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IMA

Conclusions Paper

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THE BUSINESS CASE FOR KINDNESS

In conversation with:

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THE BUSINESS CASE FOR KINDNESS

Dacher Keltner, Professor of Psychology at UC Berkeley, coined the phrase ‘survival of the kindest’ as a counterpoint to the Darwinian idea of ‘survival of the fittest’. Conventional wisdom holds that being kind is a risk in the cut-throat corporate world where performance and productivity are prized over everything else. However, social scientists argue that exhibiting pro-social behaviour at the workplace heightens employee engagement, promotes brand loyalty and improves business performance in the long run. At a recent webinar of IMA India’s CEO and CHRO Forums, Nirmala Mehendale, Founder Trustee of World Kindness India and Shailesh Haribhakti, one of the country’s most prominent Chartered and Cost Accountants and an ardent evangelist of the ‘kindness movement’, shared the principles of kindness in a post-Covid world and its impact on business performance.

MULTIPLE FACETS OF KINDNESS

Kindness is a win-win scenario

Kindness at the workplace is about balancing self-interest with the common interest. However, it requires great tenacity to take risks for the greater good. To inculcate kindness in the post-Covid corporate culture, it is prudent to follow the three Rs: Reflect, Reimagine and Reset. Several case studies help to illustrate the ‘New Kinder Normal’ that businesses should aim towards in these unprecedented times.

Striving for profit with a purpose

Profit vs Purpose

Businesses must turn a profit if they are to survive but companies that focus on *profit with a purpose* are best placed to ride out the current storm. Having a culture of purpose and compassion makes it easier for employees and other stakeholders to align themselves with organisational goals. It also helps attract the *right talent* because increasingly, people prefer to be part of an organisation that ‘makes a difference’. More and more companies are adopting the ESG framework, which has come into prominence in recent years, in part because of its potential long-term performance advantages. Ambuja Cements has helped alleviate serious water-related issues in the region of Saurashtra. By creating check-dams on rivers, digging water harvesting pits and interlinking canals, it built up a water buffer. It also introduced the concept of harnessing and harvesting rainwater in the region, which triggered a mind-set change among the local people. Ultimately, these sorts of initiatives encourage employees to foster a kind and generous approach towards humanity and our planet.

Breaking down hierarchies...

Hierarchy vs Networks

The pandemic has weakened corporate hierarchies and caused silos to break down. Surviving these dire times demands that people collaborate and network effectively, irrespective of their position or title. To that end, companies may need to sensitise their managers on issues such as empathetic listening, leading remote teams, dealing with pressure and keeping people motivated. New Zealand Prime Minister Jacinda Ardern is an excellent example of the power of empathetic leadership.

Combining skilled crisis management with empathy, her government has managed to contain the pandemic more effectively than any other nation.

...relinquishing control...

Control vs Empowerment

Corporations have long struggled to decide just how much ‘empowerment’ they can afford to extend to their people. Yet the benefits of empowering employees outweigh the concerns. Simply put, empowerment drives a person to become an active participant in both, the organisation’s success and the challenges it faces. During the lockdown, a small set of highly-empowered workers took the lead at large retailers like Central and Brand Factory, in setting up touch-less shopping systems. Over time, these systems are expected to drive business growth.

...thinking out of the box...

Planning vs Experimentation

Covid-19 has made the world more unpredictable but it has also transformed steadfast ‘planners’ into ‘experimenters’. Many companies have started to experiment with out-of-the-box ideas while optimising productivity. Manufacturing plants arranged on-site housing for their employees so they would not have to travel back to their homes. A container business built temporary cabins to house its people. The small town of Madukkarai, Tamil Nadu set a Guinness world record for its huge solid-waste recycling initiative, supported by ACC Cement. Every morning a group of 50 women (‘Green Friends’) collect, segregate and recycle waste from around 8,000 households in the area. The plastic waste is used to construct roads and is even used as a high-temperature, low-polluting fuel at the ACC factory.

...and fostering transparency

Privacy vs Transparency

It can be a challenge to maintain full transparency within an organisation. Significantly, though, exit interviews reveal that lack of transparency often causes people to leave. In the digital age, transparency remains an essential component in building trust with employees, stakeholders and customers. Recently, one chief executive came across an anonymous POSH complaint against one of his top performers. Demonstrating exemplary leadership, he immediately ran an online workforce survey, which yielded all of the information he needed to let go of that individual – despite the very substantial business implications of doing so.

Kindness needs to be in the firm’s DNA from the start

BUILDING SUSTAINABLE KINDNESS

Sustainable kindness is built on a robust culture that is ingrained in a company’s DNA from its inception. Kindness can be demonstrated in countless ways, such as when a crisis-hit organisation chooses to retain 100% of its employees during a recession while adopting other cost-cutting measures, such as relinquishing office space. (Several companies report that, when the pandemic hit, they decided to defer long-planned-for, large-

There are examples everywhere...

scale layoffs.) However, a *true culture of kindness* is one where, even without a ‘push’ from above, the junior-most employee will choose to ‘do the right thing’. As part of its vast bouquet of offerings, Nestlé produces a medical beverage that aids in post-operative recovery. During the lockdown, a junior executive at the firm came to know of a woman who was desperately looking for the product for her child but was unable to find it in her area. He reached out to his colleague from another area, collected the medicine and saved the child. That he went out of his way to help save a life without consulting (or even informing) his managers, reflects a deep-seated culture of care. Similarly, for four nights in a row, a sales executive at Nestlé delivered, at his own expense, essential nutrition products to pharmacies, ensuring that customers had access to them.

A PE fund with investments in renewable energy found itself in an unenviable position: it had to either pay a huge bribe to keep the energy company going or shut it down. In the end, it chose to walk away but continued to financially support the now-unemployed workers until they had found other jobs. Another example of deep-rooted kindness is a manufacturing firm that, during the initial months of the crisis, dedicated one of the hospitals near its plant to the treatment of its own employees. This enabled people to come into work each day without fear and in the assurance that they would be well taken care of. These are all acts of intrinsic kindness and in the long term will always generate outsized returns for the business.

The contents of this paper are based on discussions of The India CEO and CHRO Forums with Nirmala Mehendale, founder trustee of World Kindness India and Shailesh Haribbakti, Chartered and Cost Accountant, Internal Auditor, Certified Financial Planner and Fraud Examiner. in November 2020. The views expressed may not be those of IMA India. Please visit www.ima-india.com to view current papers and our full archive of content, including an edited video of this session, in the IMA members' Knowledge Centre, accessible via the Login link on top of the page. A podcast version of this paper is available <https://www.ima-india.com/podcast>. IMA Forum members have personalised website access codes.



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