

# 10

## CEOs Learn from Value Creation and Education

From pricing and Value, CEOs can turn to Creating Value in education.

This chapter will help a CEO understand that Value Creation is a wider process, how to incorporate it, and to get ideas for their organizations. First we talk about how to teach Value Creation and increasing Value Creation in education, along with implementation of ideas. An example of how the Michener Centre creates Value is discussed and the Value of nuisance Value, which is certainly worthwhile for CEOs.

### Teaching Value Creation

CEOs might have noticed that our main Value Creation discussion in education has focused on business schools. In fact we are developing course content for a Value Creation major in MBA schools. I just taught a course on Value Creation in engineering to students at IIT, Mandi, and another at IIT, Gandhinagar.

A few days ago, I had a discussion with an economics professor. She was telling me about the various courses she teaches. I asked her if she talked about Value Creation with her students. How would they use their knowledge? How would they Create Value for themselves, their employers, and the society at large?

Her eyes sparkled with interest. This was a new facet of teaching that she had never thought about. She felt it was a great idea and something she must include in her teaching.

She asked about simple examples of Value Creation she could give her class. I told her about my assistant who sent an income tax

notice on my behalf to my tax lawyer. A few days later, I asked him if he had confirmed if the tax lawyer was going to attend the hearing. He had not. If he had confirmed the attendance of the tax lawyer, he would have created Value for me. Just going the extra step creates Value. You can find so many examples of Value Creation. A Customer services person solves a problem for me. He realizes that this problem is prevalent, but he does not try to get the company to change the process/procedure so that other Customers do not face the same problem I did. He missed a chance to Create Value for the Customers, his company, and himself.

There are just as many examples of Value destruction. The run around you get when you call a company to complain is a typical example. Taxis that come later than ordered and make you almost miss a plane. A service person who does not arrive when promised. The list is endless.

The first step to companies and executives converting to Value Creation is awareness. Awareness that they can create or destroy Value, and what they can do to Create Value is necessary and has to be taught. Awareness starts with secure people who have self-esteem. Else we have to build self-esteem. As part of my course at IIT Mandi I had the students go through an awareness exercise. And suddenly they started to notice things they had never “seen” before.

The concept of Value Creation has to be taught to college faculty, and to companies’ senior executives, so that they can teach Value Creation and set up an enabling environment. The concept is simple. The role of a teacher goes beyond imparting knowledge. It goes into how the knowledge can be used; it goes to how the knowledge has been used by others, and how the student can Create Value in the real world with the knowledge.

We are also setting up Value Creation Councils at IIT Mandi consisting of various stakeholders to create more Value.

### **Value Creation Pointers**

- Value Creation should be taught in universities.
- It should be taught to executives in companies.
- Teachers should strive to Create Value.

- Examples of Value Creation and Value destruction are useful in getting people to understand.
- Awareness is a necessary step in Creating Value.
- Value Creation should be taught to faculty and to executives, so that they can teach Value Creation and set up an enabling environment.
- Value Creation Councils should also be established.

## Value Creation in Education

This section discusses Value Creation for students and how to figure out what students Value. CEOs can use these learnings in Creating Value for their Customers and employees.

In the last section, I wrote about Value Creation in non B schools. I met with Dr Kavita Sharma, Director of the India International Centre, and formerly Principal of the prestigious Hindu College of Delhi. I paraphrase our conversation and Kavita's comments.

Kavita<sup>1</sup> told me that before we start to look at how to Create Value for students, we must understand what Value means to them. Value is very personal: it is a feeling of a sense of fulfillment. And some of it comes from a sense of ownership (of one's life or job), a sense of involvement, of realizing a vision (if you have one).

For a student, it could be "Am I employable?" and Value Creation could help him with "How can I become employable?"

And so campus interviewers have to ask what the student considers Value and how will you Create Value? What are you passionate about? What keeps you or will keep you awake at night?

And for employees, it is a sense of involvement that creates Value for them. The employee's sense of ownership adds Value to the company. What can I do to make my job better and get better results for the company, how do I take pride in doing things better? How do I take the extra step?

How does one marry the individual aspiration to the organizational aspiration to Create Value?

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<sup>1</sup> Kavita is now President of the South Asian University.

As an example, a business owner's child may wish to make films, but the father can only see the kid in his business. Both have to understand the key to adding Value for each other.

Security and self-esteem in a person help to add greater Value.

So teachers and executives have to go through refresher courses and understand the question of Value Creation. And they have then to suggest how students can use the learnings of the course to Create Value for themselves, their employer, and society at large. And students should start to think about Value Creation as their role rather than just to be subject learners.

## Role of Faculty Members

There are two major areas for faculty members to learn about Value Creation:

1. To Create Value for the students and the institution.
2. To teach Value Creation and its importance in business and life.

Value for students is a feeling of a sense of fulfillment. And some of it comes from a sense of ownership (of one's life or job), a sense of involvement, of fulfilling a vision (if you have one). Value comes from not only gaining knowledge from the teacher but also how to use the knowledge to Create Value for others, including society, thereby fulfilling the student and making him feel more useful and capable. Value Creation is building the students security and self-esteem and belief in himself and that he can be useful.

How does the student learn to Create Value for himself, his institution, for the company he might work for, and for its Customers?

The faculty has to weave this into the course so that the student buys into Value Creation.

The second part of the course is to teach Value Creation to the faculty member, what it is, how to Create Value, and how Value is created for companies through its employees, its Customers and partners and, thereby, for society and the investors.

Daisaku Ikeda, the great Buddhist leader has defined Value Creation essentially as “the capacity to find meaning, to enhance one’s own existence, and contribute to the well-being of others, under any circumstance.” This capacity then is what Ikeda and Tsunesaburo Makiguchi mean by “happiness.” The concept of Value Creation is also at the heart of the Soka Gakkai movement.

What do you think about “Value Creation” as a part of education system? How can you use this in your company?

### **Value Creation Pointers**

- First understand what Value the student is looking for.
- Next understand what Value is he expected to create and where.
- Also understand what Value is the employer, the employee’s family, and the society expecting.
- Faculty must understand their role in Value Creation and Create Value for students.
- Colleges and companies must teach Value Creation.

### **Example of Value Creation in Education<sup>2</sup>**

#### **At the Michener Center, University of Texas, Austin**

I have been writing about Value Creation in education. Much of the discussion has been generic. That the role of a teacher is to go beyond just imparting knowledge, to Create Value by showing the student how the knowledge is used by others, what they do with the knowledge, and how the student can use the knowledge and benefit from it and enhance his environment (employer, society, etc.)

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<sup>2</sup> With special thanks to some unusual Value Creators: Jim Magnuson, Elizabeth McCracken, Michael Adams (all of whom I met), the other students, and staff of the Michener Centre.

A few days ago, I had the privilege of witnessing this Value Creation in action. This was at the Michener Centre at the University of Texas at Austin. The Michener Centre has assembled brilliant talent in fiction, screenwriting, poetry, and playwriting. Students in the Master's of Fine Arts (MFA) were graduating, and the graduating class spoke about their amazing life changing experience.

The one thing all those graduating said was that the teachers and staff just gave and gave and the students just took and took. The giving was selfless. I wondered what Value was being created for the teacher. Was it just satisfaction? Was it more, the pleasure of helping people become creative and successful? And I remembered my essay that creative people did not need incentives for creating and helping others Create Value. Incentivization does not increase creative power, but may create the environment (e.g., the grants to the students). But the teachers were not incentivized by higher salaries for creating the Value they created. They gave because that is the nature of secure and creative people, that is, to create more Value and to get satisfaction from doing a better job than others.

The students went on to talk about how the fellow students created Value for each other—by example, when they wrote or did something well; by witnessing the disappointment and disillusionment and the lows their fellow students experienced, and helping each other to get going and try again; by giving emotional support. Much like what the teachers gave them.

The teachers gave them the enthusiasm, the secure environment, the emotional strength to go through the winning and losing, and helped them manage the emotional highs and lows. The staff gave them emotional support in their private lives, their special needs, etc., and a sense of being part of a family and being at home.

But what was common was building the sense of security in the students, when they felt insecure, inadequate and unable to cope, or unable to find that whiff of genius that could help them with a flow of brilliance and happiness.

What struck me were the enormous emotional bonds that the students had formed with the teachers and their fellow students,

the gratefulness to them. Many cried, as they related their story of growing at the Michener Centre.

I had written earlier about the need to be secure to Create Value. Insecurity can come from when you are growing up or in your work or personal environment. And so the teachers and staff created the environment for fostering talent and security.

One teacher told me that the students were inherently talented, and the teacher's role was to make the student use the talent and grow. An environment of trust, of belonging, of self-belief, of relying on colleagues and helping each other (Creating Value for each other), by building emotional strength and bonds helped the students rise to their inherent abilities. And that is what the teachers did. They also helped the students to unlearn so that they could learn faster.

And the importance of learning and unlearning and learning.

So this is an example of Value Creation in education by teachers and students, and how you too can Create Value.

It is not incentives! It is not self-aggrandizement that makes creative teachers Create Value. The students too will realize that their creativity will flow despite incentives or lack of it...and as they grow, they will find that if they can Create Value for their readers, by getting them to learn, or to get an emotional bond with the writer, or making the readers feel good about themselves, then the writer will become even more successful.

As one teacher said, when you leave, walk backward so that it appears you are coming in. Or that you are still with us and you belong.

And when you walk away, ask if it is the experience or the memory of the experience that was more important.

And if you as students and teachers consciously start to think of Value Creation as your role, you will find that all of you will enhance your offerings because now you have added yet another dimension to your creativity and work.

Will you, the student become a Value Creator? Will you use the special ability the teachers helped you find and hone to become Value Creative writers?

### **Value Creation Pointers**

- Security, belonging, encouragement, emotional support, all Create Value.
- Value creators do not need incentives; they are self-incentivized.
- The Value Creating environment is important, and fellow students can Create Value.