

Ethics, success and leadership the Infosys way

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Can you be ethical and successful? Definitely “yes”, and just look for proof at Infosys, described in “Beyond Branding” by the Medinge Group as “one of the top ‘brands with a conscience’ in the world”.

My exposure to India’s Infosys began in 2005 when the Chairman and Chief Mentor, Mr N. R. Narayana Murthy, visited Australia and when speaking about corporate governance and morality in business he told the audience “We follow one principle – the softest pillow is a clear conscience”. Later, he was quoted on this many times by senior government ministers and business leaders - such was the impact of his communication of ethics and leadership.

I cannot recall if at the same time he quoted Mahatma Gandhi who urged us to “be the change you want in the world” which is one of the great ethical exhortations of the modern era.

Yet for Infosys to have a reputation almost equally strong for its success as it is for its ethics, is quite an achievement in a short time. It was only a little over 25 years ago that Murthy and his co-founders sat around the kitchen table and set out their business dream. Infosys is a relative newcomer to the world of corporate success, starting in 1981 but experiencing its strongest growth in recent years. For example, revenue in 1994 was US\$9.5million but by 2004 had grown to US\$1billion which became US\$2billion the year after, a tribute to the 50,000 or so employees of the business.

Forbes Magazine has written “Infosys is a model of transparency, not just for corporate India, but for companies everywhere...”

Some of the values of this organisation are set out in simple language: “One should be humble, have respect for competitors and a healthy sense of paranoia, else we will disappear like dew on a sunny morning”.

More from Infosys: “When in doubt, disclose” and “We would just like to be known as decent, honest and trustworthy people and then as smart people”.

Of course, words and actions go well together – in 1996 Infosys set up the Infosys Foundation which since then has funded medical facilities for remote rural areas, created pension schemes, provided aid for orphans and street children, adopted a “library for every school” campaign that so far has financed 5,500 libraries in rural Government schools and has paid for the reconstruction of old schools. The company truly “walks the talk”.

That is why I would like to see Mr Narayana Murthy as a full time global ambassador for the Indian business message, spreading the goodwill of his powerfully ethical brand across

the world of Indian business. As I have written before, India has given the world Ganesh, Krishna, the Upanishads, Buddha, the spirit of Diwali and in more recent times the wisdom of Mahatma Gandhi and others. Western business is ready to learn; what a communication opportunity for “brand India”.

Why are Infosys and the example of Mr Murthy so important in the west?

It is important simply because many leading business schools and commentators are asking whether the moral value of honesty has gone missing among western business leaders. Almost daily we see court cases or media coverage and consistently the businesses and their leaders involved have tried to “cover up”, or disguise, some problem rather than perform the simple act of coming clean and telling the truth.

Yet there is plenty of evidence of a connection between strong moral principles and business success (one of the best books is *Moral Intelligence: Enhancing Business Performance and Leadership Success*, Wharton School Publishing, by Doug Lennick and Fred Kiel).

Take it even further, as a PR practitioner I have always believed that a policy of absolute honesty at all times should be at the top of corporate agendas, providing the best long term form of risk management. As we say in this industry, “you cannot carve rotten wood” and companies with a moral vacuum at the top find this out the hard way.

Despite this reality and the healing power of truth, when business hits a tough spot too often there are teams of managers sitting around debating how we will “handle” the communication challenge - and it seems to be rare that anyone simply says “let’s just tell the truth.”

The authors of *Moral Intelligence* believe that good morality and high performance do not come together just by accident. They claim that successful leaders always attribute their accomplishments to a combination of their business savvy and their adherence to a moral code.

This was graphically expressed by Ed Zore, CEO of Northwestern Mutual and he is quoted in the book as saying: “Being moral – which to me means being fair, predictable, up-front and not devious – all of this has been very important in my career. Everybody knows what I stand for. People know that we will never, ever be deceitful. We won’t leave a nickel on the table, but in the end our word is our bond, and this is a real advantage in business because people want to deal with us and want to deal with me.”

The authors believe that intangibles such as either moral intelligence or emotional intelligence are “difficult for your competition to copy. Many corporate leaders ignore these differentiating competencies because they are soft skills that are difficult to measure. In recent years, however, an increasing

Ethics, success and leadership the Infosys way (cont)

number of organizations have realized the performance benefits of emotional intelligence”.

They point out that moral intelligence is new to the analytical playing field, and highlight four key principles that can sustain moral intelligence: Integrity; Responsibility; Compassion; Forgiveness.

- **Integrity** is creating harmony between what we believe and how we act, doing what we know is right (and this definitely includes telling the truth at all times).
- **Responsibility** is a person who is willing to take responsibility for their own actions, and the consequences – only by taking this responsibility do you stay true to core values.
- **Compassion** is broadened to include caring about others, which then shows our respect for others. It also has a boomerang effect, because generally when a compassionate person is in trouble, we return compassion to them.
- **Forgiveness** is a key principle because without a tolerance for mistakes and acknowledgement of human imperfection, we are likely to be rigid and inflexible, thereby reducing the common good.

The authors describe the importance of moral intelligence this way: “Moral intelligence directs our other forms of intelligence to do something worthwhile. Moral intelligence gives our life purpose. Without moral intelligence, we would be able to do things and experience events, but they would lack meaning.”

And they promise: “the more you develop your moral intelligence, the more positive changes you will notice, not only in your work but in your personal well-being. Staying true to your moral compass will not eliminate life’s inevitable conflicts.

“The evidence is clear – moral intelligence plays a big part in corporate success. Without it, your organisation risks devastating financial failure.”

Wouldn't it be nice to see more leaders within corporations going for the truth as a core policy, with statements such as “our communication policy is total honesty”?

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