



The banner features the 'play to potential' logo on the left. To its right are contact details: a WhatsApp icon with the number '+91 85914 52129*', a Twitter icon with the handle '@PlayToPotential', and a globe icon with the website 'playtopotential.com'. Further right, under the heading 'Also available on:', are icons for Spotify, Apple Podcasts, and Google Podcasts. On the far right, a portrait of a man in a suit and glasses is shown, with a red bar below it identifying him as 'Podcast Host Deepak Jayaraman'. A small disclaimer at the bottom left reads: '*Just send us a Whatsapp with your name, number and email and we will add you to our distribution list.'

Context to the nugget conversation

Harish speaks about the three different levels at which the Tata Group tries to make a difference to the communities it operates in. One is at the level of the Tata Trusts and the organizations it supports. Second is at the level of each company in the Tata Group and the CSR initiatives within each company. The third is through the various brands (such as Tanishq and Tata Tea) and the messages they carry when they reach out to the consumers.

Transcription

Deepak Jayaraman (DJ): The other quote that stuck with me in the book, Harish, in one of the stories, you speak about Gandhiji coming to Jamshedpur in August 1925 and in his speech, you quote that Gandhiji says, my identification with labor does not conflict with my friendship with capital, and when I think about the Tata Group in a way, it seems to straddle these two worlds effectively. Can you talk a little bit about how the group walks the tightrope?

Harish Bhat (HB): So firstly, let me stay on the story you just mentioned of Gandhiji in Jamshedpur. I really enjoyed researching and then narrative the story. I enjoyed reading the long speech that he delivered in Jamshedpur, and why he went to Jamshedpur and what he saw there and what he said. You are quite right, one of the quotes is what you mentioned just now that, even though I have been obliged to range myself seemingly against capital, capitalists have in the end regarded me as their true friend and he says, my identification with labor does not conflict with my friendship with capital. But there is another powerful quote in the same story, which has sat deeply in my mind and this is the, you know, towards the end of the speech that Gandhiji delivered in Jamshedpur in 1925, he says, May God grant that, in serving the Tatas, you will also serve India, and will always realize that you are here for a much higher mission than merely working for an Industrial enterprise. What a powerful statement that is! It must have moved every member of the Tata Steel family who was present in Jamshedpur, listening to Gandhiji that day. It moves me and many of my colleagues in the Tata Group even today. So that is a beautiful story, Gandhiji in Jamshedpur. I think all of you who are listening to this podcast, even if you read one story in the book or two stories in the book, read the story of Jamsetji Tata and Swami Vivekanand, read the story of Gandhiji in Jamshedpur. These are two amongst many stories in this book, which exemplify what the Tata Group is all about and why it has continued to do very well and prosper on its voyage.

DJ: Hmm. And maybe just exploring that quote, identification with labor does not conflict with the friendship with capital, I am curious about where you see the tension, Harish, in the day-to-day workings of the group.

HB: Yeah. So let me go to another story from #TataStories to actually explain that, and where is the tension and how the tension can be resolved, and let me go to story number 8, The Creche at Empress Mills. Now, the Empress Mills was the very first industrial enterprise established by Jamsetji Tata. It happened in the year 1874. So it was a long time before us. It opened on the 1st of January 1877, more than a 140 years ago. Empress Mills soon became a very very profitable business enterprise. Why, because Jamsetji Tata decided to use the highest quality of cotton, he established this mill in Nagpur, which was in the midst of the cotton growing area, and therefore, the quality of the products that he produced was widely respected from this textile mill. The second thing that he also did was he innovated, he brought in place many manufacturing Innovations, which were not even being used in the UK at that time. For instance, he brought in place the ring spindle, which substantially improved the output of the factory. And so Empress Mills became a very profitable enterprise. However, what he did simultaneous, so that was the use of capital I would say. He used capital very wisely or in today's phraseology, his capital allocation to the right things within the mill made it a very profitable enterprise. And if you look at profits alone, by 1920, the total profits of the Empress Mills were 50 times the original capital, shareholders had gained splendidly, and so forth. And what Jamsetji Tata also did is that he pioneered a number of initiatives for worker welfare in the Empress Mills. In 1887, he introduced a pension fund, first of its kind in India. 1895, he established an accident compensation fund for its workers. 1901, he introduced something that all of us take for granted in India today, he introduced for the first time ever in the country a provident fund scheme for his workers. He introduced gymnasias for his workers. He introduced a creche, Empress Mills established a creche a few years later for the children of women who worked within Empress Mills. And he was asked to explain why he was investing so much in worker welfare. And speaking in 1895, perhaps the only long speech of Jamsetji Tata during which he said, we do not claim to be more unselfish, more generous or more philanthropic than other people, but we think we started on sound and straightforward business principles, considering the interests of our shareholders our own. Note what he says, the interests of our shareholders our own, and the health and welfare of our employees, the sure foundation of our prosperity. So if you look at this statement, which was made more than 140 years ago, you see the equal emphasis on making capital work well for shareholders, and at the same time, giving back to employees and making that the sure foundation of our prosperity, that is the philosophy which has been running through the Tata Group. Even today, if the Tata Group is known as a corporation, which is fair to its employees and takes care of its employees, it is also known as a business corporation, which delivers splendid shareholder returns to its shareholders. So empirically, over the last 153 years, the voyage of the Tata Group is proof enough that there is no inherent conflict between capital, the use of capital in the most efficient manner, and ensuring that some of the benefits of that efficient use of capital flow back to the people who have actually made that happen. I think 153 years is a long time for empirical proof points.

Reflections from Deepak Jayaraman

DJ: Thank you for listening. For more content, please visit playtopotential.com

End of nugget transcription

RELATED PLAYLISTS YOU MIGHT LIKE

Culture: Culture eats Strategy for breakfast but how does one build it. Leaders across domains (Academics, Armed Forces, Silicon Valley, Bollywood, Venture Investing) talk about the notion of culture and how they go about building it in their organizations. You can access the playlist [here](#).

SIGN UP TO OUR COMMUNICATION

Podcast Newsletter: Join 1000s of leaders who benefit from the Podcast newsletter. Not more than 1-2 emails a month including keeping you posted on the new content that comes up at the podcast. High on signal, low on noise. Sign up for the podcast newsletter [here](#).

Nuggets on Whatsapp: We also have a **Podcast Whatsapp distribution group (+91 85914 52129)** where we share 2-3 nuggets a week from the Podcast archives to provoke reflection. If that is of interest, please click [here](#) and send a message stating "INTERESTED". Do also add this number to your Phone Contacts so that we can broadcast our messages to you when we share a nugget.

Harish Bhat - Nuggets

- 80.01 Harish Bhat - Key choices along the way
- 80.02 Harish Bhat - Perspectives on Navigating Career
- 80.03 Harish Bhat - Taking a pause
- 80.04 Harish Bhat - Art of storytelling
- 80.05 Harish Bhat - Profits with purpose
- 80.06 Harish Bhat - Identification with Labour AND Capital
- 80.07 Harish Bhat - Shaping culture through stories
- 80.08 Harish Bhat - Competing with a collaborative spirit
- 80.09 Harish Bhat - In Summary - Playing to Potential

About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

Disclaimer and clarification of intent behind the transcripts

This written transcript of the conversation is being made available to make it easier for some people to digest the content in the podcast. Several listeners felt that the written format would be helpful. This may not make sense as an independent document. Very often spoken word does not necessarily read well. Several of the guests have published books and the language in their books might be quite different from the way they speak. We request the readers to appreciate that this transcript is being offered as a service to derive greater value from the podcast content. We request you not to apply journalistic standards to this document.

This document is a transcription obtained through a third party/voice recognition software. There is no claim to accuracy on the content provided in this document, and occasional divergence from the audio file are to be expected. As a transcription, this is not a legal document in itself, and should not be considered binding to advice intelligence, but merely a convenience for reference.

The tags that are used to organize the nuggets in the podcast are evolving and work in progress. You might find that there could be a discrepancy between the nuggets as referenced here and in the actual podcast given this is a static document.

All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission.