

Wrong Company Leads to Downfall

Jeroninio Almeida illustrates how credibility can be demolished in no time while it takes a lifetime to build it

Being in regular touch with CFOs who make a significant and critical fundraising and financial decisions, it would be relevant to share my reflections and introspection on the rise and fall of Rajat Gupta. We are all born brave, trusting and greedy, but most of us do not practice bravery and trust every day and become victims of our greed and remain greedy. Long ago in 2006, I had the privilege (Yes, I still call it a privilege and I shall explain why later) of working with Rajat Gupta as a part of the founding team at Public Health foundation of India (PHFI). Together, we raised huge support and funding from government, businesses, business leaders and corporate foundations to establish three public health institutes in Andhra Pradesh, Gujarat and Delhi.

A glorious start

From the time I first met him, I always thought of Rajat as a suave, well-meaning gentleman who had dreams and ideas to create programs for the greater public good and he has done a lot of good for public interest in his 65 years of being. One of the reasons why some of the jurors were in tears is because of his past history of noble work and also why I still consider it my privilege since we did some good work together. Now it must be remembered that while, some of the jurors were in tears; Rajat was also told by the Judge that all his philanthropic work would not get him any relief. In fact, the judge said to him "why are you trying to defend your wrong actions by citing all your philanthropic work. Even if Mother Theresa was standing here and being tried for bank

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fraud, I would give her also a severe sentence." This should be a lesson for all businesses which do lip-service CSR to whitewash their corrupt acts that harm communities, children and environment and some celebrities like Salman Khan, Sanjay Dutt who after committing heinous crimes, try to cover it up with pseudo charity work and then cite the same in court to seek a pardon. This should also be a lesson for all of us that we cannot whitewash our guilt and wrongdoings by doing pseudo acts of goodness and hence, it is important to do the right thing always.

Wrong company

Now, while working with Rajat, I was also always perplexed about why this sophisticated and well-meaning person liked to hobnob and associate closely with crassy scamsters. Incidentally, I stood up to Rajat and the board of PHFI and refused to accept the 10 crores offered by Vedanta, ITC and Reliance way back in 2008. Rajat kept debating about how we needed the funds and how he had made the promise to his friends. I debated that

if we take funds from people who harm public health, then we can take funds from anyone and everyone including other anti-social elements tomorrow. To cut a long story short, I won the debate with Rajat about not taking funds from these companies on ethical grounds since we were a Public-Private-Partnership and there was serious conflict of interest since these companies had created environmental and public health disasters all over with bad corporate governance.

I was responsible for the fundraising and partnerships and also created an ethical fundraising and whistleblower policy at PHFI. Rajat was very graceful after having lost the debate, and accepted that we should be careful about whom we take funds from.

Some days later, Rajat and I were on a flight together for the ground breaking ceremony at Gandhinagar in Gujarat. During the flight, I decided to do some guerilla coaching with Rajat to make him see the different paths that he could choose from. I do this sometimes with people who I like, even though I get no fees from this since they have not engaged me as a coach. I do this to just show these people what the consequences of their choices could be. Then it is up to them to make a choice. So during this brief coaching conversation on the flight, I started by asking Rajat a simple question to start with. In fact, I asked him two questions after taking his consent (as a coach we always take consent to simply have a conversation and paint the picture of the choices that one may choose from). That day, way back in 2007 after we discussed the breakfast fundraiser that was to happen before the ground breaking ceremony in Gu-

jarat, I posed these simple questions to Rajat to make him see the light as I was seized by an intuition that he was headed on the wrong path. The first question I asked him light heartedly. I said to him, Rajat you have four daughters?! He said yes, what is the question? I said to him you know the question! He thought for some time and then suddenly all the lights came on in his mind and he started blinking and asked me, are you asking me if we were trying for a son. I said yes, that is my question. He then said to me laughingly: "Jerry is there something unethical with trying for a son also?"

Steer clear of diplomacy

In this light banter with my first question I was preparing Rajat to get the insights I wanted him to get (It's a neuroscience technique I created and employ where people get their answers and choices with simple questions). So I said to him in a lighter vein, "Rajat, nothing unethical about that. It's a classic Indian male mentality. Most of us want sons so that's fine." Then I added: "But Rajat, you are not any classic Indian male, you are Rajat Gupta, first Indian to make it to a big position globally as McKinsey & Co. global head, you are well-travelled, well-educated, Harvard star student, sit on several boards, have great exposure to different insights from people and places around the world so I am surprised you also think like a classic Indian male." I also told him that I was drawing parallels with my father-in-law, Col. Randhir Singh Grewal who is a retired army man and now a farmer and a golfer. I told Rajat that dad is a hardcore testosterone man, not so well-travelled (has only served in Gaza and Nigeria), has limited exposure, comes from a hard core Jat Sikh family and yet after two daughters he and my mum-in-law decided that's that. That's our family now. There were pressures from the extended family to have more children and get a son, but they had made their choice. There were pressures from the family to adopt a nephew but they said our daughters are good enough and are also our sons. Now if they had that mindfulness and wisdom, why not

you? Rajat. who is a great sport then said to me: "Alright Jerry, I get the drift now. Thank you. What is your second question."

Distinguish between friends and acquaintances

Now the second question was the more difficult one as somewhere I wanted him to see the choices that he needed to make and the friends that he should choose. I have worked as a coach with many CEOs and eminent people and know how they think. Some CEOs end up indulging in frivolous talks which I steer clear of. However, I have never heard Rajat do that and know that he values his family and has self-respect and dignity. That was one of the reasons I decided to engage in this guerilla coaching session with him. So I posed the next question straight. I said to him: "Rajat throughout our debate you kept calling some people your friends. I also know you like to hobnob with several people and call them your friends. You have huge stature and are very suave and well spoken. So I am wondering as to why a man with your standing would want to associate with people

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whose character, purpose and intent is highly questionable." I told him that this may be the reason going forward for his fall from grace. I said I would be very careful about the friends I choose. I know that as consultants and coaches, we work with a lot of people, but I said to him I am even careful choosing my clients and do not work with some people. And here he was associating with people who indulge in all the wrongdoings and calling them friends. My concept of friendship I told him, is that we choose friends who correct us if we erring and never would ask us to do anything wrong.

His answer was not satisfactory for me, as he said to me: "Jerry, that to live in this world one has to maintain relations with all kind of people and you should also learn to be more diplomatic." It was not satisfactory as I thought to myself at that time and said to him, that the company he keeps may take him down one day (it was like a premonition). I also told him that I do not have a single diplomatic bone in my body and I inherently believe that we need to live right, do what is right for the greater public good, take stand, speak out and be truthful to call a spade a spade. This is also much needed as a crusader, coach and consultant to work with people with all candor and talk straight to help them do right and achieve their optimum potential.

Be rooted in truth

Looking back in retrospective, my thoughts were right that day and even more relevant today, because from a man who was India's poster boy for having made it big in the circles as the MD of McKinsey to a fallen man: tried and convicted criminal. Surely, it was a glorious journey that could have ended with more honour and grace. But it ended with disgust and disgrace. In hindsight, it happened because of Rajat's lust for power and greed to play with the so called big boys. The education we get in the best of schools, colleges and B-schools may make us intelligent but intelligence and wisdom is not the same thing. Wisdom comes from consciousness, self-awareness and practice of human

values which builds our character and a strong personality rooted in integrity and character. A personality which is not rooted in character can never be strong and sustainable. It is like a mere good looking tree with shallow and weak roots, which may stand tall for some years but would not withstand the test of time and would eventually fall.

There was a time when people (be it students at ISB or Executives at CII forums) used to simply stand around him and get their friends to click photos stealthily, so that they could boast of having a picture with Rajat Gupta. I laughed at all their shallowness, because today, the same people condemn Rajat and do not wish to have anything to do with him. Most people who felt proud to have Rajat on their boards or as their friends now conveniently speak ill of. Such is the nature and shallowness of most human beings. My colleague, Manish Bhatnagar and I, who worked with him in different cities for garnering support (including a fundraiser in London) do not have a single picture with Rajat, while people who studied at ISB, worked at McKinsey and PHFI and would have loved to have Rajat as a mentor and kept his picture on their tables are today have nothing good to say about the man.

I won't speak positive or negative of Rajat. As far as I am concerned, I knew a man who meant well and did a lot of noble work. I was always concerned as an acquaintance who worked closely with him, as to why Rajat would not walk the brave path which is less trodden. Why he would not sustain his trustworthiness by going beyond just playing with the big boys and understand that he needed to do things the right way, associate with the right people and alienate himself from the wrong people. He had the stature, the charisma and the influence to do the right thing but his desire to gain more power and money led to his ultimate downfall. Today, all his good work is not even spoken about. Ironically, most people remember him for the inside trading and fraud he got entangled into. We as human beings are blessed with the gift of conscious-

ness (to be sensitised to the ways of the world and choose the right ethic), self-discovery and awareness (to know who we are), conscience (to choose and do the right things), imagination (to envision the consequences of our choices) and free spirit and will (to walk away from the wrong choices). This is wisdom and this is not taught in schools and colleges. This comes from practice of human values, deep insight and introspection. If only Rajat had walked away from so called friends like Raja Rathnam who asked Rajat to do the wrong thing, then Rajat would not be in the predicament that he faces today.

Warren Buffet had said it takes 25 years to build a reputation and one poof by doing the wrong thing and that trust and reputation is gone. People who wanted to be close to you shun you. I often tell people when I conduct leadership learning programs in businesses and B-schools, that, they should be content, they should be brave to take a stand and speak out. For truth always prevails. And that is a universal principle and a natural law like gravity. No truth can stay hidden for long, everything else that you would do without being brave and trustworthy is short term and will not give you long term contentment and honour. In the end, what matters is the grace and honour with which one exits the world. What matters is the legacy you work towards for creating a better, fairer, just, humane and responsible world. What seriously does not matter is the power you wield, the money you made or the people you are seen with. That is short term stupidity. Trust and respect are never bought.

Chase righteousness

In the final analysis, may the rise and fall of Rajat Gupta be a lesson for all the wannabe bigwigs and top gun executives be they CFOs, CEOs or other CXOS. Do the right thing always. Do not just chase money and power. Chase righteousness. Do not take short cuts. Remember there are no short cuts to any place worth going. Do not fix. We are not fixers, we are professionals. Do not let your greed for materialistic belongings, desire for being seen with

so called big, famous and powerful people and your lust for power and power-play lead you down the wrong path. These are all short term benefits. Remember that whenever you decide to do something, you should always begin with the end goal in mind and plan a journey of righteousness and honour. Try thinking ahead and work backwards with the plan, about the natural and social consequences of doing things wrong to achieve something through short cuts. The glory and wealth you achieve will be short term. It is more worthy to put your honour, family's name and respect first and not be swayed by money and power. Ask yourself two fundamental questions before making any choice: what happens to all I have constructed and my family if I do something wrong and get caught. Is it right to choose to do wrong? This question at the right time may help you to make the right choice.

They say, wise people learn from other people's mistakes, intelligent people learn from their own mistakes and fools never learn. So let us learn from the mistakes and downfall of Rajat Gupta. Do not let an otherwise noble and honorable journey end up in disgrace because of our limited desire to gain money and power, lack of courage and trust in ourselves to do the right thing because we become greedy. And yes, to end this piece in lighter vein Gordon Gekko or anyone who says: "Greed is good and power is everything," is an idiot and nin-



compoop who seriously needs to get his head checked. ■

Krishna the charioteer guides the way in the Mahabharata of Life is

from the Leadership Karma series written exclusively for CFO Connect by Jeroninio Almeida, bestselling author of *Karma Kurry- The Hero in Me* Book series. Jerry is a management & OD consultant, celebrated inspirational orator, teacher, UN advisor, internationally certified leadership subject matter expert, trainer & coach and an effective and innovative fundraiser and missionary entrepreneur. The views are those of the author and not necessarily those of the editor and publisher.