

Mr Premji's speech at Entrepreneurs Organisation {EO}'s Regional Integration Event 2011 .

February 25, 2011

Beyond Business: Social Perspectives

Good morning ladies and gentlemen,

It's a pleasure to be here with you. Today I will talk a little bit about social perspectives in the context of business, and then perhaps we can have some questions and thoughts from you, and I will attempt to respond to them.

Let me begin by clearly stating my position. I think it's absolutely important for businesses and business people to have a social perspective, and to be engaged with social issues beyond business.

Let me start with a simple example.

Assume you are a well-to-do farmer in a village, and you have large land holdings. You irrigate your lands with ground water pumped from bore-wells. Most of the other smaller farmers in the village use the local small dam for irrigation. This dam is getting polluted by a small factory.

Would you try to help to resolve the problem, with the factory? Or would you not bother to do anything, since the problem doesn't affect you.

I would guess that if you would be deeply engaged in the community, you would probably try to do something. If you are not engaged in the community issues, and just hear of this problem, it's unlikely that you will do anything, especially if you were single-mindedly focused on running your farm.

In this very simple example, I don't need to spell out that, after a while the pollutants that are a calamity for the smaller farmers, will also leach in to the ground water and therefore become as much of a problem to your farm.

So, acting in the interest of the community, would not only have benefited the community but eventually would have benefitted you as well, by saving your own irrigation source.

I will use this example to make a few simple points.

The first point is that if one is socially engaged, in the long term even the business is better off.

This is simply because, as we run businesses we should not forget that businesses are deeply a part of society, and so what happens in our society will deeply affect our business.

The second point is that one cannot become socially aware by reading newspapers and hearing news. One can become socially aware only by personal engagement in social issues.

This is very similar to "knowing your market and customer" in business. You can never get to know the market and the customer by reading about them. You have to visit and be engaged with the market and

the customer repeatedly. It just needs personal engagement to get to know the reality of anything, most of all social issues.

The third point that I will make is a broader point.

I don't think that the only reason to engage with social issues and to act on them is because eventually there may be business benefits. I think there is a more important reason, far more important reason.

Successful business people & successful business organizations have some influence in society. I think it's the obligation of those of us who are in this fortunate position, to use our influence to do the right thing, to try and contribute as much as we can, to help improve society.

In the context of that example, trying to sort out the issue of the polluted water body was worth doing because it was the right thing to do. The eventual benefit to the business, to your farm was a very secondary issue.

Let me explain why I think it's the obligation of all of us to use whatever influence and ability that we have to engage with social issues and contribute.

While there may be many philosophical and academic reasons in favor of, and some against my position, I have a practical view on this matter.

This view is simply that when you see so many issues in society, you cannot sit back and expect others to solve those problems; you must attempt to do your best as well. I think this is the essence of leadership – being proactive in all spheres.

I also think that the number and size of issues that our society faces, it's impractical for any one kind of agency, including the government, to be able to change things. Every one of us has a role, and the greater our privilege and success, the greater the responsibility.

In summary we must act on social issues because of three reasons: first, because it is the right thing to do; second, because the issues are too complex for any one agency to handle; and third, because eventually these issues will directly affect business.

With that perspective in mind let me suggest three issues where business and business people can play a critical role. While I am mentioning three issues, there can certainly be other such issues for action.

The first issue is that of governance.

The first aspect of governance is that business people must conduct their own business with integrity, transparency and high standards of governance. There is no point in expecting integrity and good governance, if we don't demonstrate it ourselves in our actions.

The second aspect is that business people must engage with solving the issue of corruption in our society. Part of this is going to be just taking a stand against corruption, but a bigger part is going to be to think through and help in implementing proactive solutions.

The easiest thing to do is to externalize the problem of corruption, and to start saying that “it’s a problem of the government”. I think it’s not a problem of our government but of our society and so we are all in it together. Unless we all act, this seemingly impossible issue will not get solved. Corruption is like clapping. You cannot clap with one hand. If indulging in corruption is a competitive advantage and all of us are corrupt, there is no competitive advantage – only increased costs.

The second issue is that of environment and ecological sustainability.

I think the issue of climate change and of water scarcity is already affecting us seriously. These issues will become even more serious. These are common issues for humanity across the world. And its only a collective effort that will make a difference to these problems.

In my experience businesses can have two kinds of contributions on this issue. First is that they can improve their own operations to become ecologically sustainable. They can do this by reducing their green-house-gas foot print and by using water responsibly. Second is that they can devise solutions and products that help with ecological sustainability. This can also be profitable line for business.

The final and perhaps the most important issue is that of education.

While India has made very significant progress on the numbers of schools and on student enrollment numbers, all real measures of quality of education are in very poor shape. With 1.4 million schools and 220 million school children, we have the most complex education system in the world. It’s made complex by its size, by our socio economic disparities and by our linguistic & cultural diversity.

The basic quality measures are alarming. 35% children in grade five cannot read or write, of hundred enrolling in grade one, only 7% pass out of grade ten and the actual learning levels of children are very, very poor.

When these basic norms of quality are not being achieved, lets completely forget the higher order competencies of critical thinking, creative ability, problem solving and learning-to-learn. These important higher order competencies are just not there in our education – our education is almost totally rote driven. In many ways the crisis in our higher education system is worse than our school education system.

In the past 10 years the Azim Premji Foundation has worked with 13 state governments on the issue of quality of education. This work has reached to more than 20,000 schools and 2.5 million children. We are now significantly scaling up our work. We have set up a University to educate large number of education sector and development sector professionals; we are also setting up 50 district level institutes and 8 state level institutes to work with the capacity building of existing functionaries in the government system. All this effort is targeted at the most disadvantaged and underprivileged of our nation, mostly in the rural areas.

We have done work in education at various levels at Wipro also. The Wipro Applying Thought in Schools program has reached out to over 2000 schools and over 750,000 children. The effort has been to help improve quality of education in urban schools. This program has also focused on supporting 30 social sector organizations to work on the issue of quality of education. Our Mission 10 X program is focused on improving quality of engineering education. It has reached out to over 10,000 educators across 300 colleges.

My direct experience has taught me two key things about education. One is that the task of improving our education system is so complex that government needs all the help that it can get, and that the governments are happy to have the help. Second, that this cannot be done in a "for profit" manner, it must be a set of not-for-profit initiatives.

Before I move away from the issue of education, I must also say that unless we make our education system deliver high quality outcomes, the much touted demographic dividend of India will become a demographic disaster.

My direct experience in working in the education sector has also taught me certain principles that are useful, if you want to be effective in the social sector.

These principles are: focusing your efforts on a few fundamental issues is far more impactful than trying to do many things; second, patience & tenacity for the long term is an absolute must; and third, that you should be willing to share and collaborate freely in the social sector.

Let me close with another simple, but what I think is a relevant point for all of us. I think that business organizations have their own social responsibility, which they must act on. On the other hand successful business people have their personal social responsibility which they must act on – which is distinct from the responsibility that their businesses carry.

Its this idea that you see reflected in the distinct efforts that Wipro is making, and the distinct work of the Azim Premji Foundation, which is in my personal capacity. I think it's absolutely important that both businesses organizations and business people have a social perspective, and be engaged with social issues beyond business.

This is certainly good for business in the long term, but more importantly this is the right thing to do.

Let me end with Mallory's famous words, when asked why he wanted to climb Mount Everest, he replied "because it's there".

I feel the same way....we must work on social issues "because they are there".