Leading Through Customer Service: The ICICI Bank Way

Dr Alok Kumar Rai

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Just one Point

Every progressive organisation constantly endeavours to live for the future and utilises present moments for its future glory. Creating glorious future is certainly a difficult task as future contains element of uncertainty. Many organisations cease to live in future mainly because such organisations are struggling to survive in present and planning for future is not given due importance by the leadership. The leadership role is looked with its bigger picture of leading organisations to magnificent future. Leading to future requires transformation process embedded with many vital and important steps. Setting vision of a company is the most formidable beginning of looking into future and sharing vision has become imperative for leaders to carry forward their organisations to achieve vision. This also involves defining long-term goals which are broken into short term goals to move in line with the vision of the company.

Changing environment and market scenario influence the organisational strategies and processes thereof. Organisations need to take appropriate actions to shape their future under changing business environment. It can be facilitated by visionary leadership by tuning organizational strategies and systems from time to time to enable the organisation to cope with changes in future. Progress towards future requires flexibility to mould the organisation as per needs of business environment. Leaders prepare their people with flexible approach so that people contribute as expected in view of new organisational priorities. There are examples of many leading companies which involve managers through suitable interventions to deliberate on future and formulate actions to lead the company to the future path of growth.

Future-oriented mindset is to be created among people so that transition to future is smooth. Past experience is an asset and leaders should use the learning from past for nurturing their organisations for the future. Past can be guide when there is continuity of past, present and future. Leaders have to act as guides to propel organisations into future with such continuity. But the nature and speed of change decouple future from past and present in many instances. Leadership should be more of transformational and inspirational when the future needs to be looked afresh. Leading to future has emerged as challenging and prominent role now for managers in their leadership positions.

(**Sushim Banerjee**)
Executive Director (HRD)

> " *Progress towards future requires flexibility to mould the organisation as per needs of business environment. Leaders prepare their people with flexible approach so that people contribute as expected in view of new organisational priorities.* "

Sustaining Leadership in Steel - A SAIL Perspective

S. K. Jain*

Abstract

In the emerging business context, only those organizations will survive and prosper, who have the capability to visualize what lies ahead and the capacity to develop the necessary strength, knowledge and resilience to lead the future. Steel industry has made a remarkable comeback in recent years. Fuelled by high rate of technological innovations and real increase in competitiveness of steel, SAIL too steered a spectacular turnaround. While passing through this phase of rejuvenation and continuous improvement in all facets, we drew our ambitious growth plan designed to enhance our hot metal production capacity to 22.5 million tons by 2010. SAIL today presents a picture of a dynamic and buoyant business entity moving ahead to carve out a niche for itself.

While capacity augmentation is a significant part of our niche strategies, there are several other challenges facing steel industry in general and SAIL in particular. The dynamism of steel is dependent on competition between steel companies, driving excellence and innovation. Every steel company must have its own strategy based on its particular skills and strengths and the leadership of future will go to the companies that are most competitive in terms of cost, innovation and dynamism.

We have brushed up our fundamentals and the organization is well poised to face the competitive environment of the future. The mantra for leading the future is sustained technological upgradation, well formulated business strategies, a work environment that promotes creativity and innovation and multifaceted development of our people while working in harmony with society, environment and nature. We have a hand on the pulse of market and we have chalked out our growth trajectory accordingly. And, we are continuously working to create an environment that promotes creativity and innovation and develops people to their highest potential. This article elaborates on the plans and strategies that will not only sustain our position as the leader of steel industry in India – but also as an organization which will lead the Indian steel industry into future.

Key Words : Cost competitiveness, Turnaround, Quality Improvements, Mergers & Acquisitions.

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* Executive Director (Works), BSP, SAIL, Bhilai

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1.0 Introduction

In the emerging business context, most organizations have to grapple with ever intensifying competition. With the recent developments in information technology, internet marketing and e-commerce, whole world has become a common global marketplace and no modern day organization can seek the shelters of traditional business advantages. Customer is the real king, with each and every organization vying for a piece of smile on his face. Many organizations having set the wrong foot forward, have lost this opportunity to cater to a wider, in fact a global, customer base and have been pushed out of business. In today's complex, chaotic and rapidly changing business environment, only those organizations will survive and prosper who have the capability to visualize what lies ahead and are flexible and resilient enough to mould themselves to lead the future.

Straddling the Indian steel industry for nearly four decades, SAIL, too, has experienced the winds of change and weathered the tumultuous upheavals of a ruthless business environment. In particular, the last two decades will be remembered as one of the most turbulent phases of Indian steel industry. This period witnessed sweeping changes in Indian steel arena – transformation of self contained national markets into linked global markets and consequent fierce competition; steep rise in input costs; a fatal slowdown in growth of steel intensive industry leading to reversal of fortunes of many steel makers and then a giant upsurge in demand (see table 1), bringing about some of the most spectacular turnarounds ever witnessed by the Indian steel industry.

Riding the waves of an upbeat market and fuelled by its renewed enthusiasm, SAIL, the Indian steel major has recorded good performance in past few years. SAIL's steady ascent has been facilitated by all around improvement in its production, productivity and cost effectiveness. After achieving an impressive turnaround, the company took further strides, consistently adding to its cumulative profits. SAIL today presents a picture of a dynamic and buoyant business entity moving ahead to carve out a niche for itself in the domestic and global steel market.

2.0 The Future of Steel

The last two decades of last century witnessed a dramatic slowdown in rate of growth of steel demand. It was a period of reconstruction and rationalization in the industry. There were closure of many steel works in Western Europe and North America. With the introduction of new cutting edge technologies in steel making, casting and rolling, there were dramatic increases in labor productivity, but, there continued to be excess production and falling prices for steel. Many steel companies suffered considerable losses in this period, as the stakeholders saw destruction in value of their businesses. By beginning of the new millennium, there was a positive change in the business attitude of steel makers. The increases in efficiency in the

industry were passed on to the customers and this increased the competitiveness of steel, enabling it to recapture the market lost to competing materials. Also, the steelmakers realized that its failure to match its production to real demand for steel and the temptation to chase marginal business at low prices destroyed the business for all.

Contrary to the opinion of many business pundits, the steel industry resurged with vengeance. The past five years have seen strong growth in demand of steel, not only in just a few segments, but worldwide. The profitability of steel companies is at acceptable level for the first time in a generation. And, to top that off, the last year was an exceptional year. However one question still looms large in the minds of steel makers all around the world – "Is this period of upsurge going to last or are we just experiencing a brief stopover at the peak of cyclical steel business curve? Are we really moving towards becoming a reliable and dependable business for stakeholders?" The way we approach our future will answer these questions. Paul Valery, an eminent French poet, had once said:

"The trouble with our times is that future is not what it used to be"

In a world, where change is the only constant, it is not an easy task to chalk out our future strategies, let alone predict the future. But, one thing is for certain – the choices we make today will determine our place in future as an organization. We have already set a foot in that direction with our ambitious growth plan

designed to enhance our capacity to 22.5 Million Tons by 2010. But capacity enhancement is only a part of our multidimensional strategy to widen our markets, expand our customer base and be a world class corporation. Today, we are well poised to face the competitive environment of the future and we have to take further strides in the right direction to consolidate our position as the leader of Indian steel business. In this context, it is imperative for us to take a systemic view of the current steel business scenario to define the key challenges and how we plan to outmaneuver them.

3.0 The Key Challenges

While addressing the India Steel Summit, on March 29th, 2007, Ian Christmas, secretary general of International Iron and Steel Institute pointed out:

"The key challenges that steel makers around the world face can be identified around six themes – capacity investment, raw materials, market development, competitiveness of steel, environmental impacts and people."

True to the views expressed in this statement, the Indian and global steel landscape is transforming very rapidly. In the new landscape, the steel makers will have to compete in a complex and challenging context, that is being transformed by many factors – from strategic consolidations, investment in new raw material projects, technological developments, infusion of new technology as new capacities come up to the development and use of knowledge in steel making and

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Feature Article

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marketing strategies.

The key to succeed in this environment is to develop that acumen to perceive these challenges as opportunities. The opportunities for leadership always come in disguise of challenges and the path to future is full of them. SAIL leadership has evolved a multipronged strategy to excel in face of multitude of these challenges – right from growth oriented capacity investment, an aggressive marketing plan, thrust on new products development, investment in raw material projects to strategic social responsibility measures.

4.0 Growth Plan

Our national steel policy envisages a growth of around 3 % in steel consumption in the world. The rate of growth in domestic steel consumption during the past fifteen years have been around 7 % and given the projected national income growth rate of approximately 7-8 %, the projected steel consumption growth rate in India would be around 7.3 % The strategic goal of national steel policy is that India should have a modern and efficient steel industry of global standard, catering to diversified steel demands.

In light of the projections and expectations of our National Steel Policy, we have structured our growth plan for achieving organizational growth and retain our position as the leader of Indian steel industry. This will also contribute significantly to our national interests given the strong forward and backward linkages of the steel sector. Changes in business environment call for periodical review

of long-term plans and setting of new goals. With buoyancy now having returned to the steel market, and with encouraging growth projections emerging for steel on a global level, re-formation of SAIL's long-term outlook was a natural outcome.

SAIL's Corporate Plan 2010 has been formulated with the objective of enhancing the company's position in growth market. This plan is blueprint of the company's activities over the next few years. The company's long term strategic orientation is for building a robust organization with strong fundamentals. Corporate Plan 2010 aims to bring the company closer to this goal by building sustainable competencies based on growth by optimal utilization of available assets, differentiation through quality and services, profitability by excellence in operations and cost reduction and leveraging the skill and knowledge base of the company's human resources.

Planning an investment of around Rs. 38000.00 Crores, the plan aims at increasing the hot metal production to 23 MT, crude steel to 22 MT and saleable steel to 21 MT (See table 2). This would be achieved through optimal utilization of assets coupled with marginal capacity expansion in growth segments. Addressing 34th AGM, SAIL Chairman Mr. S.K. Roongta stated that:

"The expansion plans are not aimed at volume gains alone. Benefits would come by way of all-round improvement in productivity levels in all areas of operation. Issues pertaining to elimination of

technological gaps, energy savings, yield improvement, pollution control, matching infrastructure facilities, etc., will be fully addressed. Wider product-mix with emphasis on value-added products, improved product quality, enhancement in terms of grades and dimensions, will be ensured with latest automation."

The SAIL Chairman added that with focused efforts in areas of cost competitiveness and quality improvement, the company's solid financial foundation and skilled, committed and experienced human resources, SAIL is well set on its way to a glorious future. Taking a cue from past, we have planned to finance the entire project with our internal accruals and market borrowings if necessary, while maintaining the debt equity ratio at 1:1. The plan also focuses on introduction and augmentation of new and energy efficient technologies while phasing out the obsolete ones completely.

5.0 Gearing up for Future

The Corporate Plan 2010 will definitely provide us a higher pedestal and the necessary leverage to lead the steel industry in India, but there are some formidable challenges ahead and it is necessary to combat them effectively. The first and foremost amongst these is the continuous rising cost of inputs including raw materials (See Figure 1) and power.

India has large iron ore reserves, but the quality of iron ore and coal is very low. India's iron ore have relatively high alumina and low iron content which causes adverse slag chemistry. In addition, ores are less closely sized and contain large amount of undesirable fines than in other countries. Similarly, the coking coal available indigenously has high ash content and being metallurgical, it is not suitable for making coke for reduction of iron and iron ore. As such, the indigenous coking coal has to be blended with the required amount of imported coking coal. We need to develop new technologies and ore beneficiation schemes to use the raw material at hand and utilize them effectively for our purpose.

The Raw Material Division (RMD) of SAIL manages five environmental friendly ore mines at Kiriburu, Meghahatuburu (in Jharkhand) and Bolani, Barsua and Kalta (in Orissa) which cater to the raw material demands of eastern sector steel plants. In addition to this, some of the units, like Bhilai Steel Plant owns captive iron ore mines. In view of the proposed capacity expansion program, RMD has initiated projects like capacity expansion of Bolani, development of Maghahatuburu central block and Kiriburu's south block, development of Taldih block and opening a new mine at Thakurani.

Corporate Plan 2010 includes development of two mechanized iron ore mines at Rowghat in Chattisgarh and Chiria mines in Jharkhand. It is proposed to use state-of-art technology in both these mines to ensure assured supply of required quantity of quality iron ore to SAIL plants. Also incorporated in Corporate Plan is setting up of pellet plants one by Bhilai Steel Plant and another by Raw Materials Divisions to utilize the large amount of undesirable ore fines

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generated during the mining operations. This in turn will bring down the overall cost of inputs. The capacity expansion plans would also increase the demand of coking coal from current level of 15 million tons to 28 million tons. The SAIL –BCCL (Bharat Coking Coal Limited) MoU for development of Moonidih coal mine seam is one concrete step taken by SAIL leadership towards entering into strategic investments/tie-ups for coking coal blocks in India and abroad.

Yet another major issue is the present round of mergers and acquisitions occurring in our industry. Our past experiences suggest that steel demand will grow with incremental dips in demand. In order to secure our raw material sources and expand our market base, while remaining unaffected by the cyclical nature of steel market, we need to consolidate our strengths. Mergers and acquisitions are considered as a major vehicle of faster growth, and they are also an effective means of consolidating and building synergies in an otherwise fragmented steel industry. The merger of IISCO with SAIL is a milestone in our company's march into the future. It is a bold step towards strengthening the company by building better synergy and creating a greater value for shareholders. SAIL is also looking forward to provide opportunity for synergy and growth by merger of Neelanchal Ispat Nigam Limited (NINL) and Maharashtra Electrosmelt Limited (MEL) with itself. Merger of MEL, a subsidiary of SAIL, will result in backward integration by the way of manufacture of ferro-alloys – a key input for steel making.

Entering into its largest joint venture with a private sector company, SAIL signed a MoU with M/s Jaiprakash Associates Limited (JAL) to float a joint venture company for producing 2.2 MT of cement per annum. This joint venture is formed as a part of SAIL's environmental friendly efforts to dispose the Blast Furnace Slag. The Joint venture will enable the plant to gainfully utilize the slag generated in its blast furnaces.

In addition to this, SAIL, NMDC (National Mineral Development Corporation) and RINL (Rashtriya Ispat Nigam Limited) have agreed to enter into a strategic business relationship by forming a joint venture to set up an integrated steel plant of four million ton capacity in the state of Chattisgarh.

6.0 Continual Learning

Business strategies are focused tools in the sense that they are aimed at a particular objective, but in the long run, the only sustainable source of competitive advantage is an organization's ability to learn faster than its competitors. No outside force can throw away the momentum of that advantage away from us. As Arie De Guess, the former coordinator of Royal Dutch said:

"Any insight or invention, whether it's a new product or process and even a new way of marketing is really a learning process. And, we do not have to be secretive – provided that we do not stand still. If we continue to learn and innovate and generate new ideas and incorporate them into our work, then by the time anyone had copied us, we would be that

much further along."

Without continuous learning about the business, as well as about their own tasks, the employees cannot contribute what they are truly capable of. This requires learning effort on part of both, the frontline people, who are closest to the place of value addition and the senior managers – who plan and perceive the activities in and around the organization. Individuals must learn to act in interest of whole enterprise and the senior managers must learn to extend self mastery and determination throughout the organization. At SAIL, we have promoted learning in subtle ways, but there is a long way to go before we truly become a learning organization. The theme of the recently concluded Chairman's trophy for young managers (A top leadership initiative to encourage the bright young minds to contribute their thoughts on contemporary issues) was "Unlearning and relearning for building competitive advantage in SAIL". Around 83 research papers were submitted by young managers from all around the SAIL, and the recommendations like – Knowledge Management initiative, Enterprise Resource Planning, expanding leadership role to suit the future needs and enhancing lateral communication to facilitate organization wide learning are being implemented SAIL wide after a series of deliberations.

7.0 Fusing Technology and Business

Learning is prequel to action. We cannot possibly derive benefits from our learning experiences, until and unless we put it into action. While the market acceptability and profitability of our products and services are our prime concern, we also need to ensure strategic interventions in terms of specific technological advancements and product attributes that will sustain and augment our competitiveness in future. Technology cannot be viewed only as automation – as machines that can save time and money. There is little vision to this perspective. We need to explore the ways in which technology will transform the work and create a sustainable future for us.

Discussions about technology often turn into cost benefit analysis. The main problem with this approach is that it limits the option. It prevents people from exploring technological trends. It avoids projection of what might happen if a new innovative technology catches on or how it might change customer's requirements. The real challenge for the organizational leadership in this context is to look beyond the quotation cost benefit analysis and explore new ideas and trends.

Technologically, there have been no major breakthroughs in process of steel making since last 5 decades. SAIL as the largest producer of steel in India need to make a substantial investment in research and development, not only in steel making processes, but also in developing new steel to enhance its competitiveness. Although our growth plan aims at embracing new technologies (See table 3) in areas of ore refinement, steel melting, casting and rolling, we also

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need to use our expertise and experience to take steel making to next generation level.

8.0 Market and Product Development

Historically, the steel industry has been poor in its market development activities. In a cost driven business, there is continuous pressure on steel companies to reduce long term market development activities. This may help short term profitability, but may prove to be disastrous in the long run. Whilst there are some steel makers that are centers of excellence, most steel companies see themselves as steel producer and expect the product to sell itself or, leave it to other steel companies to develop the market which they then will seek to capitalize. Without a doubt, this approach will prove to be suicidal in a market driven steel industry – where the rule of the game is that the one who arrives first usually wins. There are fantastic new opportunities for steel that are not being exploited because of failure to do good market development activities. In India, the greatest opportunity for steel is in construction and rural areas.

The use of steel in residential buildings and construction is very low. We are already plagued with the problems of deforestation and the related adverse effect on our eco-system. Our country is running out of timber. Similarly in urban areas, the high cost of land requires flexible and speedy construction. Steel is the natural answer to both these problems and we need to promote the use of steel in construction aggressively. Even in the poorest societies, people require secure housing and in areas of high seismic activity steel buildings are the only safe solution. Because the market for steel in construction is so fragmented and supply chain is so important, there is great reluctance for steel companies to work together to develop the market. It is not something that can be achieved overnight. People use traditional materials for construction and are very reluctant in adopting new materials. The overall perception of steel as a costly material also acts as a major deterrent. Therefore, it will take considerable time to increase the intensity of steel use in construction, but the bright side is that when that happens – both the steel makers and the customers will be immensely benefitted.

Rural India, with per capita consumption of steel of only 2 Kg. is a huge market waiting to get tapped. The rural sector, especially in prosperous states like Gujarat, Maharashtra, Rajasthan and Western UP, has built up strong institutional bases. We need to build up a strong distribution network, including retailers and sub-retailers exclusively for rural regions. Currently the main use of steel in rural areas is GC sheets for roofing and GP sheets for household and agricultural equipment storage. But, we need to widen the product base and join hands with local fabricators to manufacture and market grain silos, stainless steel water tanks, truck bodies, steel doors, door frames, window frames, furniture, agricultural equipments, steel scaffoldings etc. The idea is to unlearn – unlearn thinking

about rural markets in its stereotyped form and take cognizance of the change in demands in prosperous pockets, to begin with.

Yet another avenue where we have to change our strategy is marketing steel as a commodity. At SAIL, we have good processes, technology, people, management, marketing practices and a wonderful product mix. So why not position that in the marketplace and create the correct perception in the mind of the customer? SAILMA, SAILHARD, SAIL Jyoti and SAIL TMT bars are some of our popular brands, but we also need to go to the markets and communicate this to our potential customers. It has been also suggested by the experts to train the chain of distributors and retailers for channel management, so that they maintain the discipline of the channel - geographically, territorially and price-wise, and also ensure transparency of transactions.

Finally, it must be understood that there will be no future for steel unless our customers and customer's customer continue to buy and specify steel. If the need arises, we must be able to develop application specific products for our customers. SAIL has successfully developed products for nuclear applications, boiler manufacturing, moulded vessels, sugar industry, flyover constructions, wind mills, ATM safes, equipments for earthmoving tools and payloads and defense sector. SAIL is proud to be the only manufacturer of DMR249A plates for Indian naval aircraft carriers and DMR249B for Indian naval submarines. SAIL is not only the producer of cleanest steel rail in India, but it has successfully developed thick webbed asymmetric rails as well. We are very good at developing customized product which meet the requirement of our customers, but let us, for a change, develop a new product and create an appetite for it amongst its potential customers.

9.0 Delighting Customers

If there is one thing about businesses that hasn't changed in these changing times – it is the fact that customers are the key to future of the organization. However, with changing times, the customers too have changed. Today, customers have many purchase alternatives with the world of information at his fingertips. Gone are the days, when it was relatively easier to attract customers through distinctive product features, pricing strategies and brand loyalty programs. A modern day customer values dependability, honesty, integrity, corporate reputation and mutual empathy. We need to keep reminding ourselves that unlike technology or process, a customer cannot be managed. Building better customer relationship is much more difficult than building distinctive products.

SAIL has the honor of catering to some of the most reputed corporate names in Indian and global business. Indian Railways, the largest rail network of the world and our armed forces are our valued customers. Totally oriented towards customer care, SAIL has recently introduced new processes like Key Account Management (KAM) in its marketing functions to further strengthen customer relations and

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provide quality service. With long and flat products being marketed by separated groups, customers now receive focused attention and improved services. Every requirement of key customer is fulfilled by specially formed groups comprising of marketing and plant personnel who have the responsibility of streamlining operating from order processing to order fulfillment. This ensures that customer receives the desired quantity and quality of supplies in desired time.

Although SAIL has a wide customer base and a range of pleased customers, we need to understand, that our competitors are gaining on us and we need to take our customer relationship to a new level. We need to discover what customers are thinking, feeling and needing. We also need to grasp the interdependencies between customer and company and be in his/her shoes. We also need to develop that ability to read between the lines and translate the value of customer into a new product or service. Organization leaders need to factor that visceral sense of customers into their decision making and establish a more intimate and trusting relationship with their customers.

10.0 Unlimited Potential

SAIL's work culture uniquely characterized by pursuit of excellence, enterprise, loyalty, learning and dedication –is replete with positivism. It is this quality that helped us survive the rough weathers and it will be the biggest weapon in our arsenal as we march into the future. SAIL has demonstrated time and again,

that it's creative, committed, enterprising, loyal and determined employees have unlimited potential. SAIL can easily boast of its top notch human resource development program and the opportunities it provide to its employees for self development. However, with changing times, the expectations of our employees too have changed. They are no longer job security, financial rewards or promotion at the cost of quality of life. Their new priorities are autonomy, involvement, challenge, job satisfaction and personal growth. The message is clear:

"If the companies don't give it, they won't get it"

Total people involvement is the need of hour. The best thing about employee participation and employee involvement is that it makes employee feel a real sense of worth in the organization and it gives more power to them within the enterprise. Employee involvement and participation is the most effective way to make employees work smarter and harder for their benefit and hence for the benefit of the organization. That is why the importance and scope of employee participation and involvement are crucial to the success of the enterprise. The human resource development studies in past two decades have clearly established that a direct relationship must exist between the employee and management to emphasize individualism and promote team work for building a competitive organization that can withstand rough weathers and troubled waters.

The leadership requirements too have

changed with changing times. With industry evolving at an ever quickening pace, leaders are facing challenges that require them to think outside the box and look for solutions in most unusual places. To be effective and drive business success, leaders must use skills that are foreign to "traditional managers". They must be far-sighted visionaries who continually look for innovative and creative ways to develop people and expand the business. Peter M. Senge in his famous work, The Fifth Discipline, points out the skills required for leaders of the future :

- The capacity to orient towards what they want to create : Aspiration

- The capacity to reflect on and learn about self: Reflection

- The capacity to engage in meaningful communication: Conversation

- And, the capacity to construct coherent view of the whole: Conceptualization

Virgin Thomas, Plant Manager of Kelloggs Lancaster cereal plant says:

"Leaders have to paint a picture, make people believe that the picture is correct, and then drive people toward that picture. Leaders are the individuals who are willing to lead the troops up the hill, so to speak. They realize that industry is operating in a changing world and they must be capable of leading people to the change."

Dave Maxwell Executive Vice President at Brazeway agrees :

"Leaders are the ones that will allow people to be all that they can be. They tend to pick the best alternative and people naturally follow. Managers are focused on short-term, immediate results."

A challenging piece of the vision that leaders must develop is the impact of rapid change. In the face of this change, successful leaders will be the ones that rely on others to help them achieve desired business results. Leaders will have to take more of a coaching role in the upcoming future. Decisions will have to be made by those who are closest to the work and workplace. The results of this type of decision making: greater implementation success due to increased buy-in and practicality. Leaders also need to devote more time to focus on strategic planning and long-term goal development, critical factors to business success.

Leaders have got to give people the correct information and tools to do their jobs. They also have to get people committed to the life-time learning process. Leaders who do not support and encourage a constant learning environment stunt employee development minimizing the contributions they make to keep a business ahead of the competition. To effectively encourage an environment of continual learning and acceptance of change, leaders must possess and apply interpersonal and technical skills. In addition to these skills, the leaders must, "be strategic thinkers and innovative. They must take calculated risks without waiting for the competition to make a move.

At the cusp of the 21st Century, leaders

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are faced with a growing list of challenges: rapidly changing technology, downsizing, global competition, and higher customer demands. They cannot effectively handle these demands on their own. Truly successful leaders who transcend their technical niche or industry of expertise have two things in common. Maxwell says:

"Effective leaders hire good people around them and then leave them alone to do their job. As a leader, you also must have the ability to keep yourself in perspective."

11.0 Sustaining the Future

Forging a strong and prosperous future is simply not possible unless our strategies produce sustainable wealth –i.e. creates products, goods and services that can be sustained socially –and in turn leads to general well being of society in which it operates. SAIL chairman, Mr. S. K. Roongta emphasizes:

"We cannot live as an island of prosperity. Our periphery has to develop in tandem"

True to our credo statement, we value the opportunity and responsibility to make a meaningful difference in people's lives. SAIL's major task was to spread prosperity through economic and social development in and around all places where its plants were set up. It has been striving hard to do so as an ideal corporate social citizen. SAIL, through its various peripheral developmental activities, has been supporting educational charitable and welfare institutions within and outside the steel townships. These activities include healthcare programs, educational initiatives, promotion of sports and cultural activities, ancillary development, building infrastructure like roads, providing drinking water and sanitation facilities etc. SAIL is acutely conscious of its environmental footprints. We are committed to minimizing the environmental impacts of our operations through legal compliance, continual improvement and voluntary initiatives.

We are moving in right direction, but we have to take care that our corporate social responsibility (CSR) initiatives do not become cosmetic or ornamental in nature. We must strive hard to make our CSR strategic and operational. It is clear that a competitive organization needs healthy society, educated workforce, effective utilization of natural resources and a safe accident free work environment. In turn the communities need jobs and employment, the wealth, prosperity and improved standard of living. CSR activities must aim at mutual benefit of community and the organization and we need to focus on that common space. Companies must integrate social perspective into the core framework it uses to understand competition and guide its business strategy by finding ways to reinforce corporate strategy by advancing social welfare.

CSR should also aim at improving the overall image of company and steel as such. SAIL is proud of contribution that steel makes in sculpting temples of modern India. It is indispensable in the welfare of the mankind. However, some of the recently

conducted studies indicate that most of the population is ignorant of this contribution. A poor image of steel in society ultimately affects the choice of steel in products. A poor image of steel in young people affect their career choice. A poor image is steel in government affects the choice of policies made on issues which affect our ability to serve the society at large. Lastly a poor image of steel in the financial community affects the valuation of our businesses and availability of investment capital. Therefore, it is a major challenge for SAIL to ensure that image of steel and SAIL in the general public matches the new vision for steel that we hold in industry.

12.0   Conclusion

The path to future is all about translating beliefs into business. A vision – that is deeply ingrained in the mind of our people and looks beyond the horizon. An optimism - that stretches the boundaries of possibilities. A commitment – that is driven by the passion to excel and a destination – that is ahead of the bests of the best. We have all the right ingredients to be what we want to be. However, this path is full of unexpected challenges and we better stand prepared for it. Our glorious past is behind us as we look forward towards leading Indian steel industry into future.

Annexures

Table 1 : Summary of apparent consumption of finished steel

Summary of apparent consumption of finished steel 1999 to 2008
(Million   Tonnes)

Region	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
European Union 25	152.9	160.0	156.5	156.7	158.8	162.0	164.0	167.0	167.3	166.5
European Union 15	138.0	143.4	140.0	138.6	140.0	142.5	144.0	145.8	146.2	145.5
Other Europe	18.2	22.1	20.6	20.7	24.1	25.0	26.0	27.0	28.7	29.5
Former USSR	31.0	38.8	41.2	38.3	43.4	45.0	48.0	50.0	51.5	53.0
NAFTA	142.4	149.2	132.1	135.1	132.9	138.5	141.5	145.5	145.5	143.5
S America	24.8	28.1	28.4	27.4	28.1	30.5	31.5	33.5	34.5	35.5
Africa	15.4	15.0	16.3	17.4	17.1	17.5	18.0	18.5	19.0	19.0
Middle East	16.6	18.4	19.1	20.9	21.6	22.5	24.0	25.5	26.5	27.5
PR China	122.6	124.6	153.4	185.6	230.9	257.5	273.5	284.0	290.5	296.5
Japan	68.9	76.1	73.2	71.7	73.8	73.7	74.7	75.0	75.5	75.0
Other Asia	109.0	119.5	118.9	129.5	133.3	138.3	140.8	143.0	143.5	145.5
Asia	300.5	320.2	345.5	386.8	438.0	469.5	489.0	502.0	509.5	517.0
Oceania	6.7	6.4	6.3	7.1	7.5	7.5	8.0	8.0	8.5	8.5
WORLD	**708.5**	**758.2**	**766.0**	**810.4**	**871.5**	**918.0**	**950.0**	**977.0**	**991.0**	**1000.0**

(Annual report 2007, MEPS International Limited)

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... it is a major challenge for SAIL to ensure that image of steel and SAIL in the general public matches the new vision for steel that we hold in industry.

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Table 2 : Projected Plant Wise Production in Corporate Plan 2010

Plant	Hot Metal	Crude Steel	Finished Steel
Bhilai Steel Plant	7.00	6.70	6.20
Durgapur Steel Plant	3.20	3.00	2.84
Rourkela Steel Plant	2.99	2.80	2.55
Bokaro Steel Limited	6.50	6.20	5.79
IISCO Steel Plant	2.91	2.50	2.37
Alloy Steel Plant	-	0.47	0.43
Salem Steel Plant	-	0.18	0.36
Visvesvaraya Iron & Steel Limited	0.33	0.23	0.22
Total	**22.93**	**22.08**	**20.76**

Table 3 : Plan for introduction of new technologies in Corporate Plan 2010

Description	Technology World Over	Technologies in SAIL plants	Corporate Plan 2010
BOF steel Making	100 %	80 %	100 %
Continuous casting	100%	60 %	100 %
Iron ore beneficiation	Yes	No	Yes
Pelletisation Plant	Yes	No	Yes
Coke dry quenching	Yes	No	Yes
Top pressure recovery turbine	Yes	No	Yes
Auxiliary fuel injection in BF	Yes	CDI Partly	CDI fully
Copper staves (closed loop DM Water)	Yes	Partly	Fully
Desulphurization of Hot Metal	Yes	Partly	100 %
Thin Slab Casting	Yes	No	Yes
Compact strip mill	Yes	No	Yes
Round caster for wheels	Yes	No	Yes
Beam blank Casting	Yes	No	Yes
Coupled pickling and tandem Mill	Yes	No	Yes
Hot rolled galvanizing	Yes	No	Yes

Figure: 1: Cost of Iron ore and Coking Coal in US Dollar per Metric Ton
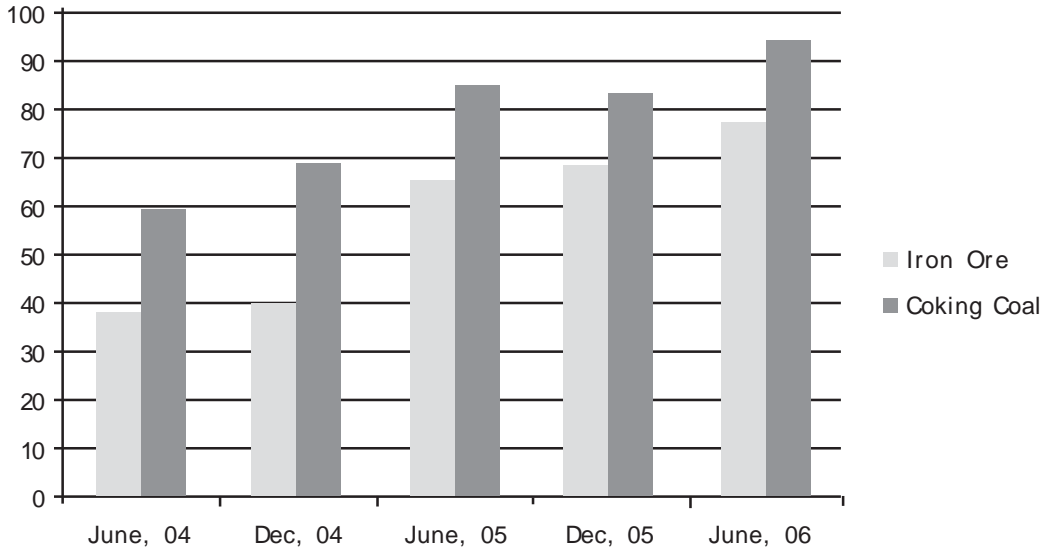
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Leading for the Future : SAIL Story

Sushim Banerjee*

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> *A few individuals flocked for the purpose of achieving a goal may select a leader based on some time tested characteristics : a role model, with unblemished integrity, ethical values, good communication and above all a team man who is able to motivate everyone and navigate the team under difficult circumstances.*
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Abstract

The sustainability of growth of manufacturing industries highly depends upon the speed of investment in infrastructure industries. SAIL has the competitive edge having infrastructure support for capacity expansion having its own captive source of Raw Materials. To sustain leadership at all levels, SAIL would have to adopt innovative business practices.

Keywords : *Leadership, Competitive, Innovative*

1.0 Leadership Defined

Management texts have elaborately defined the features and role of a leader. A few individuals flocked for the purpose of achieving a goal may select a leader based on some time tested characteristics : a role model, with unblemished integrity, ethical values, good communication and above all a team man who is able to motivate everyone and navigate the team under difficult circumstances. Extending the concept, a community leader occupies his position based on the same perceived values by the group members. This well established norm of choosing a leader regrettably fails quite often and there have been cases of historical blunder when a leader occupies the highest chair by virtue of a brute majority in a parliamentary democracy or muscle power in autocracy. Leadership by majority may also attain legitimacy with the help of a series of convenient alliances which last for a specific time period. The political and economic consequences of such short-lived leadership are well known.

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2.0 Industrial Leader

Looking aside, the concept of leadership in a industrial segment is much more concise and focused. One has a whole lot of measurable parameters to perceive and select a leader of the segment. The market perception of a segment leader sometimes transcends the measurable indices and brings in features that depend on qualitative measurement. The current concern of the industry on business ethics, corporate social responsibility and environment management have become the primary determinants for the choice of a leader.

2.1 Market Share : A Primary Indicator

With a marginally higher than 22 per cent of market share, SAIL continues to enjoy the status of the market leader in Indian Steel Market. Others are : Tata (8.1) Rashtriya Ispat (6.0), Essar (4.5), Jindal (3.6), Ispat (5.0), Bhusan (1.6), Imports (8.9) etc. Currently SAIL is marketing around 10.1 mt of finished steel in the market out of a total consumption of 45.5 m.t. With more number of produces emerging in the scene, the market share of established producers gets threatened and if the rate of growth of total consumption goes up at a rate higher than the growth rate of finished steel sales by an individual producer, the market share of each world undergo a change. This scenario is a distinct

possibility as an individual producer cannot always plan for capacity expansion at a rate equal to or more than that of the total and one need not get unduly wary of losing market share on that count.

2.2 On a futuristic note, Indian Steel demand is projected to grow at an annual average rate of not less than 10 percent per annum. At this rate, the total finished steel consumption may reach around 155 m.t. by 2019-20. At the current projection of 180 – 200 m.t. of crude steel production by 2019-20, the finished steel production in the country comes to approx. 162 –180 m.t. The surplus availability (production over consumption) can be planned as export. However, the sustainability of steel demand at a secular rate of 10 percent per annum is fraught with uncertainty. While GDP growth in the recent period is quite significant reaching 9.4 percent in 2006-07, the continuation of steel demand at an annual average rate of 10 percent per annum hinges crucially on the growth of manufacturing and construction segments. Manufacturing sector has grown by an impressive 12.3 percent in 2006-07 as against 9.1 percent in the previous year thereby contributing to a 16 percent growth in steel consumption in 2006-07 as against 13.3 percent in 2005-06. The sustainability of growth

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The current concern of the industry on business ethics, corporate social responsibility and environment management have become the primary determinants for the choice of a leader.

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of manufacturing sector in turn depends on the investment tempo in infrastructure sector (Power, Ports, Roads, Airports, Petro-chemicals. Oil & Gas etc.). This alone would provide a much needed boost to secondary sector's (manufacturing, electricity, gas, water supply and construction) contribution to GDP in place of tertiary sector. This can only happen under a politically stable government which should work for a lower inequality of income and a robust economic growth that would be inclusive with benefits of economic growth percolating down the lowest strata of the society. Agriculture that engages more than 60 percent of our population must grow at a minimum rate of 4 percent per annum and manufacturing growth to generate employment.

2.3 SAIL has the unique advantage of possessing the basic infrastructure required for brownfield capacity expansion as well as the captive sources

of iron ore that provides a huge competitive edge. One of the basic objectives of SAIL's Corporate Plan is to upgrade technology, make 100% production through continuous casting and increase finished steel percentage by drastically cutting down semi-finished steel for sale. By 2010-11 SAIL is planning to increase production of crude steel from the current level of 13 mt. to 24.90 mt. with a finished steel component of 21.7 m.t. By adding a fresh greenfield expansion of 10 mt. and other brownfield expansion amounting to 5 mt., the projected level of crude steel by SAIL can be taken as .40 mt. by 2019-20. This implies that by the end of second decade of 2000, SAIL would market approx. 38.0 mt. of finished steel which yields a market share of 22.3 percent.

Thus in the long term also, SAIL can remain a leader with regard to market share index to be closely followed by Tata and

(Rs. In Crore)

Company	Net sales		Operating Profit		Net Profit	
	2006-07	Growth %	2006-07	Growth %	2006-07	Growth %
Steel Authority of India Ltd	33923.12*	21.79	10966.23	48.58	6202.29	54.56
Tata Steel Ltd	17552.02	15.36	7254.84	18.17	4222.15	20.41
JSW Steel Ltd	8594.44	38.27	2812.95	35.78	1292.00	50.84
Jindal Steel & Power Ltd	3519.81	35.89	1431.37	35.66	702.99	22.70

* Excluding Excise Duty, Source: Media reports / Unaudited Accounts.

Jindals.

2.4 High volume reflects high turnover. The following table summarizes the producer-wise status for 2006-07

An organization with massive turnover enjoys an excellent edge over others in terms of a strong bargaining power on pricing of raw materials, expanding the customer base and has a major influence on the prices of finished products and the relevant policy formulation by the Government. Net profit as a percentage of net sales is a broad reflection of the product realization. Higher sale of value added products or marketing in a value-added segment may only add to profits. SAIL needs to lay more emphasis on this aspect.

3.0 Niche Market

Creation of a niche market has been one of the foremost marketing strategies of a successful organization. Commensurate with the product life cycle, a continuous and serious effort on R&D is a pre-requisite for competitive success. History of global steel industry has amply demonstrated that many leading steel producers in Northern America and Western Europe have either disintegrated or merged with the newer ones due primarily to their inability to make drastic changes in product-mix, organization

structure, raw material sources that the competitive compulsions demanded. Having been confined to traditional sectors with bloated costs of production and being out of tune with the changing pattern of demand, many large producers of yester years have made inglorious exit. Thus, value addition in the product range by effective reengineering of the process and structure is an essential hallmark of a leading organization.

3.1 Product-wise, SAIL has a major share in HR Coil / Sheet, plate and Railway materials and closely follows Tata in CR Coil / Sheet. In all these products new producers are emerging and are likely to threaten the current market share held by SAIL. For instance, new capacities in HR by Essar, Jindals, Bhushan and Ispat and the likely addition by POSCO & Arcelor-Mittals may bring them closer to a higher market share in HR and plates.

3.2 It is well appreciated that marketing high volumes in ordinary standard grade and holding on to market share in traditional sub-segments is an outdated strategy and should not find place in the corporate master plan of a leader. There is an urgent need to bring quality upgradation in the whole gamut of product range and it is heartening to note that most of the futuristic changes envisaged in the pattern of

Feature Article

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... value addition in the product range by effective reengineering of the process and structure is an essential hallmark of a leading organization.

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demand are being duly taken care of in SAIL's modernization plans. Thus, AP1 grade of sheets and plates for the booming oil and gas sector, wide width plates (4.5 meter in the minimum) for shipbuilding and power plant equipment manufactures, higher grades of Boiler quality plates, thinner sizes of cold rolled and galvanized products to cater to automobiles, consumer durables, rural households, cold heading / high carbon wire rods for fastener industries, TMT bars with more tensile / yield strength, universal beam / parallel flange beam for multistoried / heavy construction and longer length Rails with improved properties to cater to high speed / high load bearing capacity of rail wagons, higher grades of CRNO etc. are some of the sector-specific demand that would be taken care of in the proposed product-mix of SAIL under modernization. It would enable SAIL to enter these niche / value added markets and enrich the product components. In our traditional sectoral analysis, the volume of the products to be marketed by SAIL may not enable it to hold on the current market share in the future as well. But further analysis of the sub-segments within a broad sector would reflect that SAIL is gradually creating a marked presence in the sub-sector by having more sales realization and a satisfied clientele.

3.3 The changes in these regards are already perceived. In some of the traditional segments like construction, even though SAIL market share is much lower than the secondary re-rolling sector, the product quality of SAIL fetches a mark-up in the eyes of the consumer and therefore in the project construction sub-segment, there is a marked preference for SAIL materials and its capacity is fully being utilized to meet project requirements. There is a need to further reinforce these strengths and continue to serve the mega projects in the massive rebuilding efforts currently underway. The trust and the confidence reposed by the major project authorities in dealing with SAIL are to be further carried forward. This is the credibility of a producer planning to lead from the front in the future. Whenever, there is a natural calamity and large scale devastation with loss of innocent lives, SAIL had always come forward to reach steel (GC sheet / TMT Bars for house construction) at affected places like Bhuj, Jammu & Kashmir & other places.

4.0 Business Practices

This brings us to the third crucial parameter of the choice of a leading organisation. Business ethics, setting up of a high standard in dealing with the public and conformance to well

laid-out systems and procedures are some of the major hallmarks of a business leader and SAIL takes pride in excelling itself in all these parameters. Strict pursuance of standard methods and practices irrespective of the needs of a fast changing scenario would not take a commercial organization up in the ladder very fast. Being in public sector, uniformity in practices particularly in commercial matters, is much sought after and SAIL has been following these practices without any discrimination. In the coming years, however, commercial compulsion in a fiercely competitive scenario with many global players having emerged on the scene, may force SAIL to opt for innovative business practices not exercised hitherto. To the extent possible, non-discrimination, fair and transparent dealings would continue to guide SAIL's policy and thereby reaffirm the faith of the "Aam Aadmi" to approach SAIL for meeting their needs.

4.1 This is where the issue of rural penetration comes in. It has now been strongly felt that urban concentration of steel use would not take the country much ahead and India's rural population must be exposed to steel use. The massive potential hidden in the rural and semi urban areas in terms of steel use in rural roads, bridges, community buildings, hospitals, schools and houses can be tapped so that steel consumption in the country is progressed significantly. It is heartening to note that SAIL has already embarked on creating a wide supply chain network throughout the country for reaching steel at the remote parts. This is a unique experiment covering all 604 districts of the country with appointment of at least one small dealer in each district to instantly meet major rural requirements of galvanized steel and reinforced bar. SAIL has appreciated that sheer availability of basic steel in limited tonnages is the first step towards making rural population aware of the benefits of steel use. The affordability of steel in comparison to locally available and other competing materials like concrete, aluminum, asbestos, PVC etc. is taken into account by offering various incentives to the dealers who would act as the agent of change and ambassador of SAIL products and would go a long way towards creating a brand image for SAIL with abundant mileage in corporate communication and publicity.

5.0 In this age of knowledge-based economy and free flow of information, the growth of industry is inseparably linked with the well being of the society. Pure obsession with commercial success can persist for some

> *... non - discrimination, fair and transparent dealings would continue to guide SAIL's policy and thereby reaffirm the faith of the "Aam Aadmi" to approach SAIL for meeting their needs.*

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> *SAIL as a market leader is fully geared up to galvanize its manpower to be at the top of the waves of changes while fulfilling its social responsibility as a great corporation.*

time for a small player. A leading organization with an eye for the future must contribute for the larger interest of the society. Corporate social responsibility is to become an essential competent of the growth strategy of a leading organization. SAIL has already made elaborate plans in this regard by adopting model village development programmes and various other peripheral development works including laying down of water pipe lines to remote areas, building of school, community and health centers, rural houses, programmes for woman empowerment, supply of steel bullock carts in villages, promotion of sports activities, sanitation programmes etc.

6.0 Conclusion

To retain the role of a leader in the most dynamic and fast changing environment like steel is a difficult proposition. The market is going to be extremely demanding with highest level of customer service. India is already on the threshold of globalization where every other country is eying the Indian market for its vast potential. The task of integrating the rural economy with the fast pace of urbanization requires a metamorphosis of cultural values and aspirations. SAIL as a market leader is fully geared up to galvanize its manpower to be at the top of the waves of changes while fulfilling its social responsibility as a great corporation.

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Transformation Leadership : The Inner Experience

Swami Shashankananda*

Abstract

Man is a personification of intellectual and rational thinking shaped by education which gives him knowledge and moulds his personality and not a machine as claimed by Taylor & Glibreth. The spiritual knowledge of Atman and merger of three gunas leads to the achievement of transformation leadership which aims at self enlightenment and overall positive growth. Thus management is a manifestation of spirituality and art at one hand and scientific techniques at another.

Key Words : *Management, Personality, Leadership*

> *… to manage man is an art and as well as a science which has much less to do with academic approach but an approach beyond that.*

Productivity becomes the measuring scale of the growth and development or the strength of an industry or a company. It can be done by various systems of Management .But in all systems we find that increase in productivity depends upon Man, Money, Machine, Material and Marketing.

Who manages a Company ?

In every Institution whether it is a company, factory, bank or any Govt. or Non-Govt.Office, there is one or more Executives who manage man, money, material, machines and marketing. It needs an Executive with qualities of Management. Managing machines, material, money and marketing need some technical and managerial skill only. But to manage man is an art and as well as a science which has much less to do with academic approach but an approach beyond that. It needs an enlightened

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> *To achieve the highest productivity, management is the efficiency in using Man power, Land, Machines, Raw materials and other sources.*

personality. An awakened, noble, efficient person of commitment.

Let us now try to understand the developments in the field of Management System in the past and take lessons from these experiences to choose a right strategy.

F. W. Taylor, the father of the scientific Management was of the opinion that

- The strength of an organization is its productivity.

- Productivity can be improved endlessly.

- Decline in productivity can also be improved endlessly.

- Decline in productivity makes all suffer –the individual, worker Group, and Nation at large.

Taylor treated Man as machines, raw materials and other sources.. In the process of achieving maximum productivity he considered Man as purely a physical entity. To achieve the highest productivity, management is the efficiency in using Man power, Land, Machines, Raw materials and other sources. He thought that machine works best when well – lubricated and well maintained. Similarly workers would work best if provided with good working conditions, well trained and properly paid. Frank Glibreth's system Management also shared the same opinion.

But man is not a machine or dead insentient matter. It can not be dealt like machine and material . Even a worm is better than a machine. A huge locomotive has rushed on over the line and a small worm that was creeping upon one of the rails saved its life by crawling out of the path of the locomotive. Yet this little worm, so insignificant that it can be crushed in a moment, is a living something, while this locomotive, so huge, so immense, is only an engine, a machine. You say the one has life and the other is only dead matter and all its power and strength and speed are only those of a dead machine, a mechanical gadget.

To be more free is the goal of all our efforts, for only in perfect freedom can there be perfection. This effort to attain freedom underlies all forms of evolution - physical, mental, intellectual, social, cultural, educational and spiritual - down from the Darwin's Theory of Evolution to the Highest Philosophy of life internal , whether we know it or not. Man is the highest physical form of living being and superior to all other beings

Nature of Human Personality

- Let us now discuss what we understand by 'MAN'. Man is superior to any other living being.

- What makes him different from other beings ?

- Is Man only as he appears i.e. the physical body or does he has some other dimension ?

- Does man dies with the death of a body ?

- What is the purpose of this life?

Manomaya-kosha

- Man then merges in Mind and

senses which its subtle body is. This mind projects the world of dreams. The subtle senses experience dream. We see people, animals, roads, buildings and what not.

- This is the emotional dimension of Man. It experiences pain and pleasure, love and hatred, appreciation and condemnation.

- Actually it is not the body that experiences anything, it is mind when attached with any part of the body through senses it experiences.

Vigyanmaya-kosha

- The Intellect recognizes and certifies what he sees, hears, touches, tastes or smells in the dream. This intellect also is a sheath but not the Real Man.

- Chitta is the memory. When he comes out of the dream, he remembers all what happened in the dream.

- That shows that though he was separate from body but mind, senses and intellect and Chitta were with him in dream.

- This is the Psychic dimension of Man.

- This Psychic body (Sukshma-sharira of mind with 5 senses, Intellect, Memory and ego) does not die with the death of the gross body.

Physical personality may be a loving, beautiful and attractive but he may be a Fool

- A young man/woman with robust and very healthy body, with handsome/beautiful attractive appearance may be putting on nice dress, but if he/she is not educated his human personality remains at zero at physical level. This personality is not better than an animal or a bird. Ahaar nidra bhaya maithunamcha, this is the nature of animal also. He is to be educated.

- Moreover the physical beauty perishes with the age. It is very temporary.

- Man has Psychic body behind this physical body. He needs education since he has thirst for knowledge.

Which Education makes Human Personality ?

Today we consider a man educated if he has a university degree. This education brought by Lord Macauley is negative education which does not enables a man to stand on his own feet and does not provide strength to face the struggles of life. Knowledge the fruit of Education is power. The Education that makes us weak, fearful, nervous, a life of tension and frustration is no education.

- A man/woman may be well educated, but if he/she has no manners to talk with others or has no sweetness in his talks, if he is not gentle in nature his personality is very low because the education aims at humility "Vidya dadati vinayam" He is still ignorant. Educated means a man of

Knowledge the fruit of Education is power. The Education that makes us weak, fearful, nervous, a life of tension and frustration is no education.

> *A virtuous Leadership is based on Principles and leads to the growth, development and welfare of the human society, but a vicious leadership is based on self-vested interest or sense-enjoyment and leads the human society to contraction, narrowness and misery.*

character and possessor of human values

It is not money that makes Personality but contentment

- He/ she may be earning crores per month in a business or a very high salaried person or on a very high responsible post. But richness or a high post or worldly status does not make a man happy. We observe many rich people committing suicide or leading a miserable life full of frustration, tension, suicidal tendency and always shedding tears.

- He is not poor who has no money but he who has money but go for bribery. Richness is contentment (Santosha)

Industry is a Human Organization

- Practicing Manager OLIVER SHELDON said Industry is primarily a HUMAN ORGANISATION.

- This psychic dimension of 'man' transcends the animal nature of man. Here he is a social animal. He has a mind and intellect.

- He is creative. He has feelings and emotions. He has imaginations. He has taste and choice. He has power of independent thinking, decision making, planning, and implementation.

- He wants freedom to work, participation, self-respect and dignity, a good behavior from others, Job satisfaction and so on.

This transformation in the Management system based on Psycho-social consideration needs TQM as managers with transformational leadership attitude.

Leader is a better word in place of Manager or Executive

- This word awakens the sense of participation in the workers, inspiration for joint efforts, team spirit and intense involvement of other colleagues.

- It eliminates the vices of Employer employee relationship or the bossing attitude of Manager and fearful, avoiding, criticizing and non-cooperating attitude of the subordinates.

- An Executive or Manager is appointed by order and is obeyed in fear but a leader is followed by faith and confidence.

Who is a Leader?

Leadership may be Constructive or destructive. It is determined by the virtuous or vicious object behind the activity and the quality of the leader.

A virtuous Leadership is based on Principles and leads to the growth, development and welfare of the human society, but a vicious leadership is based on self-vested interest or sense-enjoyment and leads the human society to contraction, narrowness and misery.

- We always have the tendency to put our troubles as coming from somebody else. Especially

in modern civilization to-day, this is a common and constant attitude of mind: always complaining against this situation or that person. And then comes resentments one after another. Whole of our energy is wasted and we are poor managers or poor leaders. Failure is the fate. But find a way out to work successfully and efficiently under all circumstances. Blame yourself. Find faults with yourself and correct it. Transform yourself first.

Three gunas- Sattva, Rajas and Tamas

- Supreme Reality has no form, no gunas (Quality) and Prakriti (Nature) is His power who creates this Universe with the help of three gunas-Sattva, Rajas and Tamas born out of Prakriti.

- "Nibadhnanti Mahabaho Dehe Dehinam avvyayam." —These three gunas keep the human beings controlled and in bondage. Under the influence of these gunas one forgets one's own Real Nature.

One should understand the influence of these gunas on one's own nature and behavior.

TAMAS

- Know Tamas to be born of Ignorance. It is a type of delusion for embodied beings through three particular moods : 1. Pramada - want of attention and alertness. 2. Alasya - sense of tiredness. 3. Nidra - sleep

- People influenced by this guna

due to inertness remain inactive, no interest in any work. Smartness and efficiency is zero. He has no vision-deluded and confused.

RAJAS

- This guna makes one attached to action. Desire is the root of action. When it predominates then one has an urge "I must do something". A restless mind is the result. Unrest, greed, activity, tension, worries, anger etc. are the fruits.

- Such man cannot take right decisions and have no energy left to implement his work in a better way.

SATTVA

- It makes attached to happiness and knowledge. Such a man is enlightened one. He is calm quiet and balanced mind. He can take right decisions. He reserves his energy in implementing the job given to him perfectly, efficiently with one pointed mind and always succeeds in achieving his aim.

Sattva-predominant Personality is to be achieved by the Transformational Leadership. All human beings have all the three gunas in them but there may be a predominance of one guna or the other. Transformational dynamic Leadership would be the outcome of sattva-predominant personality. He is to be careful to keep Sattva guna controlling his Rajas and Tamas. Sri Ramakrishna used to say that

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> *Sri Ramakrishna used to say that if a man has worked with 25% mind in work and 75% in God, he would do much more efficiently than him who has done with whole mind.*
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if a man has worked with 25% mind in work and 75% in God, he would do much more efficiently than him who has done with whole mind.

The Man beyond three Gunas

- There are Transcendental Personalities who are alike in Pain and Pleasure, Self abiding (swa-stha). They regard a clod of earth, a stone and gold alike. They are same to agreeable and disagreeable events.

- He/she is said to have gone beyond the gunas who is same in honour and disgrace, same to Foe and Friend and who has relinquished all undertakings.

The knowledge of this Atman is the most powerful weapon to dispel all that lowers the personality of Man and grows him in to a man of character. This spiritual strength makes a man dynamic, efficient and excellent. It given the power of right imagination, right decision, right thinking, to move on the right path developing the sense of duty, calm and unselfish, here the motive force behind the work is higher.

Management is very much concerned with the behaviour guided by spiritual force. It can not be by legislature, police force, punishments, scolding, or even beatings.

It is also not a good method of inducing behaviour in Self or in others through fear –Fear to ones social and religious emotions–Fear of Police, social Boycott or going to Hell.

The positive and helpful method is the sense of self respect. Just as we tell a child this conduct of yours is not fit for you. I expect you to be better. Modern psychology recognizes self regard or self respect as the foundation of character building.

With this spiritual strength of the knowledge of Atman, we can achieve the best method of management, Transformational Leadership

- Leadership that brings transformation in the people around, which brings a change in the attitude of the people and aims at the growth and development of the society or an Organization or a Company and even a family is Transformational Leadership. The journey is mentioned in the scriptures as follows:

- Asato ma sadgamaya

- Tamaso ma Jyotirgamaya

- Mrityo ma amritam gamaya

- Let us march from Untruth to Truth, Darkness to Light and Mortality to Immortality .

KUTASTAWA KASMALM IDAM VISAME SAMUPASTHITAM.

ANARYAJUSTAM ASVARGYAM AKIRTIKARAM ARJUNA.

It brings the sense of duty, the sense of loyalty. In situation when we are puzzling, can't decide what to do or what not to do. This slok a very powerful weapons to remove weakness.

Mental strength and intense calmness is the first condition of Management. Because I am the Atman of all

Ishavasyamidam sarvam yatkincha jagatyam Jagat(Isha Upanishad ch-1.1).

Unity of all soul. This Metaphysics is the basis of all ethics, which is the some of all human relationship.

ADVESTA SARVA BHUTANAM MAITRAH KARUNA EVA CA.

MIRMAMO NIRAHAMKARAH SAMADUHKHASUKHAH KSAMI.

With this spiritual strength of the knowledge of Atman, we can achieve the best method of Management, and a good Transformational Leadership.

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Mental strength and intense calmness is the first condition of Management.

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Feature Article

Leading Through Customer Service : The ICICI Bank Way

Dr. Alok Kumar Rai*

> **Technological advances have resulted in the death of distance, time and location and liberalization and globalization have led to reduce barriers to entry, shorter strategy and product cycles, commoditisation of products and increased competition.**

Abstract :

In the age of fast changing market dynamics in the banking industry, sticking the neck out has become more and more complex. It had been more complex for a private bank as there are a lots of support provided to public sector bank. ICICI Bank has been one that found the way out and key was with the customers of the bank. The bank pursued the policy of keeping the customer happy and in a very short period of time, it became second largest bank of the country. The bank is a role model for many of the new banks. The present paper attempts to elaborate the customer centric initiatives taken by ICICI Bank which made it leader in Indian banking space and is taking the bank to places.

Key Words : Customer Service, Initiatives

INTRODUCTION

The forces of globalization, liberalization and technology are fundamentally changing the global economic order. Technological advances have resulted in the death of distance, time and location and liberalization and globalization have led to reduce barriers to entry, shorter strategy and product cycles, commoditisation of products and increased competition. These factors have impacted financial services market considerably and coupled with the rapid evolution of the electronic world have led to easier production and global distribution of all financial services.

The Indian financial sector is impacted by these developments. The financial sector reforms over the past decade

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coupled with the impact of the above mentioned universal forces have resulted in a greater integration of the Indian financial markets with the global markets. As a result, the Indian financial sector participants are also seeking a new framework that has emerged across the globe that successfully addresses the needs of the highly competitive and rapidly changing environment is the Universal Banking Model. This Universal banking Model will provide a clutch of services from retail and corporate banking to industrial lending, invest banking to insurance. ICICI Bank has emerged as the torch bearer in the industry and has proved to be a true leader. The bank has attained this leadership position out of sheer emphasis on customer service and made other market players realize the power of customer and the advantages a company can achieve by servicing customer better.

ICICI BANK: THE CHANGE LEADER

ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates. One such affiliate was ICICI Bank which

was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly owned subsidiary. The name "The Industrial Credit and Investment Corporation of India Limited" was later changed to "ICICI Limited".

ICICI Bank has been leading from the front. Once development financial institution is today offering a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries and affiliates in the areas of investment banking, merchant banking, commercial banking, life and non-life insurance, venture capital, asset management and information technology. ICICI Bank is India's second-largest bank with total assets of over Rs. 1 trillion and a network of about 540 branches and offices and over 2,000 ATMs and largest call center with 1700 seats.

As a part of its endeavour of being the change leader, the bank introduced several new things for the first time. To name few are as follows:

- ICICI was the first intermediary to move away from single prime rate to three-tier prime rates structure and introduced yield-curve based pricing.

- ICICI became the first Indian Company in Indian Financial sector to raise GDR.

- ICICI becomes the first Indian Company to list on the NYSE through an issue of American Depositary Shares.

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> *In the liberalised and deregulated financial sector, distinctions between commercial banking and investment banking have been blurred and a stand alone term-lending institutions stood at a serious disadvantage.*
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- ICICI Bank became the first commercial bank from India to list its stock on NYSE.

- ICICI launched retail finance - car loans, house loans and loans for consumer durables.

ICICI BANK : LEADERSHIP THROUGH CONSOLIDATION

Many of the development finance institutions (DFIs) created with the intention of providing finance to long-term infrastructure to stimulate industrial activity through long-term concessional loans, have become beasts of burden saddled with huge non-performing loans (NPLs) as a result of the legacy of the past. In the liberalised and deregulated financial sector, distinctions between commercial banking and investment banking have been blurred and a stand alone term-lending institutions stood at a serious disadvantage.

The bank was quick to recognize that the advent of universal banking would lead to gradual decline and demise of term-lending institutions in India. ICICI Bank realized very early that the key would be in the size, hence the bank went in for a consolidation drive in the industry. ICICI Bank has been leading the wave of consolidation.

In 1996 ICICI merged SCICI.

In 1997 ICICI tookeover ITC Classic Finance.

In 1998 ICICI tookeover Anagram Finance.

In 2000 ICICI Bank merged Bank of Madura. This merger has given the bank, the advantages of a larger balance sheet size, extensive geographic reach through enhanced branch network, increased customer base with cross-selling opportunities, increased threshold to financing small and medium enterprises (SME) segments and an opportunity for expanding agro-based lending and micro credit. More specifically, the merger has enabled ICICI Bank to gain an additional customer base of 12 lakhs.

In 2002 ICICI reverse merger with ICICI Bank took place . This reverse merger move heralded a new chapter in the Indian banking sector. The new entity with assets of over Rs 95,000 crore became the second largest after State Bank of India. The bank was sure that this would create the optimal legal structure for the ICICI group's universal banking strategy.

In 2002 ICICI Bank merged ICICI Capital Services Ltd and ICICI Personal Financial Services Limited.

ICICI BANK: LEADER IN RETAIL BANKING

Bank is fully aware of the potential lying in the retail market of banking products and services. Consumer finance is growing at 60% CAGR (Compounded annual growth rate). The figure of this is expected to continue to be around Rs 75,000 Crore. This has become new driver of the economy. The bank feels that over the years, banks have been funding production, they never funded consumption. Besides, bank also knows that credit penetration in India is just 2% of GDP against 20% in Southeast Asian Countries.

This has forced ICICI bank to go

aggressively for retail business. Retail business not only in form of retail financing but also in retail deposits as retail deposits are considered to be cheaper by at least 200 basis points. At the time of merger of ICICI and ICICI bank, the retail deposits were contributing 30 % while rest 70 % used to come from corporate deposits, which has now been reversed, and retail deposits constitute 60% while corporate deposits and bonds constitute only 40% The banks retail marketing has proved to be quite fruitful. On the retail lending side, ICICI bank is market leader in credit cards business, #1 in auto loan #1 in online trading and is moving very fast in home loan segment. Now the bank is targeting at cross selling through which bank knows it will cut down its customer acquisition cost massively. For, bank is continuously bringing out new products.

ICICI Bank, in the recent past has followed the strategy of building up its retail presence and diversifying away from project financing. ICICI Bank in 2006-07 has over 14 million retail customer accounts. Retail Loan comprises of over 65% of ICICI Bank's total loan portfolio.

ICICI BANK: LEADERSHIP THROUGH CUSTOMER SERVICE

Customer Service in ICICI Bank essentially focuses on providing optimal value to customers through the way the bank communicates with them, how it sells to them, and how it services them as well as through the traditional means of product, price, promotion and place of distribution. ICICI bank recognizes that customers make buying decisions based on more than just price... more than just product. Customers make their buying decisions based on their overarching experience that includes product, price, service recognition and support. The bank believes that if ICICI bank can get all those factors right consistently it will be rewarded with ongoing customer loyalty and value.

I. PRODUCT CUSTOMISATION

In order to strengthen Customer Service, ICICI Bank has designed several products keeping in mind exclusive requirements of certain sections of the society.

1. ICICI Bank Private Banking Program:

In order to give special and distinct treatment to precious customers a special program has been designed by the bank under Exclusive Banking Program. Customers in excess of a level of deposit are offered a whole lot of personalized services named as ICICI Bank Private Banking Program. There are several Personalised offers which are as follows:

- Exclusivity and Convenience
- Dedicated officer at the Bank
- Separate interaction area in the branch
- Anywhere banking facility
- Exclusive Banking facility

Competitive Pricing

- Reduced rates for products and services.
- Several complementary offers.
- Value linked benefits.

Offers

- At Par cheque Facility

- Personalised Pay in slip Book

- Personalised Photo Signature Debit cards with enhanced withdrawal limit.

2. Roaming Current Account:

Roaming current account is for business personnel who travel extensively. They are provided a chequebook where cheque can be treated at par across the country. These cheques get cleared at whatever location it is deposited at. So, it does not get stuck with the bank clearing for 15 days instead gets cleared in regular period of 2 days as the case is for any local cheque.

3. Students @ Campus:

Realising that student's life is not a 9-5-lifestyle bank has introduced this product that offers time and location independent banking solutions to the students community.

4. Kids-e-bank:

This product teaches children banking and e-commerce transactions through an interaction on-line interface.

5. E Cheques:

For metro based high value business customer, ICICI Bank has launched a product called e-cheques. By using RBI's electronic fund transfer (EFT) mechanism, ICICI Bank customers can transfer funds using e-cheques to any account in 8 major cities.

Technological Initiatives for Customer Service in ICICI Bank:

Customer Service in ICICI bank is hugely technology driven. Bank's philosophy behind CRM is massive use of technology. The use of technology might push customers away from the branch and get most of the requirements fulfilled through machines outside the branch. Bank believes that this effort of bringing customer least to the branch might help in reducing the factor of customer ignorance, poor employee behaviour, inadequate parking and so on. ICICI Bank has installed SIEBEL software in all its branches which takes care of customer requirements.

1. SIEBEL software:

To accomplish the above objectives through specific software, ICICI bank has rolled out Customer Relationship Management software, SIEBEL. Customer touches ICICI Bank from a number of channels namely Call Center, Bank Branch, ICICI Center, ATM, Web or SMS. SIEBEL provides a common platform, so as to have an integrated single view of the end customer across product lines and channels. To begin with, it will automate process-flow tracking in the product-sales process, and be able to generate customised reports and promote cross selling. It will also enable efficient campaign management by providing a software interface for definition, tracking, execution and analysis of campaigns. Similarly, even the customer service and support function also has well defined processes depending on the

nature and the type of query and complaints.

SIEBEL primarily addresses:

- **Complaint and Query Management :** SIEBEL addresses complaints in a systematic manner. Any case requiring the authorization of an officer automatically goes to the officer's mailbox and goes forward only after his authorization. In SIEBEL, service request (SRs) and complaints can be routed to the respective departments through an in-built escalation matrix, which means, if SRs/complaints are not resolved within the prescribed turn around time (TAT), it will get escalated to the higher levels in the hierarchy. This in turn ensures effective control and redressal of complaints.

- **Customer Retention:** The software has got the property which enables the branch head of any of the branch to know exactly when and which account is showing any abrupt behaviour. The branch head can then be able to know the reason for such abrupt behaviour and ultimately check his/her detachment from the bank.

    Illustration: If a particular customer withdraws a significant amount from his account or he is gradually reducing his deposits into his bank account, the branch head may immediately take note of it and if it is because of

dissatisfaction with the bank, it could be immediately checked.

- **Cross selling and up selling:** The software can also be used for cross selling and up selling purpose. In the above illustration, if the branch head comes to know that a particular customer has withdrew significant money from his account for purpose of some investment, it can immediately ask his sales team to reach the customer and offer the investment avenues that the bank has as; fixed deposit schemes, bonds, insurances etc. If the customer intends to purchase a property or car, the sales team may even pursue for their own home loans or auto loans.

- **Customer contact management:** SIEBEL enables the bank to record complete profile, contact history of its customers. The software can even be used in greeting the customer at various occasions as his Birthday, wedding day, insurance premium submission date etc. These help the bank in inducing personal touch with the customers.

- **Sales Force Automation:** SIEBEL endeavors to track all banking accounts related opportunities from the point where a prospect expresses interest in the product till the time the sales process gets logically closed. This software even calculates

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> *Any case requiring the authorization of an officer automatically goes to the officer's mailbox and goes forward only after his authorization.*
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> *In order to leverage technology, the bank wants to provide the most superior service. Net and Phone banking options are part of that strategy. This further reduces bank's operational cost and provides another option to do banking even from their home or office.*
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incentive compensation for the outbound sales team (OBST).

2. Call Center

To facilitate CRM, bank has an effective call center to support. So, for most of the banking requirements and for almost all types of customer complaints, customers are only required to call to the call center of the bank and rest is bank's job.

3. Automated Teller Machines:

ICICI Bank ICICI Bank has one of the largest network of ATMs in INDIA. All the ATMs are networked. These ATMs not just act as a point to reduce cost of setting up of many of branches but helps in reducing operational costs as for ICICI Bank; cost of transaction through ATM is 70% lower than branch banking. The bank intends to get at least 45% of its transactions to get routed through ATMs. These ATMs also act as means of promotion. ICICI Bank's ATMs also help in cross selling and up selling. On an ICICI Bank ATM, a customer can ask for more information on products. Currently, six options are available: Car loan, Home loan, Credit cards, Mutual Funds, Life Insurances and Online Trading. So, if a particular customer while transacting through ATMs search about a particular product of the bank, the information automatically gets recorded to the bank's central command. This information is passed on to the concerned branch head who is supposed to ensure visit of a sales staff to the customer and enquire about his interest on those products. ICICI Bank's ATM strategy is multi-lingualism. Its ATM displays information

in four regional languages besides Hindi and English. These are Marathi, Kannada, Tamil and Malyalam. The bank wants to introduce tri-lingual interfaces in each state.

4. Net and Phone Banking:

In order to leverage technology, the bank wants to provide the most superior service. Net and Phone banking options are part of that strategy. This further reduces bank's operational cost and provides another option to do banking even from their home or office. "Presently net and phone banking transactions account for only 15% of total transaction.

III. GRIEVANCE HANDLING MECHANISM:

1. Bank's SIEBEL software effectively takes care of customer's queries and complaints. The software automatically records the complaints and forwards it to the person concerned. If the complaint is not redressed within the set Turn Around Time (TAT), the matter reaches to the person up in hierarchy.

2. The bank realized that greater attention to customer problems; query and complaint should be segregated. Earlier every teller was handling queries and complaints. This resulted in lack of control over activity and at times it was difficult to trace who received complaint and who redressed it. It was also felt by the bank that its segregation would clearly demarcate this activity and would help in identifying those responsible for

redressal within set Turn around Time (TAT).

3. For better implementation of the Bank's CRM program at branch level, the bank has put customer satisfaction as a parameter in the staff's performance appraisal. A regular survey of Customer satisfaction is carried out by certain independent Research agency. The study reveals satisfaction branch wise as well as at the over all bank level. This keeps a check on its employees from refraining from the banks' expected service delivery. The bank has even increased the weightage of customer satisfaction in employee performance appraisal.

IV. OTHER CUSTOMER SERVICE INITIATIVES

1. **Contact Management :** SIEBEL enables the bank to record complete profile, contact history and account management. The software can even be used in greeting the customer at various occasions as his Birthday, wedding day, insurance premium submission date etc. These help the bank in inducing personal touch with the customers.

2. **Flexible Timings :** In its Metro and Urban Branches the bank has increased its timings from 8 AM to 8 PM, which helps office-going customers.

3. **Mobile ATMs :** Bank has introduced mobile ATMs.

4. **e-Lobby :** ICICI Bank has started 'e-lobby', a self service banking center. The e-lobby' showcases most innovative and user friendly gadgets providing self service banking in the areas of bill payments, cash withdrawal, videoconferencing with customer service executive, online banking and other such transactions without any assistance.

6. **Home delivery of offers:** With effective use of technology of customers, the bank has started sending its sale professionals to the customers' office or home.

7. ICICI Bank's 'e-lobby' has the first ATM for visually impaired person.

Conclusion :

Through all these initiatives, bank wants to have a competitive advantage over other players in the market and also has the objective of servicing customers better. The bank aims to provide personal service through impersonal medium and to convert a customer from being customer of branch to customer of bank. The Bank's retail expansion was built on a technology strategy that focused on three areas - developing a vast Automatic Teller Machine (ATM) network, using the internet as a distribution channel for transactions with customers and telephone banking. Through performance excellence the bank has been trying to lead the market and show other market players a worthy path to follow.

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Feature Article

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Leading for the Future

S. R. P. Shukla*

ABSTRACT

Leaders have a vision – from that arises a creative and a destructive leader. Leaders strive for value addition, futuristic planning and creativity at every level which makes them a tool for Human Resource Development. Future leaders act with a equipoised vision of long term planning and dual thinking to achieve excellence in public sector organizations. Thus leadership is a scientific art aiming for maximizing the nascent resources and operationalizing the latent resources presently available.

KEYWORDS : Futuristic Leadership, Equipoised vision, Destructive Leader, Creative Leader.

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> *For leading for the future one has to harness his kraal clinical acumen to enable equitable success for the followers of his vision of competing today enroute their present on job value addition*
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The future Leaders create circumstances for all followers to become leaders

S. R. P. Shukla

Pragmatically put, a leader is a person whom people follow willingly. He, thus, is equipped with qualities which are unique and the good news is that leadership is a skill which can be acquired by any one who seriously desires, is endowed with few basic

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competencies and is prepared to put in honest efforts.

For leading for the future one has to harness his kraal clinical acumen to enable equitable success for the followers of his vision of competing today enroute their present on job value addition, because the economically creative industries shall be the winners, the one which develop it's own model of enterprise culture

and not submit to the Western paradigms in it's preparation for the future (Ramanathan S. 2006), with assertive communication based on the basic paradigmatic faltering while facing defeat, a perennial voyage of defeating his defeat through experiential learning accruing during the trajectory of present pragmatic reality Assertive communication to forge the purpose of work while precipitating a quasi – stationary disequilibrium in the followers "I" This can happen only when the leader is logically dis-eased, it is then only that he can dare to disturb his universe in which he is very likely to become a smug megalomaniac feathering his own nest.

The first question such leader asks himself is "do I dare to disturb my universe". This entails harnessing courage to disturb the equilibrium of the life space around himself thereby creating percussion's and repercussions. In order to do so, he has to be "dis-eased with his "SELF" living in a perennial state of creative dissatisfaction with his life space to repair, for which he launches upon a life long voyage. Let us take few examples- Gandhiji a physically frail person was a great universe disturber who brought the gigantic British Empire, with its aura of invincible power, to its knees by his unique, the then unknown, method of non-voilent policies. Anwar Sadat, Egyptian President, too tried to work for peace in one of most difficult times in a turbulent area, fully aware that by disturbing that small universe he might die for it. And he did. Take as many

leaders as you want and you find this daring to disturb the universe, such as Galileo was a disturber in the astronomical world. Alexander Fleming, Marie Curie were disturbers in the scientific world, Jonas Salk, the discoverer of Polio Vaccine, Mother Teresa and Sunder Lal Bahuguna the environmentalists, Vandna Shiva, Dr. Christian Barnard, who performed the world's first heart transplant, have all been disturbers for the good of humanity.

But not all the leaders are creatively good. Many in the world's history have been ruthless and evil. The conquistadors, aristocratic nobles from Spain, set off for the new world in search of treasure. The greedy conquistadors systematically and cruelly routed out and destroyed an ancient civilization, all for the sake of money; they disturbed and left a gaping hole in man's history. Marant, Mohammad Gaznavi, Mohammad Ghauri, Taimur Lung and Robespierre were spurred solely by hate, Jealousy and a disparate sense of vengeance (Jesudasan 1997).

All the leaders have a "VISION", a purpose in life. Whether they are creative or destructive depends upon whether they have a correct vision or a vision gone wrong. Leaving the universe alone and leading a cushy cocooned life is playing it safe. This analysis is that "If I'm O. K. "that's O. K. The creative disturber thinks quite differently. He thinks "If I'm O. K. then everyone else should be so too: And if I'm O. K. and they are not, what can I do to make it O. K. for them? This entails that

the creative leaders operate from the life position of I'm O. K. and I will make it O. K. for you. Let us both be O. K. Whereas the destructive leaders operate from the life position of I'm O. K. and I am going to be more O. K., whether you are O. K. or not, I care less; and to hell with you [f you dare to disobey me .The analysis is that the creative leaders are "socio-centric" whereas the destructive leaders are "Eccentric". The creative leaders are thus "Value adding" to their universe. Each one of us has the potential to be a universe disturber, either in a creative way, or in a destructive way. In our places of work, of living, in our interaction with other people, we all have the ability to question what is going on around us? The leader questions values and norms that are so complacently accepted, they can then turn them upside down and find new truths, new ways of dealing with situations, new methods of working, new systems, new means of paths that lead to value addition. They thrive in chaos, ushering in change, they encourage new ways of doing thing, kindle latent potentials in human beings, making ordinary men do extraordinary things, they pave the ways for new discoveries. They are highly creative themselves and tap the available creativity lying dormant in people around them and they do so by disturbing everyone around them through infusion of dissatisfaction with the status-quo-ante—the present. This commotion is brought about by the projection of the disequilibrium of their milieu interior culminating in disequilibrium of their milieu exterior.

Being a future leader means devoting your life or your time fully for a specific cause. It means putting human beings above things and treating them humanely. It means placing a value on something more than just yourself. It means having a futuristic vision. Now you may ask me whether this is worth it – I would say, "Yes it's worth it. Abundantly worth it" – if you want to be a leader. What do you say?

Leadership is indispensable for our self, family, organizations and nation and is a proactive, dynamic and interactional activity, wherein the leader has role clarity and goal clarity with energetic perseverance for role expansion. Carving out a role niche in his functional space. Leadership is not a science, it is a scientific art, hence learnt, developed and practiced. Leadership thus can maximally be "learnt or improved" continually. Leaders, therefore, are not born; they surely are made by personal effort. Leaders work through people. His self concept, needs and values move the followers rather than marionette. Leader veils power, by understanding power and its dynamics and learns the nuances of power, be it charismatic, inspirational or transformational. Leaders are able to make things happen, influence people and events, create changes invariably, and continuously produce results. It has to be remembered that leaders are not perfect human beings they are equipped with

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weakness like all of us, they may be quite subjective, overly reckless, overly cautious, fastidious and deeply attached, these weaknesses produce catastrophe in the execution of themselves and of their strategy.

Aggressiveness and Passiveness with pessimism are the key weaknesses. The disadvantages of leadership are lack of complete privacy, truncated family life, continuous and long hours of work, fear of criticism and deterioration of health. Personality traits of leaders are known as dynamic; hence require flexible situational abilities, shifting standards and evolving qualities, differing from organization's functional jurisdictions to organizational Gestalt, situation as per contextual paradigm . No matter how many leadership qualities a leader has, they are useless and worthless, if the operating mass (officer's association & trade union) does not properly recognise them – visibility is invariably sought by a leader –get

his horn tooted by those who are performing.

The fact that the resources i.e. money, machines, materials and methods are potently important is not taken into cognizance because of their being taken for granted. These have to be pivotally operationalized by the COO. The CEO takes care of the humane factor.

All successful leaders are cognizant of Human Potential, all are Human Resource Developers. Let us take examples of following such business billionaires :-

1. N. R. Narayanmurthy : Chairman, Infosys.

" All 8000 employees are real assets; not the building, business or foreign contracts. They walk of the gate every evening and I wait for them to come back to my company next morning.

2. H. S. Singhania : Chairman, J. K. Corporation.

Following are the leadership qualities:-

	Behavioural	**Emotional**	**Skills**
1.	Assertiveness	Ambitiousness	dministration
2.	Action orientation	Affection	Communication
3.	Articulation	Authoritativeness	Creativity
4.	Decisiveness	Courage	Inspirational
5.	Enthusiasm	Enlightement	Intelligence
6.	Friendliness	Empathy	Interpersonal
7.	Flexibility	Endurance	Organising
8.	Fairness	Faith	Entrepreneurship
9.	Initiative	Integrity	Status
10.	Motivation	Optimism	Expertise
11.	Objectivity	Risk taking	Conceptual

12.	Persuasiveness	Responsibility	Delegation
13.	Role model	Self confidence	Helping
14.	Continuous learning	Self transcendation	Planning
15.	Continuous Growth	Self assurance	Reorganising systems
16.	Synergy	Will power	Influencing Human beings
17.	Group/mass acumen	Power	Group/ Mass

(Krishnan 1997)

"My philosophy is nurturing and developing human capital".

3. **Kishore Biyani :** M. D. Pantaloon.

"My human Resources are my most valuable assets and play a crucial in the success of the company.

With the above qualities the leader for the future acts with Equipoised Vision –equipoised between the anvil of present vision and the vision of strategic future with available resources possessed with an Attributive Stance and charismatics intrapreneurial behaviour (Shukla et al 2007),

Equipped with above enunciated competencies leading for the future in Public Sector Enterprises entails slogging the decaying non-evolvable resources today for competing for – today for today strategies, while preparing for tomorrow – today for tomorrow practices crystallized in figure 1. Leading for the immediate future, with available resources in Public Sector Enterprises consists of:

Maximizing present organizational capabilities and developing new ones in anticipation of the future characterize the high performer in all fields of endeavour; develop new military strengths to prepare for battles still unfought. This is not happening

in Indian Public Sector Enterprises because we are engulfed by the hurricane of politico economical fluxes thus catching the waves of change culminating in a severe demoralisation of our organisation as a whole. (Shukla 2003).

Two Agendas : (Abell 1999)

Present planning also requires strategy-a vision of how the firm has to operate now (given its competencies target markets) and what the role of each key function will be.

The long-term plan, by contrast, is based on a vision for the future— even more important, a strategy for getting there. Where is the present plan in Public Sector Enterprises caught up in routine jobs and playing a second fiddle while doling away the brain to the multi national and other out sourcing agencies, this won't do! Vision for the future is there in our PSE but the strategy for getting there is not operating. Ejecting people, who posses the core competencies, on roads, is an act of naivety.

- Planning for today requires a clear, precise definition of the business—a delineation of target customer segments, customer service functions, and the

> *Planning for today requires a clear, precise definition of the business—a delineation of target customer segments, customer service functions, and the business approach to be taken*
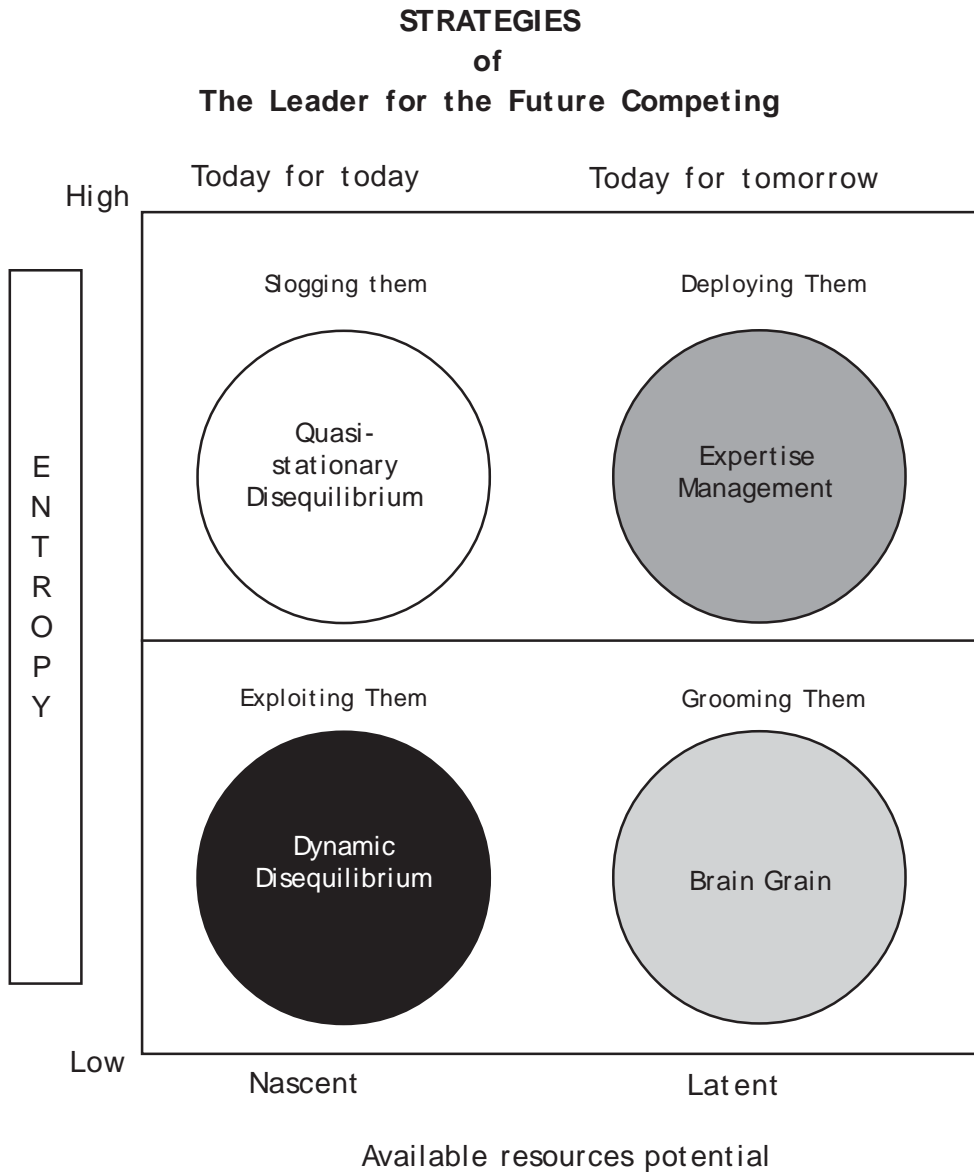
business approach to be taken as for planning for tomorrow is concerned with how the business shall get redefined for the future. Just now we must decide what jobs to do presently and more important what jobs not to do presently. Unless this is clearly understood we shall be busy without doing business to live in a mirage of success as is happening now a days in some of our units.

- Planning for today focuses on shaping up the operations to meet the needs of today's customers, with excellence. It involves identifying the available necessary resource redeployment that are critical to success and fathering them with attention; planning for tomorrow can entail reshaping the resources to compete more effectively in the future. We have to reshape our resources and strategies and deploy them to compete in the future for which newer, not available presently, core competencies need to be crystallised, in the critical mass of atrophying experts, with parallel profit centres, which need to function as a virtual organisation within the Public Sector Enterprises. Not happening so; has to be catapulted into happening so.

- Operating for today seeks to achieve compliance in the firm's functional activities with whatever resources are available,

involves Intrapreurial Leadership (Shukla 2007), Strategies for tomorrow involves bold moves away from existing ways of conduction your SELF. The virtual organisation, for emerging competencies ought to be forged with vastly different ways of conducting business; absolutely different from the prevailing one virtual organization consists of Bon home manoeuvres (Fig. 2) with our critical mass.

- Planning for today requires an organization that mirrors current business opportunities; planning for tomorrow may require reorganization for imminent future challenges, the former operation is about managing the available resources with excellence. The latter is about commissioning of the decaying available nascent competencies to evolve ahead of the peer organisations.

Defining Leadership Responsibilities:

At the very top, some organizations, recognizing the dual nature of the top-management challenge, have split the job in two – one part being managed by the chief executive officer (CEO) and the other part by the chief operating officer (COO). An –other is to look for the split in a single individual; yet another is to have a chief executive who coordinates two top managers – one responsible for planning and delivering excellence today (COO), the other responsible for getting ready for tomorrow (CEO). "People are overworked and do not

STRATEGIES
of
The Leader for the Future Competing

Today for today   Today for tomorrow

High

E
N
T
R
O
P
Y

Slogging them   Deploying Them

Quasi-stationary Disequilibrium

Expertise Management

Exploiting Them   Grooming Them

Dynamic Disequilibrium

Brain Grain

Low

Nascent   Latent

Available resources potential

Fig. 1

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... the chief executive must be prepared to pursue both excellence today and be uneasy for tomorrow.

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think much about tomorrow; many managers are not visionary by nature. But in a general management group of ten, may be you only need one or two visionaries. You need at least four or five with hard noses!" Two conclusions, however, stand out.

1.   First, the chief executive must be prepared to pursue both excellence today and be uneasy for tomorrow. This readiness should be one of the distinguishing criteria for selecting candidates for the company's business centres heads.

2.   Second, in the top-management team, all managers must be able to wear both hats. Solutions at the very top, however, are only

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ATTRIBUTIVE MANOUVERS
of
Leader for the Future

> *One role of leadership for the future is to promote the need for dual thinking at all levels and communicate the two agendas and their significance for all levels of the enterprise through resources alignment.*

Available resources potential

Fig. 2

a part of the story. Duality is also needed further down the line up to functional head level. Those functional heads who are unable to wear both the hats should be rotated, there is no problem because most of the departments/ sections have more than one DGMs / GMs in the congruent functions, one can do CEO'S and other COO'S role.
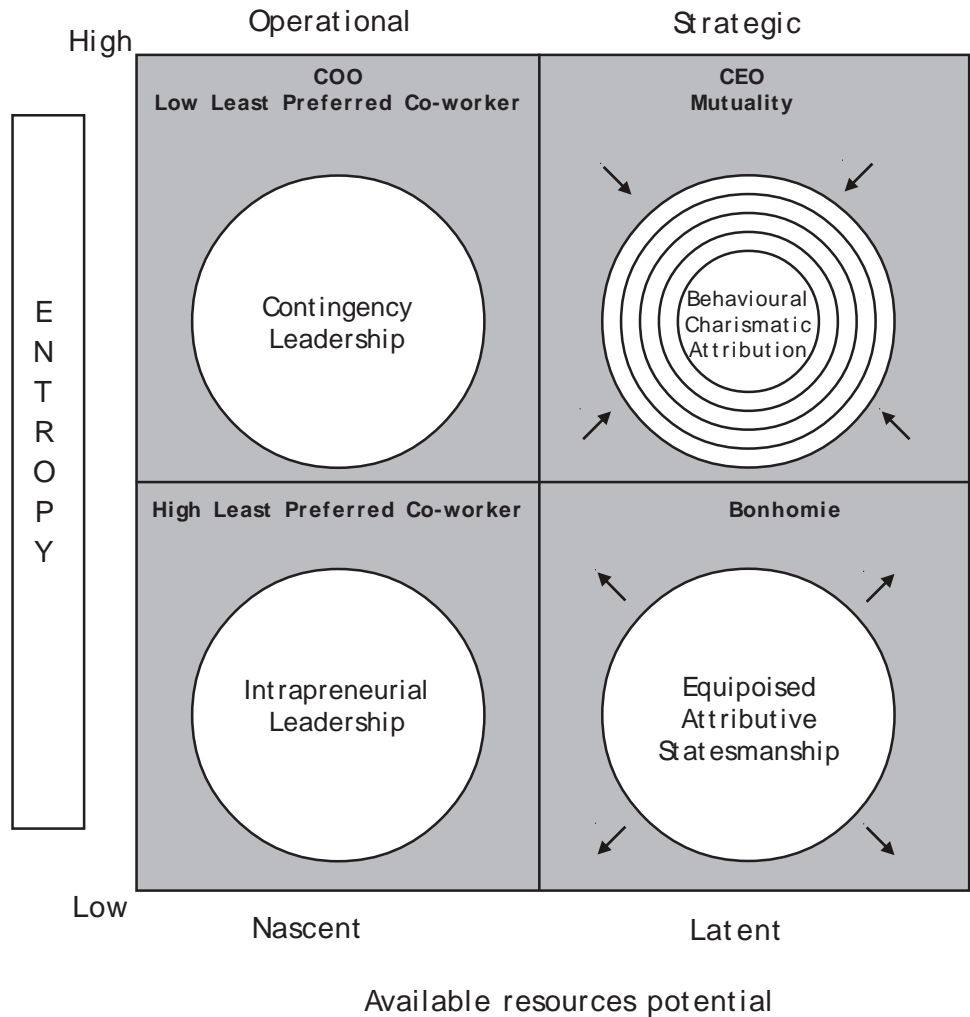
One role of leadership for the future is to promote the need for dual thinking at all levels and communicate the two agendas and their significance for all levels of the enterprise through resources alignment. Many employees lower down and closer to customers and supply-chain partners are confused by what they interpret as contradictory signals about today and tomorrow.

The two agendas can be integrated only if those who need to implement today and change for tomorrow understand the reasons behind each. Cross-functional or cross-level task forces aimed at rethinking strategies or reengineering processes can be important mechanisms for communicating these reasons.

For getting results, leading for future in Public Sector Enterprises entails attributive manoeuvres as shown in figure 2.

In the ultimate analysis leading for the future consists of maximizing the nasent resources and simultaneously operationalising the latent resources presently available.

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Leading for the Future : Role of HR

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Shweta Singh**

Abstract

There are increasing number of pressures today on an organization like globalization, changing technology, and changes in workforce including employees' priorities, capabilities and demographic characteristics. In these situations, any organization is bound to go through a transition. During this transition the design, structure, strategies everything of the organization will change. This presents a need for (and opportunity for) the HR function to become more active and play a crucial role in the success of the organization. HR is the most important resource in any organization. Without it none of the other resources can be managed fully and optimally. So, before going for any sort of transition, the HR function should be well aware of its responsibilities and challenges lying ahead and also the important role it has to play. The transition should be gradual and well planned. It should have the focus on how it can lead the organization in the future. It should formulate new strategies while taking into account all sorts of constraints like changing market requirements, speed, growing competition etc. At the same time it should be more and more people oriented because only people capability determines the success of the organization.

Key Words : *Globalization, Liberalization, Strategies.*

> *... before going for any sort of transition, the HR function should be well aware of its responsibilities and challenges lying ahead and also the important role it has to play.*

Introduction

Fortune magazine first published its list of America's top 500 companies in 1956. Today fewer than 30 companies from the top 100 in the original list are remaining there. The other 70 plus have disappeared through dissolution, merger or downsizing. But could anyone have predicted the fate of these companies 50-60 years back. Of course not. The future can never be predicted. We can only make a guess about how the situations could become in the future.

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The world is changing very fast. The organizations today work in a dynamic situation. They themselves are changing continuously. So, before discussing any kind of development of business we must first have an insight look of the changing business environment and the direction of these changes.

Changing Business Environment

In the 19th century as the pace of industrialization took off, new trends were seen in the business. Consequently the whole world entered into the era of LPG, i.e., Liberalisation, Privatisation and Globalisation. Today, all countries are liberating their economic policy so that foreign trade and global business can be encouraged. The private ownership of organizations is also the current trend. Right now many public sector companies are being privatized. Disinvestment i.e., selling of the Government share of an organization is also being done like the Indian Government has disinvested its share in Maruti Udyog, BHEL etc.

Globalisation has made the world a small global village. With it the intercountry boundary lines are fading. The Economic, social and cultural interactions of the countries have increased manifold. Their business too is affected. Today the business houses face global competition in addition to the local competitions. With mergers, acquisitions and downsizing more and more MNC's are coming. They operate in different countries, competing with other MNC's. Thus today's Business Scenario has become more complex and

uncertain. Competition gets tougher past each day, unlike yesteryears, today competition or the enemies can't be located. It's impossible to assess how many competitors are there and where are they. The challenges and hardships of any organization have become multidirectional and can come from any directions. The challenges are hidden. Sometimes it may be due to external factors like evolving technology other times it may be due to internal factors like unionization, financial crunch etc.

Thus the Business Environment today has become highly chaotic and ambiguous. In these situations, survival even for the most successful companies can't be taken for granted. They can survive only when they have the capacity to adapt quickly to the changes. Organizations that don't bring about timely change in approximate ways are unlikely to survive. In fact managing business is more of managing the change. It is all about change management.

Impact On Corporate

We saw that business environment is changing rapidly. Globalization remains phenomenal in bringing about these changes. These changes in business environment has resulted in massive changes in the operations and approaches of the organization. They too are getting a facelift. The impact of these changes is reflected in the following different areas:

● **Change in Workplace**

The operations of any organizations have become diverse. They are spread across the world. So, the employees

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> *In addition to policies, reward structure and the goals, the management style and administrative systems also needs constant changes to increase the efficiency and improve the company's image.*

are needed to be located globally, wherever their skills and service are required. This changing workplace creates a need of non-traditional employees who can adjust anywhere and everywhere. They must be tolerant enough towards the cultural and other changes while working outside their home country.

● **Change in Lifestyle**

Today the business environment being dynamic and organizations getting bigger, there is a change in the lifestyle of the employees also. Their living standard has risen. Their expectations in life and the criteria for success have also changed. This affects the way they work, their performance and finally their productivity. Hence, the organizations face this major challenge to adapt themselves accordingly to match the lifestyles of the employee.

● **Mounting Employee Expectations**

Employee expectations have also changed. Now people try to be more visible and active in the organization. They want to be rewarded for their good work. They are more aware of the global standards and want their wages and perks accordingly. The skilled and talented lot of employees is not ready to settle down for anything less or to make compromises.

● **Changing Administrative Systems**

In addition to policies, reward structure and the goals, the management style and administrative systems also needs constant changes to increase the efficiency and improve the company's

image. The administrative works today are mostly outsourced as a cost cutting measure.

● **Changing Organizational Structure and Size**

Corporates have considerably grown in size with more mergers and acquisitions taking place. This possesses additional challenges before the organizations. They have to address issues like better pay, healthy work environment, safety and health of the employee, employee welfare etc.

There is a shift in the organizational structure also. Vertical division of labour is taking place of the traditional horizontal division of labour.

● **Introduction of New Technology**

There is an inflow of new and advanced technology in business. The introduction of internet and mobile phones has transformed the face of business. Now it's popularly known as e-business, all transactions being performed online. With change in technology, demands in jobs have also become complicated. Now more trained and skilled workers are required.

● **Changing Employee Demographics**

There is a shift of demographic characteristics. The composition of the workforce has changed in context of sex, caste, religion, population etc. Earlier it was male dominating corporate world but now the number of females entering the organization has increased. Earlier the jobs were restricted to particular castes. But now with scarcity of jobs, people

are ready to do whatever jobs they are offered.

- **Global Competition**

Post globalization, business is not restricted within the boundaries of any one country only. Businesses are becoming diverse. The companies are growing into multinational companies. Thus companies operate in different countries and face global competition.

- **Change In Organizational Culture**

With change in demographic characters and the companies becoming multinational the organizational culture is bound to change. It cannot be the same as earlier. People coming from different cultural background affect the organization. Also, when the same company is operating in different countries, it has to abide different sets of rules and regulations there. So, it is a major challenge before the organizations that it develops its organizational culture in such a way that it suits everyone.

Importance Of HR

Business organizations have become dynamic and are changing constantly. To cope up with this change they need a wide variety of resources. There is an inflow of newer and more advanced technology while other resources are more or less limited. These resources have to be managed efficiently and effectively so that they increase the productivity and the profit of the company even while working under several other constraints. At this point of time human resources comes into play, because to manage all other resources, human intelligence,

skills and competencies are required. No technology, however advanced it may be, can ever replace the human brain, i.e., why still the man behind the machine is considered more important than the machine itself.

It's not just that to manage the other resources, we require the HR. To promote the vision of organization to the masses, communication is required for which we require HR. For problem solving and conflict resolving also, we require the HR. The importance of HR has been well established in the past and can't be overlooked in the future also.

Transformation of The HR Function

As the business and organization evolve, HR also faces new challenges. Right now the old and conventional HR practices no longer remain fruitful. It should also adapt itself to cope up with changes and fit itself in the future. So, we need a transformation in the role of HR from past to present keeping the future in mind.

Earlier HR mostly revolved around administrative duties like staffing, training, employee benefits etc. the whole approach was activity-based i.e., concentrated on the administrative system. As business and social dynamics changed, so the role of HR evolved. It always struggled to meet new challenges related to government rules and regulations, laws, employment opportunities, occupational safety, health and other employee benefits. These traditional roles and responsibilities of HR function are namely HRP, Recruitment, Selection, Induction/Orientation,

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Feature Article

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> *Changing technology also affects the knowledge capital because human know-how is intimately and intricately linked to using technology effectively.*
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Motivation, Handling Unions, Wages/ Salary etc

These traditional HR practices and the roles played by the HR managers till now. But the current situations are changing. In addition to these responsibilities, the HR managers face new challenges for which they have to transform themselves. Now let us have a look on new challenges ahead of the HR practitioners and the role they are required to play.

New Challenges Ahead Of HR

Wayve Brockbank and Dave Ulrich says, "If HR has to contribute to business, it has to break out of that way of thinking, it has to fall in love with business rather than human resources."

This suggests that today HR requires to break free from the traditional mindset and develop a whole new outlook about how it could contribute into developing and enriching the business. At present it faces several new challenges. These can be summed up as follows:

● **Managing Diversity**

The composition of workforce has changed rapidly. People are ready to cross boundaries and go anywhere in the world were they get better prospects, growth opportunities and challenging job. When they cross their boundaries and are placed elsewhere in world, they may feel a cultural shock since the cultures of different countries vary greatly. Also, the numbers of young workers are increasing in the workforce. These young employees often have a different way of thinking. They analyze and

perceive the situations in a different manner which may not be same as those of old and experienced executives. Even their style of performing a job is also different. Managing this diversity and differences effectively is a big challenge before the HR manager. They should manage to create a harmonious and healthy environment on job so that each employee could give his 100% to the job. They should be able to manage the differences and diversity effectively so as to avoid clashes of different generation, communication gap and even the cultural gap. It should offer competitive advantage to the form.

● **Technological Advancement**

At present technology is no more a synonym to gizmos and gadgets only. The scope has widened enormously. We have different types of technology like communication technology, process technology, and human technology. Almost all organizations are affected by these changing and evolving technologies. The changing technology affects globalization by connecting the organization worldwide. They affect the speed of decision making and pace of implementation. It also affects the speed of market change by reducing time lags between distant points. The time reduction increases the market volatility which results in demand for rapid product innovation.

Changing technology also affects the knowledge capital because human know-how is intimately and intricately linked to using technology effectively. Today every information is available

on internet. Any proceedings in any part of the world, small or big, come on the internet. Thus technology affects each organization in a big way. However, this technology comes with a price. They also require trained and skilled people who can use them. So, while going for advanced technology the managers should be quite cautious about the cost constraint. At the same time they should not lag behind the technology, otherwise other companies will gain competitive advantage over them.

● **Outsourcing of HR Activities**

Half of the HR work is administrative transaction work like hiring, staffing, training, benefit facilities management etc. That takes almost 80% of time and attention. So, at present many firms are opting for outsourcing of these administrative jobs as a time saving and cost cutting measure. In outsourcing the firms get their HR activities done outside by suppliers or agencies on a contract basis. Employee hiring, training and development, maintenance of statutory records are the usual functions contracted to outsiders for example P&G has a signed a 10 year, $400million deal with IBM to handle employee services. Outsourcing also results in increased efficiency & better services.

However outsourcing of jobs is beneficial only at the operational level. At higher levels where the strategies are formulated, the strategic plans and other long term plans are developed, activities can't be outsourced. Otherwise the glory and importance of the HR department

will be endangered. Even now many firms don't maintain HR department as they outsource their HR activities. So, it is a big challenge before the HR practitioners to prove the importance of the HR function and save it from identity crisis.

● **Business Process Reengineering**

Now a days more and more organizations are going for Business Process Reengineering i.e., reducing the business processes to transform them and improve the level of performance. The main purpose behind Business Process Reengineering is that it should address to issues like customer satisfaction, competition and changing economic climate. In Business Process Reengineering several jobs are combined into one. The employees are empowered enough to take their own decisions. Also, the controls and checks and other non value works are minimized. The implementation of this reengineering process is also a big challenge for HR practitioners. They must take a rational decision if they require Business Process Reengineering for their organization or not. While going for Business Process Reengineering it requires redesigning and reorchestrating of the present system. So, the HR managers should have a clear understanding of the current installed base of information system applications and databases. They should also benchmark the technology and procedures of their firm against the best competitor. They should also have passionate leadership qualities and organizational commitment. They are also required

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to balance the business process changes with simultaneous cultural changes.

● **Knowledge Management**

The knowledge asset of the company and its people is becoming increasingly crucial to its competitive well-being. As stated by one expert participant in A 21st Century Vision (Rothwell, 1996d), "Business goes where skills and knowledge are available-'the new capitalism'."

Right now productivity of knowledge and knowledge workers has replaced capital and technology as the decisive factors for the success of the organization. Another expert opinion about the changing business environment is that "Technology based competition would be replaced by people based competition because people cant be imitated in contrast to technology, management and business processes".

Knowledge gives creativity and innovative ideas. It also provides logical base for decision making and increases the speed of execution of these decisions. So, it is a big challenge for HR managers to manage this asset or resource effectively in the organization.

Changing Role of HR

"Organizations are entering into an era of nearly constant turbulent changes, and in this "permanent whitewater", individuals must be imaginative, creative and continuous learners"

In future the HR practitioners will be confronting with complicated situations and bigger challenges. Accordingly, they will be assuming new roles and responsibilities. As the approaches and trends are changing in the corporate world, so the HR practitioners are also required to

Changing Role of HR

	Yesterday	Today	Tomorrow
Success factors	Business judgement Intuition	Information Strategic Plan Mission	Flexibility Agility Speed
Organizational Style	Paternalistic	Professional	Empowered Learning Vibrant
Employees considered as ..	Hungry, Naked & Defenseless creatures	Thinking and Rational being	Fully evolved, completely satisfied, mature human beings
Motivational Methods	Driving people through basic needs	Driving people through social & intellectual needs	People drive Themselves
Role of HR	Provide people with food, clothing and shelter	Motivate by providing effective fair appraisals and compensation system	As a Change Agent As a Innovator As a Strategic Partner

change their vision and approach towards their work. Today, its highly chaotic situation in the market and the managers thriving on chaos can only survive. So, they need to adapt themselves to the changing business environment for which they should have the clear understanding of what roles and responsibilities they are expected to perform.

HR Practitioners ➜ HR Leaders
(Now) (Future)

Till now the HR managers were HR practitioners who focused on the traditional HR functional areas. But now onwards they have to play the role of HR Leaders who can fit the HR functions to business strategies and business strategies to the advantages provided by the organization's people.

In today's corporate we don't require mere managers rather leaders who have the capability to conquer the sea. With the business becoming hi-tech and changing rapidly, we require different set of leadership qualities to be on the success side.

Albert A. Vicere of Pennysylvania State University presented his findings on the 10 most important competencies of HR leaders as follows:

➢ He is committed to the success of the organization.

➢ He acts in a manner that instills trust.

➢ He is an effective leader.

➢ He exhibits high standards of performance.

➢ He can manage conflicts effectively.

➢ He works effectively with other members outside the HR function.

➢ He recruits and selects high quality professionals.

➢ He communicates effectively both orally and in writing.

➢ He understands the overall corporate mission.

➢ He develops the HR plans that are clearly linked to the mission and strategy of business units.

From the findings of Albert A. Vicere we can identify and outline certain qualities and competencies of the HR managers as following:

➢ Leadership

➢ Highly assertive

➢ Risk takers

➢ High interest in business

➢ High interest in HR issues

➢ Opportunity sensing

➢ Flexible

➢ Wealth creating mind

➢ Quest for knowledge

➢ Emotional connectedness

The role of the HR managers will be multifaceted. Apart from playing the role of HR leaders, they will be required to perform many more responsibilities. The next important role they will be playing is that they will serve as the Change Agents. They should facilitate the change in such a manner that it does not create any hindrances in the path of success of the organization. Only then they can assure better production levels and better services.

The HR leaders should develop an

In today's corporate we don't require mere managers rather leaders who have the capability to conquer the sea. With the business becoming hi-tech and changing rapidly, we require different set of leadership qualities to be on the success side.

Feature Article

integrated approach to management because the HR is regarded as a core activity rather than being a single function. It affects all other functions of the management. Be it planning, organizing, leading or controlling, the HR is crucial to every function. It also shapes the company's values. In particular, this can have an impact on customer services.

The HR managers are also required to act as Mediators or Consultants. They have the responsibility of balancing the new and emerging aspirations and requirements of the company and the individual.

The HR managers will also be playing a leading role in the organization as the Strategy Builders. New strategies and innovative styles will be required in the organization to address issues like globalization, changing technology, speed, cost containment etc. This will require a very professional, highly qualified, focused and creative think tank or policy makers who can think globally even while acting locally. Their speed and precision will take the HR functions to new heights and will always keep them in the leading position.

Finally, the HR managers are the Coach to their subordinates. They have to build a trust relationship with their subordinates for effectively coaching them. Its main purpose is to build the capability in the person. At times they may be required to give feedbacks which may not be pleasant. But it should not result in confrontation. Unlike teaching or mentoring, in coaching the HR managers should try to derive the solution from the coachee itself. Their main responsibility is to convert the potential into performance.

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Value Creation and Sustainable Competitive Advantage for Corporate Leadership

B. Chowdhury*

Abstract

Two firms compete in the same industry and both have many strengths in a variety of functional areas: operations, logistics and so on. However, one of these firms outperforms the other by a wide margin over a long period of time. The firm being in the same market makes dissimilar profits, and this happens because the firm itself is dissimilar. Several studies show that the firm is a more important source of profit than the market. A firm is an institution that organizes production by internalizing the transactions required to produce an output. The process of production requires the cooperative effort of a number of owners of productive resources, and in this process the firm can manage the resources more efficiently than the market resulting into superior performance and corporate leadership.

Key Words : *Value chain, logistics, proprietary*

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> *...the ...process of industrial mutation....incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism.*
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Some things are hurrying into existence, and others are hurrying out of it. And that which is coming into existence, part is already extinguished. Motions and changes are continually renewing the world...

Roman Emperor Marcus Aurelius Meditations (A.D. fourth century)

The fundamental purpose of all

economic activity is to create value. The economic value is created by the firms and simultaneously somewhere it is being destroyed.

...the ..process of industrial mutation...incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This

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* Sr. Manager (Acad.) & Sr. FM, MTI, SAIL, Ranchi

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> *All sources of competitive advantage are temporary, and very few companies can create new sources of advantage after their historic sources decline*
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process of Creative Destruction is the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in (Schumpeter, 1938).

In two major studies, published in 2002 and 2005 respectively, Robert Wiggins of the University of Memphis, and Tim Ruefli, of the University of Texas, show that while many companies can manage short-term bursts of high performance, only a few sustain it in the longer run. The authors stratified a sample of 6,772 companies over 23 years into superior, modal (middle), and inferior performers in their industries. Only 5 percent of these companies remained in the superior stratum for 10 years or more. Furthermore, the superior performers experience little composition stability i.e., the performers change over time.

Wiggins and Ruefli concluded that the short-term performers lost their way when the environment shifted. All sources of competitive advantage are temporary, and very few companies can create new sources of advantage after their historic sources decline (Beinhocker, 2006).

Taking another angle on the issue, Foster and Kaplan point out in Creative Destruction that only a small population of companies has endured for a long time: for example, of the original Forbes 100 companies, in 1917, only 13 have survived independently to the present day.

Two firms compete in the same industry and both have many strengths in a variety of functional areas:

operations, logistics and so on. However, one of these firms outperforms the other by a wide margin over a long period of time. The firms being in the same market make dissimilar profits, and this happens because the firms themselves are dissimilar. Several studies show that the firm is a more important source of profit than the market (Rumelt, 1991 and Roquebert, Philips and Westfall, 1996).

Firm as a Source of Profit: A firm is an institution that organizes production by internalizing the transactions required to produce an output. The process of production requires the cooperative effort of a number of owners of productive resources, and in this process three problems arise and the firm can often deal with them more efficiently than the market (Alchian and Demestz, 1972).

1. **Mobilizing, coordinating and motivating resources:** and the first is the issue of mobilizing, coordinating and motivating resources. The firm deals with these issues by establishing an architecture that brings multiple owners of productive resources into long-term relationships with on another.

2. **Information asymmetry:** The firm solves the problem of information asymmetry by building a reputation that bridges the information gap between the firm and those who have not dealt with it before, and makes possible transactions that may not take place otherwise.

3. Know-how : The firm solves the issue of collective knowledge of production process.

Hence when two or more owners of productive resources have to work together to produce an output, a firm often becomes a more efficient alternative to the market, because its architecture, reputation, and knowledge enable the firm to use these resources more efficiently than the market. The architecture of the firm reduces the production losses that may arise if the owners of these resources transact with one another through the market. Its reputation minimizes the production losses that would arise if production does not take place at all, because of an information asymmetry between buyers and sellers. And the firm's knowledge of how production should be carried out enables the productive resources to produce more than they would otherwise (Kay, 1993).

Assets and Value: As the economist defines it, the firm is an institution that produces or add value, by transforming a set of inputs into a product, or a form considered valuable by the buyer, and marketing or reaching the product from the firm to the buyer. The firm does so by using three types of productive resources: its architecture, reputation, and knowledge, or what Richard Caves calls its proprietary assets, its strategic assets and non-proprietary factors of production (Caves, 1996).

- The defining characteristics of proprietary assets are that they are intangible, created by the firm itself, unique in the sense that no other firm has them, and available for the exclusive use of the firm.

- Strategic assets are similar to proprietary assets in that they are also unique and available for the exclusive use of the firm. But they are also dissimilar in that they may be intangible or intangible, and are not created by the firm, but acquired by buying or hiring them from the market. Examples are an iron ore mine owned or taken on lease by a steel company.

- Non-proprietary factors are not unique, in that they are the same for all firms and are equally available to all firms who can buy or hire them from the market.

A firm is distinguished from other firms by its proprietary assets. These assets do not participate in the production process directly, but work through the non-proprietary factors employed by the firm. Together, they determine the technology of the firm, or the distinctive way in which it uses non-proprietary factors to produce an output. They also determine the firm's capabilities, or the kind of things it can do. Most importantly, they can generate an economic profit for the firm, even when it is not protected by structural or any other externally imposed entry barriers.

Value-Chain Analysis : Value-chain analysis views the organization as a

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sequential process of value-creating activities. The approach is useful for understanding the building blocks of competitive advantage. In competitive terms, value is the amount that buyers are willing to pay for what a firm provides them. Value is measured by total revenue, a reflection of the price a firm's product commands and the quantity it can sell. A firm is profitable to the extent that the value it receives exceeds the total costs involved in creating its product or services. Creating value for buyers that exceeds the costs of production (i.e. margin) is a key concept used in analyzing a firm's competitive position. Porter described two different categories of activities. First, five primary activities—inbound logistics, operations, outbound logistics, marketing and sales, and service – contribute to the physical creation of the product or service, its sale and transfer to the buyer, and its service after sale. Second, support activities—procurement technology development, human resource management, and firm infrastructure—either add value by themselves or add value through important relationships with both primary activities and other support activities.

Primary Activities: Inbound Logistics

- Location of distribution facilities to minimize shipping times.
- Excellent material and inventory control systems.
- System to reduce times to send "returns" to suppliers.
- Warehouse layout and designs to increase efficiency of operations for incoming materials.

Primary Activities: Operations

- Efficient plant operations to minimize costs.
- Appropriate level of automation in manufacturing.
- Quality production control systems to reduce costs and enhance quality.
- Efficient plant layout and workflow design.

Primary Activities: Outbound Logistics

- Effective shipping processes to provide quick delivery and minimize damages.
- Efficient finished goods warehousing processes.
- Shipping goods in large lot sizes to minimize transportation costs.
- Quality material handling equipment to increase order picking.

Primary Activities: Marketing and Sales

- Highly motivated and competent sales force.
- Innovative approaches to promotion and advertising.
- Selection of most appropriate distribution channels.
- Proper identification of customer segments and needs.
- Effective pricing strategies.

Primary Activities: Service

- Effective use of procedures to solicit customer feedback and to act on information.

- Quick response to customer needs and emergencies.

- Appropriate warranty and guarantee policies.

Support Activities: General Administration

- Effective planning systems to attain overall goals and objectives.

- Ability to anticipate and act on key environmental trends and events.

- Ability to obtain low-cost funds for capex and working capital.

Support Activities: General Administration

- Ability to coordinate and integrate activities across the "value system".

- Highly visible to inculcate organizational culture, reputation and values.

Support Activities: Human Resource Management

- Effective recruiting, development, and retention mechanisms for employees.

- Quality work environment to maximize overall employee performance.

Support Activities: Technology Development

- Effective R&D activities for process and product initiatives.

- Positive collaborative relationships between R&D and other departments.

Support Activities: Technology Development

- State-of-the-art facilities and equipment.

- Culture to enhance creativity and innovation.

- Ability to meet critical deadlines.

Support Activities: Procurement

- Procurement of raw material inputs to optimize quality and speed, and to minimize the associated costs.

- Development of collaborative "win-win" relationships with suppliers.

- Effective procedures to purchase advertising and media services.

- Analysis and selection of alternate sources of inputs to minimize dependence on one supplier.

- Ability to make proper lease versus buy decisions.

Strategy and Business: From a business perspective, strategy begins with the desire of the organization to outperform the market. A strategy, in this context, is defined as a set of concrete plans to help the organization accomplish this goal. Fundamentally, a strategy is a commitment to undertake one set of actions rather than another, and this commitment necessarily describes the allocation of resources (Oster, 1999).

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From a business perspective, strategy begins with the desire of the organization to outperform the market.

Two Primary Reasons for a Strategy:

First, if what you do is not unique in some respect and everyone can do it, then you cannot make money at it (Oster, 1999).

Second, no advantage is permanently sustainable in a competitive market thus satisfaction with the status quo is a recipe for failure as competitor will eventually find a means to capture your market share (Hunter, 2000).

A Resource-based View (RBV) of the Firm: We have structured our study on model of Resource-Based View (RBV) of the firm (Penrose, 1959; Barney, 1991). The resource-based view (RBV) of the firm combines two perspectives: (1) the internal analysis of phenomena within the firm and (2) an external analysis of the competitive environment (Collis & Montgomery, 1995; Barney, 1991). It is a very useful framework for gaining insights on why a firm is more profitable than others.

A firm possesses three key types of resources: Tangible resources, intangible resources and organizational capabilities. It is important to note that resources by themselves typically do not yield advantage. Sustainable advantages are created through the bundling of several resources in unique combinations.

The resource-based view (RBV) of the firm combines two perspectives:

- The internal analysis of phenomena within a company and

- An external analysis of the industry and its competitive environment.

- It goes beyond the traditional SWOT analysis by integrating internal and external perspectives.

- It is a useful framework for gaining insights on why some firms are more profitable than others.

Types of Firm Resources: Tangible Resources

- Assets that are easy to identify are called tangible resources.

- They include physical and financial assets that an organization uses to create value for its customers.

Types of Firm Resources: Intangible Resources

- Much more difficult for competitors to account for or imitate are intangible resources, which are typically embedded in unique routines and practices that have evolved and accumulated over time.

- A firm's culture may also be a resource that provided competitive advantage.

Distinctive Capabilities: Intangible Resources

- Distinctive capabilities are the glue that holds these assets together and enable them to be deployed advantageously.

- Each of these capabilities is a complex bundle of skills and

knowledge, exercised through the organizational processes that enable a business to coordinate activities, utilize its assets, and continuously learn and improve.

- Capabilities differ from assets in that they are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated (Day, 2006).

Types of Firm Resources: Organizational Capabilities

- Firm competences or skills the firm employs to transfer inputs to outputs.

- Capacity to combine tangible and intangible resources, using organizational processes to attain desired end. Examples:

- Outstanding customer service.

- Excellent product development capabilities.

- Ability to motivate and retain human capital.

- Innovativeness of products and services(Barney, 1991).

Firm Resources and Sustainable Competitive Advantage :

- Resources alone are not a basis for competitive advantages, nor are advantages sustainable over time.

- A resource or capability helps a firm to increase its revenue or to lower cost but the firm derives only a temporary advantage because competitors quickly imitate or substitute for it.

For a resource to provide a firm with potential for a sustainable competitive advantage, it must have four attributes.

- First, the resource must be valuable in the sense that it exploits opportunities and/or neutralizes threats in the firm's environment.

- Second, it must be rare among the firm's current and potential competitors.

- Third, the resource must be difficult for competitors to imitate.

- Fourth, the resource must have no strategically equivalent substitute.

Four Criteria for Assessing Sustainability of Resources and Capabilities:

Is the Resource Valuable?

- Organizational resources can be source of competitive advantage only when they are valuable.

- Resources are valuable when they enable a firm to formulate and implement strategies that improve its efficiency or effectiveness.

Is the Resource Rare?

If competitors or potential competitors also possess the same valuable resource, it is not a source of a competitive advantage because all of these firms have the capability to exploit that resource in the same way.

Common strategies based on

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Causal ambiguity is deepened when the capability requires a complex pattern of coordination among diverse types of resources.

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such a resource would give no one firm an advantage. For a resource to provide competitive advantage, it must be uncommon, that is, rare relative to other competitors.

Can the Resource be Imitated Easily?

- Inimitability is the key to value-creation because it constrains competition.

- If a resource is inimitable, then any profits generated are more likely to be sustainable.

- Physical Uniqueness: by definition is inherently difficult to copy, e.g. mining rights.

- Path Dependency: This simply means that resources are unique and therefore scarce because all that has happened along the path followed in their development and/or accumulation. Competitors cannot go out and buy these resources quickly and easily.

- Causal Ambiguity: This means that the would-be competitors may be thwarted because it is impossible to disentangle the causes of either what the valuable resource is or how it can be recreated.

- Social Complexity: Examples include interpersonal relations with the managers in a firm, its culture, and its reputation with suppliers and customers.

Causal Ambiguity

- The competitor's move to imitate the strategy of the firm

is impeded if there is ambiguity about the causal connections between the actions of the firm and results.

- The firm's capability embodies tacit knowledge based on learning by doing or using, accumulated through experience and refined by practice.

- The knowledge base may be so tacit and implicit that it resists all efforts at codifying the routines, decision rules, and protocols that make the system work

- Causal ambiguity is deepened when the capability requires a complex pattern of coordination among diverse types of resources.

- This means that few individuals have the complete grasp of the entire system. Thus a rival cannot copy through direct observation and may still not grasp of the functioning of the capability even after hiring away key employees (Day, 2006).

Time Compression Diseconomies

- Some resources can be developed only painstakingly over long periods of time. E.g., a reputation for exceptional quality requires consistency and continuous improvement over a long period of time.

- A rival that tries to rapidly achieve the same result through a crash programme is likely to find it has incurred much higher

costs than if it had made the same expenditure over a longer period (Ghemawat, 1991).

Are Substitutes Readily Available?

- A firm resource is a source of sustainable competitive advantage when the strategically equivalent resources are rare or inimitable.

- Two valuable firm resources are strategically equivalent when each one can be exploited separately to implement the same strategy.

Core Competence

- Core competencies are collective learning of the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies.

- Core competence is communication, involvement, and a deep commitment to working across organizational boundaries.

- Core competence does not diminish with use. Unlike physical assets, which do deteriorate over time, competencies are enhanced as they are applied and shared (Prahalad and Hamel, 1990).

Conclusion

Organizational Capabilities

The organizational capabilities of a firm can be evaluated under the framework of Resource –Based View of the firm. Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm to conceive of and implement strategies that improve its efficiency and effectiveness (Daft, 1983). As stated earlier, a firm has three types of resources for evaluation:

(a) Tangible Resources

i. Financial

ii. Physical: Modern plant and facilities, state-of-art machinery and equipment.

iii. Technological: Innovative production processes

iv. Organizational: Effective strategic planning processes, excellent evaluation and control systems

(b) Intangible Resources

i. Human: Experience and capabilities of employees, trust, managerial skills, firm specific practices and procedures.

ii. Innovation and creativity: Technical and scientific skills, innovation capacities.

iii. Reputation: Reputation with customers for quality and reliability, reputation with suppliers for fairness, non-zero-sum relationship.

(c) Organizational Capabilities

i. Firm competences or skills the firm employs to transfer inputs to outputs.

ii. Capacity to combine tangible and intangible resources, using organizational processes to attain desired end.

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Factors of Performance: A firm's performance is affected by three broad factors or resources:

(a) Tangible Resources: As stated these are physical and financial assets that the firm uses to create value for its customers. This includes the primary activities of the value chain i.e. the inbound logistics and outbound logistics (Porter, 1985).

(b) Intangible Resources: Much more difficult for a firm to account for or imitate are the intangible resources, which are typically embedded in unique routines and practices that have evolved and accumulated over time. These include human resources (e.g., experience and capabilities of employees, trust, effectiveness of work teams, managerial skills), innovation resources (e.g., technical expertise, ideas), and reputation resources (e.g., brand name, reputation with suppliers for fairness and with customers for reliability and product quality. A firm's culture may also be a resource that provides competitive advantage (Barney, 1986).

(c) Organizational Capabilities: Organizational capabilities are distinctive capabilities that glue and hold the tangible and intangible resources together and enable them to be deployed advantageously. Each of these capabilities is a complex bundle of skills and knowledge, exercised through the organizational processes that enable a firm to coordinate activities, utilize its assets, and continuously learn and improve. Capabilities differ from assets in that they are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated (Day, 2006). Capabilities are obscured from view because much of their knowledge component is tacit and dispersed along four dimensions:

i. Accumulated employee knowledge and skills.

ii. Knowledge embedded in technical systems including software linked databases, and formal procedures.

iii. Management systems that exist to create and control knowledge.

iv. The value and norms that dictate what information is to be collected, what types are most important, and how is to be used (Leonard-Barton, 1992).

Another attribute of distinctive capabilities is that they are robust and can be used in different ways to speed the firm's adjustment to changes in environment (Prahalad and Hamel, 1990). Sustainable advantage and corporate leadership is created through the bundling of these resources in unique combination.

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Capabilities differ from assets in that they are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated

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Developing Leaders for the Future : What large Organisation need to do

Shoeb Ahmed*

> *… while some leadership traits come with an individual some need to be developed and some people are able to develop these traits quickly and effectively.*

ABSTRACT

Large bureaucratic organisations faces the challenge of retaining leaders across the organisational heirarchy as their roles and importance are getting diminished in the structural complexity. A challenge that can be overcomed by developing future leaders who are aligned to the overall objective and vision of the company. In thriving to achieve this, HR and Communication systems comes into play that establish leadership power points throughout the organisation. By instilling strong communication channels, structural flexibility is brought and rules and policies are reduced resulting into better decisions and well informed emloyees. The HR focuses on the HR Development viewing employees as assets to be nurtured, appraised and motivated.

KeyWords : Future Leadership, Communication System, HR System

For a long time management thinkers and philosophers have debated on whether leadership is an inborn trait or can it be taught to people to become leaders. I am in no position to confirm or deny either but it is my belief that the truth lies somewhere in between these two extremes. What I mean is that while some leadership traits come with an individual some need to be developed and some people are able to develop these traits quickly and effectively. Further, leadership traits of potential leaders who have the ability to take on leadership tasks needs to be identified, developed and sharpened.

At the outset, I would like to state that experience tells us that large bureaucratic organizations, many a

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time, have been known for the ability to suppress this potential. This is a management paradox which arises in all organizations as they grow in size. With Size, the need for stronger controls and a more defined structure arises. This leads to the organization becoming more structured and policy and procedures start taking precedence over individual drive and initiative. This slowly starts taking away leadership initiative from the executing managers as policies, procedures and precedence become the guiding principles and starts to choke the process of leadership and innovations. The paradox is that as the organization grows in size, in order to retain its creative and cutting edge, the need for effective leaders at different levels of hierarchy becomes more pronounced. This is so because the leadership effect of the top man/ top management diminishes as the organization grows larger and more often than not the general employee starts looking up to his immediate superior for providing a leadership role. The role of the top leader gets primarily focused on providing the leadership vision. Thus , as an organization grows, its need to have a number of leaders who are aligned to the overall leadership vision of the company and at the same time are able to break it up into actionable leadership initiatives in their area increases. However, the stronger control systems & structures developed by the organization to manage its size also manage to suppress the leadership initiative of the future leaders. This is the paradox the

organization has to manage and the ones who are able to do so retain their competitive edge over a longer period of time. But then management is all about managing paradoxes and this is where the beginning of the challenge that an organization has to face in its quest for developing future leaders lies.

The following issues need to addressed carefully for an organization in this quest for developing future leaders:-

1. How do you identify potential leaders at a stage early enough to be able nurture them to become leaders well in time?

2. How to you develop a potential leader into a leader. What kind of training and development process is needed?

3. Can these be done only after you have given him/ her a chance at leadership assignment and therefore, run the risk and cost of a failure if the accuracy of the first two stages is low?

4. How do you ensure that the structured operational style of large organizations provides enough flexibility for potential leaders to show their leadership initiative?

To a large extent, the answer to these lies in two things:-

a) Highly evolved and effective communication system which cuts across functions & hierarchies and

b) Robust HR systems

The importance of organizational

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Readers' Forum

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Employees need to be viewed as the assets of the organizations which need to be nurtured and not as assets which are to be 'managed'. The primary focus has to be Human Resource Development and not Human Resource Management.

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communication system is well established. In a organizational system where communication channels are strong, the need for rigid policies, procedures and structure is greatly reduced. Effective communication of organizational priorities and vision ensures that a large cross section of the employees are clearly aligned to them. In this scenario, the need for rigid policies and procedures diminishes as people ingrain the organizational priorities in their mindset and the actions taken by them automatically are directed towards larger organizational goals. This obviates the need for a rigid structure and policy framework which then only need to be directional and gives enough flexibility to the middle and lower management to take decision and show leadership initiatives with the overall organizational framework.

As regards HR systems are concerned, the major area which need to be addressed, particularly by old economy companies, is the change in the mindset of the HR team which in many cases still carries the legacy of the old industrial relations management era. Employees need to be viewed as the assets of the organizations which need to be nurtured and not as assets which are to be 'managed'. The primary focus has to be Human Resource Development and not Human Resource Management. It is only after this that robust HR system which will be able to identify, develop and nurture leader can be developed. The mechanism can be varied and can include things like leadership assessment centers, objective appraisal systems, organizational 'champions' who espouse the cause of budding leaders, breaking the organizational tasks into team based projects which provides new people an opportunity to show leadership initiatives and thus helps identify the future leaders.

Above all is the commitment of the senior management which sees these leaders as change agents who will define the future of the organization and not over enthusiastic bunch of people with misdirected energies and those who deviate from the laid down policies many of which need to be redefined but the organization has failed in assessing the need for it. It is only then, that a culture which fosters leadership will develop and we must remember, this is an evolving process which does not have any short cuts and takes its own sweet time to develop.

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Leading for Future : People Management

P.V.S. Sarma*

ABSTRACT

It is not just formulation of vision that is important but its implementation through proper planning that forms the main crux where the people management philosophy comes into play. It is done by managing people potential through sharing of knowledge and resources and making them equal partners in organisations' strife for excellence. In the current scenario of mergers, acquisitions etc. Leaders help in managing change and bring about change by creating comepetitive edge for the company by recruiting the best employees, retaining them and empowering them through training and enhanced growth opportunities. Work force diversity is the new trend and it should be managed effectively by creating family friendly work environment and amalgamating diverse cultures into the corporate culture through diversified training. This will lead to understanding local culture and create multi-cultural work environment.

KEYWORDS : Work Force Diversity, People Management

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> *Successful leaders either create the future of their organizations or visualize the most likely future and prepare for it.*
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"I can't change the direction of the wind. But I can adjust my Sails"

— Anonymous

Introduction

Successful leaders either create the future of their organizations or visualize the most likely future and prepare for it. When Mrs. Indira

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Gandhi former Prime Minister of India selected Mr. Satish Dhavan, the then Director of the Indian Institute of Science, Bangalore to head the Space Program for our country, Mr Dhavan sent a letter of six pages detailing his ideas and future plan for the space program and wanted the Government to accept his ideas before he took

> *Extraordinary leaders dare to rock the boat to create highly innovatative products and services or achieve significant growth and market leadership. Ordinary leaders choose to protect the status quo.*

up the responsibility (1) Mrs. Gandhi accepted the plan and Mr Dhavan led the Indian Space Program to success. Mr Dhavan thus created the future for the Space Program of India and ensured implementation as per his plan. He also ensured an effective succession plan by developing leaders like our honorable President, Dr Kalam.

Dhirubai Ambani visualized the likely future of the textile and oil Industry in the global arena and created a great company called Reliance Industries Ltd. His sons while continuing to implement the vision of their father visualized the opportunities in the Communications Industry and we see Reliance Communications as one of the top communications company today.

Whether the leader creates his organization's future or visualizes the likely future, he formulates a vision for his company. For successful implementation of his vision, the most essential requirement is effective management of the most important resource – the People.

An attempt has been made in this article to bring out some ideas in the people management area to succesfully lead for the future.

Leadership & Current Scenario

Leadership is about creating a vision, inspiring your people to take on that vision and providing the knowledge, resources and inspiration to achieve that vision through the efforts of your team. People within an organization generally want to feel that they are an integral part of the

organization. They want to continuously learn new ideas, new skills, new technologies and new approaches to problems. They want to be "Led" by someone who inspires them, motivates them, holds them accountable, and prepares them for the future.

In future progress of organizations will depend on the potential of their people. Leaders have to unlock the hidden potential. They cannot afford to set goals and expect people to march on to fulfill them. They have to accept them as partners in the business. They have to understand their needs, feelings and ambitions and accordingly deal with them with appropriate strategies to motivate, develop and support them to realize their potential themselves.

Inventing the future requires one to rock the boat. Extraordinary leaders dare to rock the boat to create highly innovatative products and services or achieve significant growth and market leadership. Ordinary leaders choose to protect the status quo. Acquisition of Arcelor by L N Mittal, Acquisition of Corus Steel by Ratan Tata, Diversification into Retail Industry by Mukesh Ambani and large scale expansion of Big Bazar by Kishore Biyani of Future Group, Acquisition of Sesa –Goa by Anil Agarwal of Vedanta are a few recent examples of extraordinary leadership.

"Rocking the boat" creates significant changes in organizations. It has powerful impact on people. Change creates tension between the past and the future, between stability and the

unknown. In spite of business rationale, planning, and strategies associated to manage change, the tension comes down to people doing different things in different ways. Asking people to change their behavior to achieve organizational vision creates emotional reaction. Here is the need to demonstrate the right leadership skills to ensure effective people management to realize the desired future.

Globalization & the rising of Indian Multinationals

Until recently global multinationals had been starting their operations in India. But, now many Indian business houses have started acquiring companies abroad. The value of such acquisitions in the first 10 months of 2006 was estimated to be $23 billion (2) and Indian companies large, mid-size and small companies are set to become much more global in the coming years. Leaders of these progressive organizations have to open their windows to the winds of new ideas and multi-racial workforce. Coping with the challenges of managing diversified workforce will be difficult.

Organizations must create an environment where people develop internally as well as on the job. Ability to change mental models, systems thinking and personal mastery are such inner improvements. These improvements lead to better personal relationships at individual level and ensure growth at organizational level.

In addition to this, due to ever increasing competition between business houses, war for talent will

further intensify. There will be increased competition for recruiting and retaining people with the requisite competencies for a multinational organization. Global companies will face many a socio-cultural problems in their journey towards success and success will come to only such organizations that have top class leadership.

Leading for Future: Areas for Concentration

In order to remain relevant and lead in this unfolding scenario, Mergers & Acquisitions, Joint Ventures, Diversification of Business and large scale expansion of capacities are the phenomena of the day. These are the outcomes of decisions by leaders to create a new future for their organizations.

The following will be the areas to be concentrated upon in the management of people to help managements in leading their organizations into the future with success:

1. **Attracting, growing and retaining great talent is critical for achieving and sustaining competitive advantage.**

Organizations have to innovate new methods of recruitment to get the best people in the industry to fit into the existing culture and motivate them properly.

Global networking major, CISCO, had to meet intense competition in recruitment in the IT industry in 1995 (3). Its management decided to introduce innovative recruitment

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*Leaders have to
provide opportunities
continuously to their
people to update
knowledge and
acquire new skills.*

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methods to get the best people and remain the leader in the Internet era. Foremost among these was the first of its kind online recruitment called the "Friends Program". The company recruited about 40-50% of its employees through "Make a friend@Cisco" online program and other initiatives like "Build – the – buzz" strategy, Focus groups to target passive job seekers and the top 10-15% people in the networking industry, encouraging internal referrals for recruitment through a program called "Amazing People", etc.

To eliminate the problems faced by the new recruits, Cisco launched Fast Start Employee-orientation initiatives like providing a fully functional workspace on the first day, orientation towards "life inside the company", "Cisco Business Essentials", etc.

2. Making the Good people great

To quote the words of Vice–Chairman & CEO of Dr Reddy's Laboratories in his article in the OUTLOOK Business dated 5th May 2007, " It was the ability of the founder to 'let go of the reins' and empower people in whom he saw the spark to deliver, that resulted in Dr Reddy's becoming what it is today". Dr Reddy's nurtured a culture of not punishing people for their bona fide mistakes. Managements have to fundamentally trust their people to give them space to dream and enable them realize their dreams. Leaders have to provide opportunities continuously to their people to update knowledge and acquire new skills. They have to take the responsibility for the learning of their people and

their organization. Once the organization becomes a learning organization, it continuously expands its capacity to create its future.

3. Retaining the talent

With the ever increasing opportunities for competent people and the intensity of war for talent, attrition levels in organizations are all time high. Organizations have to try newer and newer approaches to retain talent. Organizations which can develop into "Great Places to Work" will be able reduce attrition and retain talent. Infosys, Google Corporation, Federal Express, NTPC, MindTree Consulting, etc are some of the 25 companies to have been identified as great places to work in 2006 by the study conducted by Grow Talent in partnership with the Great Places to Work® Institute of the USA and Business World. In these great places to work, employees trust the people they work for, take pride in the work they do and enjoy the company of their colleagues.

All these companies initiated and implemented methods to keep their people happy at work and at home and to get the best out of them. As per findings in the study (4), the following are the basics to which companies that are identified as Great Places to Work stick:

* Hiring thro' referrals:

Happy employees will only refer those who fit the company needs.

* Being a center for learning

Providing extensive training including using internal specialists.

* Offering cross-functional growth opportunities

Growth is no longer in a department silo. Employees can be given the option to choose their growth path.

* Always completing the feedback loop

Great workplaces correct the wrongs. Top and senior management must have regular communication with their employees and obtain feedback to take corrective actions when necessary.

* Not leaving flanks open to talent outage

They make concrete succession plans and minimize employee Turnover.

* Building empowerment into systems

No amount of training can ensure this. Proper delegation of authority and freedom to take risk must be provided to encourage creativity and innovation.

* Ensuring fun, impromptu parties, family outings, etc for Staffers create profitable companies

Employees must enjoy their work and have opportunities to get relieved of stress & fatigue. Creation of a family culture in the company enhances commitment to the organization and also team spirit.

4. Managing Diversity

Consequent to increased globalization, organizations face the challenge of blending different cultures and managing people from different backgrounds, religions, languages, customs and social norms. Managers who go to a foreign country to put an organizational system in place have to change their leadership styles, communication methods and other practices to suit to the local culture. Firms which adopt a proactive approach to recruit people from diverse backgrounds generally have a talented and capable workforce. Diverse workforce provides diverse view points for taking decisions and diverse view points lead to innovative solutions for problems and innovative methods of work.

For effective management of diversity, organizations have to create Family-Friendly Work Environment as per the local needs to enable employees to balance their work and personal life. This would lead to improvement of employee morale, productivity and belongingness to the organization. Progressive companies implement family friendly programs like flexible work hours, compressed work weeks, on site child care, telecommuting, parental leave and relocation assistance for the family members of the employees.

Training can play a very important role in managing diversity. Managers and other employees who work with diverse employees are to be provided Diversity Training to understand other cultures, practices and customs and also to give them an insight into the important issues of managing diversity.

Future organizations must become multicultural organizations which acknowledge contributions made by various cultural and social groups and highlight their interests in its mission,

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Creation of a family culture in the company enhances commitment to the organization and also team spirit.

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Extraordinary leaders visualize the future of their companies; involve key employees in developing strategies for realizing the desired future, communicate the strategies and plans to all the employees, provide resources and happy work environment.

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operations and products or services. They must also discourage the practice of any form of social oppression within it and include members of diverse social and cultural groups in the decision making process.

Conclusion

Extraordinary leaders visualize the future of their companies; involve key employees in developing strategies for realizing the desired future, communicate the strategies and plans to all the employees, provide resources and happy work environment. They strive to get the best people in the industry, empower them, and retain them by providing excellent rewards & growth opportunities. They manage their people effectively and lead their teams and organizations to a great future.

"Start with good people, lay out the rules, communicate with your employees, motivate them and reward them. If you do all those things effectively, you can't miss."

— Lee Iacocca

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Mergers & Acquisitions : An Essential Skill for Future Leader

S. K. Panda*

Abstract

Growth symbolises Expansion, Merger, Take over, Joint Venture etc. The economic foundation of any country lies on a competitive production base. The reasons for mergers and takeovers can be to increase market power, growth rate and make good investments to balance completely or diversify product line, to reduce competition etc.

Keywords: *Growth, Integration, Re-establishment*

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> *Government initiative in opening up of Indian Market in the 1990s has led to increased competition and paved ways for numerous M&As.*
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The economic foundation of any country eventually rests on a competitive production base. And if a corporate adopts a strategy for growth the same lies in expansion. Growth is to expand, Merger. Take over, Joint venture etc.

As per the statute of the land related to Indian Companies –Amalgamation takes place either by the interference of court in public interest for rehabilitation, re-establishment etc.

Or, by Central Government's interference in public interest under

the scheme of amalgamation which should be approved by the "specified authorities" under section –72 of IT Act.

In the US, amalgamation took place substantially during the period 1898-1902, 1926-1930 and 1946 – 1956. Again there was boom of amalgamation in 1960, 1980, 1990. The amalgamations took place inside the country itself and then it went on globally.

Government initiative in opening up of Indian Market in the 1990s has

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led to increased competition and paved ways for numerous M&As.

M&A activities are not new in India. If we browse through the leaves of history related to Merger and acquisition activities we can see that this is not a new thing for India. Imperial Bank Act of 1920 which was formed by amalgamation of three Presidency banks were i.e. The Bank of Bengal (founded in 1806), Bank of Bombay (founded in 1840),,Bank Of Madras (Founded in 1843) Later the Imperial Bank was formed into Reserve Bank Of India in 1935.

Similarly 11 cement companies merged to form Associated Cement Company in the year 1937, Indian Iron and Steel company absorbed Steel Corporate of Bengal in the year 1967 to name a few as an example.

Now from 2000 to 2007 there are numerous examples and every other day we come through some of these activities.

One example from the Steel Industry is worth citing here. That is Mittal Steel acquired Arcelor company in a takeover bid and became number one steel producer in the world ,whereas Tata Steel which was considered the number two steel producer in India, became the number fifth international steel producer by virtue of acquisition of Corus Steel. As such there are numerous examples of M&A activities such as that of Tata Tea, Ranbaxy, Tata Coffee, Reliance Industries, ONGC, Dr.Reddy's Lab, Wockhardt, Appollo Tyre and the name can go on and on...

Reasons for Merger & Takeovers

For M&A to take place two companies are required to act at a time so that one becomes Buyer and the other becomes a seller with both of them having their own reasons to do so.

Let us see why buyer company wishes to merge :-

- To increase market power, growth rate and make good investments.

- To improve the stability of earning and sales.

- To balance complete or diversify product line

- To reduce competition

- To acquire needed resources quickly

- To avail tax concession and benefits

- Overcome entry barriers to new markets or regions

- Avoid cost of developing new products internally and bringing them to market

- Increase value of organizations stocks

- To increase the speed of new market entries.

- Reduce the risk of entering new business.

- Become more diversified

- Reshape competitive scope through developing a different portfolio of business.

- To take advantage of synergy.

- To enumerate a few points as

to why the seller wants a merger.

- To increase the value of owner's stock and investments.

- To increase the growth rate

- To acquire resources to stabilize operation.

- To benefit from tax legislation.

- To deal with top management's succession problems.

Merger and Takeover is like a marriage between two individuals. A proper marriage requires proper understanding, co-operation ,co-ordination, trust between the two individuals to result in a lasting relationship which is true in case of corporate.

Today more and more corporate are striving for market share in the global field. It is said that if tomorrow there will be any third world war ,that shall take place between corporate giants not between countries. That too not for grabbing land of the neighborhood country but to grab a big chunk of market share.

Some times difficulties arise in the M&A system due to various reasons and few are cited below.

- Ineffective integration between the merged companies.

- Incorrect evaluation of the acquired firm in term of value, creation of debt load that preclude adequate investment required for long term success.

- Overstatement of potential for synergy.

- Creation of firm too diversified, given it's core competencies and environmental opportunities.

- Creation of internal environment in which managers devote their time analyzing and complementing additional acquisitions

- Development of combine firm rather than strategic controls

Let's take a look at a theoretical treatment at the basis of M&A:-

Appraisal of internal environment of an organization will be appropriate to give an understanding as to how synergistic effect can be created by the combination of the resources of two organization to lead to organizational capabilities and thereby strategic advantages.

Any organization consist of two components which are organisational resources and organizational behaviour. Organisational resources consists of assets, capabilities, organisational processes, information knowledge physical, human and Organisational resources etc. similarly organisational behaviors consists of quality of leadership, management philosophy, sharedvalues, culture, quality of work environment, organisational climate organisational politics and use of power etc

Organisational resources and organizational behavior does not exist in isolation. They combine in complex ways to create strength and weakness within an organization. Strength is an inherent capabilities which an organization can secure to gain

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strategic advantage. Similarly weakness is an inherent limitation or constraints which create strategic disadvantage for an organization. Strength and weaknesses do not exist in isolation but combine within a functional area, and also different functional areas to create synergistic effect. Such synergistic effect leads to competency and strategic advantage to a firm.

In merger and acquisition processes firms strive to create synergistic effect by the combination of organisational resources and organisational behaviors of two or more organizations.

Benefits out of M&A

M&A is being resorted to as a mode of investment by the corporate entities to consolidate their operations and to be competitive in global market. The process enables an organization to be competitive by employing international production network more efficiently and to achieve operational and financial synergy. Merger and acquisition also leads to efficiency gain when two firms have complimentary low cost production process. Merger also leads to efficiency. Improvement in performance is achieved either through a lower expenditure of real resources for the same output or by increasing output with the same resources.

New form of oligopolistic competition based on knowledge networks can be reached by strategic partnering through M&As. Operational flexibility of firms to meet new demands are increased by strategic mergers and acquisition activity that are constantly

generated under the continuous process of innovation. The sectorial instances of merger and acquisition present the pressure for consolidating and rationalizing assets. The telecommunication and banking industries, having gone through a series of deregulatory measures, are coping with a complex mix of greater competition that arose from technological change and the need to supply a world wide market. The oil and chemical industries too are facing similar challenge of technological innnovation. Firms in the pharmaceutical industries, a major target of merger and acquisition in industrialized countries rely heavily on R&D, which makes strategic mergers advantageous. As these examples shows, globalization intensifies competition, which forces firms to rationalize internal resources an increase access to wider market as well as achieve economies of scales through M&As . One of the logic behind merger of two British companies i.e. British petroleum and Mobil down stream operation across Europe is to acquire size and market power to compete against other major oil companies and achieve cost savings by eliminating duplicate facilities and employees, rationalizing purchasing and cutting the cost. Instance of merger between two telecommunication majors has created opportunities for value creation through common software development, shared capital investment and joint purchasing agreement. Combining complimentary assets through such process also help

to achieve complimentary competencies in technologies and expertise and great opportunities to create value in the right circumstances. Some studies reveal that acquisition can be especially useful in restructuring those firms, which are not performing well. Before and after comparison of cash flows return of acquired firm conclude that acquisition bring higher wealth gains for insolvent firms than those under independent workout, and those gains are higher in cross border transaction than domestic mergers and acquisitions.

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Case Study

Case on Leading for Turnaround and Future Path of Growth

Dr. Hari Haran*

> " *... proactive action towards prevention of sickness also holds key to sustainable success and growth of an enterprise.* "

Maintaining sustainable growth of a business enterprise is a matter of strategic and operational concern of business leaders. A business firm gets sick when it faces a consistent downtrend in its operating profits. Internal and external actions need to be initiated to improve upon its financial health and prevent insolvency. The turnaround management involves managerial actions to overcome performance blues after the onset of sickness of an industry. But proactive action towards prevention of sickness also holds key to sustainable success and growth of an enterprise.

Bharat Bearing Company Ltd., (BBCL) was a ball bearing manufacturing unit held by BRF Ltd. which was a Bharat group company. It was incorporated in 1962 with an installed capacity of 2.0 million ball bearings per annum with the mission to fulfill the bearings requirement of consumer durable industry. It had technically collaborated with the then global leader, Rockfer Bearing Company, USA which provided the technology of bearing design and

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manufacturing. It was selling its products to a wide market segment under lesser competitive market. The company was making profit till 1980 - 81. Thereafter, its performance started declining and it was referred to Bureau of Industrial and Financial Reconstruction (BIFR) in 1991. It successfully implemented the rehabilitation scheme and got revived in 1995, making record earnings and profit in the year.

It developed its product market niche in the Fan segment and reached a capacity level of 8 million bearings per annum. In 1994 under its "Long Range Plan" it took strategic initiative to reduce dependence on Fan industry which was seasonal and further to develop market niche in two wheeler automobile and electric motor segments. In view of market getting more competitive it set out to achieve economy of scale by increasing plant capacity from 8 million to 18 million bearings per annum in a phased manner over the next three years and completed its expansion in 1998.

The company had its mission since its inception in 1962 to fulfill the bearings requirement of consumer durable industry. It had technical collaboration with the then global leader of the trade, Rockfer Bearing Co., USA. It had broad banded product mix strategy considering the wide market opportunities of the product and facing less competition then. Later when it came under BIFR in 1989, under the rehabilitation package low cost investments were made towards modernization and line balancing equipments. Addition of state of art machineries (CNC machines) and quality inspection equipments from world famous manufacturers increased the plant capacity up to 8 millions per annum. As a strategic move, it gradually developed market niche in Fan segment of the OEM market facing stiff competition in automobile and electric motor segments; which were dominated by the multinationals like BRF, FAH and Indian major LMC.

When government announced the policy of economic liberalization and globalization in 1991, the Indian bearing manufacturers started facing market which was flooded with cheaper imported bearings. It became suddenly difficult for BBCL to match in price and quality both. It suffered severe market slump. With increased financial burden due to the recent expansion project and in the face of eroded market it plunged into a severe financial crisis suffering with cash crunch. BBCL started incurring heavy losses.

The thinking started in the company to overcome performance blues and turnaround. It was felt that operating turnaround can be applied only when there were strong strategic strengths (product market relationship) in the business. The operating turnaround strategies might be focused on short-term profit effect.

Several initiatives were taken by the company to turnaround. The steps taken in this direction had provided some more breathing time, but the crisis remained and posed a great challenge before the management for turnaround. This was a daunting task cut out for the management; which required simultaneous improvement in all functional areas coupled with an attitudinal change at every level in the organization.

Status and Business Environment of the Industry

The bearing industry started in India with the setting up of a bearing-manufacturing unit in Rajasthan by leading business group of country in the year 1955. Since then, it grew into an industry with a turnover of around Rs. 25 billion and which employed more than 14,000 people. The organized sector contributed 60% out of the total turnover of Rs. 25 billion. 12% or 3 billion was from the unorganized or the small-scale segment and imported bearings formed a large 28% of the total industry. Imports or smuggled bearings were mainly of ball bearings and low volume requirements for precision jobs and rolling mills.

The bearing industry in India had been going through a crisis for the past

It was felt that operating turnaround can be applied only when there were strong strategic strengths (product market relationship) in the business.

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> *The process of sickness is gradual which can be stopped and reversed by timely corrective action.*
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few years. The major causes for this crisis were:

The general economic recession especially in the auto and the engineering industry, leading to a negative growth in overall production of bearings for the last two years. The production in 1997-98 was 18% lower than for 1996-97 and was down to 4% in 1998-99 over 1997-98. Hence in these two years there had been a net drop of close to 22%

The entire bearing industry underwent a severe crisis because of the factors mentioned above. The demand for bearings from the organized fan industry (BBCL's niche segment) had stagnated, prices were crashed and consequently the bottom lines of most of the bearing companies in India were severely affected. The following Table – 1 shows these trends.

Table – 1: Profit Trend in Bearing Companies in India

Company	Net Profit			
	1995-96	1996-97	1997-98	1998-99
BRF	2320	2920	590	- 4430
NAC	NA	1016	546	66
FAH	695	1025	869	401
TBL	NA	23	2	- 707
ABF	118	133	24	- 132
LMC	650	777	73	- 1003
NRC	1207	1894	1176	766
HML	NA	218	277	NA
BBCL	475	263	- 1095	- 723
		15 Months)		

Economy started showing sign of improvement and things changed in the year 2000 with a revival in demand from the OEM's in the automotive sector as well as the replacement market. However, it was still difficult to achieve double-digit growth rates, as the industry had to compete with cheaper imports. The fortune of the industry was closely related to how well the user industries of automobile and engineering performed. In the first nine months of the financial year 2000-01, a recovery in these sectors meant that the bearing industry might turnaround.

There was a general notion that a sick company faced severe cash crisis or a consistent downtrend in its operating profit. The process of sickness is gradual which can be stopped and reversed by timely corrective action. It requires timely cognizance of the fact by alarming signals about sickness characteristics. One needed to identify the causal factors which vary from industry to industry and company to company. But some common signals could be picked up to know the onset of sickness. Some of the characteristics of major sickness were identified as given below.

- Decreasing market share.
- Decreasing constant rupee sales (adjusted for inflation).
- Decreasing profitability.
- Increasing dependence on debt.
- Inability to payback loans.

Some other characteristics of moderate and minor sickness were as follows:

- Restricted dividend policies.
- Failure to reinvest sufficiently in the business.

- Diversification at the expense of core business.

- Lack of planning.

- Inflexible and unquestioning management

- Management succession problems.

- Management team unwilling to learn from its competitors.

The company's operations started deteriorating since 1982 mainly due to mismanagement, labour problems, sectional imbalances in the plant, large range of product mix of bearings etc. As a result, the company became a sick industry. The management of Bharat Bearings Co. Ltd. (BBCL) was changed in May 1984, from Laxman Sripat to Bhusan Chandra (also from the Bhusan family) pursuant to change in the set up of Bhusan family. However, the company continued to incur losses and as on 30.09.88, its accumulated losses mounted to Rs 840 lacs against a share capital of Rs 60 lacs and unsecured loans worth Rs 190 lacs from the holding company Bhusan Fibres Ltd. (BRF Ltd.)

The government announced its new industrial policy in 1990-91and the Indian economy set out on course of liberalisation and globalization. BRF also had to change its corporate strategy and objectives in the changed business environment. Since BRF had its business vision of becoming a world-class company, the corporate strategy at BRF shifted focus from diversification to consolidation of core business to compete in the international market.

Therefore it began to align its resources towards strengthening of its core business and divestment of non-core businesses. it took the route of horizontal integration for consolidation and acquired the nylon tyre-cord manufacturing unit of Brij Ltd., in 1994, thus becoming the undisputed leader in India as supplier of nylon tyre cord. It acquired the synthetic-yarn manufacturing unit of Ce-mont, USA in 1999 in India and also entered into an agreement with them, thus becoming a world player (7th largest in the world) in its core business. Simultaneously, it had begun to divest non-core businesses one by one over the past few years. BBCL also had to be divested. Recently when it acquired Ce-mont's Indian plant, it divested BBCL.

Initiatives were taken simultaneously to align BBCL along TQM culture; which had already been adopted at BRF Ltd. as a management tool and organization culture. The efforts met with initial success in the form of ISO 9002 quality system certification in 1994. Subsequently, the Japanese concept of "5S" way of house keeping and "Daily Management" practices were introduced which were yet to be established as a work culture at BBCL envisioned objective was to attain TQM as a work culture at BBCL to improve its market positioning through establishment of brand image.

BBCL had to overcome many hurdles to turnaround. There was poor product price realization and it was unable to achieve the installed capacity due to reduced market share and certain

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The efforts met with initial success in the form of ISO 9002 quality system certification in 1994.

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> *Strategy of cost cutting was also adopted on all operational activities to get some respite from the dire state.*

IR problems. The company plunged into a grave financial crisis. Consequently, some downsizing was resorted to through VRS (Voluntary Retirement Scheme). It further planned cost cutting strategy at operational level and also reduction in unproductive assets to make it a leaner and cost effective organization.

The heavy debt burden of the company due to loans and accumulated losses can be eased out through investment by the holding company BRF Ltd. worth Rs 18 crores in redeemable preference shares. Thus a financial restructuring was sought to be achieved by conversion of institutional loans into preference shares. BRF had done this to help revive BBCL as well as divested its stake in it. The new management was in the process of formulating its further strategy.

Product market opportunity or the expected demands in BBCL's main market segments in India are as under. (See Table 2)

Strategy of cost cutting was also adopted on all operational activities to get some respite from the dire state. Downsizing of manpower was also taken up through "Voluntary Retirement Scheme" (VRS). Though the economy was gradually coming out of recession, the problems in bearing industry in general persisted mainly due to smuggled bearings making way into Indian bearing market.

1. Sharp decline/ loss in sales volume (though the sales quantity was maintained). Gross sales came down to Rs 25 Crores in 1997-98 from Rs 30 Crores in 1996-97. Downturn in average realization per unit by about Rs 10.00 (from avg. Rs 36 to 27).

2. Significant loss in contribution totaling about Rs 11 crores in 1997-98, which brought down the average contribution per unit bearing from Rs 17.00 (PV ratio 53%) in 1996-97 to Rs 9.00 (PV ratio 31%) in 1997-98. In

Table 2 : All India Demand in BBCL's Market Segment

(Figures in Lac Nos.)

Segment	Demand in 1998-99	Expected Demand		
		1999-2000	2000-2001	2001-2002
Fan	310	328	349	371
2-3 Wheelers O Es	295	324	357	392
Tractor	20	22	24	27
Electric Motor & Pumps	250	262	275	290
Replacement Market (2-3 Wheelers)	245	264	295	330
Total	**1100**	**1200**	**1300**	**1410**

the five-year period, contribution per unit came down from Rs 20.00 in 1993-94 to Rs 9.00 in 1998-99.

3. Sharp jump in fixed expenses beginning 1997 on account of increased salary & wages which had a cumulative effect on the bottom line of the company.

4. Increase in interest & depreciation on account of capital investment in plant expansion in 1997, which accounted for corresponding increase in interest and depreciation as another significant reason.

5. Break Even Point (BEP) Volume went up sharply from Rs 20.00 Crores in 1996-97 to 36.00 Crores in 1997-98. Sales as % of BEP went down from 155% in 1996-97 to 48% in 1997-98 and to 57% in 1998-99.

6. Company bottom line became red by the financial year ended 1998 with net loss in PBT recorded as Rs 11.50 Crores.

It had been inferred from the annual accounts that the required value of turnover to break even should be about Rs 34 crores per annum (annualized 12 months) with existing financial estimates. The sales projection showed that it may achieve that figure by end of 2000–01 and surpass to become profitable by the year ending 2002.

Market Trend Indicators

Some trends regarding quantity, value and price movements segment-wise for BBCL in the last three years were studied. It was seen that prices were coming down and there was consequent loss of value realization across all segments. However, there was segment-wise variation in trends. The total average price suffered a loss of over Rs 8.50 in average unit price in 1998-99 against 1995-96. The major segment of fan, both organized and unorganized suffered loss in prices of Rs 6.00 per unit. Interestingly, the trade (replacement) segment suffered the least and BBCL grew in this segment significantly. A striking trend in the niche fan segment was that BBCL lost considerable market in higher value organized fan segment, whereas it has gained in the lower value unorganized fan segment.

The performance of BBCL in the last two years had been unsatisfactory mainly on account of increased competition from cheaper bearings from other countries in the fan segment in which BBCL was a dominant player. BBCL was working on improving the current product-market mix for rapid sales contribution improvement. Keeping in mind the present manufacturing capabilities of BBCL, in the short term BBCL focused on the following segments.

- Organized fan segment
- Unorganized fan segment
- Trade
- Export to countries having large number of two wheelers.

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It was seen that prices were coming down and there was consequent loss of value realization across all segments.

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Questions :

1. Identify and elaborate the environmental factors which influenced the performance of Bharat Bearing Company Ltd.

2. Discuss the potentials of the company and initiatives to be taken up by leadership of the company to improve upon its performance.

3. Comment upon the strategies of BBCL. Suggest suitable strategies for turning-around its performance blues and subsequently leading company on future path of growth.

Organisation Development (OD) Intervention in Public Utility : The Case of Sundarpur Municipal Corporation

Dr. S. K. Bhattacharya*

Prelude

This case describes an Organisation Development (OD) programme in a medium size public utility referred to as Sundarpur Municipal Corporation (SMC). The experience of SMC raised a number of issues relating to using OD as an approach to change. The purpose of writing this case is to raise some pertinent questions relating to OD exercise and to reflect upon this experience and draw lessons from it that may benefit HRD practitioners who use OD as a change strategy.

Organisation Development (OD) at SMC

SMC is a well-known public utility outfit situated in the east of India. At the time of intervention a new commissioner, who was in Indian Army, was appointed by the State Government to head SMC. The new commissioner, who appeared to be very dynamic and a great believer in HR, along with his functional heads, decided that there was an urgent need to train employees throughout the corporation to inculcate professionalism in management.

The employees were divided into three groups - senior officers, middle – level officers and supervisory staff. Various consultants in the country were approached to design and impart training at these levels. During the period, a small group of seasoned consultants, who belonged to a premier Management Institute were also contacted to train the senior officers of the corporation. A proposal prepared by the consultant was accepted by the corporation. The proposal suggested that a training needs assessment be conducted first to determine the scope and content of training. This was to be followed by a workshop for the commissioner and his functional head. This workshop was to discuss issues arising out of the assessment and agree on a strategic direction for the corporation. This strategic direction would be the basis for designing and conducting a series of workshops for senior officers.

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Very few of the senior officers could take a holistic view of the organization. Status was considered very important and directly tied to hierarchy.

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SMC employed 5,600 people. There were around 60 senior officers who were to be trained by the consultant. The training needs assessment was conducted through unstructured and informal interviews with a sample of senior officers. These interviews revealed that the senior officers largely saw themselves as functional specialists rather than managers of the corporation. The collaborative efforts for achieving corporation's mission was somehow missing. There was a great deal of cynicism. There was widespread discontent with the work environment, organization culture, promotion policy etc. Many senior officers seemed to lack elementary skills in motivating and supervising their staff.

The organization had a functional structure. Functions were each divided into a variety of departments and each department was further subdivided into sections. There was a great deal of parochialism with respect to one's function and department. Very few of the senior officers could take a holistic view of the organization. Status was considered very important and directly tied to hierarchy. Some functions and departments were considered to be of higher status than others. In general, there was a greater preference for working in finance, personnel, inspection, revenue collection, real estate etc. rather than in conservancy, water-supply, sanitation, health care, citizens' welfare etc. The picture that emerge is largely impersonal, non-appreciative, beaurocratic organization with all negative features of a beaurocracy.

The results of the needs assessment survey were shared with the commissioner and his functional heads in a one-day workshop. The results did not seem to evoke any surprise or concern. It appeared that the commissioner and his team were aware of these issues. They accepted the general design of the workshop presented by the consultants. The workshops consisted of a series of competency-building exercises based on the themes of learning, quality of work life, interpersonal relations, team work, and leadership. The concepts and the exercises were woven around sessions which involved working on real, task related issues in the organization. In keeping with our view of OD, the workshops were designed to help the participants reflect on their experiences, learn collaboratively and work together to generate choices and options to solve key organizational problems and master the process to go through the joy of work. Each workshop was attended by 20 senior officers and lasted for three days. On the last day the participants worked in small teams and made specific recommendations to tackle the key problems in the organization. The presentations were usually attended by the commissioner and occasionally by other functional heads who actively participated in the discussion. The consultant received very good feedback regarding the programmes. The commissioner and his functional heads expressed their profound satisfaction regarding the OD programmes. However, the consultants had no idea

of what had really happened after the programmes.

Two years hence the consultants were again requested to design and organize similar workshops for the senior officers at SMC. When the consultant expressed a desire to conduct a study of the senior officers' motivation, the corporation eagerly gave them the access for collecting data. This time the consultants interviewed all the senior officers in groups of five to eight officers. Interestingly enough, the interviews revealed feelings of anger, frustration, resentment, stagnation, powerlessness and lack of purpose among the senior officers. Some of the quotes from the interviews are reproduced below to capture the essence of these feelings. The senior officers perceived the organizational structure and processes as incapable of accommodating their views and ideas. They felt that they had access to only limited information. They reported numerous anomalies, paradoxes, and contradictions in decision-making. And there was no way by which they can influence the decision-making processes. They felt mostly marginal in the organization. In a sense, the interviews seemed to indicate that little had changed in the organization. The core issues, problems, and concerns remained unresolved.

Excerpts from Interviews

- There are may paradoxes in this organization. You find that senior officers are being put in a corner without work. You find people thinking that they have completed the work when they release a circular. You find a system of identification of key tasks, without any consequences of performance or non-performance.

- There is very little consultation. As a senior officer, I receive no information on policy matters in my area of work and so I have little commitment to those decisions.

- I feel like a bullock drawing a cart. When a milestone is crossed, the bullock never receives a pat.

- I feel like a well-fed parrot in a golden cage. There is security, but no freedom, no excitement.

- Presently the only reward for performance is assignment to a challenging job, which is decided at the level of top management. When your boss has no discretion, he is redundant for all practical purposes. In fact ,he competes with you for top management's favours.

- My total job content fills barely two hours in a working day. My skills have certainly gone down in the last five years.

- Our time goes in activity where we feel comfortable. Some of us do our personal things, play the stock markets; some of us choose to put punctuation and correct grammar in our subordinates' write-ups; some check records, prepare reports, or clear files. These may not

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be the tasks that we ought to be performing, but are comfortable and keep us from straying into areas where there are problems and no easy answers.

● For every issue, one is first required to open a file. The file makes its rounds through several offices, with individuals adding their notes, writing their comments, and making the file thick over period of time. You need expertise in building good cases on files. Individuals can scuttle your case in subtle ways. You need members in your team who can counter them effectively.

● The people in my section haven't worked in any other section. They identify so strongly with our group that rejection and humiliation of others is what pleases them most. When I talk of extending a helping hand or making concessions to others in the larger organizational interest, they think I have no spine. The organization reinforces such parochialism through mechanistic formulae for allocating rewards. This sets up each group against the rest of the organization.

● Senior officers are constantly shuffled around. They do not know where they would be tomorrow. Wherever they go they sign papers, write notes and move files. There are no other expectations from them.

● Everything gets ritualized. In meetings, real concerns do not get expressed. The system of monthly reports and daily coordination meetings have stopped. People think that they have completed the work when they report a matter. There is no demand for performance upward or downward. I think our biggest crisis is that we accept lower and lower standards.

● We have a system of seniority-based promotions. I am 36th on the list of 40. I want to work hard, and I want to know how I can become No. 1. But my superior has no answer.

Re-entry and contracting

At this stage a meeting was held with the commissioner with his top management team, which included all functional heads of SMC, to understand the issues of deeply rooted organisational culture, the operations and the structure of the organisation. On the basis of a few more meetings and thread-bare discussion, a working paper on the subject was prepared. The working paper consisted of four parts dealing with:

● Our understanding at that time of some of the key issues involved

● A conceptual framework developed to formulate interrelations

● Certain hypotheses, assumptions and propositions that were to be the bases of design of the OD programme

- The outline of the intervention plans

The working paper emphasised that any change in the environment demanded re-examination and re-adjustment of several issues within a system which was embedded in the environment. One of the issues was insecurity. Habits has been formed and some degree of stability achieved. Radical change as envisaged by the commissioner in restructuring and redesigning SMC in terms of local municipal outfits presented a new perspective and demanded new behaviour something which had not been tested before, and resulted in uncertainty, anxiety, and apprehension.

In developing the design, the following hypotheses were used :

- It is possible to examine the related knowledge and its linkages with behaviour

- Such an examination can be made at both the rational as well as emotional levels.

- Suitable hypotheses on personal, organisational, and community levels can be framed by an individual who can also gather data regarding his behaviour on each dimension. He can analyse this data and accept and reject the hypothesis he has framed in regard to his behaviour pattern

- Confrontation of issues leads to development of the individual's understanding of the latent issues involved. This develops his insight which may provide him with added strength and adequacy

in dealing with his problems.

- When latent issues such as anxiety, fears, and apprehensions are brought to the surface and shared with others, perceptions of the issues of change become more realistic. At that stage it is possible to sort out how far the fears are real or unreal, how far they are personal or general, individual or systemic. This sorting out may help energy mobilisation.

- Sharing of anxiety and inadequacy reduce the level of these feelings

The following propositions were suggested for the OD programmes:

- Changes are more likely to occur if the setting dramatizes the importance of working intensely on these and lifts them out of the routine of everyday life, thereby creating an in-group feeling among the participants.

- The more an individual believes that he can, will, or should change, the more likely it is that the organised attempts to change would succeed.

- The more thoroughly an individual explores his personal orientations, styles, apprehensions, etc. and relates them to self-actualisation, the more likely he is to experiment and change.

- The more an individual can confront himself on his usual style of interpersonal interaction, the more he is likely to change.

> *The more an individual believes that he can, will, or should change, the more likely it is that the organised attempts to change would succeed.*

Case Study

- The more an individual can perceive and experience the new attempts at changes as consistent with the ideal self-image, the more the changes are likely to be sustained.

- The more the self-confrontation occur in a face-to-face group, in a climate supporting such confrontation, the more the individual is likely to develop insight into his behaviour.

- The more a group develops a climate of support, with a norm of unhesitatingly giving to each other, the deeper and more sustained the learning is likely to be.

- The more intense and persistent the interactional meetings are, the deeper, and more enduring the learning about the self would be.

- The more an individual perceives the change in his behaviour (e.g. being more confronting) is required by the demand of his career and life situation, the more likely he is to experiment and accept the change.

- The more an individual can perceive and experience, the new changes attempted as consistent with the prevailing cultural values and norms, the more the changes are likely to be sustained.

- The more an individual can examine the dynamics of the events in his everyday life, the more likely is the internalisation of his learning.

- The more an individual can link the newly developed insight into personal and interpersonal dynamics to action, the more likely it is for change in both behaviour and action to occur and endure.

- The more an individual commits himself to achieving concrete goals in life consistent with the new insights, the more the change in likely to get stabilized.

- The more an individual keeps record of his progress towards achieving goals to which he is committed, the more the accepted change in likely to influence his future thoughts and actions.

- Changes are likely to occur and persist if they are a sign of membership in a new continuing reference group.

Within a few days of presenting the working paper to the commissioner it was was discussed in a divisional committee. The main stand taken was that of aggressive pursuance of the plan of actions specially in creating Local Municipal Corporations covering a wider range of population. The proposal was also accepted.

Intervention Planning

In the planning of the interventions the following issues were considered:

- The unit with which the intervention was to be used

● The overall objectives and the specific objectives of the interventions

● The type and nature of the interventions

● Phasing, sequencing and linkage of interventions.

Phasing, Sequencing, and Linkage

The nature of the tasks and the objectives of the programmes were such that the interventions had to be on the living systems. For example, all the members participated (after their participation in the basic lab) in organisational diagnosis, implementation of their action plans, as well as preparation and implementation of action plans for their houses.

Before withdrawal of the consultants, stabilisation and consolidation of the change effort had to be planned. This was to be technically an attempt to refreeze, and obviously the last input.

Accordingly, the interventions were attempted in the following order:

● Basic laboratory

● Internal resource development

● Organisational diagnosis

● Reviews laboratory for internal resource person

● Stabilisation

The total OD programme was planned to be completed in a period of 12-15 months. The basic laboratories were to be provided within the first six months, followed by internal resource development. Orgnisational diagnosis was planned for after four months and was to continue thereafter. At the end of the year when the review laboratory was over, the internal resource persons went back to their respective departments and the terminal phase started.

Some important inputs in the basic laboratory were: microlab, personal structured data, panel discussion of organisational strategy, action plan, and evaluation. It may be useful to mention the steps in the preparation of action plans for the departments:

● Preparing a master list of all problems of the departments perceived by its members present in the new group.

● Prioritizing the problems on the basis of three criteria: urgency of the problem, feasibility of action, and minimal requirement of external resources

● Selection of a problem and defining it specifically

● Dynamics of possible causes

● Force field analysis of the problem

● Devising alternative strategies for solution and selecting one of the alternatives Planning the action steps, including the time schedule for action to be completed.

● Anticipation of difficulties

● Consideration of help needed and planning for that help

Those plans were presented by the

Case Study

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planning module to the whole group in the open house session for critical review, and were later revised. After revision the group committed before the open house to work on the action plan on their return. The strategy to involve other members of the departments (who were not present) was also discussed.

Stabilisation and Termination

Reinforcement Lab (RL) was held nine months after the Internal Resource Development (IRD) laboratory. The major thrusts of the reinforcement lab was to bring in maturity in place of an exuberance of enthusiasm resulting in over ambitious action planning. Notwithstanding the shortcomings in the original selection of internal facilitators and the subsequent struggle, after the reinforcement lab consultants renewed faith in the strength of the internal facilitators and their self confidence was reinforced. The consultants thought it was time for them to plan their withdrawal. Before the consultants withdrew finally they thought it was necessary to attend to a few issues, one of which was helping to resolve some conflict, that arose at the management level of plan renovation. One of the consultants spent quite some time in a department to counsel on this issue and arrange confrontation meetings between the conflicting parties. The confrontation proved very useful and the issue was resolved through the hard work of the conflicting parties.

In the gradual withdrawal process the consultants made it clear to the organization that they did not think any other direct intervention was needed anymore, but they would like to visit and help SMC at any point of time. However, it was made clear that such requests for help must be channelled through the commissioner, after they had done all that they could do to help themselves. These criteria were set forth to underscore the need for self-help and self-reliance. It was satisfying that they did not need much outside help. They really depended on their own skills and abilities.

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Questions :

1. Comment whether the training workshops were a waste of time.

2. Was the OD intervention a failure? What lessons can we learn from this experience about organizational change in general, and OD in particular?

3. What should be done differently to change this organization?

How Leaders Create and Use Networks

Herminia Ibarra*
Mark Hunter**

Senior managers find little time to create and improve upon use networks to avoid being out of loop inside as well as outside the company. Thirty managers were studied for the leadership transition, an inflection point in their careers that challenges them to rethink both themselves and their roles. In the process, it was found that networking – creating a fabric of personal contacts who will provide support, feedback, insight, resources, and information – is simultaneously one of the most self-evident and one of the most dreaded developmental challenges that aspiring leaders must address. When it is required to move beyond their functional specialties and address strategic issues facing the overall business, many managers do not immediately grasp that this will involve relational not analytical – tasks. Sometimes the managers we work with say that they find networking insincere or manipulative – at best, an elegant way of using people.

Three distinct but interdependent forms of networking have been discovered in the study—operational, personal, and strategic which played a vital role in their transitions. The first helped them manage current internal responsibilities, the second boosted their personal development, and the third opened their eyes to new business directions and the stakeholders they would need to enlist. It was found that almost all of them under utilized strategic networking.

Operational Networking

Operational networks include not only direct reports and superiors but also peers within an operational unit, other internal players with the power to block or support a project, and key outsiders such as suppliers, distributors, and customers. The purpose of this type of networking is to ensure coordination and cooperation among people who have to know and trust one another in order to accomplish their immediate tasks. Most operational networking occurs within an organization, and ties are determined in large part by routine, short term demands. Relationships formed with outsiders, such as board members, customers, and regulators, are directly task-related and tend

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to be bounded and constrained by demands determined at a higher level.

Personal Networking

Through professional associations, alumni groups, clubs, and personal interest communities, managers gain new perspectives that allow them to advance in their careers. This is what is meant by personal networking. A personal network can also be a safe space for personal development and as such can provide a foundation for strategic networking. According to the famous six degrees of separation principle, our personal contacts are valuable to the extent that they help us reach, in as few connections as possible, the far-off-person who has the information we need. It will be seen that personal networking will not help a manager through the leadership transition unless he or she learns how to bring those connections to bear on organizational strategy.

Strategic Networking

When managers begin the delicate transition from functional manager to business leader, they must start to concern themselves with broad strategic issues. What differentiates a leader from a manager, research tells us, is the ability to figure out where to go and to enlist the people and groups necessary to get there. The key to a good strategic network is leverage: the ability to marshal information, support, and resources from one sector of a network to achieve results in another. One manager in the study used his personal passion, hunting, to meet people from

professions as diverse as stonemasonry and household moving. Almost none of these hunting friends had anything to do with his work in the consumer electronics industry, yet they all had to deal with one of his own daily concerns: customer relations. The key was his ability to build inside-outside links for maximum leverage.

Mind your mind-set

Whatever the reason, when aspiring leaders do not believe that networking is one of the most important requirements of their new jobs, they will not allocate enough time and effort to see it pay off. What appears to be unpalatable or unproductive behaviour takes on a new light when a person you respect does it well and ethically. Networking effectively and ethically, like any other tacit skill, is a matter of judgment and intuition.

Work from the outside in

It's difficult to build a relationship with anyone, let alone a senior executive, without a reason for interacting, like a common task or a shared purpose. Other managers build outside-inside connections by using their functional interests or expertise. For example, communities of practice exist (or can easily be created on the Internet) in almost every area of business from brand management to Six Sigma to global strategy. Savvy managers reach out to kindred spirits outside their organisations to contribute and multiply their knowledge; the information they glean.

The less they practice networking,

the less efficient at it they become, and the vicious cycle continues. A network lives and thrives only when it is used. A good way to begin is to make a simple request or take the initiative to connect two people who would benefit from meeting each other. Doing something – anything – gets the ball rolling and builds confidence that one does, in fact, have something to contribute.

But networking is not a talent; nor does it require a gregarious, extroverted personality. It is a skill, one that takes practice. That people who work at networking can learn not only how to do it well but also how to enjoy it.

Aspiring leaders must learn to build and use strategic networks that cross organizational and functional boundaries, and then link them up in novel and innovative ways. It is a challenge to make the leap from a lifetime of functional contributions and hands on control to the ambiguous process of building and working through networks. Networking is to be accorded one of the most important requirement by managers in new leadership rile. In order to get better pay off, it calls for enough time and effort for creating and using networking productively.

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Aspiring leaders must learn to build and use strategic networks that cross organizational and functional boundaries

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Becoming the Boss

Linda A. Hill*

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> *To help new managers pass this first leadership test, we need to help them understand the essential nature of their role - what it truly means to be in charge.*
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The earliest test of leadership comes with that first assignment to manage others. Most new managers initially fail this test because of a set of common misconceptions about what it means to be in charge. Organizations suffer considerable human and financial costs when a person who has been promoted because of strong individual performance and qualifications fails to adjust successfully to management responsibilities.

The failures aren't surprising, given the difficulty of the transition. Ask any new manager about the early days of being a boss-indeed, ask any senior executive to recall how he or she felt as a new manager. If you get an honest answer, you'll hear a tale of disorientation and, for some, overwhelming confusion. The new role didn't feel anything like it was supposed to. It felt too big for any one person to handle. And whatever its scope, it sure didn't seem to have anything to do with leadership.

To help new managers pass this first leadership test, we need to help them understand the essential nature of their role - what it truly means to be in charge. Most see themselves as managers and leaders; they use the rhetoric of leadership; they certainly feel the burdens of leadership. But they just don't get it.

New managers are surprised to learn that the skills and methods required for success as an individual contributor and those required for success as a manager are starkly different - and that there is a gap between their current capabilities and the requirements of the new position. In their prior jobs, success depended primarily on their personal expertise and actions. As managers, they are responsible for setting and implementing an agenda for a whole group, something for which their careers as individual performers haven't prepared them.

Learning to lead is a process of learning by doing. It can't be taught in a classroom. It is a craft primarily acquired through on-the-job experiences - especially adverse experiences in which the new manager, working beyond his current capabilities,

proceeds by trial and error. Most star individual performers haven't made many mistakes, so this is new for them. Furthermore, few managers are aware, in the stressful, mistake-making moments, that they are learning. The learning occurs incrementally and gradually.

As this process slowly progresses - as the new manager unlearns a mind-set and habits that have served him over a highly successful early career- a new professional identity emerges. He internalizes new ways of thinking and being and discovers new ways of measuring success and deriving satisfaction from work. Not surprisingly, this kind of psychological adjustment is taxing.

The transition is often harder than it need be because of new managers' misconceptions about their role. By acknowledging the following misconceptions-some of which rise almost to the level of myth in their near-universal acceptance-new managers have a far greater chance of success.

Managers wield significant authority: Managers assume the position will give them more authority and, with that, more freedom and autonomy to do what they think is best for the organization. Instead of gaining new authority, they find themselves hemmed in by inter-dependencies. Instead of feeling free, they feel constrained, especially if they were accustomed to the relative independence of a star performer. They are enmeshed in a web of relationships - not only with

subordinates but also with bosses, peers, and others inside and outside the organization, all of whom make relentless and often conflicting demands on them. The resulting daily routine is pressured, hectic, and fragmented.

Until they give up the myth of authority for the reality of negotiating interdependencies, new managers will not be able to lead effectively.

Authority flows from the manager's position: Most new managers mistakenly believe their power is based on the formal authority that comes with their now lofty-well, relatively speaking-position in the hierarchy. After a few painful experiences, new managers come to the unsettling realization that the authority emerges only as the manager establishes credibility with subordinates, peers, and superiors through their character. This is of particular importance to subordinates, who tend to analyze every statement and nonverbal gesture for signs of the new boss's motives. Such scrutiny can be unnerving." They need to demonstrate their competence, but while evidence of technical competence is important in gaining subordinates' respect, it isn't ultimately the primary area of competence that direct reports are looking for.

Managers must control their direct reports: Most new managers, in part because of insecurity in an unfamiliar role, yearn for compliance from their subordinates. They fear that if they don't establish this early on, their direct reports will walk all over them.

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> " *… most new managers see themselves as targets of organizational change initiatives, implementing with their groups the changes ordered from above. They don't see themselves as change agents.* "

However compliance does not equal commitment. If people aren't committed, they won't take the initiative. And if subordinates aren't taking the initiative, the manager can't delegate effectively. The direct reports won't take the calculated risks that lead to the continuous change and improvement required by today's turbulent business environment. The more power managers are willing to share with subordinates in this way, the more influence they tend to command. When they lead in a manner that allows their people to take the initiative, they build their own credibility as managers.

Managers must focus on forging good individual relationships: Managing interdependencies and exercising informal authority derived from personal credibility require new managers to build trust, influence, and mutual expectations with a wide array of people. Ultimately, however, the new manager must figure out how to harness the power of a team. Simply focusing on one-on-one relationships with members of the team can undermine that process. By shaping team culture-the group's norms and values - a leader can unleash the problem-solving prowess of the diverse talents that make up the team.

Managers must ensure that things run smoothly: Like many managerial myths, this one is partly true but is misleading because it tells only some of the story. Indeed, the complexity of maintaining the status quo can absorb all of a junior manager's time and energy. But new managers also need to realize they are responsible for recommending and initiating changes that will enhance their groups' performance. Often, this means challenging organizational processes or structures that exist above and beyond their area of formal authority.

In fact, most new managers see themselves as targets of organizational change initiatives, implementing with their groups the changes ordered from above. They don't see themselves as change agents. Hierarchical thinking and their fixation on the authority that comes with being the boss lead them to define their responsibilities too narrowly. Consequently, they tend to blame flawed systems, and the superiors directly responsible for those systems, for their teams' setbacks - and they tend to wait for other people to fix the problems.

But this represents a fundamental misunderstanding of their role within the organization. New managers need to generate changes, both within and outside their areas of responsibility, to ensure that their teams can succeed. They need to work to change the context in which their teams operate, ignoring their lack of formal authority.

As they go through the daunting process of becoming a boss, new managers can gain a tremendous advantage by learning to recognize the misconceptions just outlined. But given the multilayered nature of their new responsibilities, they are still going to make mistakes as they try to put together the managerial puzzle - and making mistakes, no matter how important to the learning process,

is no fun. They are going to feel pain as their professional identities are stretched and reshaped. As they struggle to learn a new role, they will often feel isolated.

Unfortunately, few new managers ask for help because of the mistaken belief that "The boss is supposed to have all the answers, so seeking help is a sure sign that a new manager is a "promotion mistake." Another reason new managers don't seek help is that they fear that this information would be used against them, especially in sharing problems wit the superior. The inherent conflict between the roles of evaluator and developer is an age-old dilemma. So new managers need to be creative in finding support. For instance, they might seek out peers who are outside their region or function or in another organization altogether.

When a new manager can develop a good relationship with his boss, it can make all the difference in the world -though not necessarily in ways

the new manager expects. Eventually about half of new managers turn to their bosses for assistance, often because of a looming crisis. Many are relieved to find their superiors more tolerant of their questions and mistakes than they had expected.

Sometimes, the most expert mentors can seem deceptively hands-off. It's important for the bosses of new managers to understand-or simply recall-how difficult it is to step into a management role for the first time. Helping a new manager succeed doesn't benefit only that individual. Ensuring the new manager's success is also crucially important to the success of the entire organization.

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Unfortunately, few new managers ask for help because of the mistaken belief that "The boss is supposed to have all the answers, so seeking help is a sure sign that a new manager is a "promotion mistake."

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Book Review

Leadership for the Ages

David P. Hann*

> " It has been concluded that you must adhere to the natural laws of living systems if you would develop an organisation for the ages. "

The book 'Leadership for the Ages' has brought out dimensions of leadership which managers should consider for sustaining leadership in times ahead of them. Its author David P. Hanna is the founder of Confluence Consulting whose mission is to partner with leaders at all levels. He tries to align them with people, system and natural laws to create an enduring standard of excellence. A former senior consultant with Franklin Covey and Proctor & Gamble, he has incorporated his experience with the clients like Merck, Eastman Chemical, General Motors, Hoechst, Allied Signal, Xerox, Siemens, Shell etc in this book. He has presented the book for managers and leaders who want to do great things and have got global desire for "more with less". Many wonderful individuals have influenced the content of the book.

The book is composed six sections comprising 14 chapters dealing with different aspects of enduring leadership practices. Leadership and the Test of Time is the first section of the book which has been divided into two chapters. The point has been very well reiterated in first chapter on 'The Seeds of Leadership' that everything in the global age is subject to change. Character and competence are seeds of the leadership and point has been well made that bosses have subordinates and leaders have followers.

Chapter – 2 on Natural Laws and Lifecycles explain organisational lifecycle and similarly with lifecycles of civilisation have been brought out by the author. Resemblance with product lifecycle has also been discussed to generalise the lifecycle concept with universal Natural Laws to govern longevity. The most enduring systems are found in nature. Seven characteristics of system have been enumerated to qualify as natural laws. It has been concluded that you must adhere to the natural laws of living systems if you would develop an organisation for the ages. Organisation for ages can be developed by leaders who follow the success pattern of natural laws.

The Leader's Core is the theme of Section- 2 which compares two chapters. It begins with chapter – 3

devoted on 'Earning Trust'. It has been explained with the two important facts of a leader (1) What a Leader Is (Character) and (2) What a Leader Does (Competence). Author has drawn trust parallel with the Emotional Bank Account metaphored by Stephen Covey. Situations and emotions can vary significantly and they do not produce consistency. Trust is built up when there is consistency on "Walk the Talk". The next chapter on 'From subordinate to Steward' starts with a very powerful paradigm to medical students "You can see what is behind your eyes". Whole diagnosing a patient, students see the possibilities their training has placed in their head. So they can only see what is behind their eyes. The concept of "intelligent disobedience" has been prescribed to safeguard stakeholder trusts.

The author has devoted Section–3 on 'Shaping a Compelling Common Purpose'. The debate on whether a Company's focus should be to build shareholder value or stakeholder value. It has been advocated in chapter–5 in this section that there is more compelling and pragmatic reason to see an organisation as serving more people than just shareholders and customers. Stakeholder feedback and organisation's mission build up synergy. Number of examples have been given in chapter-6 about shaping compelling mission. Example of Shell Oil Company has been described how the company moved from despair to rebirth. It has been concluded that the magic of mission statements is to be found in the processes used to create and nurture them. Author has dealt with the situation in subsequent chapter

how to decide the mission to be followed when each unit and sub-unit of an organisation are having separate missions.

It is important and challenging for leaders to build systems that never rust. Section-4 has covered the aspects of building such systems. 'Mapping the Ecosystem' is the first chapter in this section and the author has introduced a model that can be used to map the elements that form the part of ecosystem of an organisation. Eleven laws of Peter Senge's "Laws of the Fifth Discipline" have been revisited to understand the nature of organizational ecosystems. It is pertinent to trace your organizational root to build sound systems which never rust.

Diagrammatic illustrations have been made by the author to depict the approach and steps required to reach the organisational roots. Readers can relate design elements of organisational system and diagnose the system before prescribing the charges in the system. It has been asserted that real competitive advantage lies in being able to distinguish critical drivers/resistors from extraneous ones. Chapter–10 deals with how to put natural laws to work. After diagnosing the organisation you need to engage in the design process of shaping and reshaping the elements of organisation design to get the desired results. Example of Ritz–Carlton Hotel Company has been narrated as a good example of an organisation design yielding a high performance culture. High performance design principles have been described by the author in this chapter. Author has explained how

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> *Eleven laws of Peter Senge's "Laws of the Fifth Discipline" have been revisited to understand the nature of organizational ecosystems.*
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> *Partnership of Wal-Mart and Proctor & Gamble has been exemplified as synergistic approach by two companies to improve their bottomline.*
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to align these design principles with natural laws.

'When Partnerships are Synergistic' is the caption of Chapter-11 in which the author deliberates with paradigms of synergy and partnerships. Paradigm of Synergy has been explained with meaning of its three elements- Syn, Erg and Ism. A synergistic design process is to be followed from paradigms. Partnership of Wal-Mart and Proctor & Gamble has been exemplified as synergistic approach by two companies to improve their bottomline. Examples of school, sports and healthcare make the synergistic partnership as universal approach to grow.

'Leading a High Performing Culture' is central theme of Section-5 which begins with chapter-12 on embracing change. It has been advocated that the elements of Leadership for the Ages will require some existing paradigms, values and habits to change. It has been illustrated with a case that a lasting behaviour always develops from the inside out: from a paradigm shift that changes our view of the world, our situation, and even ourselves. A mathematical formula has been developed to summarise the critical elements of inside out change. Leading change has been discussed in next chapter. Great leaders such as Mahatma Gandhi, Martin Luther King, Margaret Thatcher, Jack Welch, Mikhail Gorbachev, Anwar Sadat, Walt Disney, Mother Teresa have been reminded in this chapter to bring forth the points of enduring change. It has been emphatically pointed out that leaders of change

must undergo a personal transformation before they attempt to transform their organizational culture.

Rightly the last section-6 has been devoted on 'Leadership that Lasts' which has the last chapter-14 titled as 'A Legacy for the Ages'. The last chapter is purposely kept to encourage readers to carry through with resolutions and action plans to shape something which can last for ages. The author has promptly mentioned the advice of Winston Churchill in last lines of the book that all of us get a special moment in our lifetime to a very special thing and we should avoid the tragedy that moment finds us unprepared and unqualified for the work which would be our finest hour.

Every chapter begins with few quotations appropriate to the theme of the chapter. Suitable examples have been given in the beginning of most of the chapters to relate subsequent discussion and development of concepts. Each chapter ends with 'Applying what you have learned' which leads to thinking on action to apply learnings. He has added value by giving chapter-wise references used in each chapter at the end of the book.

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Facilitating To Lead - Leadership Strategies for a networked world

Ingrid Bens*

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> *Where bosses once wielded absolute authority over compliant workers, today's leaders often work with independent colleagues over whom they have little or no authority. This shift in the leadership context has significant implications for the leadership competencies required to be effective.*
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Leaders who operate in today's networked world of projects and teams find themselves in a dynamic environment that didn't exist just a few decades ago. Where managers once oversaw functions they had previously performed themselves, today's leaders often head diverse groups of specialists whose areas of expertise are not familiar to them. Where supervisors traditionally worked in close proximity to their staff, today's employees may be located hundreds or even thousands of miles away. Where bosses once wielded absolute authority over compliant workers, today's leaders often work with independent colleagues over whom they have little or no authority. This shift in the leadership context has significant implications for the leadership competencies required to be effective. The command-and-control notion of leadership that relied on the leader's authority or content expertise to provide "directive leadership" to people who were willing to suborn their personal knowledge and will to the leaders direction, no longer works in an environment where

those being led are more likely to have far superior knowledge in their domain than the leader.

This shift is getting accentuated by the use of matrix organization and project team based working with specialists from diverse fields and sometimes from different organizational units or even organizations working together for specific projects. Matrix teams are more likely to be goal driven than task driven. At the same time that organizations have been transforming, employees have been changing. Decades of higher education and personal autonomy have altered worker outlooks and expectations. These younger workers have known constant change and are accustomed to working in teams. Instead of permanence, they're more interested in finding meaningful work that features opportunities to learn and grow. They also expect to be personally engaged at work; they want to control their workday and have a voice in important decisions that affect them.

The combined effect of these trends

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is changing what it means to be a leader in today's world of work:

- When team members are experts in specialty areas that are unknown to the leader, it is impossible for the leader to direct staff efforts.

- When team members work in remote locations and set their own timetable for achieving personal deadlines, the leader is in no position to judge staff effectiveness through direct observation.

- When team members are assigned to a team or committee in which both staffing and budgets are controlled elsewhere, the leader has few levers to control member actions.

- When the work demands creativity and innovation and results depend on people taking initiative, close oversight is futile and serves only to undermine individual initiative.

Just as the advent of the industrial age created the need for new approaches to managing work, the proliferation of matrix structures is creating the need for a transformation in the role of the leader. This change also represents an opportunity for leadership thinking to make a quantum leap forward by taking on the form that reflects the dimensions of the Internet age.

Of all the skill sets that support the shift from a traditional management role to a more collaborative approach, none is more relevant than that of

the role of the facilitator. The beliefs, behaviors, and practices of facilitation are precisely what all leaders need to acquire and put into action. In "Facilitating to Lead!" renowned facilitation expert Ingrid Bens applies her proven concepts of facilitation to the leadership role and demonstrates that facilitation is an effective work style.

Facilitative leadership is a skilled approach to leading that's based on the core beliefs and practices of group facilitation. It makes extensive use of process tools in order to provide structure and casts the leader in the role of helper and enabler. Facilitative leaders share the core beliefs of facilitation :

- People are intelligent and capable, and they want to do the right thing.

- Everyone's opinion has value, regardless of an individual's rank or position.

- Groups can make better decisions than individuals acting alone.

- People are more committed to the ideas and plans that they create.

- People will take responsibility and assume accountability for their actions and can become partners in the enterprise.

Facilitation is a process through which a person helps others work effectively. It draws out the knowledge of group members in order to achieve superior results. It values everyone's contribution, shares power, and instills ownership. Facilitators help groups

improve the quality and quantity of their work by getting members to work together more effectively.

- Instead of dealing largely with individuals, they work with people in groups.

- Instead of supervising hours of operation and measuring workload, they help staff identify parameters within which they can become self-managing.

- Instead of directing tasks, they motivate people to achieve superior results.

- Instead of directing the mission, they align team efforts with organizational goals.

The ultimate goal of the facilitative leader is to develop the leadership talents of others by instilling confidence, authority, and responsibility in each person. They aim to create organizations that are participative, responsive, and essentially self-managing, exactly the kind of workplace in which knowledge workers thrive.

True facilitative leaders are more than just people savvy; they're group process focused. They not only hold meetings to gain staff input, they know how to structure every type of conversation to ensure effective collaboration. They do more than delegate; they systematically empower. They are not only open to employee input; they deliberately structure activities to ensure that staff evaluate them and each other on a regular basis.

Leaders who operate in this mode

deliberately leave content matters to group members while they focus their energy on building effective partnerships and networks. They also focus on providing the enabling structures that support superior performance. Rather than coming to meetings to make decisions, these leaders provide decision-making structures. Rather than deciding strategy, identifying priorities, and assigning responsibilities, they provide the right structuring tools so that members can create those plans for themselves. Rather than make things happen, they enable others to get things done. They are helpers and enablers. Although this style is not applicable to all situations, it is the right approach for groups whose members are capable of both making effective decisions and working independently. Power is one of the central dilemmas of the facilitative leaders because facilitation is intrinsically a powerless role. The solution to this power dilmna lies in knowing the power equation

The amount of power you have = the amount of power you negotiate

This equation means that leaders who are operating in a power vacuum need to be constantly identify the power required to manage the process elements of their assignment and regularly (not just once) negotiate to receive this power.

The basic thrust of the book is backed with a number of specific tools and techniques that a leader can bring to bear upon improving their facilitation skills.

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The book highlights ten essential processes for leading through facilitation:

- **New leader integration:** A structured dialog between the leader and group members in the first few days of the relationship to break down barriers and accelerate bonds.

- **Visioning:** Using a shared visioning process to identify common goals to which all members aspire. Making people see the outcomes for which they are working

- **Team launch:** A set of conversations to provide the members of team with clear parameters and the opportunity to develop coopertative relationships before jumping in into the tasks.

- **Operational Review:** Evaluating the process elements of an initiative rather than the tasks. It starts with an identification of what's working and what's not working to ensure that blocks and barriers are identified and removed.

- **Survey Feedback:** Process of generating data using survey and then providing those data to stakeholders for interpretation and identification of action plans.

- **After Action debriefing:** Assessment conducted after a major project or activity to determing what happened and why.

- **Needs and offers negotiation:** constructive dialog between two parties to resolve misunderstandings and identifiy action steps both can take to create effective working relationships.

- **Peer Feedback:** Mechanisms through which members can give and receive feedback and a form of intervention when feedback is directed to individuals who are underperforming.

- **Mediating interpersonal conflict:**

- **Coaching**

The book details out how and when to use these different processes so that both the task and relationship aspects of group working are addressed through structured processes. Combined with the instruments provided for measuring both competencies as a facilitator as well as blockages within the organization, it is a good starter for the aspiring leaders of the 21st century.

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नेतृत्व एक झलक एवं परख

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किसी भी व्यावसायिक संस्थान/औद्योगिक संस्थान की सफलता वहाँ उपलब्ध नेतृत्व की गुणवत्ता पर निर्भर करती है। इस कथ्य की पुष्टि के लिए देश एवं विदेश में कितिपय उदाहरण उपलब्ध हैं। भारत के जमशेदपुर में टाटा आयरन स्टील कंपनी लिमिटेड की सफलता का श्रेय उसके सर्जक स्वर्गीय जमशेदजी नसरवान जी टाटा को जाता है। इसी प्रकार संयुक्त राज्य अमेरिका के फोर्ड मोटर कंपनी की सफलता का श्रेय स्वर्गीय हेनरी फोर्ड को जाता है। यदि प्रारंभिक चरण में इन संस्थाओं को इन महान लोगों का नेतृत्व न प्राप्त हुआ होता तो इनकी वर्तमान की निखरी हुई रूपरेखा नहीं दिखाई पड़ती। किसी व्यावसायिक संस्था में अनेक कार्य एवं उपकार्य होते हैं जैसे संस्था के उद्देश्यों का निर्धारण तथा उन्हें प्राप्त करने के तरीकों का निर्धारण, संस्था के कितिपय विभागों की गतिविधियों का निर्देशन व समन्वयन तथा उनका सफल संचालन। इस हेतु सजग एवं योग्य नेतृत्व की आवश्यकता होती है। इसी बात की ओर कितिपय विद्वानों ने संकेत किया है : पीटर ड्रकर के शब्दों में ''नेतृत्व मनुष्य की दूरदर्शिता को और ऊँचे परिदृश्यों तक उठाना है, मनुष्य

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के निष्पादन को और ऊँचे स्तर तक बढ़ाना है, मनुष्य के व्यक्तित्व का निर्माण उसकी सामान्य सीमाओं के पार तक करना है।''[1] जार्ज आर. टेरी ने कहा है : ''कार्य करने की इच्छा को नेतृत्व द्वारा प्रेरित किया जाता है तथा उपलब्धियों के प्रति उत्सुक इच्छाओं को सफलतापूर्वक पूरा करने की प्रबल धुन में नेतृत्व द्वारा अनुकूल परिवर्तन कर दिया जाता है।[2] अलफोर्ड तथा बेट्टी की दृष्टि में ''अनुचरों के समूह से, बिना उत्पीड़न का प्रयोग के, स्वेच्छया इच्छित कार्य करा लेने की सुनिश्चितता की योग्यता नेतृत्व है।[3] नेतृत्व के संबंध में इन्हीं बातों को कीथ डेविस ने बड़े स्पष्ट शब्दों में कहा है। उनके अनुसार ''दूसरों को निर्धारित उद्देश्यों को उत्साहपूर्वक प्राप्त करने हेतु समझा लेने की योग्यता नेतृत्व है। यह मानवीय तत्व है कि जो एक समूह को साथ–साथ बांध कर रखता है तथा उद्देश्यों की ओर इसे प्रेरित करता है।[4]''

उपरोक्त कथ्यों से यह स्पष्ट होता है कि नेता तथा प्रबंधक में अंतर होता है। दोनों भिन्न हैं। उनकी भिन्नता पर विचार कर लेना समीचीन होगा :

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> *अनुचरों के समूह से, बिना उत्पीड़न का प्रयोग के, स्वेच्छया इच्छित कार्य करा लेने की सुनिश्चतता की योग्यता नेतृत्व है।*
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अनुचरों की कर्मठता तथा नेतृत्व के प्रति निष्ठा एवं उत्सर्ग की भावना की मात्रा से ही नेता में नेतृत्व की गुणवत्ता तथा क्षमता का आकलन कर सकते हैं।

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1. एक व्यक्ति नेता के रूप में उभरता है। वह नेता के रूप में उभर पायेगा या नहीं यह अनेक परिस्थितिजन्य तत्वों पर निर्भर करता है। किन्तु एक प्रबंधक तो प्रबंधक की स्थिति में सर्वदा नियुक्ति आधार पर ही आता है।

2. नेता के पास सर्वदा कुछ अनौपचारिक शक्तियां रहती हैं। (उदाहरणस्वरूप प्रभावित करने की क्षमता) जिनसे वे नेतृत्व करने का स्वरूप प्राप्त करता है। औपचारिक अधिकार उसके पास हो सकते हैं अथवा नहीं भी हो सकते हैं। (उदाहरणार्थ – प्रशासन का अधिकार) जबकि एक प्रबंधक सर्वदा कुछ न कुछ औपचारिक अधिकार शक्तियों से सम्पन्न रहता है। संभव है उसकी अपनी व्यक्तिगत शक्तियों में गुण समपन्नता का अभाव हो। यदि वह व्यक्तिगत शक्तियों में गुण सम्पन्नता का अभाव हो। यदि वह व्यक्तिगत शक्तियों से भी सम्पन्न हो तो फिर क्या कहना ?

3. नेता और अनुचरों के उद्देश्यों एकरूपता होती है किन्तु एक प्रबंधक के उद्देश्यों को अधीनस्थ कर्मचारी अपना उद्देश्य नहीं मानते हैं।

अतः प्रबंधक एवं नेता दोनों भिन्न धरातल पर खड़े रहते हैं। नेता मानवता परक मूल्यों के आधार पर लक्ष्योन्मुख होता है जबकि प्रबंधक उद्देश्यपरक मूल्यों के आधार पर लक्ष्योन्मुख होता है। इसलिये अनुचर नेता को अपना मानते हैं, उसके प्रति निष्ठावान रहते हुए उत्सर्ग के लिये भी तत्पर रहते हैं जबकि प्रबंधक को 'अपने उपर' मानते हैं और उसकी बातों को मानते हैं इसलिये कि विकल्प नहीं होता।

अब समय आ गया है नेतृत्व के लक्षणों पर विचार करने का। कतिपय प्रमुख लक्षण अग्र प्रकार हैं :–

1. नेतृत्व की कल्पना में अनुयाइयों के अस्तित्व की स्वीकारा जाता है अर्थात् नेता है तो अनुयाई होंगे अथवा अनुयायी हैं तो नेता अवश्य होगा। अनुचरों की कर्मठता तथा नेतृत्व के प्रति निष्ठा एवं उत्सर्ग की भावना की मात्रा से ही नेता में नेतृत्व की गुणवत्ता तथा क्षमता का आकलन कर सकते हैं। एक बहुस्तरीय औपचारिक संगठन में किसी भी स्तर के नेता को अपने स्तर के लोगों का नेतृत्व करना पड़ता है साथ ही अपने से उपर के स्तर के अधिकारी की बातें सुननी भी पड़ती है एवं माननी पड़ती है। नेतृत्व की सफलता जितनी अपने अनुचरों द्वारा प्रसन्नतापूर्वक अपनी बात मनवाने में है उतनी ही अपने उपर के लोगों की बात प्रसन्नतापूर्वक मानने में है। अतः नेता के मन में हर्ष एवं उल्लास का स्वरूप दोनों समय में होना चाहिए।

2. नेता और अनुचरों के हितों में एकरूपता का विद्यमान रहना नेतृत्व की अपेक्षा होती है। दूसरे शब्दों में नेता और अनुचरों के हितों में पूर्णतया एकरूपता होनी चाहिए। यदि ऐसा नहीं हुआ तो नेतृत्व का अभाव माना जायेगा। ''आपसी उद्देश्य हेतु स्वेच्छया प्रयास करने हेतु लोगों को (अनुचरों को) प्रभावित करने की गतिविधि ही नेतृत्व है।'' [5]

3. नेतृत्व में नेता तथा समूह के सदस्यों में अधिकार का असमान वितरण निहित होता है। समूह के सदस्यों को नेता की बातें सुननी और माननी पड़ती है किन्तु समूह का कोई सदस्य नेता को आदेश निर्देश नहीं दे सकता है, यद्यपि वे सारे लोग उन गतिविधियों को अनेक प्रकार से प्रभावित कर सकते हैं।

4. नेतृत्व में नेता द्वारा अपने अधीनस्थ एवं अनुयाइयों को आदेश निर्देश देने के अलावा अपने व्यवहार एवं आचरण के द्वारा भी उन्हें प्रभावित किया जाना निहित होता है।

5. अनुचरों एवं उनसे सम्बन्धित परिस्थितियों से संबंधित मामलों में तथ्यपरक एवं अपूर्वाग्रही व्यवहार 'नेतृत्व की पूर्व कल्पना होती है।

6. अनुचरों अथवा अनुयाईयों को कोई भी निर्देश देने के पहले उसकी उपादेयता के बारे में नेता द्वारा स्वयं आश्वस्त हो जाना 'नेतृत्व' की आवश्यकता है।

नेतृत्व के कार्य :

यदि कम शब्दों में नेतृत्व के कार्यों को बताना हो तो कहा जा सकता है कि नेतृत्व स्वयं अपने कार्यों का रूप तथा उनके क्रियान्वयन का ढंग निर्धारित करता है। फिर भी नेतृत्व के प्रमुख कार्यों की चर्चा आगे की जा रही है। क्रेच एवं क्रचफील्ड[6] जैसे चिंतकों ने नेता द्वारा संपादित किये जाने वाले 14 कार्यों को वर्गीकरण किया है जो निम्न तीन वर्गों में बताये गये हैं :

1. संगठनात्मक लक्ष्यों का निर्धारण एवं उनकी प्राप्ति :

इस संदर्भ में नेता निम्न तीन भूमिकाओं में आता है :

(अ) लक्ष्य निर्धारक :– नेता या तो स्वयं संगठन के लक्ष्यों को निर्धारित करे अथवा अपने वरीय तथा समकक्ष लोगों के साथ विचार विमर्श कर तय करे अथवा उनको भी विश्वास में लेने हेतु उनसे भी विचार विमर्श करे, जिनसे कार्य कराना है। चाहे जो भी स्थिति हो लक्ष्य निर्धारण में नेता की महती भूमिका होती है। इसलिये किसी भी कम्पनी का अध्यक्ष (प्रसिडेंट) संचालक मंडल के साथ अथवा अपने अधीनस्थ कर्मचारियों के साथ विचार विमर्श के बाद कम्पनी के उत्पाद वस्तु अथवा सेवा के स्वभाव, मात्रा, गुणवत्ता आदि के संबंध में लक्ष्य निर्धारण करता है।

(ब) आयोजक :– लक्ष्यों के निर्धारण के उपरान्त किन्तु उनकी प्राप्ति हेतु क्रियान्वयन के बीच नेता की भूमिका आयोजक के रूप में बनती है। ध्यातव्य है कि सफल आयोजन ही सफल क्रियान्वयन का आधार होता है। इस भूमिका में नेता आगे के कार्यों को सरल सुगम नियंत्रित एवं चरणबद्ध ढंग से पूरा करने की योजना बनाता है या बनाने में सहायक होता है।

(स) व्यवस्थापक तथा प्रशासक : निर्धारित लक्ष्यों की ओर पूर्व नियोजित ढंग से कार्यकर्ताओं का दल कार्यरत है और कार्य में किसी प्रकार विक्षेप नहीं हो रहा है – यह देखना ही व्यवस्थापक तथा प्रशासक का कार्य है और नेता की यह भूमिका भी महती भूमिका होती है।

2. संगठन की क्रियाओं एवं प्रक्रियाओं का आयोजन :

नेता द्वारा किये जाने वाले दूसरे वर्ग के कार्य संगठन की क्रियाओं एवं प्रक्रियाओं के आयोजन से संबंधित होते हैं। नेता द्वारा किये जाने वाले छः तरह के कार्य इस वर्ग में आते हैं :

(i) सिद्धहस्त की भूमिका :– नेता संगठन की प्रमुख गतिविधियों का सिद्धहस्त होता है। उसे अपने अधीनस्थों को समय–समय पर कठिनाई होने पर सलाह देने की आवश्यकता पड़ती है एवं कभी–कभी निरूपित अथवा प्रदर्शित करने की भी आवश्यकता पड़ती है।

(ii) बाह्य पक्षों के सम्मुख समूह का प्रतिनिधित्व :– बहुधा बाह्य पक्षों से संगठन को व्यवहार करना पड़ता है। ऐसे समय में संगठन का प्रतिनिधित्व समूह के माध्यम से

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नेतृत्व स्वयं अपने कार्यों का रूप तथा उनके क्रियान्वयन का ढंग निर्धारित करता है।

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> संगठन में एक नेता (प्रबंधक) के नेतृत्व एवं नियंत्रण में पड़ने वाले सभी विभाग अपने कार्य–कलापों को अधिकाधिक मात्रा में समन्वित करते रहें, इसे सुनिश्चित कराने की भूमिका नेता (प्रबंधक) की ही होती है।
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प्रभावी ढंग से नहीं हो पाता है और यहीं पर नेता की उत्तरदायित्वपूर्ण भूमिका हो जाती है। फर्म का हित, कर्मचारियों का हित, समाज हित, राष्ट्रहित और सामने वाले के लिये व्यवहार हेतु पर्याप्त आकर्षण – यह सारे दायित्व एक साथ नेता के सर पर आ जाते हैं।

(iii) व्यक्तिगत उत्तरदायित्व हेतु प्रतिनियुक्ति :– बहुधा समूह में से ही कोई व्यक्ति अन्य कोई सहयोगियों की ओर से उनका प्रतिनिधित्व करने के लिए उनके द्वारा प्रतिनियुक्त कर दिया जाता है। ऐसे में नेता की दायित्व भरी भूमिका आ जाती है क्योंकि उसे सहयोगियों के हित और विश्वास की रक्षा करते रहना होगा क्योंकि इसी कारण विश्वास की रक्षा करते रहने होगा क्योंकि इसी कारण तो सहयोगी नेता के निर्णय में विश्वास करते हैं।

(iv) संगठन के अंतर्गत आन्तरिक सम्बन्धों का नियंत्रक :– संगठन में एक नेता (प्रबंधक) के नेतृत्व एवं नियंत्रण में पड़ने वाले सभी विभाग अपने कार्य–कलापों को अधिकाधिक मात्रा में समन्वित करते रहें, इसे सुनिश्चित कराने की भूमिका नेता (प्रबंधक) की ही होती है।

(v) पारितोषिक एवं दण्डों का प्रशासक :– निरीक्षक के रूप में अपने अधीनस्थ कर्मचारियों में से सुपात्र (योग्य) लोगों को उत्साहित करने हेतु प्रोन्नति देने तथा अयोग्य लोगों के लिये दण्ड, स्थानान्तरण आदि की व्यवस्था करने की दायित्व भरी भूमिका भी नेता की ही होती है। अनौपचारिक समूह में भी अनुशासन बना रहे यह उत्तरदायित्व भी नेता का ही होता है। ऐसे समूह का नेता अपने समूह में किसी व्यक्ति द्वारा असंगत व्यवहार करने पर उसे समूह की सदस्यता से बहिष्कृत करने की भी सोच सकता है।

(vi) पंच एवं मध्यस्थ :– अधीनस्थों के बीच तारतम्य बना रहे इसे देखते रहने की तथा बनाये रखने की उत्तरदायित्वपूर्ण भूमिका भी नेता की ही होती है। इसीलिये अध्यक्ष अपने अधीनस्थ महत्वाकांक्षी तथा आपसी प्रतिद्वन्द्विता के आधार पर काम करने वाले उपाध्यक्षों के बीच जब अस्वस्थ प्रतिद्वन्द्विता देखता है तो उन्हें बैठाकर, समझा बुझाकर अथवा अन्य तरीकों से उनके बीच के भाव को बदल तारतम्य बैठाये रखने का प्रयत्न करता है।

3. समूह का श्रद्धेय प्रतीक :– इस रूप में नेता की भूमिका इतनी सूक्ष्म होती है कि कभी–कभी इस पर ध्यान ही नहीं जाता किन्तु यहाँ भी नेता महती भूमिका में रहता है। इस भूमिका में उसके कार्य अग्र प्रकार हैं :–

(i) अनुकरणीय भूमिका में :– अधीनस्थों के सम्मुख नेता की अनुकरणीय बने रहने की भूमिका होती है। निर्धारित समय से पूर्व ही कार्यालय में अपने स्थान पर पहुँचने वाला व्यक्ति की अपने अधीनस्थों को समय पर पहुँचने की बात कह सकता है। सैनिकों के साथ–साथ जब उनका नायक भी युद्धक्षेत्र में उपस्थित रहता है तो उनका मनोबल ऊँचा रहता है। अतः कहा जा सकता है कि नेता का कार्य अधीनस्थों के सम्मुख अनुकरणीय बने रहने का है।

(ii) समूह का प्रतीक :– नेता भी समूह को एक स्थायी पहचान देता है और उसकी स्थिति से संस्था में एक निरंतरता का बोध होता रहता है। इसीलिये किसी कंपनी के संचालक मंडल का अध्यक्ष अल्प नियंत्रण करते हुए भी अंशधारियों, कर्मचारियों तथा जनता के बीच कंपनी का जीवंत प्रतीक स्वरूप बना रहता है।

(iii) आदर्शवादी :– नेता का स्वरूप अपने अधीनस्थ/अनुयायी लोगों के सन्मुख आदर्शवादी ही रहना चाहिए। उसे इस कसौटी पर लगभग

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खरा उतरना चाहिये तभी वह उन लोगों का विश्वास जीत सकेगा। बहुधा ऐसा देखा जाता है कि अनौपचारिक समूह के प्रवक्ता द्वारा कही गयी बातें समूह के लोगों का मंतव्य नहीं होती है।

(iv) पितृस्वरूप :– नेता का स्वरूप और स्वभाव ऐसा प्रतीत होना चाहिए कि अधीनस्थों/ अनुयाइयों को सर्वदा यह अनुभूति होती रहे कि हमारे नेता हमारे दुख–दर्द का साथी है, हमारा शुभचिंतक है, हमारा अभिभावक है। उसका व्यवहार ऐसा होना चाहिए जिससे कि अपनी व्यक्तिगत समस्याओं का भी समाधान अधीनस्थ /अनुयायी व्यक्ति संवेदात्मक आधार पर पा सके।

नेतृत्व की भूमिका पर विचार के बाद यह स्वतः स्पष्ट हो जाता है कि समूह में तारतम्य बनाये रखते हुए उद्देश्यों के प्रति सतत सचेष्टता के साथ प्रयासरत रहने का बोध नेता कराता है। इस भूमिका में उसकी कहीं से भी थोड़ी सी भी चूक होती है तो संगठन को किसी न किसी रूप में प्रतिकूल परिणाम झेलना पड़ता है।

अतएव यह नेतृत्व ही होता है जो संगठन को सफल बनाने का श्रेय का भागी होता है अथवा उसे असफल बनाकर कलंक का भागी होता है।

नायक के नेतृत्व के कुछ गुण शाश्वत होते हैं और उन गुणों को अपने व्यक्तित्व में बनाये रखने के लिये उसे सतत् सचेष्ट रहना चाहिए। इसके साथ ही उसके गुणों की झोली में कुछ गुण कालक्रम में परिवर्तन तथा परिस्थितियों में परिवर्तन के साथ आ जाने चाहिये। ऐसा न होने पर नेतृत्व की भूमिका का निर्वाह सफल ढंग से नहीं हो सकेगा।

पिछली कुछ शताब्दियों में विकास की दर में परिवर्तन आया है। यह दर 20वीं शताब्दी के पूर्वार्द्ध में कुछ और गति पकड़ी। यद्यपि इस काल में विश्व के भयानक युद्ध (प्रथम तथा द्वितीय विश्वयुद्ध) भी हुए। विनाश की भरपाई करने के लिये विश्व के समक्ष देशों ने अपने–अपने ढंग से काम करना भी प्रारंभ किया और सफलता पाई। उपनिवेशवाद क्रमशः समाप्त होता गया और गुलाम देश स्वतंत्र होते गये। राजनीतिक व्यवस्था और तदनुरूप आर्थिक व्यवस्था में परिवर्तन होता रहा। पूंजीवाद और साम्यवाद का रूप विश्व के सामने आया। विश्व दो खेमे में बंट गया। अपने–अपने ढंग से व्यवस्था चलाई जाने लगी और विकास भी प्राप्त किया जाने लगा। कुछ स्वतंत्र होने वाले देशों ने (भारत एवं उसके मित्र एवं अगुवाई देशों ने) गुटनिरपेक्षता की नीति अपनायी। आर्थिक विकास हेतु औद्योगिक, व्यवसायिक, वैज्ञानिक एवं सामाजिक विकास पर बल दिया जाने लगा। मानव मूल्यों को ध्यान में रखकर विश्व के देशों में भिन्न–भिन्न कानून भी बनाये गये। जिससे औद्योगिक एवं व्यावसायिक विकास की गति उत्तरोत्तर तेज होती जाये। भारत में भी विधायिका ने ऐसा किया। दिग्दर्शन हेतु कुछ निम्नलिखित हैं :

कर्मचारी क्षतिपूर्ति अधिनियम	1923
ट्रेड यूनियन अधिनियम	1926
मजदूरी भुगतान अधिनियम	1936
औद्योगिक रोजगार (स्थायी आदेश) अधिनियम	1946
औद्योगिक विवाद अधिनियम	1947
न्यूनतम मजदूरी अधिनियम	1948
कारखाना अधिनियम	1948
कर्मचारी राज्य बीमा अधिनियम	1948
कर्मचारी भविष्य निधि तथा विविध व्यवस्था अधिनियम	1952
इम्प्लायमेन्ट एक्सचेंज	

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> समूह में तारतम्य बनाये रखते हुए उद्देश्यों के प्रति सतत सचेष्टता के साथ प्रयासरत रहने का बोध नेता कराता है। इस भूमिका में उसकी कहीं से भी थोड़ी सी भी चूक होती है तो संगठन को किसी न किसी रूप में प्रतिकूल परिणाम झेलना पड़ता है।

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नेता उद्योग का हो, संगठन का हो अथवा संगठन के समूह विशेष का हो, उसके सन्मुख चुनौती यदि समान नहीं है तो समरूपी अवश्य हो गई है।

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(कम्पलसरी नोटिफिकेशन
ऑफ भेकेन्सीज) एक्ट   1959
आपरेन्टिस एक्ट   1961
बोनस भुगतान अधिनियम   1965
कान्ट्रैक्ट लेबर (रेगुलेशन एवं
एवालिशन) ऐक्ट   1970
ग्रेच्युटी भुगतान अधिनियम   1972
इक्वल रेमुनरेशन एक्ट   1976

किन्तु 20वीं शताब्दी के उत्तरार्द्ध में तो चतुर्दिक विकास की यह दर और बढ़ती गई। व्यापार, व्यवसाय एवं उद्योग क्रमशः चुनौती भरे होने लगे। प्रतियोगिता का स्वरूप, आवागमन तथा यातायात के साधनों में विकास के साथ बदल गया। श्रम अधिक गतिशील हो गया। पूँजी की गतिशीलता में भी वृद्धि होगी गयी। पूँजी आपूर्ति के स्रोत और साधनों में परिवर्तन हो गया। श्रम एवं पूंजी दोनों राजनीतिक सीमाओं को पार करते हुए अधिक गतिशील हो गए। श्रमिक और अधिकारों के प्रति सचेष्ट होते गए। उपभोक्ताओं के ज्ञान एवं रूचि में परिवर्तन होता गया। उदारीकरण एवं वैश्वीकरण का काल आ गया और अब व्यवसाय एवं उद्योग अतिशय चुनौती भरा हो गया। नये–नये प्रतियोगी (देशी ही नहीं विदेशी भी) अधिकाधिक सामर्थ्य, उत्पाद की गुणवत्ता एवं मितव्यायिता के साथ आ गये। सूचना तकनीक में आई हुई क्रांति ने तो और तहलका मचा दिया। दुनिया का स्वरूप ही अब छोटा हो गया। सजग उपभोक्ताओं को विश्व के घटनाक्रम व उत्पाद के मूल्य और गुणवत्ता की जानकारी मिल जाती है और जिन्हें नहीं मिल पाती है उन्हें प्रबल एवं गहन विज्ञापन द्वारा दे दी जाती है। प्रतियोगिता ने अपना प्रबल रूप ले रखा है। इतना ही नहीं विकास की इस गति में मानव मूल्यों के अवमूल्यन में भी उत्तरोत्तर विकास ही होता रहा है।

ऐसे में एक व्यवसायिक अथवा औद्योगिक संस्था में नेतृत्व के अस्तित्व के सन्मुख कड़ी चुनौती आ पड़ी है।

नेता उद्योग का हो, संगठन का हो अथवा संगठन के समूह विशेष का हो, उसके सन्मुख चुनौती यदि समान नहीं है तो समरूपी अवश्य हो गई है। उसकी ज्ञानेन्द्रियाँ (आँख, कान, नाक आदि) तो पहले भी काम करती थीं और बुद्धि तथा विवेक के सहारे वह नेतृत्व कर लिया करता था, किन्तु आज के परिप्रेक्ष्य में, आने वाले दिनों में उसकी सतर्कता ही उसे सफलता दिला पायेगी। उसे अपने ज्ञान के भण्डार में अधिकाधिक वृद्धि करनी होगी। तीव्रगति से बदलते अवमूल्यन के परिवेश में मानव मूल्यों के प्रति अधिकाधिक सतर्क रहना होगा। ऐसा होने पर ही कल का व्यवसायिक नेता अपनी नेतृत्व की भूमिका में सफल हो सकेगा।

अतएव निष्कर्ष स्वरूप आने वाले दिनों में एक औद्योगिक/व्यवसायिक संगठन में काम करने वाले नेता की सफल भूमिका हेतु जिन गुणों की आवश्यकता होगी उनमें से कुछ इस प्रकार हैं:

1. **शारीरिक स्वरूप :**
   (i) स्वस्थ शरीर
   (ii) कार्यक्षेत्र के अनुरूप बल, शिक्षा एवं दीक्षा
   (iii) संतुलित आहार विहार
   (iv) नियमित एवं नियंत्रित आचरण

2. **आदतें :**
   (i) कार्य के प्रति निष्ठा एवं कार्य करने में नियमितता
   (ii) यथासंभव सत्य कथन
   (iii) कही गई तथा सुनी गई बातों का अधिकाधिक स्मरण
   (iv) समयबद्धता

हिन्दी लेख

(v) अच्छा श्रोता एवं वक्ता

3. **स्वभाव :**

(i) उदार किंतु दृढ़, हँसमुख एवं उत्साही

(ii) अक्रोधी तथा क्षमाशील

(iii) स्वाभिमानी किंतु अहंशून्य

(iv) यथासम्भव समदर्शी अर्थात् पक्षपात रहित

(v) अधिकाधिक ज्ञान अर्जन के प्रति सतत प्रयत्नशील :

– अपने संगठन के उत्पाद के बारे में

– अपने संगठन के उत्पादन पद्धति के बारे में (यथासंभव)

– उत्पाद के बाजार की जानकारी तथा उत्पाद के उपभोक्ताओं की रुचि की जानकारी एवं रुचि परिवर्तन की जानकारी बाजार के भावी स्वरूप की जानकारी

– कच्चे माल के सन्दर्भ में यथासंभव जानकारी

– उपलब्ध यातायात साधनों के बारे में यथासंभव जानकारी

– कर्मचारियों से संबंधित कानूनों की यथासंभव जानकारी।

– व्यापार जगत को प्रभावित करने वाले अन्य कानूनों की यथासम्भव जानकारी

– अपने संगठन में पारिश्रमिक ढांचे की तथा अन्य समान उद्योगों के मजदूरी ढांचे की यथासंभव जानकारी

– व्यापार जगत् को प्रभावित करने वाले अन्य कानूनों की यथासम्भव जानकारी

– अपने अधीनस्थ कर्मचारियों की व्यक्तिगत एवं पारिवारिक स्थिति की यथासंभव जानकारी।

स्मरण रहे उपर बतायी गई सारे बातें दिग्दर्शनार्थ ही हैं। सफल नेतृत्व हेतु आवश्यक बातों का यही पूर्ण विराम नहीं है। उपरोक्त सारी बातों के साथ विवेक प्रधान होकर ही लिया गया निर्णय, नेतृत्व के संदर्भ में, यदि सर्वमान्य न भी हो तो भी बहुमान्य तो होगा ही।

अतः अंत में संक्षिप्तिकरण के क्रम में गोस्वामी तुलसीदास की इन पंक्तियों को नेतृत्व के संदर्भ में उद्धृत किया जा सकता है :

''मुखिया मुखसो चाहिए, खान–पान कहुँ एक,
पालइ पोषइ सकल अंग, तुलसी सहित विवेक।''

श्रीरामचरित मानस–अयोध्याकांड दोहा 315

> "
>
> *विवेक प्रधान होकर ही लिया गया निर्णय, नेतृत्व के संदर्भ में, यदि सर्वमान्य न भी हो तो भी बहुमान्य तो होगा ही।*
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