



Context to the nugget conversation

Tarun speaks about how Family businesses in emerging economies proactively fill in to take care of elements of Public Good that are not taken care of by the state.

Transcription

Deepak Jayaraman (DJ): The other theme you speak about in the book Tarun is compassionate capitalism, right, with a lot of these businesses where there's a social impact angle. And once again, in the context of a professional transition, I was curious about how some of these institutions ensure that the tightrope of compassion and capitalism sort of the trade-offs are made with a similar lens. Any observations there to how companies manage that retro?

Tarun Khanna EP2 (TK EP2): Yeah, that's a phrase that we are hearing a lot more now about more broad-based capitalism or stakeholder rather than shareholder capitalism or compassionate capitalism, I mean, there's overlap across these themes. And in a sense, it also overlaps with the earlier characterisation that I offered in this conversation but also in some of my previous writings, which is that successful enterprises tend to not shy away from the creation of general public goods. And the reason it's the same thing, I will illustrate with an interview that I did of Suresh Krishna, the TVS Group and, I think, that family has been pretty instrumental in taking care of worker safety type issues and in addition to sort of preserving the cultural fabric of some parts of Tamil Nadu in particular especially around Madurai. They have also been pretty farsighted about employment practices and so on and I don't think that's been costly to them in the long run but in the short run yes, you can say that, oh, why are you spending so much more money and I know that when I have sat on the board of some of those companies, I have sometimes complained and said, we can't be the *mai baap sarkaar* of everybody, the *annadaata* of every employee here, that's not our purpose, but the reality is that at some basic level they are right I think that what they are doing is setting a tone, being an example for taking care of a societal actor who is not otherwise taken care of by society because the State has not matured enough to be able to provide those smoothing out mechanisms that are needed in the rough and tumble of life. So, I think the creation of public goods often leans in the direction of what you are calling referring to as compassion in compassionate capitalism.

Reflections from Deepak Jayaraman

DJ: This reminds me of an insight from my conversation with Harish Bhat (HB) who speaks about how this spirit of compassionate capitalism is ingrained in the Tata Group. He speaks about a specific instance of when Gandhiji visited Jamshedpur in 1925.

HB: *“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 labour 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. All of you listening to this podcast, even if you have to read one story in the book, read the story of Gandhiji and Vivek Anand and read the story of Gandhiji in Jamshedpur.”*

DJ: Thank you for listening. To know more, you can tune into the Curated Playlist Social Impact. You can just go to playtopotential.com and look up the Curated Playlists section.

End of nugget transcription

Nugget from Harish Bhat that is referenced: [Identification with Labour and Capital](#).

RELATED PLAYLISTS YOU MIGHT LIKE

Entrepreneurship: We are seeing a renaissance when it comes to entrepreneurship in this country. But it is not an easy ride. Leaders speak about how individuals should think about taking the plunge to entrepreneurship, how they could pick co-founders, their approach to scaling up their leadership muscle and more. You can access the playlist [here](#).

Social Impact: Leaders across domains talk about how they have thought about Social Impact and where the seeds of giving were sown. They discuss their approach to philanthropy and the underlying principles they have used to get to what they are doing now. 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.

Tarun Khanna EP2 - Nuggets

- 94.01 Tarun Khanna EP2 - Leaders that build to last
- 94.02 Tarun Khanna EP2 - Playing the long game
- 94.03 Tarun Khanna EP2 - Passing the Baton
- 94.04 Tarun Khanna EP2 - Driving self-discovery with Next-gen
- 94.05 Tarun Khanna EP2 - Professional CEOs in Family Businesses
- 94.06 Tarun Khanna EP2 - Compassionate Capitalism
- 94.07 Tarun Khanna EP2 - Growing thoughtfully
- 94.08 Tarun Khanna EP2 - 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.