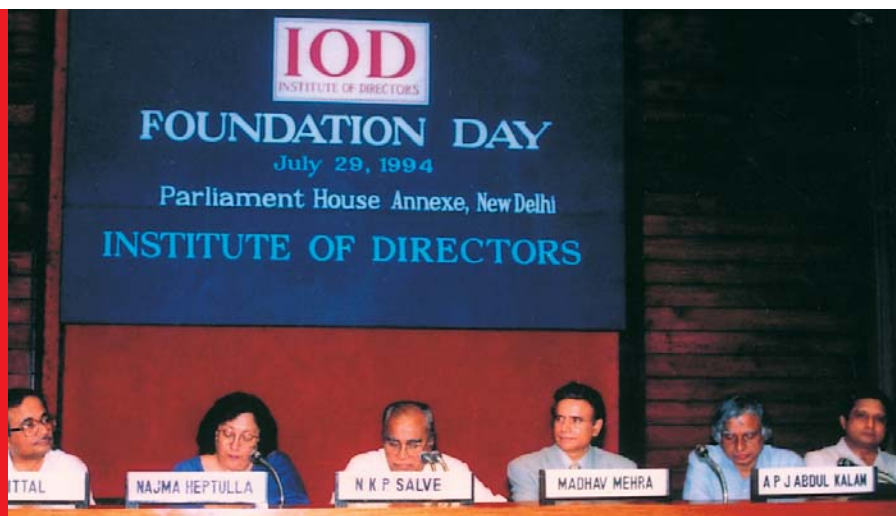


# What Sets IOD Apart



## IOD's 25 YEARS An Overview

**Bharat Ratna Dr APJ Abdul Kalam**

President of India and  
IOD's 1st Distinguished Fellow at the IOD Foundation Day

### Introduction

As it completes its 25<sup>th</sup> year, IOD is proud to have made its mark on the corporate landscape in many ways; not just in India, but now increasingly internationally. Its mission has been to lead a social, environmental, and economic revolution, and a holistic transformation of boardrooms, through a spate of initiatives and corporate strategies, focusing on issues of Governance, Transparency, Accountability, Sustainability, and professional development of Directors.

The Institute of Directors (IOD) was established on 12<sup>th</sup> July 1990, as an independent, non-profit apex association of directors, to spearhead India's corporate revolution, and build Brand India. IOD played a stellar role in outlining and propagating the concept of Quality, inside the corporate corridors, to coincide with India's Economic Reforms of 1991. It focused on directors training and development, by inviting Quality Gurus from around the world, like Dr. Taguchi and Dr. Kondo from Japan and experts from USA and UK. Its focus has been on Building Tomorrow's Boards, by realigning their moral compass, and making them more ethical, transparent, accountable and equitable.

IOD is a professional organization of directors, catering to their increasing needs for updating through training, publications, seminars and networking. IOD views business problems not in isolation, but as a microcosm of the society at large, and advocates integrated solutions. IOD advocates a holistic approach to business, advocating 'Triple Bottom Line' benefits by focusing on people, profit and planet, in an integrated way.

IOD was founded at a time when customers, employees, suppliers and the community at large were not part of the corporate governance equation. It was one of the first to think of

enhancing TQM and Sustainability of the enterprise, through a constructive engagement with stakeholders, focusing on candour, transparency, equity, participation, accountability, integrity and social responsibility, in corporate decision making. IOD believes that business should be put centre stage, to drive social, environmental and ethical agenda, treating it as a competitive differentiator. Thus, corporate approach towards stakeholder engagement, full disclosure, corporate governance, and corporate social responsibility has all become very important part of their sustainability strategy. The Ultimate purpose of an organization is to create tangible and intangible values, for its stakeholders.

The greatest challenge before business in 21<sup>st</sup> Century is to bridge the gaps between rich and poor, which have widened since the advent of globalization. IOD strongly believes that networking has become the greatest competitive differentiator, in 21<sup>st</sup> century. Though conferences are not IOD's business, it holds each year over half a dozen international conferences on diverse range of subjects like corporate governance, CSR, environment, climate change, boardroom practices, risk management, stakeholder engagement, sustainability, and competition law, etc. Its resolve is to reach out, and involve everyone in the movement. These have become the most prestigious annual events in India's corporate calendar, with the largest gathering of business and professional leaders. These offer an unrivalled networking opportunity with movers and shakers from across the globe, for sharing the state of the art knowledge and experience.

IOD has been engaged in the transformation of India's corporate leadership. It has been aggressively focusing on putting India's boardrooms at the heart of the 'Change Agenda'. IOD has promoted ethics as the defining characteristic of

successful leadership, and long-term sustainability. Our programmes have been packaged to provide a clear understanding to business leaders that ethical behavior, combined with spirituality, make good business sense. 'Business Ethics' determine the responsibility, reputation and ethical obligations of the board and the organization. To add a spiritual dimension to work, HH the Dalai Lama, HH Sri Sri Ravi Shankar (Art of living), Swami Ramdev, Baba Hardev Singh (Nirankari) amongst others, have addressed our international Conferences, in the past.

What sets IOD apart, is the belief that the conundrums confronting humanity, such as peace, poverty and pollution have a better

chance of resolution, when addressed in a holistic and integrated manner. Secondly, business alone has the power and technology to make a difference, and therefore needs to be on the table and not in the menu. The business valuations today are determined by the public perception of how sustainable it is. We believe that free market economy is the best human innovation, but like parachutes they cannot function, unless they are open and transparent.

The IOD's annual 'London Sustainability Summit' has set up new milestones. These have been the culmination of IOD's radical, 'out of box' and holistic approach, changing corporate psyche by demonstrating how ethical, responsible, transparent and equitable agenda has become the competitive differentiator. It has challenged the conventional wisdom on sustainable development, and redefined sustainability as a 'process of creative destruction that continually disrupts the status quo'. Sustainability is often adversely impacted by our culture of short-termism, fuelled by 'groupthink', which create a delusion of invulnerability. Social Responsibility has now gained tremendous momentum, and business goals are no longer inseparable from those of the societies and environment, within which it operates.

Rules encourage defiance. Corporate governance codes have changed vastly, due to migration of public values. IOD through its programmes and conferences has sought to transform boardrooms, to make them more responsible. In 2000, the IOD held the first International Conference on Corporate Governance in Delhi, which led to the formation of the World Council for Corporate Governance, registered in London, under the chairmanship of Lord Swaraj Paul, to look globally into the wider stakeholder issues, such as equity, transparency, corporate citizenship etc.

IOD is working with Indian companies to dematerialize growth, by minimizing the material and energy intensity of

products and production. IOD helped set up the World Environment Foundation in 1997, and introduced special environment related Golden Peacock Awards, to promote this concept.

In this fiercely changing world, our complicated laws often make things worse. Trapped in a time warp, they become an instrument to perpetuate injustice by maintaining the status quo. There is an urgent need to overhaul the legal system, and introduce laws that are drivers of change and innovation. That was the vision behind IOD's support for establishment of the International Academy of Law in Delhi, chaired by Justice PN Bhagwati, former Chief Justice of India.

## MoUs

IOD works closely with several national and international professional bodies, to share events and publications from time to time, to enrich our corporate governance framework. It has entered into a 'Memorandum of Understanding', with a number

of professional bodies for this purpose, like with IOD (UK), Institute of Company Directors (Australia), Swedish Society for Quality Control, Institute of Quality Assurance (UK), Israel foundation for Quality Management, South African Quality Institute, Chinese Society for Quality, Austrian consultancy

organization, Dubai 'Quality Group, ACCA (UK), ICAEW (UK), Institute of Company Secretaries India, Institute of Cost Accountants, India, BIS and so on.

## Golden Peacock Awards

The Golden Peacock Awards have played a crucial role in India's Corporate Transformation. The former President, late Dr. Shankar Dayal Sharma had mentioned "the institution of National Quality Awards, by the Institute of Directors is commendable, as it enhances corporate commitment to Quality".

Golden Peacock National and Global institutional Awards, in 13 different functional disciplines, and individual 'Leadership' and 'Distinguished Fellow' Awards, aim to improve the competitiveness of individual directors and their organizations. These have by now become global benchmarks, and a holy grail of corporate excellence, helping companies to become worldclass.

None of the IOD's initiatives has achieved as much recognition and, admiration from the industry, as Golden Peacock Awards. Business leaders have commended the independence and impartiality of these Awards, their transparent criteria, and a meticulous three level process, through which comparative



assessments are done. The Golden Peacock Awards Secretariat has been working under the Chairmanship of Justice PN Bhagwati, former Chief Justice of India, with Justice (Dr) Arijit Pasayat, former Justice of Supreme Court of India, as the chairman of the Awards Jury.

### Training

Focusing on today's potential for tomorrow's performance, IOD's Directors Development Programmes (DDPs) align with IOD's mission, to enhance the leadership performance and competitiveness of Indian directors. Training is no longer a luxury. An Organization's ability to learn faster than the competition, has become its most sustainable competitive advantage.

IOD, as a pioneer in the field of Director's training, conducts numerous comprehensive training programmes for directors, including the flagship 'Masterclass for Directors'. This 3 days intense weekend programme for directors, has become a powerful weapon for corporate survival and success in the Chaos, and is like an 'entry certificate' for independent directors. It has become one of the most sought after Directors training programmes, in the industry. It covers subjects such as Corporate Governance, Company Law, CSR, Managing Innovation, Corporate Transformations, Finance, Board's Role in Strategic Planning, and Environmental Management Systems, etc. It trains directors on leadership, ethics, duties and responsibilities, and boardroom practices, not simply from the point of view of conformance to statutory requirements, but also for achieving superlative performance to remain ahead of the competition.

IOD's 'Masterclass for Directors', provides a whole vista of opportunities, especially for those who wish to join the pool of 'Independent Directors'. IOD maintains database of eligible qualified professionals, with relevant experience, specialization and expertise, to assist their selection and suitable placement. IOD has set up a separate wing to handle all activities concerning Independent Directors, called ONEID (Organization for Non-Executive Independent Directors).

### Publications

IOD Publications have played an important role in providing well researched, peer reviewed informative surveys and reports, in the form of a series of books, handbooks and monographs, on different topics related to directors and Corporate Governance. IOD's monthly journal 'Quality Times' has been one of the leading corporate periodicals in India. It has now been replaced by 'Directors Today', a larger professional version, coinciding with the Silver Jubilee year of the IOD. It covers professional events, seminars, workshops, and includes articles from eminent industry and thought leaders. IOD continues to be at the forefront, in driving industry and research based surveys and reports, on topical subjects, concerning board room functioning. It also publishes sets of proceedings and Souvenirs on six different areas, each year. It also publishes a series of Handbooks to guide Directors, covering various

board and corporate functional areas.

### Conclusion

IOD has been preparing Directors for the turbulent business of tomorrow's world and bringing a silent revolution for national

**IOD strongly believes that networking has become a greatest competitive differentiator, in the 21<sup>st</sup> century.**

transformation through boardrooms for the past 25 years. From personal development of directors, it embraced boardroom development as a whole, and then took up organization- wide-transformation. Corporates are no longer mere economic entities, but are becoming engines of national transformation and growth. Directors can't afford to be passive or pliant, but enlightened radicals, facing increasing scrutiny of stakeholders, including civil societies.

Over the past 25 years, IOD has developed scores of initiatives, not only in the field of Quality and competitiveness, but also towards social transformation of corporate India. IOD believes that the role of business has changed profoundly, since the advent of knowledge economy. Companies have to be driven, not only by the shareholder's expectations of making quick profits - but satisfy aspirations of all stakeholders. IOD works closely with a large number of national and international professional organizations, and has widely expanded its international portfolio, over the years. Successful businesses are increasingly adopting the 'Triple Bottom line' approach that takes care of people, planet and profits, as India gets into the process of integrating with the global order, to become the 3<sup>rd</sup> largest economy in the world.

I have had the great pleasure of being involved in initiating and widening the range of IOD activities, since inception. I have walked the centre. It has provided me tremendous professional impulse, to be part of these most creative boardroom transformational initiatives, led by stalwarts including Dr. Madhav Mehra and assisted by young IOD team led by its CEO Manoj K Raut, for bridging the gaps, breaking the traditional mindsets, and ethical leadership in today's knowledge economy.

None of the IOD's achievements of the last 25 years would have been possible without valued guidance, advice and support of our friends and supporters like you. IOD takes this opportunity to salute you all, for your unflinching support and encouragement. ■

**Lt Gen J.S. Ahluwalia, PVSM (retd)**  
President, Institute of Directors