomes)

In this equation, please note that:

A aims at "Optimization of resources with best practices and state of the art technology"

B aims at "Handling social issues through self motivated projects, both individually and collectively taken as a corporate commitment to society".

C aims at "Establishing a contributory Corporate culture and as a naturalized phenomenon"

D aims at "Happier humanity, healthier and ethical Corporates and zealous and fulfilled employees"

All the above appears to be possible through the simple approach highlighted in this paper, though in an unconventional mode.

Research Methodology

This research, with the above background, was addressed through the following three modes of review:

a) Overall literature survey, which was confined to important areas like environmental issues and functional issues like marketing, banking, retailing etc. and review books related to corporate performance and corporate

social responsibility an spiritual ideology and social transformational processes.

b) Discussions with professors of eminence and trustees of important educational bodies especially Management Institutes that are expected to be the fore runner of top management personnel in the years to come and more so the value based institutes.

c) Review of research done by NGOs and experiences shared by key personnel in Corporates, followed by reflective thinking on the various issues felt important by the researcher.

As these were too broad based, no field research has been undertaken for this study, due to time and cost constraints. It is hoped that this exploratory and reflective review would be enhanced with further field studies by researchers, on the various issues raised, from which specific papers may be drawn up before further integrating these into a finer and refined research model for practical implementation.

Hence these are now expressed in the form of some reflective thoughts, which are self-explanatory and are given below in brief, while dwelling into the major issues related to Integrated Corporate Governance and corporate social responsibility, which is the essential parameters of the research to address unseen crying needs of the underprivileged in society.

We would initially define the two concepts, as perceived by the researcher, so as to benefit readers of the basis on which the research has been reflected and expressed/ developed.

Corporate Governance can be defined generally as the compliance/ commitment to serve all stakeholders and society, nation, with needed corporate social responsibility taking cognizance of the importance of best management practices, with full compliance to all statutory bodies / Regulations as required, with high level of accountability, clear transparency, diligence, sound values and ethical practices and with due interest / Concern fully expressed of all stakeholders.

Integrated Corporate Governance.

A more holistic definition having a long term perspective, could be Integrated Corporate Governance, which is a promised holistic commitment, integrating modern management thoughts and practices with the high values and missionary zeal/practices of the Indian yogis (or their system) for promoting a corporate culture comprising of a coherent team of enthusiastic people working in unison towards the vision of the company, delivering to all (all to include besides stakeholders-society, nation and those indirectly related as well), the promise of the mission statement, as an offering with full corporate social responsibility taking cognizance of the importance of best management Practices, with full compliance to all statutory bodies / regulations as required, with full accountability, clear transparency, diligence, sound values and ethical practices and with Due Interest / concern fully expressed of all stakeholders.

Integrated Corporate Governance could be presumed to comprise of the following commitment levels that also enable assessment of the degree of corporate governance committed and adhered to by companies:

a) Obligatory.

• Compliance to statutory regulations
• With due accountability and diligence.
• In a framework of full transparency.
• Based on sound ethics and appropriate ethical policies.
• Adding value to stakeholders.

b) Essential (In addition to the above)

• With best management practices and quality and environmental policy .
• With optimum customer satisfaction and appropriate customer focus.
• Continuously adding value to all stakeholders.
• Improving corporate brand image ethically.
• In a framework of right values.

c) Desirable. (In addition to a) and b) above).

• Deep concern for the well being of society, humanity, nation and all stakeholders.
• Enthusiasm in work and assured deliverables.
• System of team offering and in an interactive manner with all stakeholders.
• Appropriate to the situation.

All those indicated above are expected to be practiced with full corporate social responsibility and strong sense of commitment.

Corporate Social Responsibility

Corporate Social Responsibility (C.S.R.) can be defined as the commitment to be a contributory entity with individuals in the corporate world, operating as a contributory and welfare oriented (concerned) individual in society and perform beyond what is expected in workplace along with active involvement in handling some fundamental issues of society without any expectation of reward in return (monetary or in kind – tangible or intangible from the corporate or society thus expressing a measure of higher commitment or gratitude of existence), but just having the satisfaction (contentment) of the problems disappearing totally. Work for these people would be a play, which is enjoyable and cognizable and a service to society and the issues taken by them are growth tools for personal and social development by their worthiness as an individual. It is noted that such individuals out of maturity would keep away from Corporate or national politics that eat away a lot of productive time. A true representative of corporate social responsibility would find knowledge and humility grow with him, along with other values and virtues of a wise personality.

Corporate Social Responsibility lies beyond mere compliances to society, to incorporate internal and external issues of society as a being and not merely a mechanism operating on a (profit monitoring) system. This includes:

Transformation of an employee as a work complying entity to a team performer (committed and conscious) in the offerings (of product/service) to society as is common in Indian companies practicing karma yoga (their basic philosophy that Indian practiced for over 5000 years of known period.)

• **Welfare issues** of all stakeholders complied with enthusiasm as per universal perception of contribution (with care and concern well expressed) and not merely as per policy of company or statutory requirements alone.

• **Managing social issues** that are not adequately addressed by government or other accountable bodies (due to their self interests or inadequate interest, lack of funds or shortfall in competencies restricting such contributions), collectively and proactively such that the gaps existing in society between the various strata is minimized with respect to fulfillment of minimum basic requirements.

In this regard the researcher assumes that Corporates are and can be fully responsible for mitigating the present social ills totally i.e. if there are 1000 Corporates and 2000 issues in society then each corporate is bound by the above commitment and responsibility to handle at least two issues (either singly or networked optimally). Working beyond oneself makes the corporate stronger in its vision and commitments and the employees serve with an air of dignity and sense of purpose.

Many initiatives have been taken in this regard by various Indian companies like Excel Industries, Western Packaging, Gujarat Ambuja, and a few nations are aiming at this objective of integrated development holistically of Corporates, individuals and society as a necessary feature of corporate life/promotion. This article is aimed at inviting like-minded readers to share their individual experiences in this regard or bring out concepts/thoughts that would make this integration and transformation possible. The paper is thus written in a simple manner that would inspire readers to this effect. International issues may also be addressed in the write up.

This article, therefore, appears to attempt initiation

of a thought provoking dialogue with the reader of the above possibility through a system of good Integrated Corporate Governance (ICG) supported by Corporate Social Responsibility (CSR). Enough has been said about Corporate Governance and Corporate Social Responsibility that we will not dwell on the "what" of corporate governance or corporate social responsibility, but review the "why" and "how" of integrated corporate governance and corporate social responsibility and ensure a commitment from the stakeholders to that effect based on the above definitions and assumptions or expectations made above in brief.

To simplify the thought process and bring some fundamental structure into it, we will take up ten key drivers of development that Integrated Corporate Governance and Corporate Social Responsibility would propel, namely direction, team growth, clarity and simplicity, commitment to society (globally), best practices, quality (with economic) orientation, holistic (networked) approach, prosperity, ethical practices and value-oriented relationships, integrity and accountability (transparency).

No foot note has been given as these terms explaining the concept, are self explanatory.

The (five) supportive drivers are: Proactive participation, motivation, dedication, cooperative approach and humanitarian outlook.

In "Developing the Wider Role of business in society: the experience of Microsoft in developing, training and supporting employability" (Corporate Governance: The International Journal of Effective Board Performance; 2006, 6, 4) Elena Bonfiglioli, Lance Nor, and V. Ambrosini have indicated that the involvement in societal projects especially with the backing of Corporates, employees are empowered to perform better and the company also got a strategic advantage. So let us review what the researcher conceives as the key drivers to ICG and CSR.

Key Drivers of ICG and CSR.

Let us take each of these drivers and work out the impact and the contribution of integrated corporate governance on the driver respectively, though in conventional and clearly understandable terms:

1. Direction. Most Corporates are moving ahead at a fast pace without clear goals in view, trying to capitalize on opportunities rather than work out a planned move towards their Vision, Mission and objectives. Companies like Enron and Arthur Anderson are examples enough that surprised many when their issues surfaced, while many may be simmering in silence. These corporates have a sound approach or guidelines for performance, but is it in the right direction, when not sounded in Ethics. In "Business Ethics: The key role of Corporate Governance" (The Corporate Board Jan-Feb 2007), John A. Sullivan highlights the importance of business ethics as foundation for good governance. Companies need direction that is ethically oriented. In fact, it is noted with regret, perhaps due to competitive pressures, or misplaced drives, quite a few of the Corporates, more so in the SME sector, as well as with commercial trade, one notices that there is clarity of Vision or Mission. Their core objective seems to be only to make money, more money and only money, and hence do not canalize their offerings productively and profitably, rarely based on good and ethical governance. This short sighted approach brings in its wake, lack of loyalty or reduced customer satisfaction, leading to their being driven for survival, with strategies, that are extremely short-term and changing frequently. This also leads to the need for more efforts of coordination for maintaining status quo. Integrated Corporate Governance and Corporate Social Responsibility would ensure that this malady would not be there at all, nipped in the bud itself, surface, by virtue of the clear guidance given to the employees and the signals sent to the customers and stakeholders, that you stand by values and ethics, and have a long term perspective of business, and that you value all people, customers, employees and stakeholders beyond money. This would set up fruitful and interactive dialogues, based on faith and credibility, resulting in a constructive feedback, propelling the Corporates to

improve their performance and relationship in a continuously improving manner. This would be, in addition to the fairly high morale of the employees of a valued company and non duplication of efforts, by the direction set by the leaders of the Corporates, through the Integrated Corporate Governance guidelines, and expected commitments. Uncertainty in conflicting issues would be minimal, leaving more energy for participative efforts, productive and integrative work. This would bring in spontaneity and creativity in the work place.

2. Team growth. The basis of team growth is owing allegiance to a common objective collectively, and that is served with the common direction given to the entire employee base, through a systematic approach that would promote and nurture the spirit of Integrated Corporate Governance and Corporate Social Responsibility. The major drawback of the today's people is the lack of teamwork, both in understanding and attitudinally (a la one up man ship) This may be overcome by appropriate initiatives of Integrated Corporate Governance and Corporate Social Responsibility that needs/ensures a common approach. Once a well oriented team approach is set up and worked out into a successful and acceptable model, then the power of togetherness and success, backed by understanding, would take over, making the contribution to team growth, more effective and long lasting as it is well received as a routine, natural practice. Most companies venturing into integrated corporate governance and corporate social responsibility, are noted to have a strong quality initiative and would like to work on the lines of ISO 9000 (2000) and TQM, which would in turn enhance team behavior. The strength and power of team (together everyone achieves more) behavior is assumed to be known and hence not discussed here as it would exceed the permitted length.

3. Clarity and simplicity. The essence of integrated corporate governance and corporate social responsibility is not simplicity or clarity as the concept itself is complex. But integrated corporate governance and corporate social responsibility through its detailing of expectations and a structured approach (perhaps backed by training) makes the process simpler and clearer. This is likely to enhance the effectiveness by not permitting any deviation that would have made a person lose his long term perspective misplaced by short term pursuits that would have damaged the credibility of the Corporate. Once the guidelines/ directives are in place and the understanding is ingrained and accepted as the norms, in his compliance we bring a quality up gradation of the personnel with respect to his total personality, that the Corporate would have a straightforward relationship, with no political and personal interferences, such that the functioning becomes smooth. Heterogeneous nature of the complex human being that is normally brought into play in the corporate jungle is not noticed in Corporates with sound integrated corporate governance and corporate social responsibility principles, making it a standardized, high quality organization and thus more effective in nature.

4. Commitment to Society. The society could experience the commitment born of the compliance to integrated corporate governance (with sound corporate social responsibility) principles by the corporate with respect to fulfillment of their expectations. In all areas of their interactions, transparency, quality issues, ethics and motives are clearly expressed as contributory to Society's interests more so as the guidelines indicate it, and the compliance to these, therefore, empowers the members of the Society (citizens) recognize a strong commitment by these Corporates practicing Integrated Corporate Governance and Corporate Social Responsibility. In "Motivating employees for environmental improvement" (Industrial Management and Data Systems 104,4, 2004) Nalini Govindarajulu and Bonnie F. Daily, noted that employees involved with environmental endeavors have improved performance and have recommended that top management should formalize their EMS and communicate the importance of employee motivation including managers and supervisors at all levels.

Noting all peers and other employees in a high commitment mode to these initiatives, even the "also performing" types, would successfully adhere to comply with the declared norms of Integrated Corporate

Governance and Corporate Social Responsibility, whereby an environment of Trust and Confidence would propel spirally the Corporates into a contributory zone, with respect to their offerings and promises, to all the stakeholders, customers (both public and internal customer) and society as a whole. Thus from the days of Hertzberg's two factor theory till the sophisticated EMS theories, presently introduced in a professional corporate, one notes the improvement in employee' performance through higher commitment levels being naturally developed thus leading to better governance.

5. Best practices in Management. Undoubtedly the use of best practices would improve the effectiveness of the Corporate and improve the Image in Society and the effectiveness and productivity, thereby improving the morale of the employees and their dignity which in turn would ensure stronger acceptance of these initiatives and compliance to the declared norms a virtuous cycle. This also ensures greater profitability, ensuring even the stakeholders are motivated enough to continue with the policies of the corporate, generally torn aside in cases of loss making companies. The investment and efforts to enforce best practices would be justified and thus the other policies as well. This could be through the appropriate tools of Change Management and State of the Art Technology, use of Professional advisors, Benchmarking, use of latest IT and Web Tools etc., but it should result in customer focused development reducing cost (total/ overall) and adding tremendous value (with respect to cost incurred). This should be both in the technology and management Area and would obviously be adopted suitably by the employees of the company, making it the best or at par with the market leaders.

6. Quality (with economic) orientation. In this age where quality is more the norm than an added feature, it may not be appropriate to mention it here as it is deemed mandatory, but generally in the eye to profits, companies do take short cuts into quality and compromise on long term interests of the company Further, there appears to be a misconception that quality is expensive. In "Quality is Free" Phillip Crosby ahs

dispelled all such apprehensions as unrealistic. Integrated Corporate Governance and Corporate Social Responsibility would also ensure that with the change of attitude towards betterment of performance, quality would be a matter of natural way of life appreciating excellence more than any other special efforts that my be put in to improve one's performance. Obviously, therefore, the issues of cost would be minimum except where there is a change of technology to meet these initiatives. Hence the economic orientation would mean compliance with enthusiasm to Integrated Corporate governance and Corporate Social Responsibility initiatives and also excellence in performance, leading to the minimum cost in achievement of quality. This may appear to be a tall claim but smaller companies and NGO's that have attempted it as well as major Corporates like Godrej group, Western Packaging and Ambuja Cements have adequate record for reference of proof.

7. Holistic (networked) approach. Today the world is a global village, where giants collaborate closely with smaller firms and individuals with the primary objective of giving high quality performance at reasonably low cost. Apart from these alliances, networking with complimentary competencies has been the order of the day, where the combined offering to the customer would mean real value for money - unbeatable in its strategic competitive advantage. The major issue here is getting the right partner for networking and the main objective being the seamlessness of the team efforts and the holistic output with respect to the objectives of the networked environment. In the years to come with the internet and cyberpreneurship being the order of the day, networking would be routine and easier to build a successful relationship with the holistic integration of all the members involved. The efforts would be optimal synergies that are complimentary and fulfilling the common objectives of adding inv\creased value to customers. In this regard as well, Integrated Corporate Governance and Corporate Social Responsibility would ensure easier success with the long term perspective that has been created in the framework. The emphasis is on integration of all efforts to optimize on the

outcomes, and therefore relationship should be on a partnering basis with all the stake holders operating with full transparency that would motivate everyone to give their best to the company, while enjoying their independent status.

8. Prosperity. The effectiveness of a successful Integrated Corporate Governance and Corporate Social Responsibility company, would lead it to perform better, be prosperous and thus lead this success into a greater effectiveness zone, that would increase its relative prosperity with respect to competition. In fact, customer interaction and expression of expectations, through feedback to welcoming (open minded) Corporates, would make these changes dynamically, as required, with lesser efforts, and therefore breed prosperity. However if the company is in the zone of a negative trade or economic situation as is the steel sector today, prosperity is not necessarily assured by Integrated Corporate Governance and Corporate Social Responsibility principles, but relative to competition, and business development strategies (which cannot be compromised) they would be the best players, or have opportunities to perform more significantly. Market forces may enable them to pre-empt this situation and taker cautionary steps well in time wherever possible, as their commitment to customer satisfaction is fairly high and feedback oriented through an appropriate system, that in case of possibility they would have the first opportunity to perform in tune with the changed scenario, and also well in time.
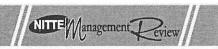
9. Ethical practices and value oriented relationships. This is the hallmark of good Integrated Corporate Governance and Corporate Social Responsibility. Corporates are governed strongly by ethical issues firmly entrenched in a value based environment, so that the negative forces are nipped in the bud. The challenge is in ensuring compliance to these ethical issues, but when the above system is in place, the environment and morale of these Corporates, is far in excess of normal companies. Companies like Godrej group that have tried this with the special program of Prof. Chakravarty of IIM Calcutta (India) have sufficient

number of examples to justify its validity. The perspective would be long term in nature at even junior levels ensuring industry wide values. This breeds a professional and committed environment which in time, becomes the accepted norm and the company would be an ethical and well groomed value based company. To enable easier compliance and seamless transit, from the normal company, to a high Integrated Corporate Governance company with sound Corporate Social Responsibility, the necessity of values in the company and willful (self driven) value orientation is essential. The concept of internal customers (employees), would expand to other stakeholders, and soon values would drive company to greater levels leading to better achievements.

One needs to recollect here the importance of "First Time Right" an important management concept practiced by many corporate today. . Most companies are noted to be wasting a lot of time in corrective measures, which may be due to casualness born of lowered commitment initially. This leads to issues of conflicts leading to further waste of time. All these are minimized by ICG and CSR. Yoga and meditation and personality development programs help in such drives towards a holistic transformation and Corporates that have gone through systems akin to the (Indian) yoga system have noted to benefit It is thus noted that a company on (sound) spiritual lines is a better-accepted company, than the run of the mill types Here spiritualism is not referred to extremities of religion please, but a universal appreciation of humanitarian values and concerns. H.R. D., in this regard, has a distinctive role to play of introducing the right multicultural harmony even in the most challenging environment.

10. Integrity and accountability (transparency). This is the essence of the transformation in the area of Integrated Corporate Governance and Corporate Social Responsibility. To highlight an old parable (very simple in expression but profound in depth of meaning). A religious preceptor had five disciples. To test their knowledge of God, and understanding of the spiritual theories, he sent them out with a fruit each, with clear instructions, that they should eat it in a place where no

one sees it in half an hour, and explain their experiences to the group, a seemingly easy task. The devotees rushed to comply and prove their worth. They returned almost in no time explaining their exploits, like under the bed, under the water, in closed rooms etc. The fifth devotee came back and returned the fruit with the statement "There is no place I can eat without being seen" for "God is everywhere and He would see me eating it" a simple fact of Truth for the believers. Because all the frauds, double standards and short-term compromises by breaking rules and breach of faith is found to ultimately surface out with disastrous consequences on realization of the breach. This simple story has thus profound meaning or lessons even to Corporates. The issues of accountability and transparency, if in place, would propel the corporate into a contributory organization, and its members (employees and stakeholders) into good and respect-worthy citizens, as you cannot operate on sound principles in corporate life with conflicting practices in personal and social life. Accountability in due course, may curb ostentatious behavior leading to cost reduction, energy saving and value addition.

How could one empower Corporates to follow these issues so that they are continuously followed and nurtured in companies?

In the issue on "Corporate Governance": The International Journal of effective Board performance; (2006, Vol.6, 4) the article appears to have made a contribution to the European regulation process, to incorporate this paradigm in their future policy. Other committed nations could follow suit bringing in a faster upgradation of social values and benefits.

We therefore noted that there it is necessary to empower individuals and corporate into an improved performance mode. To ensure this smoothly without coercion we noted that there has to be supportive drivers for ICG and CSR that could be encouraged for indirect and more empowering influence on all the issues raised earlier. Suitable discussions and reflections indicated that the five supportive drivers of ICG and CSR are

bound to be:

1. **Pro-active Participation**
2. **Motivation.**
3. **Dedication.**
4. **Cooperative Approach.**
5. **Humanitarian outlook.**

These tend to further interest of good Corporate Governance and sound Corporate Social Responsibility, by stimulating a greater commitment, a more involved participation (generally 100 % with zeal) along with far greater standards of integrity and concern. Let us explain each of these in a more detailed manner.

1. Pro-active participation is the expression of intent of an enthusiastic soul in the initiative he takes. Futuristic leaders are always proactive, trying to be the first mover and mobilize the necessary steps to have their vision in place (implemented in time). An Indian philosopher tried a strange experiment of leprosy infection. Injecting into himself a leprosy causing virus, he tried to get infected but in vain. Emboldened by this he obtained a small forest area for his small troupe of afflicted people and have been, like Mother Teresa, their benefactor without any fear fo infection. Obviously they would get in return stiff resistance for more often than not these initiatives are misread or misinterpreted as a façade of one's self interest and in trying to overcome this through a sincere and committed (non affected) approach we find that leaders get an irrevocable response from the people trying them out or humanity in general. A proactive person/ entity would look into the requirements of the situation and gear up well n advance making optimal use of time (and many times finance resources). They generally inspire people to follow their path in case of success or else of failure they would take it as an opportunity of experiential learning for self and others. They would soon overgrow their failure/ adversity to come out with a firmer commitment, stronger resolve and a more profound understanding/ perspective of the situation. Thus they would leverage their initiatives to the society for the common good. We have the case of Mahatma Gandhi who stood firm against the apartheid by violating the rules in South Africa for

entering a first class compartment and willfully accepting the punishment given to him pointing out the frivolity of the act. He carried out similar experiments in India like the Salt March and greatly weakened the British stay here on moral grounds paving the way for an easy bloodless irrevocable freedom.

Proactive participation necessitates a lot of planning and preparedness in a contributory manner, often encouraging and empowering fellow members with positive and appreciative comments (in trying times) and overlooking the drawbacks or failures that is likely in cases of proactive (first mover) approaches. The first line soldiers are always easy targets and go through the grind but proactive persons would prefer this as they know that maximum contribution would be in this area, overcoming uncertainty and facing the wilderness with courage and determination.

2. Motivation. A leader or a contributory citizen is a perennial

motivator, using both self- motivating approach to uplift himself, and motivating his colleagues and subordinates, even during tough times or adversities for he recognizes them as learning or growing processes. The basic tenet of motivating ability, is thus the attitude of seeing the brighter side of life, to be positive in outlook, and to transform all negatives to positive, maybe pessimism to optimism, negative thoughts to positive thoughts, criticism to constructive feedback, adversity to opportunity, problems to challenges, with the above outlook he is a continuous builder, growing from failures and adversity and improving in confidence with success and congeniality in relationships. As a common proverb states: "Wise is the man who builds his house with the bricks thrown at him." A quick look at all the achievements in humanity, today, indicates one common thing, they all stem from overcoming adversity and problems cheerfully. Obviously, therefore, a motivating personality would be cheerful and bring cheers to all around. Thus the challenges of Integrated Corporate Governance and Corporate Social Responsibility would be mere opportunities to prove his true worth, and his contributions would also be in

creatively generating newer approaches, in anything he focuses on, or takes up or commits to.

3. Dedication. The hallmark of a successful person- be it Dhirubhai Ambani or Bill Gates or George Soros or Tendulkar or any other great person (celebrity)- is the dedication to a cause, to a vision and a mission. After detailed review of all successful personalities down the ages, researchers' have come to the one conclusion "Unless there is a passion in what one undertakes or does, one will run out of steam, and can never be successful". Passion and enthusiasm is the fiber of a dedicated personality. Dedication, in brief, is the ability to sustain or persevere the demanding nature of a changing or dynamic environment, at the rapidity of change, without losing the enthusiasm, or the ability to respond to the situation, in an excellent or excellence generating manner. Dedication is tested and found successful only, when it also is able to inspire all those around, to face problems and challenges smoothly (as if it does not matter in the least).

Dedication to the vision, would make the vision more realistic, more simpler and achievable in a much lesser period of time, sometimes with the same people. A dedicated person sees / ensures everything working on the lines of his vision, many times it just happens with support coming from all sides, moved by his dedication. Dedication to a Mission generates missionary zeal, and miraculous outputs of energy with little energy (spent or lost), and spontaneity (the essence of creativity and innovation) and a charged environment, and a compliant team would be a common phenomenon. 'Give me a thousand workers, but I can not assure you anything, but give me one dedicated person, and I will give you continuous success", is the common saying amongst traditional units in India, while addressing a team of new recruits and has been proved to be true in almost all instance though there is no marked assessment in these circles.

4. Cooperative Approach. Here one realizes the importance of operating as a team with the specific understanding that "together everyone achieves more",

and would work beyond themselves (similar to a missionary) but having the larger interests of the group in mind. These co-operative efforts have various approaches namely, franchising, collective distributor ship etc. and finally use of high end management concepts like ASP (for ERP applications), J.I.T. (Just In Time) with respect to materials requirement etc. A new approach for SME sector called consortium branding is being attempted by a similar group of well meaning enterprising units for collective benefits. Those who are keen on this approach can get a copy of this form the undersigned. Governments are supporting through knowledge management centers, central testing centers, knowledge based economy initiatives etc. The important factor for the success of ICG and CSR is the attitude with respect to co-operative approach of giving oneself (getting beyond oneself) for the greater good. Management encourages these initiatives at all levels of the hierarchy to ensure smooth and conflict free functioning leveraging the inter-departmental advantages of the company and empowering the employees towards better relationships in the company. Most of the initiatives of a contributory nature like quality circles and kaizen etc. stemmed from such cooperative approaches and voluntary contributions but these have been restricted to corporate. If these initiatives are taken up at the society's level through the good offices (encouragement) by the corporate it amounts to good practices of ICG and CSR. Cooperative approach is absolutely essential for the success of CSR and is mutually empowering. Statutorily this cannot be made mandatory but through a strategic initiative of recognizing the worth of such corporate Govt. could play a pivotal role.

5. Humanitarian outlook. "May my shareholders' grow, even if the company this year is in the Red" said an important industrialist (Dhirubhai Ambani) to his team when deciding on the actual dividend to be declared in the year the unit had made a marginal profit and the entire professional body was in favor of declaring a low dividend. The owner felt he had a commitment and has to comply even at a loss to gain credibility that is more important, and he stood by this for he was the most

favored industrialist in the stock market and henceforth the stock of his were always oversubscribed. Humanitarian outlook appears to be too inconsequential to the development of good Integrated Corporate Governance and Corporate Social Responsibility, as a supportive drive, but it exceeds beyond mere concern for Shareholders or Stakeholders to Society. The main reason is, when one sees a human being in his work force (colleagues or employees), in his customers, distributors and other stakeholders, one sees the Truth and a stream of positive emotions like sympathy or compassion, beauty or appreciation, magnanimity or contentment, tolerance or patience, patriotism or love for humanity surges forth in his work environment and he does for all of them collectively and not for himself (the True Spirit of Karma Yoga)- thereby generating a positive and constructive atmosphere. An oft repeated story needs mention here. A traveler in a busy train to London was disturbed by the uncanny noise and behavior of a group of children playing in the compartment without any focus or discipline. The father was carrying on looking blindly into the sky with audacious indifference. This gentleman could tolerate for half an hour, after which he moved over and explained to his co passenger if he could kindly drill some civilization into the kids, for whom he was responsible. The co-passenger explained thus "I would have done so, but they have lost their mother just an hour ago and I cannot compensate it in any way, and I would prefer to let out their feelings the way they want so that they become childlike again." No sooner had he heard it, the gentleman instantly felt a surge of sympathy swell in his heart, who felt sorry and incompetent to also console the kids. He immediately prayed for the mother's soul and the kid's early recovery, to their normal state. He soon felt indifferent to the situation i.e. the same noise made no difference to him in his study of an important official document for a Board presentation. What actually happened? Why did this change of attitude come about so suddenly? With no extra benefits to him externally, is his ability to get to the TRUTH and look beyond the obvious. Extending this to our everyday life (Corporate and otherwise), though not all sorrows and sufferings are as grievous as

mentioned earlier, we note the complex nature or personality of a human being (whatever be his level in life). Almost always only the tip of the personality is expressed, while most of the feelings are suppressed as unseen and most ordinary beings seeing only the façade, accord the real meaning to the apparent, which may be far from the truth (reality), leading to conflicts in perception, confusion and strained relationship in an ever growing (multiplying) cycle, leaving no peace and draining all our limited energy. Very few have the time or the concern to look beyond the person of his team members and sympathize or be compassionate, acknowledging the strain (unresolved) that the person may be going through. Thus from the example above, if we could only note that such sorrows are camouflaged in the routine of life, in the pressure to excel to do well in life; we could accept the other person as he is and overlook the failings of our fellow men to match our expectations or compliance to our pattern of thinking or perception. In essence, as per Swami Chinmayananda, a great exponent of Vedanta, a fundamental Indian philosophy: "Every human being wants to be good and to do good because they are potentially divine" but due to the pressure of time and driven by fallacious considerations (shortfalls) they fall short of universal behavior. If one notes this , after adequate reflection, one would accept any behavior, accept the corrective step necessitated by it, and not label the whole person, based on a single error, or a single issue observed, or compare him to other people in a derogatory way (a major crime). This attitude of acceptance would breed cooperation and congeniality, as well as constructive growth, and team work, crucial for a corporate governance environment (i.e. that which integrated corporate governance and sound corporate social responsibility is trying to create) or compliance to Integrated Corporate Governance and Corporate Social Responsibility initiatives which is being developed (and maintained) across the corporate, or proposed to.

One interesting question that may pop up in reader's mind is since these supportive factors are idealistic and easier said than done, is there a way to empower individuals into these factors so that they do not feel coerced into disciplines that are austere and felt to be energy consuming and may soon taper off in its enthusiasm, except as a façade to maintain the image. It is felt that there are propellants that govern these supportive factors which if encouraged would lead to healthier and more fulfilling life styles and practice of these supportive factors as a natural way of one's life and not an outcome of coerced behavior.

What could these propellants be and how do they influence or ensures or nurtures such idealistic compliance in a natural way?

It is thus felt that the propellants to these supportive drives are mainly three fundamental ones:

1. **Social Concern and**
2. **Spiritual Maturity or development (Not Religious one please).**
3. **Selfless Attitude.**

The above are the qualities of civilized personalities and mature individuals irrespective of their profession or work.

Let us therefore review the role of each of these in a little more comprehensive manner in the light of our discussions / reflections:

1. Social Concern is the ability of the person to empathize with the misfortunes of fellow humans, and empower oneself and others towards the mitigation of these misfortunes, directly or indirectly to the extent possible. In its extreme case the example of Ramakrishna Paramhamsa would throw some light. Watching out one evening Shri Paramhamsa started weeping seeing on the other side of the river a cow being mercilessly beaten, and when his devotees probed more for the tears, he removed his shirt, and showed the fresh strains of whip mark on his back, while he said "see how he is beating me" The empathy is so strong that an identity is established (in this case it is negative) but generally it is aimed at development of the other for the

other's interest subject to his acceptance. In a broader sense it aims at handling the disaster issues of nations (one's own or some others) like the Tsunami, the earthquakes etc. to the extent possible without any pomp, the only reason being it is obligatory for conscientious global citizens to stretch out when one is in need, even unsolicited in situations as mentioned above. In normal times one stretches out to the underprivileged and the not so fortunate category or those needing special attention through a social body.

2. Spiritual Development is the advancement of the individual to recognize the Oneness of all Humanity, amongst the diversity of himself, and also the individuality of life governed by the heterogeneity of every human being which comprises of his past, his psyche, his attitudes, his beliefs, culture etc. ("POORNAMADHAM"- an Indian philosophy highlighting the wholeness of every human being, in his individuality generally accepted by all streams of philosophy in India). This pursuit is an intrinsic drive developed either by himself or through a master as a collective phenomenon for individual growth and development collectively. Here one should not bring about any religious propagation that divides the strong human bondage that CG and CSR is trying to unify or bring about. In the words of Sri Sri Ravishanker, religion is the banana skin (fruit skin) while spirituality is the banana (actual fruit). One should have a clear differentiation of the two in promoting this attitude. Many person(s) could follow any approach, but the humanitarian approach of Spiritual concern revolves only with the actual service or upliftment of the target personnel benefited from the above. Hence corporate needs to organizing introductory talks to all the employees more on values of life (with no bias to religion and in appreciation of the oneness of humanity) are essential.

3. Selfless Attitude is to recognize the oneness of humanity and be able to contribute ones might without self interest or expectations merely at the fact that it is essential for humanity to do so and be in harmony and unity. This is not necessarily during calamities lie Tsunami or earthquakes, which is an obligatory zone of service, but in the day-to-day living (grind of life) to recognize the misfortunes of fellow humans and do something about it actively. This could be handling Govt. inadequacy in implementing social driven schemes, mobilizing funds and resources (drugs and medicines, clothes etc.) for the poor and the underprivileged, organizing health camps (maybe through the auspices of a larger body/ trust / NGO (but recognizing the role of initiating and coordinating such initiatives, and generally being in a consciousness of good intent and contribution without expectations. There may be no concrete agenda as in above. Merely being the space of this intent and empowering others into similar drives by inspiring talks and activities of selfless service one could stimulate the development of the poor and bridging the vital gap of the rich and the poor. This also expresses his social accountability or CSR. In this area it is noted especially in humane countries, there would be enough hands stretched to support and the problem or objective that was initiated for gets resolved in far lesser time than envisaged and the experiences are generally far superior than any other market related experiences.

All the drivers mentioned about actually upgrade the social intelligence of employees and the organization. John F. Kihlstorm and Nancy Cantor in their article on social Intelligence analyses various aspects of "Social Intelligence" and concludes that based on various studies of related topics and issues, but with no empirical data, one could presume the improvement of cognitive intelligence in this regard. Spiritual organizations like Maharishi Mahesh Yogi, Prajapita Brahma kumaris Raja Yoga, Art of Living of Sri Sri Ravishanker, Vipassana of Goenka etc. have attempted these in their trusts, where people have tried and succeeded in developing their social intelligence, and brought about self and social transformations. One may have to refer to their websites for more details.

All these capabilities could be nurtured, individually and in teams, such that attitudinal changes, that any result from these initiatives is bound to be remarkable, and fundamental, and far reaching, and would smoothen all efforts in successful implementation of Corporate Governance and Corporate Social Responsibility initiatives' and practices' enthusiastically, and in the true spirit of a Karma Yogi (desired by all Corporates) with tremendous benefits to the wellness of individuals in the Corporate, the Corporate and Society itself.

Obviously, therefore, one can be confident if there is the necessary intention to bring forth ICG and CSR in any corporate one could ensure social transformation. So what could perhaps be the obstacles to the successful efforts in bringing out this effect, so that in a simple and routine manner a habitual and attitudinal social transformation could be aimed at and implemented on a win-win basis. Given below are the researchers' simple guidelines to be followed in this regard.

Steps to Implement ICG and CSR- A conceptual model.

The usual Change Management approaches would enable a smooth implementation of ICG and CSR. Briefly they would be the following:

a) Identify a team of likeminded enthusiastic and committed youngsters towards the above objective of a professional ICG and CSR team.

b) Undertake a quick SWOT review of the team members and the purpose of joining these initiatives. Shortlist the genuine ones with a high level of integrity and nominate them into a Steering Team created with a well marked initiative and drive.

c) Formulate the revised vision, mission, goals and objectives of these team born of an interactive approach that invites total commitment to the cause collectively decided upon.

d) Communicate this to all members through all modes of emails, in house journals, intranet communications etc. giving the priority of the project. Have special meetings within smaller groups and total groups to make the embers recognize the importance of the project.

e) Review the performance of the steering committee and plan a new output every quarter based on the situation.

f) Do a GAP analysis to find out the preparedness of the unit and matching with the deliverables planned / expected to chalk out a specific program. The model for this is given in the next page.

g) Have a Training Program Schedule for the employees of three stages,
   i) An awareness training program for all.
   ii) A general orientation program for those concerned about the implementation success and reputation of the company.
   iii) Specialized program for the benefit of those needing to implement special projects or programs (generally on a budget oriented basis) so as to do it effectively.

h) Get a firm commitment for these program from the employees and other stake holders (to the extent possible as it is purely voluntary) a commitment to the Social and spiritual relationships and attitude development/transformation programs that the company would instigate (in the long term interests of the corporate).

j) Have every involved or serious member to commit to a social project and maintain a self development diary (indicating goals in each of the above area dovetailed with the corporate goals of the company in the above areas and also in business policy matters).

k) Monitor the progress of the individuals through a guide form the social/spiritual organizations or a mentor (equally committed- with the same value systems) from the industry (with whom a certain level of comfort and Trust have been developed. Here again annual plans of the team with milestones established is needed for definite results and for continuance of the program. Have a buddy program, who is a committed listener and an unbiased reviewer). The buddy's main duty or responsibility is to ensure that you don't trip into a lazier mode or find it difficult or suddenly stop recognizing the importance and are bored either with the work or the retaliating/questioning attitude of the society (including the beneficiaries).

l) Report periodically to the top management so that they could strategize their plans according to the performance of these voluntary (but committed) members of the Corporate.

m) Regularly have awards program for the benefit of the contributories so that they are empowered and many like minded people are aware and get empowered for performance.

n) Promote newsletter / in house journals or intra notes (if company is small) indicating his plans and the opportunities of his service, so that all are informed and many selfless souls could get motivated and contribute to any of the projects they deem fit.

o) Network with similar organization or NGOs so that they keep the motivation levels high and they do not run out of human resources or on accountability as committed workers would be now teaming up.

As in every transformation there is bound to be a gap between expected behavior and expected outcomes, how does one ensure that these are smoothly done in an universal manner. The researcher created a simple model and feels that if one could try to comply with this model and identify gaps that deter Corporates form doing and address these gaps and deterrents in parallel and collectively in organizations, perhaps the outcome would be a smooth transition to the proposed idealistic model of an organization where ICG and CSR are firmly in place as in CMM Level Five companies where performance generating mechanism is found in place propelling and supporting a continuously growing high performing unit. The only difference would be the proposed unit with ICGH and CSR in place would be a more enlightened and enthusiastic place of work that all employees would like to be in feeling complete and whole and contributory with a deep sense of social fulfillment.

CMM being a popular model especially in the IT industry, it is not highlighted here, but the basis of development of this is on the same lines of progressive growth on a disciplined and self managed, committed manner, both at the individual and corporate level with adequate support and encouragement given by corporate.

Model for gap analysis for ICG and CSR.

Based on the key drivers and supportive factors mentioned above a model has been devised to ensure that would empower companies to be improving their success probability of ICG and CSR. These have to be given different degree of importance based on the corporate philosophy.

Diagnostic Model for ICG and CSR.

	Expected Level	existing Level	Perfor mance Level	Deg.of Importance	Person (S) Responsible	Remarks Enchance / No Action
	(A Sample case of an organization)					
A) KEY DRIVERS.						
1. Direction	9	7	8	9	CEO	Must Enhance
2. Team Growth	7	6	7	7	HRD	Preferred.
3. Clarity and Simplicity	6	6	6	6	GM (plng.)	No action
4. Commitment to Society (globally)	8	6	7	6	PR Mgr)	Preferred.
(Above four are soft Skills of Relationship and communication from personality and leadership development)						
5. Best Practices	9	6	8	8	CTO	Must Enhance.
6. Quality (with Economic Orientation)	8	6	7	7	QC(Mgr.)	Preferred.
(Above two are hard skills-technology based-from scientific & engineering stream)						
7. Holistic (Networked Approach)	8	5	7	7	GM (Plng.)	Preferred
8. Prosperity of Stakeholders.	8	5	7	7	GM (Fin.)	Must Enhance
9. Ethical Practices & Value Oriented Relationships,	9	5	8	8	CEO	Must Enhance
10. Integrity and Accountability (with transparency).	9	5	8	8	Chairman (BOD)	Must Enhance
(Above four are ethical and moral –high level skills of understanding and commitment from religious and social orientation)						
B) Supportive Drivers						
1. Proactive Participation.	7	7	5	7	CEO	Must Enhance
2. Motivation	8	5	5	7	HRD	Must Enhance
3. Dedication	8	5	5	7	Trg.(Mgr.)	Must Enhance
4. Cooperative Approach	8	5	5	7	HRD	Must Enhance
5. Humanitarian outlook.	8	5	5	7	Trg. (Mgr.)	Must Enhance
C) Propellants.						
1) Social Concern (Macro).	8	2	7	7.	HRD	Must enhance.
2) Spiritual Maturity /development	8	2	7	7	HRD	Must enhance.
3) Selfless Attitude (Micro).	7	1	6	6	External	Must Enhance
Social Project(s)						
a) Individuai	8	1	6	6	QAD+	Preferred
b) Groups	9	1	8	8	CEO	Preferred
c) Corporate Supported.	8	1	7	7	CEO and QAD	Preferred

Overall Recommendations to be noted. The company needs a thorough review of their policies if to be governed by ICG and CSR.

+QAD – Quality Assurance Director.

ICG- Integrated Corporate Governance

SR- Corporate Social Responsibility.

Rest of the terms are noted to be self explanatory

Guidelines for the use of this Model

The key steps for better use of the model are:

1) Identify the issues related to the key drivers and supportive factors and ascertain the level of performance in your company/institute for the same. Once the standards have been established and communicated, try to empower individuals with a mentor who would clarify and motivate employees in this regard.

2) Assess the present status of individuals and employees on these scales of measurements, the desired levels to be set up by the company.

3) If the gap between desired level and actual status is substantial, then work out methods of improving them.

4) Evaluate the reasons for the gaps and one may note that it may be due to employee resistance to upgrade, which means motivation and vision clarity needs to be improved. It being a simple model, one could attempt it and note the changes that it brings to the unit, and would not cause much as can be developed in house.

5) The weightage of each factor and thrust levels would vary with growth, and the company has to set standards in this regard as well. These are given by experts in the field or from the company. These have no universal standards, except that the stakeholder relationship would improve.

A sample case has been taken where the indications of expected level of each driver, and the existing level of them are noted and the performance needed to upgrade and the person responsible for the upgradation also is noted and concluded with whether it is a priority area and action is to be immediately taken in the range of priorities of the corporate is also highlighted in the given sample case. The basis of the figures could be worked out based on the company, degree of importance of the factor, options available to the company to implement etc. Yardsticks for each options could be established for the specific company or trade category.

Over the years concrete plans for upgradation with estimated budgets and tie framework could be worked out on a case to case basis.

This model may be fine tuned in discussions with like-minded professors after their reading of this paper and industry or trade professionals, corporate governance specialists etc.

Conclusions :

From the above we could surmise that there are key drivers that need enhancement and the supportive factors that has to be developed and the propellants that are to be enhanced. With this information, corporate can have a strong perspective of the specific focus areas (individually and in the Company as a whole that needs development and also decide where the action is to be emphasized). With this new insight they could develop on their strengths or handle their inadequacies with improved results, with full knowledge as to exactly when and where they should enhance their working and set up

milestones based on resources. They could go fast or slow in their planned activities. Further the model is quite simple, easily understandable by the common persons and not a complex model needing professional guidance. It is direct but flexible to accommodate the country's cultural issues & agenda for development. Specific activities to meet the targeted improvements needs to be designed in the priority areas initially and then in all the areas so as to grow at one's pace.

Future Research

It is also hoped that this opens up many areas of ((focused) research in specific areas of influences and also a comparative study based on cultural and regional / demographic differences and also sectoral differences of industries the learnings from which could be

integrated into a more refined universal model for posterity. This however needs a lot of networking and reformative approaches for universalization of the model.