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Editorial

Dear Valued Readers,

On the onset, I wish you a successful and prosperous year 2012.

It gives me immense pleasure in bringing forth this edition of our journal "**Management Vision**" capatilising on the intellectual potential leveraged by each one of you. Our journal thrives on the commendable research undertaken by our scholars. Their unconditional and academic zeal is indeed inspiring and I hope it adds value to you.

Management Vision endeavours original research encompassing diverse management domains. Each research paper contributed is approved by an esteemed panel across spheres. We profusely thank each panel member for their invaluable contribution to **Management Vision.**

I look forward to your fervent support in the future to enable us to offer you a platform that is truly enriching academically and professionally.

Once again, to each one of you, here are my best wishes for the year 2012. Look forward to connecting with you again.

Dr. Kalim Khan

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Employee Engagement-A Conceptual Analysis

Sapna Malhotra[1]

Abstract

The term employee engagement has gained considerable popularity in the past 20 years yet it remains inconsistently defined and conceptualized. Although much has been written on the subject, little rigorous academic research has been done. This gap has resulted in a disjointed approach to understanding and developing strategies around employee engagement within organizations. This article explores the development of employee engagement through a historical lens using an integrated literature review to define and situate the concept within the HRD field by systematically reviewing and organizing literature across various disciplines and fields of study. Seminal works on the topic were identified and reviewed to gain an understanding of the topic's development. A working definition is proposed and implications for theory, scholarship, and organizational practice are discussed.

Keywords

Employee Engagement, Employee Commitment.

Purpose Statement:

The purpose of this article is to explore the historical development of employee engagement in an effort to define and situate the concept across relevant fields of literature. Several questions guided my review of the literature, such as (a) What are the historical underpinnings of employee engagement? (b) How has the concept evolved? and (c) What definitions of employee engagement are cited in the literature? The expected outcome of this research was to identify the seminal works and empirical research and to then synthesize the many working definitions of *employee engagement* into a more widely useful and applicable definition.

Method

The literature review method was chosen because it is an accepted strategy for summarizing literature around a concept or phenomenon (Chermack & Passmore, 2005). For the purposes of

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this article, an integrative literature review was the methodology followed. An "integrative literature review is a distinctive form of research that generates new knowledge" about an emerging topic of study (Torraco, 2005, p. 356). Integrative literature reviews are considered one of the best ways to capture data from various emerging fields (Torraco, 2005). Because employee engagement is an emerging topic being studied in various fields with differing conceptualizations, an integrative literature review was developed and implemented.

Early Conceptualizations of Employee Engagement

The first mention of employee engagement appears in an *Academy of Management Journal* article, "Psychological Conditions of Personal Engagement and Disengagement at Work" (Kahn, 1990). In this article, Kahn explains the underpinnings and major influences on his thought, beginning with the classic sociology text *The Presentation of Self in Everyday Life* (Goffman, 1961). In his book, Goffman (1961) suggested that a human's attachment and detachment to their life roles varied depending on a person's interactions during fleeting, face-to-face encounters. Although he agreed with Goffman (1961), Kahn (1990) suggested that a new perspective was needed for understanding organizational life. Kahn believed that "[employees] act out momentary attachments and detachments in role performances" at work (p. 694), which was a direct reference to Goffman's (1961) interactionalist theory, but specific to the workplace. This conceptualization and others alluding to the roles played by humans are interwoven throughout Kahn's (1990) theory of personal engagement.

Kahn (1990) defined personal engagement as "the simultaneous employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence, and active full role performances" (p. 700). Developing from the works of a psychologist (Freud, 1922), sociologists (Goffman, 1961; Merton, 1957), and group theorists (Slater, 1966; Smith & Berg, 1987), Kahn (1990) posited that the domains of meaningfulness, safety, and availability were important to fully understanding why a person would become engaged in their work. Kahn defined *meaningfulness* as the positive "sense of return on investments of self in role performance" (p. 705). *Safety* was defined as the ability to show one's self "without fear or negative consequences to self image, status, or career" (p. 705). *Availability* was defined as the "sense of possessing the physical, emotional, and psychological resources necessary" (p. 705) for the completion of work.

Kahn's conceptualization of personal engagement would be the only literature on engagement until early 2001, when Maslach, Schaufeli, and Leiter (2001) began conceptualizing why

employees developed job burnout. Conceptual in nature, Maslach et al. (2001) posited that employee engagement was the positive antithesis to burnout and defined *employee engagement* as "a persistent positive affective state . . . characterized by high levels of activation and pleasure" (p. 417). Together, Kahn (1990) and Maslach et al. (2001) provided the two earliest theoretical frameworks for understanding employee engagement (Saks, 2006).

The only study to date to empirically test Kahn's (1990) conceptualization of engagement found that all three of Kahn's (1990) original domains were "important in determining one's engagement at work" (May, Gilson, & Harter, 2004, p. 30). This finding suggests that the framework Kahn (1990) used in his conceptualization is foundational for the scaffolding of the construct. Many of the contemporary conceptualizations of engagement build from Kahn's (1990) and Maslach et al's (2001) original works.

Contemporary Conceptualizations of Employee Engagement

Harter, Schmidt, and Hayes (2002) published one of the earliest and most definitive pieces of practitioner literature on employee engagement. Using a research foundation pioneered by the late Donald O. Clifton in 1985 as a part of the Gallup Strengths movement and popularized by the publication of *First Break All the Rules* (Buckingham & Coffman, 1999), Harter and colleagues (2002) pulled data from a meta-analysis of 7,939 business units across multiple industries. Harter et al. (2002) were the first to look at employee engagement at the business unit level and used an enormous database to link higher levels of employee engagement to increased business unit outcomes. In their conceptualization, *employee engagement* was defined as an "individual's involvement and satisfaction with as well as enthusiasm for work" (Harter et al., 2002, p. 417). This definition added the expectation of an individual's satisfaction level, significantly altering the way engagement had been viewed. In addition, prior to Harter et al. (2002), employee engagement was seen as a broad-based variable organizations assumed they had or did not have—a concept that executive leaders assumed that they controlled. Harter et al. (2002) showed that organizational culture should be measured at the individual level by looking at separate business units, separate unit managers, and separate unit employees. In later works (Fleming & Asplund, 2007; Harter, Schmidt, & Keyes, 2003; Wagner & Harter, 2006), Gallup researchers claimed that engagement develops one micro-culture at a time, highlighting the individual view of engagement. In a recent update, Gallup researchers continued to drive empirical research from the practitioner perspective with a growing database of 10 million participants speaking 51 languages from 736 organizations in 144 different countries; their research continues to confirm their previous research findings (Fleming & Asplund, 2007).

Harter et al.'s (2002) article was a catalyst for the rapid expansion of interest in the employee engagement concept because it was the first widely disseminated publication to suggest an employee engagement–profit linkage. The Corporate Leadership Council (2004) and Towers Perrin (2003, 2007) as well as other similar firms followed Harter et al. (2002) by disseminating consulting literature on employee engagement geared toward proprietary consulting products. These for-profit organizations remain huge international players in driving the profitability of the employee engagement concept, although none share a common conceptualization or definition.

The first academic research to specifically conceptualize and test antecedents and consequences of employee engagement occurred in 2006 (Saks, 2006). Prior to Saks (2006), practitioner literature was the only body of work connecting employee engagement drivers to employee engagement and its consequences. Saks believed employee engagement developed through a social exchange model and was the first to separate job engagement and organizational engagement into separate types of employee engagement. Using 102 working employees enrolled in a gradate course at a large Canadian university, Saks defined employee engagement as "a distinct and unique construct consisting of cognitive, emotional, and behavioral components . . . associated with individual role performance" (p. 602). This definition was inclusive of previous literature by introducing the idea that employee engagement was developed from cognitive (Kahn, 1990; Maslach et al., 2001; Maslow, 1970), emotional (Harter et al., 2002; Kahn, 1990), and behavioral components (Harter et al., 2002; Maslach et al., 2001). Through his research, Saks (2006) provided an important bridge between previous early theories of employee engagement, practitioner literature, and the academic community and was the first to propose an empirical model.

In 2006, SHRM commissioned a publication on employee engagement and commitment as an extension of their Effective Practice Guidelines Series. This report was hailed as a "clear, concise, and usable format" (Vance, 2006, p. v) for understanding employee engagement, hoping to make the concept of employee engagement more accessible to SHRM members. Although topic headings such as "Key Ingredients," "Job and Task Design," and "Designing Engagement Initiatives" were peppered throughout the pages, this publication was not clear and concise, lacked a single definition of employee engagement, and offered few research-based solutions for those struggling with developing engaged employees. This publication is noteworthy however because it marked the entrance of professional societies into the engagement conversation. Since the first SHRM publication, future SHRM studies have developed further conceptualizations around the employee engagement construct (see Lockwood, 2007).

Two years after the SHRM study, the ASTD commissioned a study in association with Dale Carnegie Training to look at employee engagement (Czarnowsky, 2008). This study focused on the role of learning in the employee engagement construct, marking the first major research publication by ASTD on employee engagement and the first look into the concept from an HRD perspective. Using data from 776 human resources and learning executives from around the world, ASTD defined engagement as "employees who are mentally and emotionally invested in their work and in contributing to their employer's success" (Czarnowsky, 2008, p. 6). The results of the study showed connections to the foundational work of Kahn (1990) and Maslach et al. (2001) by creating meaningful work environments, providing opportunities for learning and focusing on the experience of the employee. This study presented an important link to the academic community, as ASTD was the first professional society to use a research-driven framework to understand the employee engagement concept.

Building significantly on the work of multiple scholars, Macey and Schneider (2008) pioneered conceptual research in the area of employee engagement. Conceptualizing that employee engagement develops from (a) trait engagement, (b) state engagement, and (c) behavioral engagement (2008), they drew significant parallels from previous research and defined each as a separate engagement construct, similar to Saks (2006). From their perspective, employee engagement is defined by suggesting "(a) job design attributes . . . directly affect trait engagement, (b) the presence of a transformational leader . . . directly affect[s] state engagement, and (c) the presence of a transformational leader . . . directly affect[s] trust levels and thus, indirectly affect[s] behavioral engagement" (Macey & Schneider, 2008, p. 25). In this conceptual model, the preceding state of engagement builds on the next, each developing a piece of the overall employee engagement concept. This contribution to the field helped to clear the cluttered, scattered, and unfocused conceptual state of employee engagement by breaking the engagement construct into distinct parts and debunking "folk" definitions of engagement.

Drivers of Employee Engagement

Several research papers have tried to identify factors leading to employee engagement and developed models to draw implications for managers. Their diagnosis aims to determine the drivers that will increase employee engagement level.

According to Penna research report (2007) meaning at work has the potential to be valuable way of bringing employers and employees closer together to the benefit of both where employees

experience a sense of community, the space to be themselves and the opportunity to make a contribution, they find meaning.

Employees want to work in the organizations in which they find meaning at work. Penna (2007) researchers have also come up with a new model they called "Hierarchy of engagement" which resembles Maslow's need hierarchy model. In the bottom line there are basic needs of pay and benefits. Once an employee satisfied these needs, then the employee looks to development opportunities, the possibility for promotion and then leadership style will be introduced to the mix in the model. Finally, when all the above cited lower level aspirations have been satisfied the employee looks to an alignment of value-meaning, which is displayed by a true sense of connection, a common purpose and a shared sense of meaning at work.

The BlessingWhite (2006) study has found that almost two third's (60%) of the surveyed employees want more opportunities to grow forward to remain satisfied in their jobs. Strong manager-employee relationship is a crucial ingredient in the employee engagement and retention formula.

Development Dimensions International (DDI, 2005) states that a manager must do five things to create a highly engaged workforce. They are:

- Align efforts with strategy
- Empower
- Promote and encourage teamwork and collaboration
- Help people grow and develop
- Provide support and recognition where appropriate

The Towers Perrin Talent Report (2003) identifies the top ten work place attributes which will result in employee engagement. The top three among the ten drivers listed by Perrin are: *Senior management's interest in employees' well-being, Challenging work and Decision making authority*.

After surveying 10,000 NHS employees in Great Britain, Institute of Employment Studies (Robinson et al., 2004) points out that the key driver of employee engagement is a sense of *feeling valued and involved,* which has the components such as involvement in decision making, the extent to which employees feel able to voice their ideas, the opportunities employees have to develop their jobs and the extent to which the organization is concerned for employees' health and well-being.

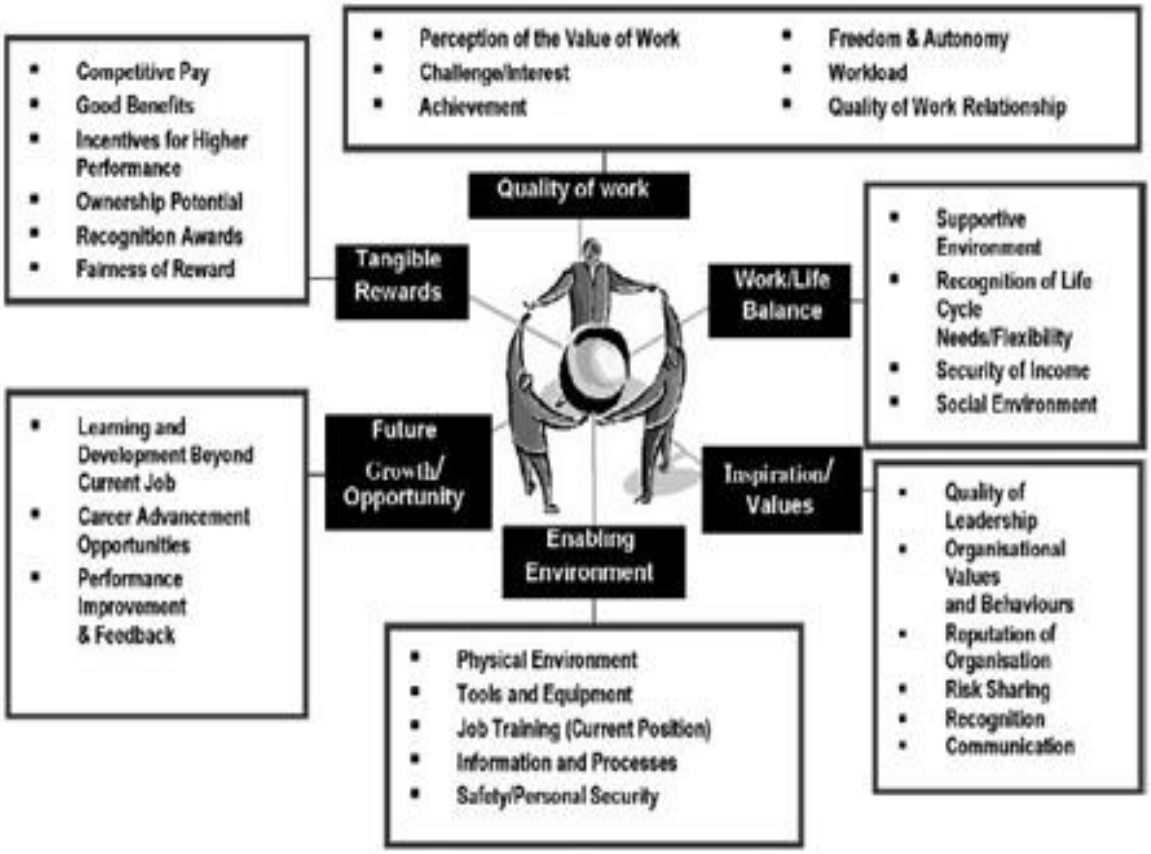
CIPD (2006) on the basis of its survey of 2000 employees from across Great Britain indicates that communication is the top priority to lead employees to engagement. The report singles out

having the opportunity to feed their views and opinions upwards as the most important driver of people's engagement. The report also identifies the importance of being kept informed about what is going on in the organization.

The oldest consulting organization in conducting engagement survey, Gallup has found that the manager is the key to an engaged work force. James Clifton, CEO of Gallup organization indicates that employees who have close friendships at work are more engaged workers (Clifton, 2008). Vance (2006) explains the fact that employee engagement is inextricably linked with employer practices. To shed light on the ways in which employer practices affect job performance and engagement, he presents a job performance model. According to him, Employee engagement is the outcome of *personal attributes* such as knowledge, skills, abilities, temperament, attitudes and personality, *organizational context* which includes leadership, physical setting and social setting and HR *practices* that directly affect the person, process and context components of job performance.

Most drivers that are found to lead to employee engagement are non-financial in their nature. Therefore, any organization who has committed leadership can achieve the desired level of engagement with less cost of doing it. This does not mean that managers should ignore the financial aspect of their employees. In fact, performance should be linked with reward. Nevertheless, this is simply to repeat the old saying of Human Relations Movement which goes "as social being, human resource is not motivated by money alone." As Buckingham and Coffman (2005) said, pay and benefits are equally important to every employee, good or bad. A company's pay should at least be comparable to the market average. However, bringing pay and benefits package up to market levels, which is a sensible first step, will not take a company very far- they are like tickets to the ballpark, -they can get the company into the game, but can't help it win.

Figure 2: The Engaged Performance Model – 6 Core Elements



Toward a Working Definition of Employee Engagement

As evidenced by the literature reviewed, several definitions of employee engagement exist. Although each represents unique perspectives of the time and field, the disjointed approach to defining employee engagement has lent itself to its misconceptualization and to the potential for misinterpretation. This is especially challenging for the HRD field, a field that draws on a number of academic disciplines (Reio, 2009) and is often called on to develop interventions for the implementation of such a concept. Several definitions from both the practitioner and academic literature reviewed for this article are listed below, starting with the earliest specific definition and working forward in time.

"Personal engagement is the simultaneous employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence, and active full role performances" (Kahn, 1990, p. 700).

"A persistent, positive affective-motivational state of fulfillment in employees that is characterized by high levels of activation and pleasure" (Maslach et al., 2001, p. 417).

"Employee engagement refers to the individual's involvement and satisfaction with as well as enthusiasm for work" (Harter et al., 2002, p. 269).

"A distinct and unique construct that consists of cognitive, emotional, and behavioral components that is associated with individual role performance" (Saks, 2006, p. 602).

"[Engaged] employees are mentally and emotionally invested in their work and in contributing to their employer's success" (Czarnowsky, 2008, p. 6).

Trait engagement is defined as the "inclination or orientation to experience the world from a particular vantage point" (Macey & Schneider, 2008, p. 5). Psychological state engagement is defined as an antecedent to behavioral engagement (encompassing the constructs of satisfaction, involvement, commitment, and empowerment; pp. 5-6). Behavioral engagement is "define[d] in terms of discretionary effort" (p. 6).

In each of the definitions, several areas of consistency and inconsistency can be identified.

Inconsistently, it seems there is some confusion about where the decision to become engaged develops. For some researchers, being engaged is a personal decision; it concerns the individual employee, not the organization. Many definitions (Kahn, 1990; Macey & Schneider, 2008; Saks, 2006) allude to this; however, Maslach et al. (2001) and Czarnowsky (2008) speak only of engagement in generalities, which leaves the reader to assume that engagement is an organizational-level variable. Another inconsistency concerns types of engagement. In two definitions (Macey & Schneider, 2008; Saks, 2006), different types of engagement can be identified: (a) cognitive engagement, (b) emotional engagement, and (c) behavioral engagement—each as separate, definable areas. Other definitions mention only one type of general engagement (Czarnowsky, 2008; Harter et al., 2002; Maslach et al., 2001). Saks (2006) empirically tested this idea and presented data that show support for different types of engagement. The idea according to Saks (2006) and further developed by Macey and Schneider (2008) is that each type of engagement builds on the next, which is consistent with the early employee engagement framework (Alderfer, 1972; Maslow, 1970). According to Macey and Schneider (2008) and Saks (2006), there are different types of engagement, each with different antecedents and outcomes. Little empirical evidence exists for this delineation at present; however, looking at engagement from this perspective opens new possibilities for what and how organizations measure engagement as well as what engagement-enhancing strategies organizations should choose to invest in. From this emerging conceptual space, it seems unwise for an organization to start

developing behavioral engagement when cognitive and emotional engagement may precede such an overt state of employee behavior.

Consistently and conceptually connected in consequence with the idea of different types of engagement, scholars agree that employee engagement has no physical properties but is manifested and often measured behaviorally (Kahn, 1990; Macey & Schneider, 2008). Behavioral manifestation of employee engagement is understood inconsistently as an employee's role performance, an employer's success and profit, or an employee's discretionary effort but consistently understood as an internal decision manifested outwardly and is best conceptualized as a positive or forward-moving emotive state (Maslow, 1970). By taking into context the historical foundations of the concept (Kahn, 1990; Schaufeli et al., 2002), it becomes clear employee engagement is rooted in the psychology of the employee and observed through behavior. An employee must decide if and when they are willing to engage. Although this thought process may not be an entirely overt one, the decision to disengage can be very conscious and overt.

Finally, scholars agree that employee engagement is about adaptive behaviors purposefully focused on meeting or exceeding organizational outcomes. This is not to be confused with extra-role behaviors such as organizational commitment behaviors (OCBs) outside of one's primary area of responsibility (Macey & Schneider, 2008; Saks, 2006). Although engaged employees may be involved in OCBs, employee engagement is focused on an employee's main responsibilities of work (Kular, Gatenby, Rees, Soane, & Truss, 2008). Engaged employees excel at their work through a willingness to adapt their behavior toward communicated organizational outcomes.

Through the process of synthesizing definitions, understanding the historical contexts, and conceptual frameworks of employee engagement, I propose an emergent definition of the concept: Employee engagement can be defined as "an individual employee's cognitive, emotional, and behavioral state directed toward desired organizational outcomes." This definition, encompassing the behavioral, cognitive, and emotional aspects of the employee experience of engagement offers a clarity that has seemingly eluded practitioners, is comprehensible to business and organization leaders, yet robust enough for future scholarly research.

Implications for HRD Scholars and Practitioners

As a result of the literature review, synthesis of definitions, and proposed emergent working definition, this article has situated the employee engagement concept within the HRD field. The following section explores implications for theory, scholarship, and practice.

Implications for Theory

This research has uncovered new knowledge by simultaneously exploring early and contemporary conceptualizations of engagement theory. This exploration has revealed new insights regarding the overlapping, often-disjointed approach practitioners and scholars have, often separately, taken to studying and conceptualizing the employee engagement concept. Although disjointed, the literature brought forth important perspectives to consider, indicative of each author's unique frame of reference. This historical review gives solid foundation to a concept that has the potential to influence HRD theory for the foreseeable future. Employee engagement is a growing force in the practitioner community (Ketter, 2008; TKBC, 2008). This contribution to theory building will aid HRD professionals in the future by gleaning new insights into the theoretical constructs surrounding employee engagement and building on a diverse and growing literature base.

In addition, this article explored the foundational underpinnings of the employee engagement concept in a methodical way that has not previously been documented. Two positive outcomes result from this effort. First, the author has attempted to define the research that is fundamental to understanding the evolution of the concept, giving future scholars an opportunity to add to or disagree with the choices, while creating the reading requirements for practitioners and scholars wishing to immerse themselves in the research literature. Second, and perhaps most important, the author has proposed an emergent and working definition of the concept. The definition is grounded in and consistent with the early and contemporary literature, encompassing of the known definitions surrounding the concept to date, and comprehensible to the many and varied constituencies concerned with its conceptualization. Clarifying the definition of employee engagement is meant to encourage theories and models regarding the identified components. Further refinement and development of the definition may also be expected.

Implications for Scholarship

Exploring employee engagement through this integrative approach has provided new insights into the underlying and multifaceted dimensions of employee engagement. Exploring the seminal

works around employee engagement informs scholarship and aids HRD professionals in a variety of ways. One of the most notable findings is the idea that according to the literature, employee engagement seems to occur on three distinct levels: (a) cognitive, (b) emotional, and (c) behavioral. Although not an original idea, the literature surrounding the idea was scattered, multidisciplinary, and in need of synthesis. This conceptual idea is consistent with the other multidimensional, multidisciplinary concepts such as commitment (Allen & Meyer, 1990; Fornes et al. 2008; Rhoades, Eisenberger, & Armeli, 2001), psychological climate (Brown & Leigh, 1996), and learning (Dirkx, 2006; Merriam & Caffarella, 1999). In addition, the scaffolding used to arrive at the working definition has implications for scholarship; mainly that more rigorous research is needed to better understand the many facets of employee engagement. Little is known empirically about how employee engagement develops or what factors enhance or detract from the concept in both theory and practice (Saks, 2006). Few models (e.g., Macey & Schneider, 2008; Maslach et al., 2001; Saks, 2006) currently exist to conceptualize antecedents and outcomes of employee engagement and currently, no model exists for understanding how HRD practice can influence the development of employee engagement.

Concluding Thoughts

This historical perspective of employee engagement is an attempt to put a foundation under a concept that has potential to improve the lives of individuals in organizations. Too many people go to work every day actively disengaged from their work (Harter et al., 2002). For human resources in organizations to contribute productively and even passionately to the success of their organizations is an outcome that every HRD practitioner and scholar has concern for. The employee engagement concept has captured so much attention because it suggests that it is possible, desirable, and attainable for workplaces to be positive, energizing places. For much of the people who are tied up in their working lives (Chalofsky & Krishna, 2009), employee engagement suggests that work can be a place of motivation, commitment, success, and even self-actualization (Maslow, 1970). If organizations can appreciate the potential of a fully engaged workforce, and HRD scholars and practitioners can demonstrate the strategies, tools, and resources to move toward that goal, work in the 21st century may be a very different experience from what today's disengaged workforce reports.

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Trends in Transformational Leadership

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Abstract

This article charts the trends in transformational leadership from the historical background to its' contemporary status by various researchers and studies. The components of transformational leadership, not only in the western context but also in the Indian context and its measurement, are delineated. Transformational leadership affects performance and employee stress. The various contingencies are the kind of organizational cultures, stability and turbulence, collectivist societies, organizational characteristics, types of organizational members, and neutralizers of transformational leadership. Transformational leadership has implications for organizational policies with respect to strategic planning, corporate image, recruitment, selection, promotion and personnel development. It is contended that transformational leadership can be taught and learnt. The correlates and predictors of transformational leadership are cognitive intelligence, social intelligence, emotional intelligence, practical intelligence, and other individual differences. Models on transformational leadership and motivation have been forwarded by various theorists. Various strategies are employed for follower empowerment which is at the heart of transformational leadership. The article concludes with future challenges, applications, and potential areas for research on transformational leadership.

Key Words: *transformational leadership, empowerment, motivation*

Introduction:

"The true challenge of leadership is to get people to willingly do what they ordinarily would not do"- General Norman Schwarzkopf.

A more recent approach to understanding the phenomenon of leadership which gained popularity since the early 1980s is that of transformational leadership (Northouse, 1997). *Transform*, from the Latin word *transformare,* means to "change the nature, function, or condition of, to convert." This concept can be applied to several entities not only in formal organizations, but also to relationships, individuals, groups, communities, or political systems.

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Transformational leadership completes the trio of concepts within "the New leadership" paradigm suggested by Bryman (1992) which also includes charismatic and visionary leadership whereby these concepts are stated to "integrate ideas from trait, style and contingency approaches of leadership and also incorporates and builds on work of sociologists such as Weber (1947) and political scientists such as Burns (1978)" (den Hartog, van Muijen and Koopman, 1997). Transformational leadership is a part of "the New leadership" paradigm suggested by Bryman (1992) which also includes charismatic and visionary leadership.

The term 'Transformational Leadership' was first coined by J.V. Downton in *Rebel Leadership: Commitment and Charisma in a Revolutionary Process* (1973). Publication of James McGregor Burn's seminal work *Leadership*, introduced the concept of transforming leadership. Inspired by this, and by Robert House's 1976 theory of charismatic leadership, Bass and his colleagues developed the model of transformational leadership and the means to measure it. This evolved into looking at the full range of leadership, from passive, laissez-faire leadership to levels of transactional leadership and finally to transformational leadership.

In his book, *Transformational Leadership*, James MacGregor Burns (2003) asserts that transformational leadership is needed to solve the world's most critical problems, such as global poverty. This needed leadership is not top-down, Burns argues, but must occur at the grassroots level, by thousands of leaders who are close to the poor, who will listen to and be responsive to their needs, who will empower them and help develop impoverished communities into self-sustaining ones. It represents the changing nature of effective leadership as we now see and know it in businesses, and governments, and social movements. The world has gotten increasingly complex and fast paced. This requires individuals, groups, and organizations to continually change and adapt. Transformational leadership is, at its core, about issues around the processes of transformation and change.

The role of leader has changed. Leaders are expected to listen to followers and be responsive to their needs and concerns and include them in decision making. Mentoring, coaching, empowering, developing, supporting, and caring are not only expected leader behaviors but also necessary for today's effective leader. Followers too have changed. They are knowledge workers-informed, enlightened, and often knowing more than the leader and about how to get the task done. In the Transformational leadership paradigm transformational leaders develop followers into leaders (Bass & Riggio, 2005).

There has been a veritable explosion of research in transformational leadership. Perhaps it is because transformational leadership's emphasis on intrinsic motivation and on the positive development of followers, represents a more appealing view of leadership compared to the seemingly "cold," social exchange process of transactional leadership.

Historical Background of Transformational Leadership

Historians, political scientists, and sociologists have long recognized leadership that went beyond the notion of a social exchange between leader and followers. Weber's (1924/1947) examination of charisma epitomized such study. However, both psychology and economics supported contingent reinforcement-offering a reward or compensation for a desired behavior-as the underlying concept for the study of leadership .Leadership was seen primarily as an exchange relationship (e.g., Homans, 1950). Research exemplified by Podsakoff and Schriescheim (1985), as well as much of the research with the Full Range of Leadership (FRL) model (Avolio & Bass, 1991). Transformational leadership is in some ways an expansion of transactional leadership. Transactional leadership emphasizes the transaction or exchange that takes place among leaders, colleagues, and followers. Transformational leadership, however, raises leadership to the next level. Transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers' leadership capacity via coaching, mentoring, and provision of both challenge and support.

Early social science perspectives on leadership focused on the dichotomy of directive (task-oriented) versus participative (people-oriented) leadership. Transformational leadership can be either directive or participative and is not an either-or proposition.

Transformational leadership has much in common with charismatic leadership, but charisma is only part of transformational leadership. The Weberian notion of charismatic leadership was, in fact, fairly limited. More modern conceptions of charismatic leadership take a much broader perspective (e.g., Conger & Kanungo, 1998, House & Shamir, 1993), however, and have much in common with transformational leadership.

A critical concern for theories of both transformational and charismatic leadership involves what many refer to as the dark side of charisma-those charismatic leaders who use their abilities to inspire and lead followers to destructive, selfish, and even evil ends. Most often coming to mind are international leaders who wreaked havoc, death, and destruction on thousands and even millions-Adolf Hitler, Pol Pot, Joseph Stalin, Osama Bin Laden.

But these leaders are those who can be called pseudo transformational leadership (the charismatic elements particularly) but have personal, exploitative, and self-aggrandizing motives.

Components of Transformational Leadership

Each component of transformational leadership can be measured with the Multifactor Leadership Questionnaire (MLQ). Factor analytic studies from Bass(1985) to Howell and Avolio(1993), and Bycio, Hackett, and Allen(1995) to Avolio, Bass, and Jung (1997) have identified the components of transformational leadership. Bass and Avolio claim that transformational leaders, unlike transactional leaders, engage in much more with their colleagues than a simple exchange process (1994). They behave in different ways to achieve superior results by using factors better known as the "Four Fs" (Avolio, Waldman & Yammarino, 1991). These components are:

Idealized influence (II). The behavior of transformational leaders allows them to serve as role models for their followers. The leaders are trusted, admired, and respected. Followers identify with them and also want to emulate them; leaders are endowed by their followers as having extraordinary capabilities, persistence, and determination. Thus, there are two aspects to idealized influence: the leader's behaviors and the elements that are attributed to the leader by followers and other associates. These two aspects, measured by separate sub factors of the MLQ, represent the interactional nature of idealized influence-it is both embodied in the leader's behavior and in attributions that are made concerning the leader by followers. A sample item from the MLQ that represents idealized influence behavior is "The leader emphasizes the importance of having a collective sense of mission."A sample item from the idealized influence attributed factor is "The leader reassures others that obstacles will be overcome". Leaders who have a great deal of idealized influence are willing to take risks and are consistent rather than arbitrary. They can be counted on to do the right thing, demonstrating high standards of ethical and moral conduct.

Inspirational Motivation (IM). The followers' work provides meaning and challenge because transformational leader's behavior motivates and inspires those around them. Team spirit is aroused. Enthusiasm and optimism are displayed. Leaders get followers involved in envisioning attractive future stakes, they create clearly communicated expectations that followers want to meet and also demonstrate commitment to goals and the shared vision. A sample MLQ item for IM is "The leader articulates a compelling vision of the future."

Idealized influence leadership and inspirational motivation usually form a combined single factor of charismatic-inspirational leadership. The charismatic-inspirational factor is similar to the behaviors described in charismatic leadership theory (Bass & Avolio, 1993a; House, 1997).

Intellectual Stimulation (IS). Transformational leaders stimulate their followers' efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. Creativity is encouraged. There is no public criticism of individual members' mistakes. New ideas and creative problem solutions are solicited from followers, who are included in the process of addressing problems and finding solutions. Followers are encouraged to try new approaches, and their ideas are not criticized because they differ from the leaders' ideas. A sample item from the MLQ that represents intellectual stimulation is "The leader gets others to look at problems from many different angles."

Individualized Consideration (IC). Transformational leaders by acting as coach and mentor pay special attention to each individual follower's needs for achievement and growth. Followers and colleagues are developed to successively higher levels of potential. Individualized consideration is practiced when new learning opportunities are created along with a supportive climate. Individual differences in terms of needs and desires are recognized. The leader's behavior demonstrates acceptance of individual differences (e.g., some employees receive more encouragement, some more autonomy, others firmer standards, and still others firmer task structures).A two- way exchange in communication is encouraged, and "management by walking around" workspaces is practiced. Interactions with followers are personalized (e.g., some the leader remembers previous conversations, is aware of individual concerns, and sees the individual as a whole person rather than as just an employee).The individually considerate leader listens effectively. The leader delegates tasks as a means of developing followers. Delegated tasks are monitored to see if the followers need additional direction or support and to assess progress; ideally, followers do not feel they are being checked on. A sample MLQ item from the individualized consideration scale is "The leader spends time teaching and coaching". A crucial element for James MacGregor Burn's conception of transformational leadership was his firm belief that to be transforming, leaders had to be morally uplifting.

It is also important to note that a recent alternative model for the elements of transformational leadership has been proposed, but it too is multidimensional, consisting of five components **(Rafferty & Griffin, 2004).** These five components are:

- Vision
- Inspirational communication

- Intellectual stimulation
- Supportive Leadership
- Personal recognition.

Survey, interview, and experimental studies suggest there are at least three core components to transformational leadership **(Kirkpatrick & Locke, 1996; Rai & Sinha, 2000).**

- Ability to communicate a vision: A vision that entails an ideal state embodying shared group or team values to inspire followers. When communicating this vision transformational leaders convey their expectation of high performance and a confidence and faith in the followers' capability of achieving it.
- Ability to implement a vision: To ensure that the vision of the organization is implemented successfully the transformational leader clarifies goals, becomes a role model for the followers, provides personal support, and recognizes achievements.
- Charismatic style of communicating: The transformational leadership is aware of the power of non-verbal behavior and harnesses it to the fullest extent namely eye contact, voice, facial expressions, powerful rhetoric, and other non verbal tactics.

Singh and Krishnan, (2007) in three studies, titled "Developing and Validating A New Scale Using Grounded Theory Approach" developed a measure of transformational leadership in India. The study helps in measuring and recognizing transformational leadership in the Indian context. According to their study there are five factors of transformational leadership:

- Idealized influence (attributed)
- Idealized influence (behavior)
- Inspirational motivation
- Intellectual stimulation
- Individualized consideration

Charismatic leadership has been differentiated as socialized or personalized. Socialized charismatic leadership is based on egalitarian behavior, serves collective interests, and develops and empowers others. Socialized leaders tend to be more altruistic and use legitimate established channels of authority (House & Howell, 1992; McClelland, 1975). Personalized charismatic leadership is based on personal dominance and authoritarian behavior, is self-aggrandizing, serves the self-interest, and is exploitative of others (McClelland, 1975). Personalized leaders rely heavily on manipulation, threat, and punishment and show disregard for the established institutional procedures and the rights and feelings of others. They may exhibit transforming

displays but cater, in the long run, to their own self-interests. Self-concerned, self-aggrandizing, exploitative, and power oriented, pseudo transformational leaders believe in distorted utilitarian and warped moral principles. This in contrast to the authentic transformational leaders, who transcend their own self-interests for one of two reasons: utilitarian or moral. If utilitarian, their objective is to benefit their group or its individual members, their organization, or society, as well as themselves, and to meet the challenges of the task or mission. If a matter of moral principles, the objective is to do the right thing, to do what fits the principles of morality, responsibility, sense of discipline, and respect for authority, customs, rules, and traditions of society. Out of each of the components of inauthentic leadership, the element that usually best distinguishes authentic from inauthentic is individualized consideration. The authentic transformational leader is truly concerned with the desires and needs of followers and cares about their individual development. Followers are treated as ends and not just means (Bass & Steidlmeier, 1999).

Measurement of Transformational Leadership

The most widely accepted instrument to measure transformational leadership is the Multifactor Leadership Questionnaire (MLQ; Bass & Avolio, 2000), which actually assesses the Full Range of Leadership (FRL) model. There are two forms of the MLQ. The first is the Leader Form that asks the leader to rate the frequency of his or her own leader behavior. The more important version and the one most commonly used of the MLQ is the Rater Form. The MLQ Rater Form requires associates of leaders(usually supervisees or direct reports) to rate the frequency of their leader's transactional and transformational leadership behavior using 5-point ratings scales, with anchors ranging from 0= *Not at all* to 4=*frequently, if not always*. The current, revised form of the MLQ (5X) (Bass & Avolio,1997) is substantially refined and contains 36 standardized items,4 items assessing each of nine leadership dimensions associated with the FRL model, and the additional 9 outcome items .In addition to this version of the MLQ, there is longer form (63 items)used for providing feedback in leadership development programs. Transformational leadership is clearly multidimensional, and there is support for the structure represented by the MLQ (e.g., Antonakis et al., 2003).

The other measures of transformational leadership are:

Diaries which are unstructured logs or diaries of leadership behavior observed during a given set of days. These diary reports could then be linked to independently obtained questionnaire measures (Atwater, Avolio, & Bass, 1991).

Interviews with executives about leadership they saw produced numerous other behavioral examples of transformational leadership and were helpful in constructing the MLQ and in better understanding transformational leadership.

Observational Methods in which to date, there have been few attempts to assess transformational leadership via systematic, objective, third party (i.e., non followers) observations. One exception is a study by Ployhart, Lim, and Chan (2001) that rated the transformational leadership behaviors of Singaporean military recruits during a leadership assessment center at the beginning of their basic training center.

Alternative Pencil-and–Paper Measures have been developed to assess transformational leadership besides the MLQ. The most widely used of these is the Transformational Leadership Behavior Inventory(TLI) developed by Podsakoff, MacKenzie, Moorman, and Fetter (1990).This instrument measures four key dimensions of transformational leadership. The first dimension captures the core of transformational leadership behavior. The remaining three dimensions measure the leader's individualized consideration, intellectual stimulation, and high expectations for performance. Warner Burke (1994) used his Leadership Assessment Inventory (LAI) to measure transformational and transactional leadership for some time and is rarely used. The Transformational Leadership Questionnaire(TLQ) is a relatively new instrument that measures nine factors associated with transformational leaders and is specifically designed for use in public sector organizations in the United Kingdom (Alban-Metcalfe & Alimo- Metcalfe, 2000;Alimo-Metcalfe & Alban-Metcalfe,2001).The TLQ has eight scales, labeled Genuine Concern for Others; Decisiveness, Determination, Self Confidence; Integrity, Trustworthy, Honest and Open; Empowers, Develops Potential; Inspirational Networker and Promoter; Accessible, Approachable; Clarifies Boundaries, Involves Others in Decisions; Encourages Critical and Strategic thinking. The TLQ is completed by the manager's direct reports. Carless, Wearing, and Mann (2000) developed a short measure of transformational leadership; the Global Transformational Leadership scale (GTL).This seven-item scale assesses a single, global construct of transformational leadership.

Another new alternative measure of transformational leadership was developed by Rafferty and Griffin (2004),based on leadership measures created by House(1998) and Podsakoff et al. (1990).This 15-item scale measures the transformational leader's vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition. Behling and McFillen (1996) created two measures, the Follower Behavior Questionnaire and the Attributes of Leader Behavior Questionnaire that are follower reports of their leader's

transformational/charismatic leadership. Subscales include inspiration, awe, and empowerment, displays empathy, dramatizes mission, projects self-assurance, enhances image, assures followers of competence, and provides opportunities to experience success. It is easy to see how these dimensions map onto the components of transformational leadership. This measure is not widely used in research. In assessing charisma, a variety of instruments have been used. Most popular among these is the Conger-Kanungo scale (CK-scale; Conger & Kanungo, 1998), which measures transformational characteristics such as vision and articulation, environmental sensitivity, unconventional behavior, sensitivity to member needs, taking personal risks, and not maintaining the status quo. A number of other leadership measures assess dimensions related to transformational leadership, although they have not been labeled explicitly as such. One such measure that is widely used in leadership development programs is Kouzes and Posner's (1998) Leadership Inventory (LPI).It is widely used in practice but more rarely used in published empirical research. Sashkin (1996) created a measure, the Leadership Behavior Questionnaire (LBQ), which measures visionary leadership and is different from, but tangentially related to, transformational leadership.

Singh and Krishnan, (2007) in three studies, titled "Developing and Validating A New Scale Using Grounded Theory Approach" developed a measure of transformational leadership in India. The study helps in measuring and recognizing transformational leadership in the Indian context. It consists of the 'Self Form and the 'Rater Form' containing 30 items each.

Transformational Leadership and Performance

In the past 20 years, many studies have examined transformational leadership and performance in a wide variety of settings. For example, transformational leadership has been shown to relate positively to performance in U.S. and North American companies(e.g., LeBrasseur, Whissell, & Ojha, 2002; Seltzer & Bass, 1990), in Russian companies (Elenkov,2002), and in companies in Korea (Jung & Sosik,2002) and New Zealand (Singer,1985).It is important in military (e.g., Bass, Avolio, Jung, & Berson, 2003; Masi & Cooke,2000), private sector (e.g., Hater & Bass,1998;Yammarino & Dubinsky,1994),governmental (e.g., Wofford, Whittington, & Goodwin,2001),educational (Harvey, Royal,& Stout, 2003; Tucker, Bass, & Daniel,1990) and nonprofit organizations (e.g., Egri & Herman, 2000; Riggio, Bass, & Orr,2004).Transformational leadership is related to the effectiveness of groups of salespersons (e.g., Jolson, Dubinsky, Yammarino, & Comer,1993; Mackenzie, Podsakoff, & Rich,2001),health care workers (Gellis,2001; Bycio et al., 1995),high school principals (Hoover, Petrosko, & Schulz,1991; Kirby,Paradise, & King,1992),and even athletes (Charbonneau, Barling, & Kelloway, 2001) and

prison workers (Walters,1998).Shamir et al.'s formal theory suggests several mediators affecting the relationship between transformational leadership and exceptional performance.

The dynamics of Performance beyond Expectations

Shamir et al.'s (1993) formal theory explained how and why charismatic –transformational leadership moves followers to exceed expectations in performance. First, transformational leaders enhance the self-concept and sense of self-efficacy of followers. Self-efficacy has been shown to consistently enhance individual and group performance (Bandura, 1997; Stajkovic & Luthans, 1998).Second, identification with the leader, both individually and collectively, and identification with the group or unit is important. Third, shared or aligned goals and values are key to motivating followers to perform beyond expectations. House (1977) first suggested that charismatic- transformational leaders communicated both their confidence in followers and the expectations that they could perform at high levels.

Self-Concept/ Self-Efficacy

Kirkpatrick and Locke (1996) found that followers' self-efficacy (along with performance goals) mediated the relationship between charismatic leadership and performance. The enhancement of followers' self-concepts and corresponding increases in their sense of self-efficacy likely occur partly through the leader's direct influence on followers and partly through a sense of collective efficacy among members of a group. Bandura (1997) characterizes collective self-efficacy as "a group's shared belief in its conjoint capabilities to organize and execute the courses of action required to produce given levels of attainment". A recent study found that a leader's self-efficacy predicted follower's collective sense of self-efficacy, which in turn predicted the group's task performance (Hoyt, Murphy, Halverson, & Watson, 2003).

Aligned Goals and Values

In recent years, scholars have begun to examine the relationship between transformational leadership and ethical leadership behavior or perceptions of leader authenticity. For example, one study examined the relationship between transformational leadership and the perceived integrity of New Zealand managers, as rated by subordinates, peers, and superiors (Parry & Proctor-Thompson, 2002).The results showed that transformational leaders were rated as having more integrity and being more effective than were nontransformational leaders. An interesting study of marketing managers from multinational companies in India presented these leaders with vignettes depicting certain unethical business situations (e.g., bribery, endangerment of the physical environment, personal gain, and displays of favoritism) and asked the leaders how they might act in these situations. Transformational leaders, particularly those high on inspirational

motivation and intellectual stimulation, were more likely to behave ethically in the tempting scenarios (Banerji & Krishnan, 2000).

In a study of workers in a disaster relief organization, transformational leadership as measured by the MLQ was related to the alignment of leader and follower values (Krishnan,2002).Hoyt and Blascovich (2003) found that transactional leaders elicited greater quantitative performance, whereas transformational leaders elicited greater qualitative performance. They suggested that trust mediated the relationship between transformational leadership and quality of work. Research by Jung, Chow, and Wu (2003) suggests how transformational leadership might affect creativity. First, transformational leaders increase followers' intrinsic motivation (as opposed to the transactional leaders' emphasis on extrinsic motivation), which stimulates creativity (Shin & Zhou,2003).Second, the intellectually stimulating transformational leader encourages followers to think "out of the box" (Elkins & Keller, 2003).Their results show that transformational leaders primarily encourage follower creativity and innovation by providing a climate that supports followers' innovative efforts. Crawford (2006) made an empirical study where a strong correlation ($r = .42$, $p = .0001$) evidenced the relationship between innovation, Transformational Leadership and Knowledge Management and each of the knowledge management subscales (information acquisition, information/document creation, and information application).

Bhargava (2003), in his book, Transformational Leadership: Value based Management for Indian Organizations, selects 15 papers presented at the National seminar on "Leadership and Human Values" at the Institute of Management, Lucknow in April 2000. It says that leadership is more about facilitating and guiding the efforts of people. Transformational leadership which is value based can overcome resistance to change. Various authors have talked about the need for leaders who will be able to touch the consciousness of people, inspire, and provide a unique sense of meaning.

In another study by Krishnan, (2001), in the study "Value Systems of Transformational Leaders" reveals that leaders do have some identifiable patterns in their value systems. They give relatively high priority to "a world peace", and "responsible" and relatively low priority to "a world of beauty", "national security", "intellectual", and "cheerful". Results also suggest that transformational leaders might give greater importance to values pertaining to others than to values concerning only themselves.

A truly transforming leadership requires two distinct steps. The first step is to identify the core components of a culture and ensure that those cultural roots are not demolished in the name of modernization. The second step is to look at the various cultural artifacts that need to be

modernized to keep in line with the changing environment. What is to be preserved and what is to be changed is the secret of effective transformational leadership, thereby bring about enduring change by presenting cultural roots in an inspiring way and mobilizing followers' support to modernize existing practices. (Krishnan, 2003)

Transformational Leadership and Developing Leaders.

A core element of transformational leadership is the development of followers to enhance their capabilities and their capacity to lead. Sosik and colleagues underline the similarities between effective mentoring and transformational leadership (Sosik & Godshalk, 2000; sosik, Godshalk, & Yammarino, 2004). Therefore a major determinant of the effective performance of transformational leaders could be to the extent to which the leaders are able to have a positive influence on the followers' development- an outcome that is often ignored in evaluating leader effectiveness. Sosik and Godshalk (2000) found that transformational leaders were more likely than nontransformational leaders to provide good mentoring (e.g., providing career development advice, providing networking opportunities) to protégés. Levy, Cober, and Miller (2002) found that followers of transformational leaders were more likely than followers of transactional leaders to seek feedback that would help in their development.

Stress and Transformational leadership

We live in the 'damage Age' which results in phenomenal amounts of stress. Transformational leadership tends to have a stress-buffering effect on followers such that protégés of transformational leaders reported less job-related stress. Abrasive leaders use their power to coerce their followers and this causes stress. For many subordinates, immediate supervisors may be the most stressful aspect of their jobs (e.g., Herzberg, 1996)

Weber (1924/1947) noted that charismatic leaders are likely to emerge during times of instability, crisis, and turmoil. Charismatic leaders keep their cool when faced with threats to their lives. Thus, Mahatma Gandhi, Franklin Delano Roosevelt, Kemal Ataturk, Benito Mussolini, Kwame Nkrumah, Charles de Gaulle, and Ronald Reagan displayed presence of mind and composure when faced with assassination attempts. Thomas (1976) suggested that when quick and decisive action is vital to resolving the conflict between parties, assertive, dominating leadership may be most appropriate. The intellectually stimulating leader moves the parties toward a solution that integrates the efforts of the parties in conflict into a collaborative solution. The conflict is turned into a mutual problem to be solved. Marks and Marvis (1998) argue that leadership of organizations undergoing mergers or acquisitions need to possess insight, inspiration, and

involvement-core elements of transformational leadership-to help members deal with stress and uncertainty. Marks and Mirvis assert that, along with keeping employees informed, leaders must use inspirational appeals to make both the intellectual and emotional case for why people should accept the new, combined organization. They suggest empowering employees, consistent with notions of intellectual stimulation. Individualized consideration is also necessary, providing employees with awareness of the stress they will experience and providing suggestions on how to deal with it. Leaders " get information about the acquiring organization for their subordinates; identify counterparts in the other… and make contact and help subordinates to understand that their counterparts in the acquiring firm are not the 'bad guys' and, in many cases, are in a situation similar to their own" (Schweiger, Ivancevich, & Power, 1987).Transformational leadership can help followers and colleagues smooth tensions of disengagement, disidentification with the old situation, disenchantment with the new arrangements, and disorientation without anchors to the past or the future. Individually considerate leaders can help colleagues and subordinates work through their denials and anger. An attractive vision of the future by the inspirational leader can promote acceptance of the new situation (Tichy & Devanna,1986).The intellectually stimulating leader moves the team to define the crisis or conflict, to identify the facts and opinions, to determine the desired results, and to obtain open statements of opinions (for which trust of the transformational leader is needed).Different solutions with transforming superordinate goals need to be kept in mind, in addition to how the solutions will be implemented and evaluated (Atwater & Bass,1994). In a study by Sosik and Godshalk (2000), it was found that mentors who engaged in transformational leadership behaviors had a significant impact on alleviating protégés' felt stress .A dissertation by Rose (1998) found that high quality leader-member relationships led to lower incidence of burnout and health problems. Transformational leaders reduce stress among followers by creating a sense of identity with a social network of support.

Contingencies of Transformational Leadership

In ongoing organizational life, transformational leadership generally has its impact regardless of situational circumstances. The hierarchy of effects shows that transformational leadership is most effective. If there is investment in transformational leadership, it still adds considerably to the effectiveness of the less-frequently needed transactional leadership (Waldman, Bass, & Einstein, 1985).

Stability versus Turbulence

More transformational leadership is likely to emerge in organizations and be effective when leaders face an unstable, uncertain, turbulent environment. For Ansoff and Sullivan (1991), turbulence in the environment is characterized by complexity, lack of the leaders' familiarity with likely events, rapidity of change, and lack of visibility of the future. Pawar and Eastman (1997) suggest the stable-turbulent-unstable dichotomy can be conceptualized as whether the organizational environment is one focused on efficiency versus adaptation, hypothesizing that transformational leadership is more effective under an adaptation-oriented environment. The Center of Leadership Studies gathered data on Multifactor Leadership Questionnaire (MLQ) scores of leaders as found under various contingencies. Results of several thousand cases comparing stable and unstable environments were in line with expectations. Transformational leadership means were higher in unstable environments. Inspirational leaders may reframe opportunities so that the environment is transformed from a situation of threat into a situation of opportunity. The environment threatening General Electric was reframed by CEO Jack Welch into General Electric's need to compete worldwide and to quickly and creatively exploit changes in market conditions and technology. Welch restructured and reoriented the corporation towards a vision of speed, simplicity, and self-confidence (Howell, 1992): " We have a real opportunity to shift from a [transactional] mode where we control, measure, catch, snitch, and follow, to [transformational] one where work is exciting and people feel empowered and energized to grow and create" (Welch,1989).

Collectivist Societies

Jung, Sosik, and Bass (1995) argued that more transformational leadership was likely to emerge in a collectivistic society than in an individualistic one. Commitment to long term goals is seen as the dimension of Confucian dynamism (Hofstede & Bond, 1988), which is prevalent in Japan and among the "five tigers" of South Korea, China, Taiwan, Singapore, and Malaysia. Leung and Bozionelos (2004) found that in a Confucian culture the notion of attentive leadership is similar to the qualities of transformational leadership. Jung et al. (1995) proposed four explanations about the more ready emergence and facilitation of transformational leadership in the collectivist societies of East and Southeast Asia. Charismatic leadership is facilitated because of the ordinary high level of respect, trust, loyalty, and obedience to higher authority of paternal, father figure. Followers already have a sense of shared fates with their leaders and organizations. Inspirational motivation is facilitated in collectivist cultures because followers already are committed to collective accomplishment, group goals, and the meaningfulness of their own participation. The

transformational realignment of individual values is accomplished through realignment of group's values. Furthermore, the willingness of the leaders to turn their groups toward adapting and improving on Western technologies is illustrative of intellectual stimulation. The avoidance of things "not invented here" in Britain resulted, in 1 year alone in the 1970's, in Britain exporting 14 times more patents than it imported. The reverse was true for Japan. Yokochi (1989) found a high level of intellectual stimulation in the MLQ ratings of 135 senior managers in 17 large Japanese firms. Walumba and Lawler (2003) found that collectivism moderates the effect of transformational leadership on work- related outcomes. Since there is much paternalism leaders have personal responsibility for caring for their followers' career development and personal problems leading to individualized consideration (Steers, Shin, Ungson, & Nam, 1990). As expected, MLQ ratings by their subordinates of the individualized consideration of senior Japanese managers were high compared to the results found in Europe and the United States (Yokochi, 1989).

Kejriwal and Krishnan (2004) say that thought processes, implicit assumptions, beliefs, and attitudes of leaders can be meaningfully studied only if they are interwoven into a composite whole by a cultural thread wherefrom they emanate. Their study explores the personality traits and worldview of transformational leaders from an Indian cultural perspective. Indian philosophy provides a framework to help understand a person's mental make-up. It offers the Guna theory, also called the tri-dimensional personality theory, to explain differences across individuals. The Vedic texts also outline concepts like Karma (cause-effect chain or the basic law governing all actions) and Maya (existing bundle of inexplicable contradictions of the world) which help in comprehending a person's worldview. Only through a clear understanding of the leader's worldview can we unravel the secrets of transformational leadership and try enhancing it. Krishnan (2003) concludes that knowing what is to be preserved in a culture and what is to be changed is the secret of effective transformational leadership. Transformational leaders bring about enduring change by presenting the cultural roots in an inspiring way and mobilizing followers' support to modernize existing practices.

Organizational Characteristics

Mechanistic organizations discourage change and inhibit individual differences, motives, and attitudes (House, 1992). Whereas organic organizations are more open to variation, adjustments, and experimentation with the corresponding risk taking, this makes for a better fit for transformational leadership.

Besides structure, the size of the organization may moderate the effects of transformational leadership. One study that examined the impact of the leader's vision on followers found that the impact of the leader's vision for the organization on followers was more positive in smaller as opposed to larger organizations, presumably because the leader had more direct contact and influence on followers in the smaller organizations (Berson, Shamir, Avolio, & Popper, 2001).This is consistent with work by Shamir (1995) and Howell and Hall-Merenda (1999), which suggests that transformational leaders need to have considerable face time with followers to provide followers with individualized attention and develop close working relationships with them to be effective.

Types of Organizational Members

Also, certain types of followers, or the composition of the group of followers, may be more positively affected by transformational leaders. Wofford et al. (2001) found that followers who had greater need for autonomy and followers who were high on growth need strength (workers who want to be empowered and to grow on the job) were more positively influenced, and more satisfied with, transformational leaders than were followers who lacked these motivational characteristics. Effective leaders of multicultural groups are inspirational in that they envisage and support diversity at all levels in their organization. Moreover, their individualized consideration is built on their knowledge of multicultural issues. They openly advocate the elimination of ageism, ethnocentrism, racism, and sexism.

Shapira (1976) showed that whether a leader was directive or participative depended on whether the leader or the follower had the information and the power in the situation. It is expected that where the leader has the power and information charismatic, inspirational, or intellectually stimulating leadership is likely to emerge. Where the follower has the power and information, it beehoves upon the leader to be more individually considerate or transactional, with the need to negotiate an exchange. When coaching, special labor-saving ideas, quality performance, and appreciation of the role of the employee in the large organizational picture are needed, leaders must be more transformational. When the needs include clarification about what needs to be done (as often occurs in leading virtual teams), the rewards for doing so, and the corrections necessary to accomplish the tasks, leaders must be more transactional.

Neutralizers of Transformational Leadership

Leadership neutralizers are those characteristics or situations of tasks, circumstances, subordinates and organizations that interfere with the leader's performance. Neutralizers retard the impact of leadership effectiveness.

The physical distance between the leader and subordinate may be a neutralizer. There may not be much scope for personal interaction due to the geographical distance between the leader and the follower. Neutralization may occur because rewards may be controlled by higher management in ways that prevent the immediate supervisor from exerting influence.

Transformational Organizational Cultures

Organizations such as General Electric, Disney, Hewlett Packard, and Mariott are successful partly because of the work of their founders and subsequent leaders but mainly due to their visionary and transformational culture. Because demands on most organizations are unlikely to be absolutely steady and stable, Kotter and Heskett (1992) found that "only cultures that can help organizations anticipate and adapt to….change will be associated with superior performance over long periods of time". The adaptive culture of Kotter and Heskett (1992) paralleled what Avolio and Bass (1991) designated a transformational culture. Adaptive firms led by transformational leaders who endorse assumptions such as people are trustworthy and purposeful; complex problems can be delegated to the lowest level possible; and mistakes can be the basis of how to do a better job, rather than a source for recriminations.

Transformational leaders articulate a sense of vision and purpose to followers. They align the followers with the vision and empower followers to take responsibility for achieving portions of the vision. When necessary, the leaders become teachers; personal responsibility is accepted by the leaders for the development of their followers to the followers' full potential. In theory, transformational cultures should be more conducive to transformational leaders. It is a better fit. Groves (2004) found that charismatic/transformational leaders were more effective if the followers, and presumably the organizational culture, were more open to change and adaptation. Changing an existing organizational culture is a delicate operation that requires the leader to first investigate and understand the existing culture and then realign the old culture with the new vision and goals (Bass, 1985; Bass & Avolio, 1993b).

The Organizational Description Questionnaire (ODQ; Bass & Avolio, 1992) is a 28-item survey questionnaire can be completed by members of an organization. Transactional elements in the culture's assumptions, processes, and expectations are found in 14 items such as following:

- You get what you earn-no more, no less.
- We bargain with each other for resources.
- Rules and procedures limit discretionary behavior.

Transformational elements of the organization's culture are presented in 14 items such as the following:

- People go out of their way for the good of the institution.
- Individual initiative is encouraged.
- We trust each other to do what's right.

The ODQ generates a transactional culture score (TA) and a transformational culture score (TF). A first factor analysis of the responses of several hundred organizational members of 69 organizations uncovered two distinct factors, one was transformational and the other transactional. Respondents indicate whether each of the 28 statements is either true or false about their organization's culture, or they indicate that they cannot say. Scores are +1 for true, -1 for false, and 0 for cannot say. Thus, total transformational and transactional scores for each respondent ranged from -14 to +14.Coefficient alphas for the 14-item transactional scale were .60 and .64 for 169 leader participants from almost as many different organizations and .64 for their 724 subordinates. The corresponding alphas for the transformational scale were .77 and .69 (Bass & Avolio, 1990b). A predominantly transformational organizational culture receives highly positive ODQ transformational leadership scores and negative transactional ODQ scores from its members. The culture can be characterized by the four I's of transformational leadership. The organization is likely to be constantly discussing purposes, vision, values, and fulfillment. Absent are the transactional elements, such as formal agreements and controls that may make it difficult to be certain about what people will do. If the organizational score becomes a bit more transactional (a lower negative number), the culture places more value on exchanges and specific rewards for performance. In general, team work is accented. The moderately transformational organizational culture receives a transactional score that is less negative or somewhat positive. The culture sets more value on agreements, exchanges, and rewards for performance. Here we have the organizations that are likely to be highly effective. On the other hand, it contains the transformational qualities needed for extra effort, commitment, and satisfaction. Yet it also may have enough transactional structure to provide predictability of relationships and requirements without falling into bureaucratic traps.

A high-contrast organizational culture receives high ODQ ratings from respondents in transformational character coupled with a similarly high level of ratings for transactional character. There is great deal of both transactional management and transformational leadership but often with conflict over the best ways to proceed. Much of the conflict is likely to be constructive. Trust is available to maintain balance between the rule-based old ways of doing

things and the needed innovations. This is particularly true where trade-offs must be made between short-term gain and individual rewards for the long term benefit of the group and organization. It is important to note that the ODQ, and the typology of organizational cultures derived from it, are useful tools for both better understanding the nature of particular organizations and for understanding how transformational and transactional leadership interact with elements of organizational culture. Although the ODQ has been used extensively as a tool in leadership programs, it has been underused as a research tool.

The loosely guided organization is one that is moderately transformational but without much structure. A university department, a professional services firm, or a confederation of independent sovereign states may fit this description. A coasting organizational culture falls between the extremely transactional to extremely transformational. The organization coasts along and does not optimize the use of its resources and opportunities. Highly transactional, contractual organizational cultures and bureaucracies are characterized as concentrating on their self interest than to the interest of the organization e.g. the large civil service agencies. The somewhat mechanistic pedestrian organization is moderately transactional with little or no transformational qualities.

The "garbage can" organizational culture, so named by March and Olsen (1976), tends to be lacking in either transactional or transformational leadership; consensus is absent, and everybody "does their own thing" so that organization is a garbage can of fruitless activities. Little cooperation among members is observed. Finally it has been observed that transformational organizational cultures are more likely to bring about quality improvements.

Transformational Leadership of Men and Women

For more than a decade, popular writers and the mainstream business magazines have been touting the female advantage in leadership (Helgesen, 1990; Rosener, 1990, 1995; Eagly & Carli, 2003). Anecdotal, research, and meta-analytic evidence all point to the greater tendency for women in leadership positions to be somewhat more transformational and to display less management-by-exception and laissez-faire leadership than their male counterparts. Concomitantly, they are seen by their subordinates and colleagues as slightly, but significantly, more satisfying as leaders. Women as a group may be more likely than men to develop the kinds of relations-oriented and socio-emotional behaviors that are critical to the development of transformational leadership. At the same time, work organizations are changing the requirements of the leadership role. For more than a decade, organizational cultures have increasingly

emphasized caring and concern for others without diminishing the importance of completing the work done (Offerman & Gowing, 1990).Young women are demonstrating greater aspirations to positions of leadership, and they are becoming more concerned with issues of power, prestige, and risk-taking behavior (Eagly & Carli, 2003).

An explanation for the male-female differences in transformational leadership may be partly attributable to the tendency for women, as a group; to be more relations-oriented- at least when they are not influenced by the demands of the traditionally "male" managerial role (Eagly, 1991). At the same time, there is a strong component of developmentalism in transformational leadership. By definition, transformational leaders focus on developing and raising the awareness of their followers about the importance of satisfying higher order growth needs (Burns, 1978). They attempt to understand the needs of the followers and then develop them to higher levels (Bass & Avolio, 1990b). Providing indirect support for this latter position, female leaders sees themselves on the Myers-Briggs Type Indicator as more 'feeling' (Myers & McCauley, 1985) than men do. Additional evidence suggests that female leaders develop unique, individual relationships with each follower, suggesting that they may be better in one-on-one interactions and more devoted to individual follower development than their male counterparts (Yammarino, Dubinsky, Comer, & Johnson, 1997). Women highlight responsibility and care; men highlight rights and justice; women may also be less self-serving authoritarians than men in leadership style (Eagly & Johnson, 1990). It is concluded that transformational leadership requires a gender balance rather than the traditional leadership stereotype of masculinity.

Implications of Transformational Leadership for Organizational Policies

There are implications of transformational leadership for organizational policies. The cascading effect of transformational leadership, particularly charismatic leadership, has a number of implications (Bass, Waldman, Avolio, & Bebb, 1987). Training in transformational leadership must be provided at multiple successive levels of the organization, starting at the top. Individualized consideration reflected in organizational policies that promote the health and welfare of the organization's members stimulate individualized consideration among the individual members , among the individual units of the organization, as well as among the organization itself (Bass & Avolio, 1990a).

Implications for Strategic Planning

The degree to which an organization is based on transformational or transactional leadership affects the organization's strategic planning. Shrivasta and Nachman (1989) categorized the

strategic planning observed in organizations into four clusters: entrepreneurial, bureaucratic, political, and professional. Entrepreneurial cluster the businesses would most likely fit the high contrast or moderately transformational types. The second cluster is bureaucratic, which is akin to highly transactional organization type. The strategic direction is guided by standard operating procedures and policies shape strategies. Members are accustomed to adhering to rules and regulations and take pre assigned organizational roles as guides to behavior. The third cluster is political. Organizational decisions emerge as a consequence of coalitions among the managers, each with functional authority over some part of the organizations. Jointly negotiated interests and goals of a dominant coalition of managers determine policies, strategies, and plans. Again, much transactional leadership is apparent. The fourth cluster is professional, and includes, for instance, an R&D organization with a staff of professionally educated and trained specialists whose influence depends on their expertise.

Waldman and Javidan (2002) outlined how the charismatic element of transformational leadership might influence strategy. In particular, they discuss the process of how charismatic leaders both build enthusiasm and inspire commitment toward a strategic goal, and they emphasize how environmental uncertainty may enhance this process, as anxious followers look to the charismatic leader for direction(Waldman, Ramirez, House, & Puranam, 2001). In a study of mid-level managers in a telecommunications firm, Berson and Avolio (2004) found that transformational leaders were more focused on company expansion into new markets. Moreover, transformational leaders were better able to get followers committed to organizational goals, presumably due to their better abilities to communicate with followers.

Implications for corporate image

Hickman (2004) and others (Austin, 2000; Chrislip & Larson, 1994) discuss a certain form of transformational organization that involves an organization-wide emphasis on social responsibility. Hickman (2004) suggests that organizations that have embraced this higher purpose foster greater transformational leadership throughout their organizations, while increasing profitability. One example of such an organization is the longstanding partnership between Starbucks and CARE.

Implications for recruitment, selection, promotion and personnel development

Organizations with high levels of transformational leadership and a transformational organizational culture should attract better recruits. Feedback of MLQ results can also be used for mentoring, counseling, coaching, and training (Bass & Avolio, 1990a). In study designed to identify prospects for executive positions in international organizations, Spreitzer, McCall, and

Mahoney (1997) found that many of the qualities of transformational leaders, intellectual stimulation were important for international executives. In addition, these international leaders needed to be flexible, willing to take risks, and willing to learn and grow on the job. Organizational policy must support an understanding and appreciation of the maverick who is willing to take unpopular positions, knows when to reject the conventional wisdom, and takes reasonable risks (Bass, 1990b). Innovation and creativity should be fostered at all levels of the organization. Effective reengineering and total quality management programs will depend much on this striving for excellence (LeBrasseur et al., 2002).

Application of transformational leadership can help in career development. First, it pays to introduce the concept early in the careers of new personnel and then to provide continuing support for it. Second, its diffusion flows from top down. Third, the organizational culture should support its development and maintenance. Pounder (2003) suggests that the concept of transformational leadership can be used as a framework for designing management development programs. Transformational leadership also has implications for team leadership. Leaders need to be individually considerate in dealing with followers from different functional areas and backgrounds and must show sensitivity to these differences. The effective transformational leader is culturally sensitive. Offerman and Phan (2002) discuss the culturally adaptive or culturally intelligent leader and suggest that individualized consideration plays a key part in this aspect of effective leadership. Intellectual stimulation may be necessary when seemingly unresolved problems of conflicts among the diverse interests of the members arise from the divergent interests of the members. There is also a need to describe what should be done in language that the diverse members find readily understandable.

Thus, transformational leadership can contribute to improvement in strategic planning, corporate image, recruitment, selection, and transfer of personnel. It also has implications for job and organizational design as well as for decision making and organizational development.

The Development of Transformational Leadership

Day (2000; Day & O'Connor, 2003) and others (Ayman et al., 2003) noted, there is a distinction between leader development and leadership development. Leader development focuses on the enhancement of the individual leader, whereas leadership development looks at how the leaders and followers- the group or organization as a whole-can develop shared leadership capacity.

Transformational leadership can be taught and learnt. Good parenting and early experiences can help develop leaders. Business schools and other educational programs concerned with the

quality of leadership in their discipline are using transformational leadership as a model for developing leadership skills in students (Pounder, 2003). The greatest attention in leadership training involves the learning of core leadership competencies. Conger and his colleagues (Conger & Benjamin, 1999; Conger & Kanungo, 1998) suggested that their definition of charismatic leadership, which includes the four components of transformational leadership, could be developed by learning five competencies.

- Critical evaluation and problem detection: Practice problem solving coupled with feedback can promote improvement in this first competency. Perhaps the most intense way to develop problem solving skills, according to Conger, is through action learning (Conger & Toegel, 2003).
- Envisioning: Envisioning can be fostered in learning programs in creative thinking. These teach how to unlearn and to contemplate profound changes. The Quick Environmental Scanning Technique (QUEST) aids such learning. Here participants brainstorm about their organization's circumstances and devise strategies for dealing with change.
- The communication skill for conveying a vision: Rhetorical principles can be learned; practice is provided in trying to portray an appealing future state, coupled with feedback about the performance.
- Impression management: This reinforces the bases of transformational leadership. For this, one needs to learn how to use to best advantage exemplary behavior, appearance, body language, and verbal skills.
- How and when to empower followers: This enables followers to complete the mission shared with the leader. Empowerment can be enhanced through the competence of transformational leaders in communicating high performance expectations, improving participation in decision making, removing bureaucratic constraints on followers, setting meaningful goals, and applying appropriate systems of reward.

Although there are many ways that the MLQ can be used by OD consultants, an advantage of the measure is that it taps constructs that can be dealt with at the individual, group, and organizational levels. Team Multifactor Leadership Questionnaire (TMLQ) has been developed for assessing group-level transformational leadership (Bass & Avolio, 1996). Organizations are gradually changing to more flatter versions of hierarchical structures, teams are being formed to identify problems and come up with solutions. This has given rise to team leadership, also known as shared leadership and is attracting a great deal of attention of both scholars and

practitioners (e.g., Avolio, Jung, Murry, & Sivasubramaniam, 1996; Kline, 2003; Pearce & Conger, 2003). It is predicated on the belief that all team members may need to develop the ability to facilitate, to coach, to mentor, and to teach and delegate to develop other members or people whom they work with. High performance teams show transformational leadership qualities and under certain conditions, teams using shared transformational leadership can outperform teams led by more traditional, vertical leadership (Pearce & Conger, 2003; Pearce & Sims, 2002).

Members of High performance teams inspire each other, express optimism and enthusiasm about the future, confident that the team will not only meet but exceed its challenging goals. They are also characterized by a high degree of unity, pride in the team, loyalty to the team, identification with the team, cohesiveness, and commitment to the teams' goals. The members have confidence in the other members' ability, reliability, and integrity of each other and also of the team as a whole. They help each other and if need be can realign personal goals to suit group needs. Research demonstrates that teams with high levels of transformational team leadership outperform teams lacking transformational team leadership (Sivasubramaniam, Murry, Avolio, & Jung, 2002).

Though early life experiences play a part in the development of transformational leaders., family, school, and work too are important. The practicing leader can profit from receiving counseling and feedback about what can be done to improve the leader's profile- more transformational leadership and less management-by-exception. The team's desire to improve on themselves can also lead to successful development of the various components.

Leaders do not emerge as a consequence of events or incidents but a journey of distinctive life experiences and processes. The personal experiences shared by leaders offer valuable insights on the role of family and childhood experiences that have had a sustained impact on their lives (Sahgal & Pathak, 2007).

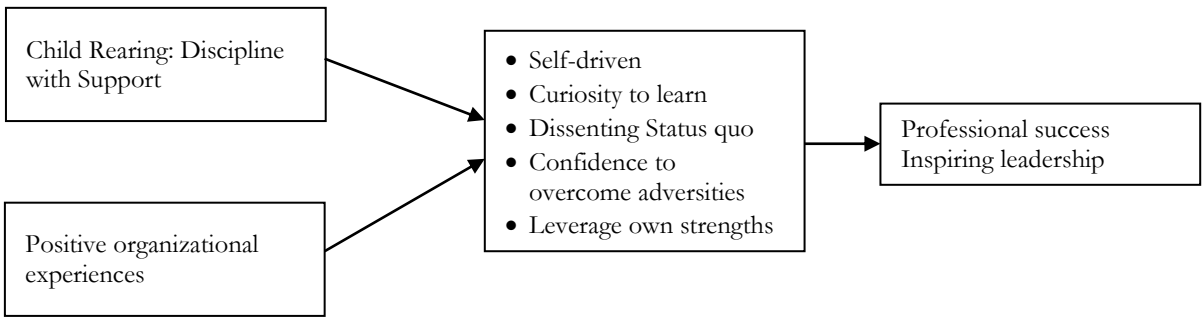


Figure 1. Model of life experiences and attributes of transformational leaders.

(Sahgal & Pathak , 2007)

A more dialogic and communication-oriented approach would, among much else, stress the value of dissent, the need for limits on leader power and action, the value of upward communication, and the role of followers in shaping organizational systems (Tourish & Robson, 2006; Fairhurst, 2007).Conger and Benjamin (1999) also emphasized developing the competencies of broad interpersonal skills, a global perspective, ability to build community, and sensitivity to diversity. Leadership development guides by Bruce, Avolio (1999, 2005) emphasize the personal commitment and dedication needed for effective leader development. A very important meta-analysis by the Gallup Leadership Institute (2004) examined 100 years of leadership intervention research and determined that attempts to change and develop leadership are indeed effective. This goes for both older intervention programs based on early leadership theories as well as leadership interventions based on transformational and charismatic leadership theories. A variety of popular programs, such as those of Kouzes and Posner (1987, 2003), the Center for Creative Leadership's Leader Labs, and Conger & Kanungo's (1988) training in charismatic competencies, introduce the transformational-transactional paradigm. The most research based effort has been the Full Range Leadership Program (FRLP) of Avolio and Bass (1991). The two core elements of the FRLP are feedback of MLQ results and creation of the personal development plan. These are typically done well before the FRLP workshop training. The use of MLQ feedback and development of a personal development plan can also be used to promote leadership development of a personal development as a stand-alone training method.

For people to change their behavior, perceptions, and attitudes, they must be aware of the specifics that require changes. A diagnosis is needed to establish appropriate changes in their behavior to improve the success and effectiveness of their leadership. Pile (1988) showed that results from the MLQ could be fed back to each leader beneficially in individual counseling arrangements. A computerized MLQ profile provides counselors and leaders with a comprehensive description of the leader's performance according to themselves, their subordinates, or coworkers (and their superiors when the 360-degree approach is employed; Bass & Avolio, 1997).The data are interpreted by the counselors to the leaders. Comparisons are drawn: how the leaders' scores compare to the general norms for other leaders, how the leaders' self-ratings compare with ratings by subordinates or coworkers or superiors, and how the leaders' MLQ scores compare to other leaders in their own organizations. On an item-by-item basis for each of the MLQ items, as well as the component factor score, specific strengths and weaknesses are identified in each of the leader's profiles. Because each item does not necessarily identify all of the actions or behaviors that result in the rating, the leaders should give some thought to identifying events, incidents, or actions that can aid in their interpretation of the

ratings. In addition to reviewing the normative results, leaders need to consider the absolute frequencies provided from the MLQ, ranging from 0 (never) to 4 (frequently, if not always)- some of the results may seem absolutely too high or too low. In absolute terms, it is suggested that counselees work to achieve 3.0 or higher in the transformational components, 2.0 or lower in management-by-exception and 1.0 or lower in laissez-faire leadership. At the same time, they should pick out the largest discrepancies between their self-ratings and the ratings received from others and the discrepancies between their own results and normative data that are provided them about their workshop group or their entire organization. Profiled leaders can work out their personal development goals and plans. The plan established for an individual leader often varies depending on the specific leader's needs. It may include workshops in areas that require strengthening, one-to-one counseling, observation of other leaders, or some combination of activities.

Whatever plan is chosen, the focus is on building the leader's ability to function as a transformational and active transactional leader. In larger organizations, an on-site consultant in organizational development (OD) can serve a very useful role in facilitating the implementation of the leader's plan through process observations of one-to-one meetings between leaders and followers, by being a sounding board for ideas, and by providing support and reinforcement for changes the leader is attempting to implement. Included in the plan should be a continuation of specific follow-up evaluations. A rather straight forward follow-up might involve re-administering the MLQ survey to followers or colleagues of the leader, the leader's superior, and the leader at some designated point in the future. In some situations, it may be appropriate to observe the leader interacting with followers or to interview or to interview followers, superiors, and coworkers to get an estimate of the changes observed in the target leader. Transformational leadership training is more effective in organizations that embrace transformational leadership style-cultures that encourage employee development, empowerment, critical thinking, and creativity. A Team Multifactor Leadership Questionnaire (TMLQ) has been developed for assessing group-level transformational leadership (Bass & Avolio, 1996). As many organizations are changing from a steep hierarchical structure to a flatter one, with fewer levels and lateral multifunctional networks being stressed, teams are being formed to identify problems and propose solutions. High performance teams are sought. Although teams may make better decisions and increase commitment, the team leadership may over time include all members sharing the leadership to some extent. The concept of team leadership, also referred to as shared leadership, is attracting a great deal of attention of both scholars and practitioners (e.g., Avolio, Jung, Murry, & Sivasubramaniam, 1996; Kline, 2003; Pearce & Conger, 2003). High performance

team members display transformational behavior toward each other, and, under certain conditions , teams using shared transformational leadership can outperform teams led by more traditional, vertical leadership (Pearce & Conger, 2003; Pearce & Conger, 2003; Pearce & Sims, 2002).Early life experiences play a part in the development of transformational leaders (Popper & Mayseless, 2003; Popper, Mayseless, & Castelnovo, 2000). Family, school, and work are important. Additionally, the practicing leader can profit from receiving counseling and feedback about what can be done to improve the leader's profile-more transformational leadership and less management-by-exception. Successful development can also be achieved by the leader and by the teams wanting to improve on those components of the FRL that are identified as needing improvement.

(Krishnan, 2001), in the paper, *Can the Indian* Worldview *Facilitate the Emergence of Transformational Leadership* outlines four basic components of the Indian worldview—an understanding of the real nature of this world (theory of Maya), preference for action over inaction, perceiving the potentially divine nature of oneself and others, and visualizing freedom as the supreme goal of human existence—and presents propositions relating those components to transformational leadership. An argument is made for teaching Indian philosophy in schools and colleges in India to facilitate the emergence of greater number of transformational leaders who could lift people to higher levels. Narayanan and Krishnan (2003) examine the Impact of Sattva and Rajas Gunas on Transformational Leadership and Karma-Yoga and relationships between Gunas, Karma-Yoga, and transformational leadership were studied using a sample of 105 pairs of managers and subordinates of a large banking organization in India. Each of the three Gunas—Sattva, Rajas, and Tamas—was measured along 10 dimensions: attribution, leisure, interests, food, praise and criticism, sympathy, right and wrong, motivation to work, working with determination, and accepting pain. A scale was developed for this study to measure Karma-Yoga. Findings show that three Sattva dimensions (sympathy, motivation to work, and accepting pain) enhance transformational leadership and two Rajas dimensions (attribution, and right and wrong) reduce Karma-Yoga. Karma-Yoga is not related to transformational leadership. The paper makes a case for teaching Indian philosophy in schools and colleges in India to facilitate the emergence of greater number of transformational leaders.

Sattva and Vedic worldview separately enhance transformational leadership whereas Tamas reduces it. Sattva-Rajas combination also enhances transformational leadership but the effect is not more than the effect of Sattva alone. Sattva and the Vedic worldview together do not enhance transformational leadership more than Sattva alone does (Kejriwal & Krishnan, 2004).

Predictors and Correlates of Transformational Leadership

There are a number of personality characteristics that can be theoretically linked to transformational leadership in general and to its specific components. Judge and Bono (2000) found a correlation in a study of hundreds of leaders recruited from community leadership training program. Moreover, extraversion was significantly correlated with all four components. Subsequently, Judge and Bono (2004) found that extraversion was most strongly associated with the charisma components (combined idealized influence and inspirational motivation) than other two components of transformational leadership. Avolio and Bass (1994) found that ascendancy, as measured by the Gordon Personal Profile, correlated significantly with all the components of MLQ (.19 to .23). Ross and Offerman (1997) found a positive, but insignificant, correlation (.16) between dominance and transformational leadership.

House (1977) particularly discusses the critical role of self-confidence for charismatic leaders to inspire followers' faith in the charismatic leader. (Bandura, 1997) has argued that self-efficacy is domain specific, and Murphy and colleagues (Murphy,1992, 2002; Hoyt, Murphy, Halverson, & Watson, 2003) have focused on leadership efficacy, finding that it is related to rated leader performance (Murphy, Chemers, Kohles, & Macauley, 2004).

Cognitive Intelligence, Social Intelligence, Emotional Intelligence, Practical Intelligence, and other individual differences

Atwater and Yammarino (1993) found small but significant correlations between the intelligence scale of the 16PF Inventory (Cattell, 1950) and both the transactional (.23) and transformational (.20) subordinate ratings of U.S. Naval Academy squad. Even though Sosik and Dworakivsky (1998) found a small but significant correlation between self- monitoring (skill in social self-presentation) and the charismatic components (idealized influence and inspirational motivation) of the MLQ, Dettmann and Beehr (2004) found the opposite- that low self-monitors were more likely to be transformational leaders. This could be due to the issue of authenticity/ transparency because low self-monitors are more likely to express their true feelings and values, rather than engaging in managing their display.

It is generally believed that empathy is a critical skill for transformational leaders, particularly when being individually considerate (Bass, 1990a). Groves (2005) investigated the role that skills in emotional communication and skills in social role playing, as measured by Riggio's (1989; Riggio & Carney, 2003). Social Skills Inventory, play in charismatic leadership. Emotional expressiveness was predictive of follower ratings of charismatic leadership. Emotion recognition

ability, positive affectivity, and agreeableness all positively correlated with transformational leadership behavior (Rubin, Munz, & Bommer, 2004)

Sternberg and his colleagues (Sternberg, 2002; Sternberg et al., 2000; Sternberg & Wagner, 1986) have proposed that practical intelligence-knowing how to get things done- is a critical determinant of effective leadership. Conceptually, practical intelligence should be important for transformational leaders in knowing how to listen to and respond to followers. A key component of practical intelligence is tacit knowledge, knowledge that is not explicitly taught but knowledge that is required to succeed in a particular setting or environment (Sternberg, 2002).

Stogdill (1948) concluded that there were some personal dispositions associated with leadership, such as energy level, cognitive ability, persistence, and sense of responsibility (Bass, 1990a).Nevertheless, he also argued that there needed to be a match between the leader's attributes and the needs of the group to be led. The analysis required attention to both the leader's individual attributes and the demands of the situation. Bass (1960) concluded that the ANOVA model was appropriate description of the person-situation issue. Some of the variance (and covariance) in any analysis is due to the leader as a person. The question is an empirical one as to how much of the variance is due to the three sources: person, situation, and interaction of person and situation. Multiple analysis are required, and the statistical methodology is now available (e.g., Yammarino, Spangler, & Bass, 1993; Yammarino, Spangler, & Dubinsky, 1998). The GLOBE project (House et al., 2004) showed that charismatic transformational leadership is seen as effective by middle managers in 62 countries, but the characterization of charismatic leaders may differ from one country or region to another. Leaders are more likely to be transformational when they have legitimate and reward power; without it they are more likely to practice passive management-by-exception.

Given the volume of research on transformational leadership, a number of additional individual difference variables are being investigated as possible correlates of transformational leadership. Crant and Bateman (2000) found that charismatic leaders tended to have more proactive personalities. Criticalness and aggression have been found to be strongly negatively correlated with transformational leadership (Ross & Offerman, 1997).

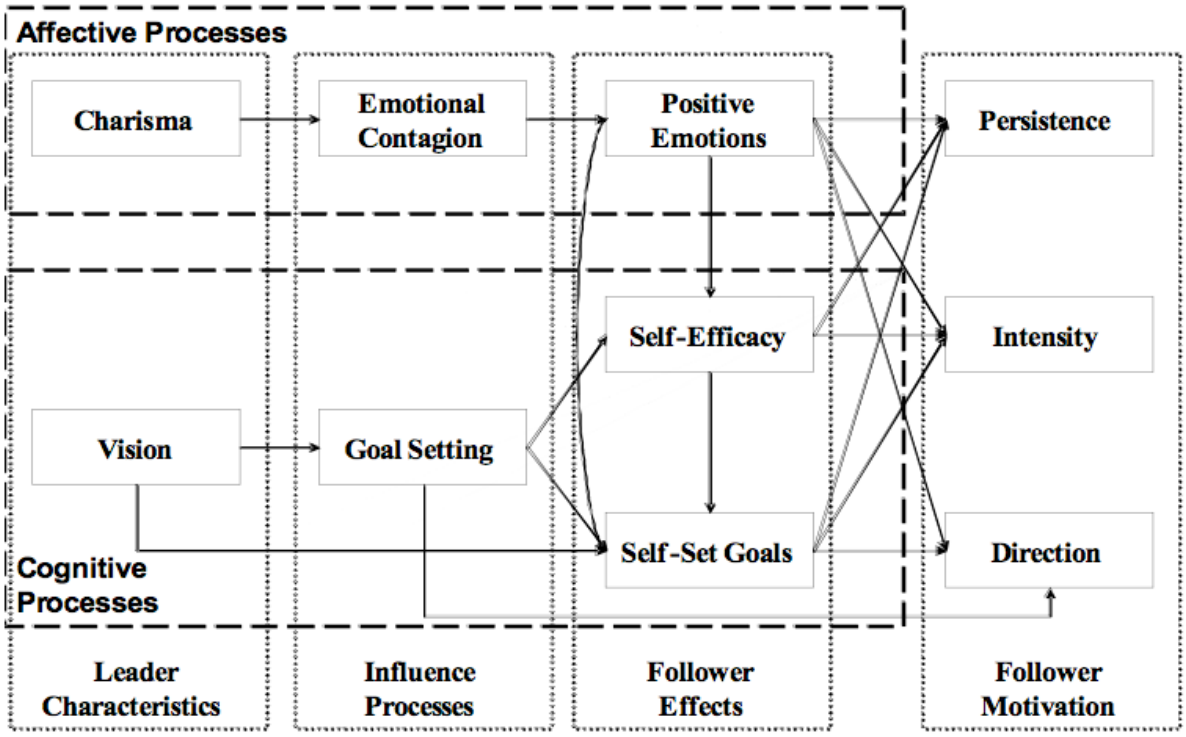
Wang, Law, Hackett, Wang & Chen (2005) in their research supported that transformational leadership behaviors are social currency, nourishing high-quality LMX (Leader Member Exchange); transformational leadership is associated positively with task performance and OCB (Organizational Citizenship Behavior); transformational leaders enhance follower receptivity to

role expanding offers and extra role behaviors, through processes of personal and/or social identification; and LMX makes transformational leadership more personally meaningful.

Transformational Leadership and Motivation

Shamir, House & Arthur (1993) offer a self-concept based motivational theory to explain the process by which charismatic leader behaviors cause profound transformational effects on followers. The theory presents the argument that charismatic leadership has its effects by strongly engaging followers' self-concepts in the interest of the mission articulated by the leader. They derive from this theory testable proposition about (a) the behavior of charismatic leaders and their effects on followers, (b) the role of followers' values and orientations in the charismatic relationship, and (c) some of the organizational conditions that favor the emergence and effectiveness of charismatic leaders.

Ilies, Judge, & Wagner (2006) present a theoretical model that integrates two related, but distinct mechanisms by which transformational leaders influence follower motivation. That is, they propose that an affective mechanism by which charismatic leaders induce positive emotional experiences in their followers, and a cognitive mechanism that includes communicating the leader's vision and its effects on goal setting explain the connection between charismatic and transformational leadership and follower motivation. Further, they specify the pathways through which affective and cognitive processes influence three components of follower motivation: The direction of action, the intensity of effort, and effort persistence and say that that transformational leadership is an important factor in employee motivation, and we have put forward a model that specifies the mechanisms through which the influence of transformational leadership on employee motivation is realized.



Theoretical model of affective and cognitive mechanism to motivate followers

(Ilies, Judge & Wagner)

Empowerment and Transformational Leadership

At the heart of transformational leadership is the development of followers, with much of this occurring through effective empowering of followers by leaders. Empowerment is a product of individualized consideration, but it also involves elements of intellectual stimulation. Superleadership was seen as the ultimate vehicle for empowerment by Manz and Sims (1995, 2001).The empowering super leader educates the follower so that each learns how to act as a self-leader. Behavioral- focused and cognitive focused strategies are employed to lead oneself.

Behavior focused strategies

Self-Observation-observing and gathering information about specific behaviors that one has targeted for change.

Self-Set Goals-setting goals for one's own work efforts.

Management of Cues-arranging and altering cues in the work environment to facilitate desired personal behaviors.

Rehersal-physical or mental practice of work activities before actually performing them.

Self-Reward-providing oneself with personally valued rewards for completing desirable behaviors.

Self-Punishment/Criticism-administering punishments to oneself for behaving in undesirable ways.

Cognitive-Focused Strategies

Building Natural Rewards Into Tasks-self-redesign of where and how one does one's work to increase the level of natural rewards in the job. Natural rewards that are part of, rather than separate from, the work (i.e., the work, like a hobby, becomes the reward) result from activities that cause to feel the following:

- a sense of competence;
- a sense of self-control; and
- a sense of purpose.

Focusing Thinking on Natural Rewards-purposely focusing one's thinking on the naturally rewarding features of the work.

Establishing Effective Thought Patterns-establishing constructive and effective habits or patterns in thinking (e.g., a tendency to search for opportunities rather than obstacles embedded in challenges) by managing the following:

- beliefs and assumptions;
- mental imagery; and
- Internal self-talk.

In study of 47 teams in four Korean organizations, Jung and Sosik (2002) explored the relationships between transformational leadership, follower empowerment, and perceived group effectiveness. They found not only that transformational leaders empowered followers but also that empowerment enhanced perceptions of the work team's collective sense of efficacy, which in turn led to enhanced perceptions of work team's effectiveness. These results are similar to those found by Conger, Kanungo, and Menon (2000) with charismatic leaders. Jung et al. (2003) found that transformational leadership led to greater employee empowerment and a more creative/innovative organizational culture in Taiwanese companies. Although transformational leaders can use intellectual stimulation and individualized consideration to empower followers, the charismatic elements, particularly idealized influence, can foster a potentially unhealthy dependence on the leader (Kark et al., 2003). Kotlyar and Karakowsky (2007) in their research conclude that on the one hand there is the ability of transformational leaders to instill a compelling vision in team members that emphasizes constructive conflict that will enhance the

team's capacity for generating cognitive team conflict, and on the other hand there is also the tendency for transformational leaders to engage team members' egos and emotions which will increase team vulnerability to the transmission of affective conflict from cognitive conflict.

Howard and Wellins used different labels to describe transformational leadership and its effects. Their empowering leaders were transformational: visionary, inspirational, supportive, championing, facilitative, and individually considerate. The leader will encourage feelings of warmth and acceptance among the followers. The empowering leader displays inspirational motivation by striving to point out the importance of an assignment, the positive qualities of other followers, and ways in which they can complement one another's strengths. The leader points to the challenge involved and the recognition that success will bring. To help counter uncritical conformity and suppression of new or constructive ideas associated with the groupthink syndrome, the leader may intellectually stimulate followers by questioning the followers' thinking and assumptions, support followers who voice unusual or provocative ideas to reduce the conformity, and encourage more flexibility in the norms that may stem from empowerment. A very important component in making empowerment work is for the leader to delegate effectively. Despite the popularity and widespread use of the MLQ as a measure of transformational leadership, it is important to develop other methods of assessing transformational leadership. The use of observational methods to objectively code transformational leadership behaviors, or behavioral diaries, will provide a different perspective, without relying on follower reports/ratings of leader behavior.

Tekleab, Sims Jr, Yun, Tesluk & Cox; (2008) in their study examined the effects of leaders' self-awareness of their own leadership on followers' satisfaction, self leadership, and leader effectiveness. A leader's self-awareness was conceptualized as the degree of similarity between the leader's self-description and his or her followers' descriptions of leader behaviors. Transformational and empowering leadership were measured from 48 leaders and 222 of their followers. Results from confirmatory factor analyses provide support for two types of leadership: transformational and empowering. Results from polynomial regression analyses indicate that self-awareness of transformational leadership is related to leader effectiveness and followers' supervisory satisfaction. In contrast, self-awareness of empowering leadership is related to followers' self-leadership. These effects of leadership self-awareness extend beyond the direct effect of leadership on the outcome variables.

Transformational Leadership: Future challenges and Applications

There is also a need to appreciate what the non quantitative scholars in psychohistory, sociology, and political science have to say about charisma and transformational leadership. Future research on transformational leadership needs to take a broader and more varied perspective.

Although a great deal of research has focused on the outcomes of transformational leadership, less attention has been given to the process. More attention needs to be given to the followers of transformational leadership and to the leader-follower transformational relationship (Hollander, 1992; Vecchio, 1997). It also would indeed be very informative to better understand the inner workings of the transformational leader, their psychological makeup, and their motivations. Finally, the theory of transformational leadership has been criticized for being too positive a portrayal of leadership (Beyer, 1999; Yukl, 1999).

To date there have been very few attempts to assess transformational leadership via systematic, objective, third party (non-followers) observations. The development of systematic observational coding schemes for transformational leadership could be an important advancement in measurement.

The use of observational methods to objectively code transformational leadership behaviors, or behavioral diaries, will provide a different perspective, without relying on follower reports/ratings of leader behavior

Each year, our understanding of transformational leadership grows in significant ways and in an ever-increasing amount. Yet leadership is perhaps the most complex of human constructs, and we still have a long way to go in understanding those complexities.

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Managing Third Sector for Socio-Economic Development

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Abstract

Economies are considered to have three sectors. First, the Public Sector which is owned by the State and provides services in the Public interest. The Second, the Private Business Sector which is privately owned and profit motivated and the last one is the third Sector that embraces a wide range of community, voluntary and not-for-profit activities. Third Sector organizations are created by groups or individuals to meet a shared need. People have made an effort to form these organizations to provide a service to advocate a cause for them where the business and government sectors failed. The primary objective of the proposed study is to examine the role of third sector organizations in the development of the economy where the formal sectors failed at the grass root level from a wide range of socio-economic & management perspectives.

Key Words: *Third sector, Philanthropy, Socio-economic and Management*

Introduction:

Economies are considered to have three sectors. First, the Public Sector which is owned by the State and provides services in the Public interest. The Second, the Private Business Sector which is privately owned and profit motivated and the last one is the third Sector that embraces a wide range of community, voluntary and not-for-profit activities. Third Sector organizations are created by groups or individuals to meet a shared need. People have made an effort to form these organizations to provide a service to advocate a cause for them where the business and government sectors failed.

Third Sector is another name by which the non-profit or voluntary sector is known. Government and private sector are being the first two sectors. Third sector organizations are variously identified as voluntary association, civic association, non-government organizations and mutual aid organizations. Economic liberalization in developing countries like India has changed

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the direction of the country from socialistic pattern to market economy. Therefore, the involvement and participation of third sector organizations is relevant in all spheres of development activities. The process of liberalization of the Indian economy enabled the mushrooming of a wide verity of third sector institutions and their participation in social transformation programs.

One of the major limitations of Indian Parliamentary democracy has been its centralized nature. The centralized democracy in India has failed and pendulum has moved towards participatory and responsive government. A study by PRIA (Society for Participatory Research in Asia) and Commonwealth Foundations (Commonwealth Foundation,2003) brings to light people's perception towards the good life and shared dream of citizens of India. Indians want peace, education and socio-economic security. They want to act and act responsibly, towards shaping such a society and governance. And here comes the role of third sector that can help in achieving their vision of desirable world; a world of peace, harmony and economic security, a world where relations across individuals and families, communities and nations are characterized by equity and justice.

Scope and Significance of the Study

Third sector being very important and leading development partners of the government have been striving through implementation of various socio-economic programs for economic and socio-cultural empowerment of ill-fated rural people of the country. Third sector broadly refers to and includes those people-centered initiatives that fall in-between the spheres of the state and the market. Today we see various kinds of engagements over the world with the idea and practice of third sector. Against this background, it is imperative to engage with issues concerning the third sector and the socio-economic development

Objectives of the study:

The present study on third sector and its impact on socio-economic development are to analyze the involvement of third sector institutions in the process of socio-economic change where the formal sector is failed to implement the change successfully at the grass-root level. The proposed research is set out with the following objectives

- To study the efforts of third sector organizations in the development of the economy where the formal sectors failed at the grass root level.

- To trace the difficulties in the process of management and implementation of socio-economic programs by the third sector particularly religious philanthropic institutions and to suggest the measures for further improvement.
- To find out the sources of funds and the proportion of their usage for different socio-economic activities of the religious organizations.

Hypotheses

The hypotheses of the research are as follows.

- Religious philanthropy organizations have direct impact on socio-economic development of the society.
- Management of religious philanthropic resources is efficient in all religious organizations.
- All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development.

Research Design

The present study is designed as a descriptive research based on primary data and secondary data. Descriptive research includes surveys and fact finding enquiries of different kinds. The major purpose here is the description of the state of affairs as it exists at present. In social science and business research the term ex post- facto research is used for descriptive research studies. This includes attempts by researchers to discover causes even when they cannot control the variables.

The population of the study includes all the religious philanthropic institutions and the beneficiaries located in coastal Kerala and Karnataka.

Sample Design

Three districts from Coastal Kerala namely Kasargod, Kannur and Kozhikode and Three districts from coastal Karnataka namely Dakshina Kannada, Udupi and Uttara Kannada were chosen for the study. The structured schedule with a few open ended questions was administered to collect the data from religious organizations and beneficiaries of religious organisations. Such organizations are scattered randomly and finding them itself is a challenging task. Hence the development of a specific sampling technique was a difficult and tedious process. Therefore snowball technique of sampling has been selected to trace and collect the required data. Total

107 organizations belonging to three religions i.e. Hindu, Islam and Christian have been approached for this field study.

The number of beneficiaries of religious philanthropic organizations is numerous, the documented beneficiaries are a few. Hence based on the information provided by the organizations, the beneficiaries has been selected using the judgmental method of non-probability sampling .The structured questionnaire has been administered for the same purpose. In total 297 beneficiaries of three religions i.e. Hindu, Islam and Christian were selected for collecting the data.

Data Collection:

Both primary and secondary Sources of Data are used in the study. The primary data is collected from religious philanthropic organizations and beneficiaries through field study. The secondary sources such as the related studies on third sector, religious philanthropy and socio-economic development were referred.

Data Analysis Techniques:

Data analysis involves converting a series of recorded observations into descriptive statement and/ or inferences about certain relationships. For the Statistical analysis of the data, the major tools used includes: Factor Analysis, Analysis of variance (ANOVA), Kruskal Wallis test, Fishers exact test, Chi-Square test, pie-charts, averages, percentages graphs, bar diagrams, tests of significance and software packages SPSS and Micro Soft Excel.

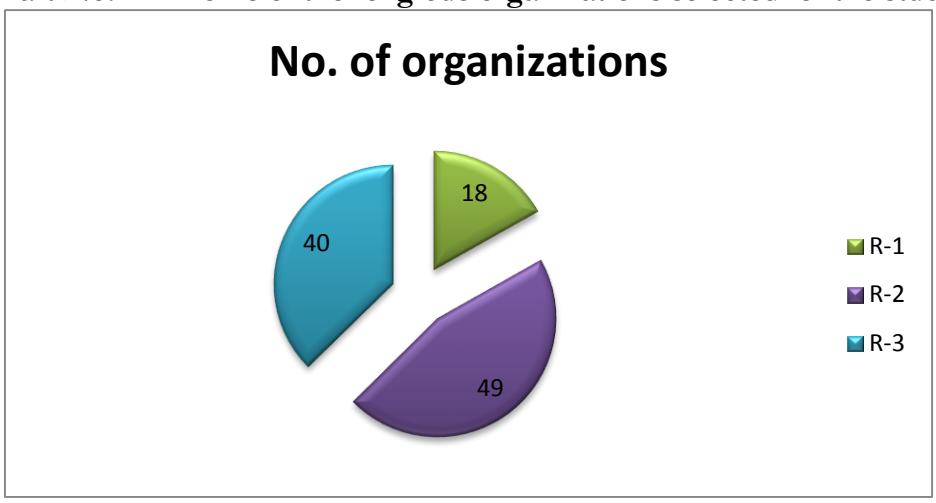
Data Analysis and Interpretation

As the purpose of the study is to understand the philanthropic work of the third sector organisations and their involvement in the socio-economic development, the data has been coded for different religions as given below. The primary data collected through the field study from different religious organizations and beneficiaries is analyzed using SPSS software and interpreted.

Table No. 1 - Profile of the religious organizations selected for the study

Religion	No. of organizations	Percentage
R-1	18	16.8
R-2	49	45.8
R-3	40	37.4
Total	107	100.0

Chart No. 1 - Profile of the religious organizations selected for the study



From the above table it is clear that 107 religious organizations were selected for the study, in which 49(45.8%) belongs to R-2, 40(37.4%) belongs to R-3 and 18(16.8%) belongs to R-1.

Table No.-2 Activities of the organizations-Religion wise

	RELIGION					
	R-1		R-2		R-3	
	No. of organizations	%	No. of organizations	%	No. of organizations	%
Educational programmes for all /girls/dropouts	13	72.2%	22	44.9%	37	92.5%
Medical camp/Medical aid to the needy	15	83.3%	23	46.9%	31	77.5%
Community related programmes	16	88.9%	21	42.9%	28	70.0%
Mass marriages	2	11.1%	7	14.3%	11	27.5%
Awareness about religious activities	9	50.0%	26	53.1%	28	70.0%
Scholarship	9	50.0%	21	42.9%	30	75.0%
Distribution of books/uniforms	11	61.1%	14	28.6%	28	70.0%
Promote rural enterprises	2	11.1%	3	6.1%	4	10.0%
Ensure food security	4	22.2%	10	20.4%	12	30.0%
Help in poverty reduction	12	66.7%	10	20.4%	18	45.0%
Improve gender equality	7	38.9%	2	4.1%	7	17.5%

Promote accessible financial services	3	16.7%	7	14.3%	5	12.5%
Women empowerment	8	44.4%	5	10.2%	11	27.5%
Vocational training for unemployed to secure employment	7	27.8%	4	8.2%	15	37.5%
Reduce child labour	3	16.7%	2	4.1%	7	17.5%
Literacy campaign for adults	5	27.8%	2	4.1%	6	15.0%
Education on basic rights	3	16.7%	2	4.1%	12	30.0%
Women entrepreneurship	3	16.7%	3	6.1%	6	15.0%
Educate about environment degradation and pollution	8	44.4%	4	8.2%	7	17.5%
Financial assistance-concessional interest/interest-free loans	3	16.7%	4	8.2%	6	15.0%
Encourage simple marriage/ unnecessary spending	5	27.8%	6	12.2%	19	47.5%
Eradicate the dowry system/social awareness	7	38.9%	2	4.1%	18	45.0%
Counseling for higher education	10	55.6%	6	12.2%	17	42.5%
Encourage the self employment	8	44.4%	6	12.2%	16	40.0%
Helping in construction of house	5	27.8%	3	6.1%	12	30.0%

As far as the activities are concerned 67.3% of the organizations conduct educational programs for all /girls/drop outs. 64.5% conduct medical camp or provide medical aid to the needy, 60.7% for community related programs, 58.9% for awareness about the religious activities, 56.1% for scholarship, 49.5% for distribution of books and uniforms, 37.4% for help in poverty reduction, 30.8% for counseling for higher education, 28% for encourage self employment and to encourage simple marriages and unnecessary spending, 25.2% for eradicate the dowry system/ create social awareness, 24.3% each for vocational training for unemployed to secure employment and to ensure food security, 22.4% for women empowerment, 18.7% each for mass marriages and helping in construction of house, 17.8% for educate about environmental degradation and pollution, 15.9% for education on basic rights, 15% to improve gender equality, 12.1% each for literacy campaigns for adults and finance assistance-concessional interest / interest free loans, 8.4% for promoting rural enterprises.

Inference

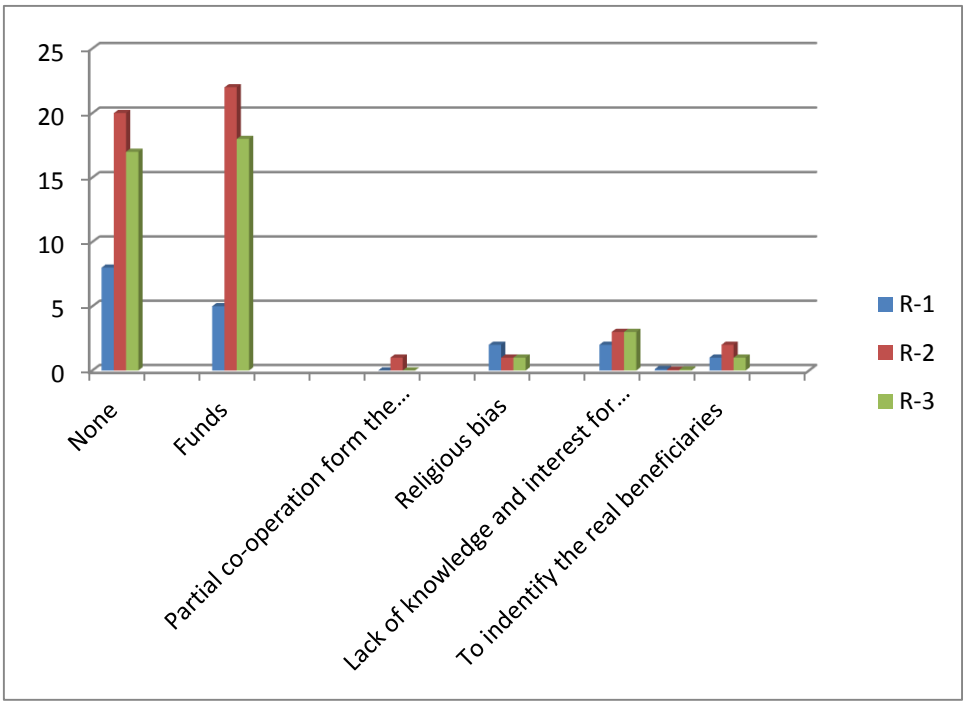
It can be concluded that the R-1 organizations are giving first priority to community related programs and then to health promotion. The R-3 organizations main concern is to Education and then to health care, whereas the R-2 religious organizations are more concerned about community development and then to education.

Table No- 3 Obstacles of the organizations met while implementation of programs

Obstacles met while implementing the programmes	RELIGION			Total
	R-1	R-2	R-3	
None	8 44.4%	20 40.8%	17 42.5%	45 42.1%
Funds	5 27.8%	22 44.9%	18 45.0%	45 42.1%
Partial co-operation form the government	0 0%	1 2.0%	0 0%	1 0.9%
Religious bias	2 11.1%	1 2.0%	1 2.5%	4 3.7%
Lack of knowledge and interest for the	2 11.1%	3 6.1%	3 7.5%	8 7.5%
To indentify the real beneficiaries	1 5.6%	2 4.1%	1 2.5%	4 3.7%
Total	18 100.0%	49 100.0%	40 100.0%	107 100.0%

Fishers exact test p= 0.219, NS

Chart No. 2 - Obstacles of the organizations in implementing the programs

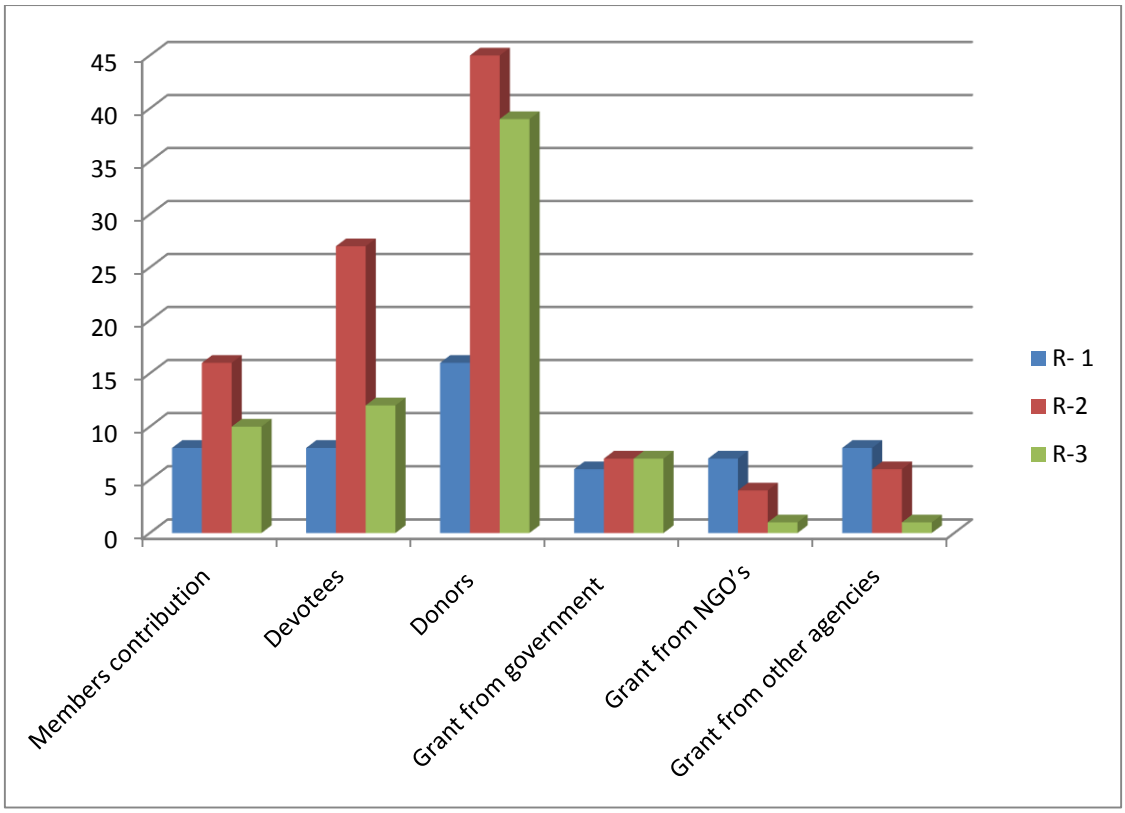


The most of the organizations (42.1%) do not have any obstacles in implementing the programs, 42.1% of the organizations feel funds are insufficient, 7.5% of the organizations find it difficult because of lack of knowledge and interest of the beneficiaries, Religious bias and identification of the real beneficiaries was the third obstacle faced by the organization (3.7% each) and only 1% felt that partial co-operation of the government was an area of trouble. Fisher's exact test reveals that the obstacles met in implementing the programs insignificantly varies among different religions. (p=0.219).

Inference

It can be concluded that the main obstacle for implementing the activities of the religious organizations is the lack of available funds. As per the data, other obstacles are negligible.

Chart No. 2 - Sources of fund- Religion wise



Regarding the sources of fund 93.5% of organizations are receiving the fund from the donors, 43.9% from the devotees, 31.8% from the members contribution , 18.7% from the government , 14% from the other agencies and 11.2% from the NGO's .

Inference

From the above analysis we can conclude that in all religious organisations, donor's contribution is the major source of fund.

Data analysis based on Hypotheses

H_1- Religious philanthropy organizations have direct impact on socio-economic development of the society.

Table No.-5 Areas of deployment of funds-General

	No		Yes		Total	
	No. of orgaisations	%	No. of orgaisations	%	No. of orgaisations	%
Education	32	29.9%	75	70.1%	107	100.0%
Health	40	37.4%	67	62.6%	107	100.0%
Constuction of House	88	82.2%	19	17.8%	107	100.0%
Religious Values	54	50.5%	53	49.5%	107	100.0%
Marrige fund	97	90.7%	10	9.3%	107	100.0%
Food/ Clothing	86	80.4%	21	19.6%	107	100.0%
Community related programms	78	72.9%	29	27.1%	107	100.0%
Others (Orphanage, Women Empowrment etc)	67	62.6%	40	37.4%	107	100.0%

Table No. - 6 Areas of deployment of funds

	RELIGION					
	R-1		R-2		R-3	
	No. of orgaisations	%	No. of orgaisations	%	No. of orgaisations	%
Education	7	38.9%	31	63.3%	37	92.5%
Health	17	94.4%	19	38.8%	31	77.5%
Constuction of House	4	22.2%	4	8.2%	11	27.5%
Religious Values	7	38.9%	25	51.0%	21	52.5%
Marrige fund	0	.0%	7	14.3%	3	7.5%
Food/ Clothing	4	22.2%	6	12.2%	11	27.5%
Community related programms	5	27.8%	10	20.4%	14	35.0%
Others (Orphanage, Women Empowrment etc)	6	33.3%	16	32.7%	18	45.0%

Table No. - 7 Areas of deployment of funds-Religion wise

	Religion	N	Min	Max	Mean	Std. Deviation	Median	Kruskal Wallis Test Value	p	
Education	R-1	7	1.500	11.000	5.214	3.893	5.000	1.146	.564	NS
	R-2	31	.600	90.000	10.612	18.895	2.750			
	R-3	37	.500	75.000	13.324	19.611	5.000			
	Total	75	.500	90.000	11.446	18.406	3.500			
Health	R-1	17	.100	900.000	65.271	217.073	1.100	4.730	.094	NS
	R-2	19	.100	900.000	49.846	205.911	.500			
	R-3	31	.400	25.000	3.798	5.310	2.000			
	Total	67	.100	900.000	32.454	154.109	2.000			
Construction of House	R-1	4	.150	35.000	9.325	17.139	1.075	1.078	.583	NS
	R-2	4	1.200	10.000	4.425	4.097	3.250			
	R-3	11	1.000	20.000	6.459	6.482	2.300			
	Total	19	.150	35.000	6.634	8.821	2.000			
Religious values	R-1	7	1.000	10.000	2.857	3.185	2.000	.690	.708	NS
	R-2	25	.100	100.000	6.844	19.562	3.000			
	R-3	21	.500	55.000	5.510	11.593	3.000			
	Total	53	.100	100.000	5.789	15.205	2.000			
Marriage fund	R-1	7	2.000	25.000	10.143	10.542	5.000	1.941	.164	NS
	R-2	3	1.000	10.000	4.167	5.058	1.500			
	R-3	10	1.000	25.000	8.350	9.387	3.500			
Food/clothing	R-1	4	1.0003	300.000	89.500	141.799	27.500	4.136	.126	NS
	R-2	6	1.0004	300.000	63.000	116.343	20.000			

	R-3	11	.500	30.000	8.255	8.307	5.000			
	Total	21	.500	300.000	39.371	87.390	10.000			
Community related programme	R-1	5	1.000	100.000	21.400	43.947	2.000	.712	.701	NS
	R-2	10	.350	100.000	19.935	32.275	4.000			
	R-3	14	.500	6.000	3.336	1.940	3.500			
	Total	29	.350	100.000	12.174	26.234	3.000			
Others (orphanage, women empowerment etc.)	R-1	6	.200	10.000	2.583	3.717	1.500	7.410	.025	NS
	R-2	16	.200	13.000	2.781	3.999	1.000			
	R-3	18	.300	80.000	9.961	18.247	5.000			
	Total	40	.200	80.000	5.983	13.009	2.000			

From the above table, 75 (70.1%) of the organizations contributing to education with mean amount 11.446±18.406 lakhs. Among these R-1 contribution on an average 5.214±3.893lakhs, R-2 contribution 10.612±18.895lakhs, and R-3 contribution is 13.324±19.611 lakhs.The 62.6% organisations are contributing to the health with mean amount 32.454±154.109 lakhs. The contribution to construction of house is 6.634±8.821 lakhs (17.8% organisations).The contribution to Religious values, Marriage fund, Food/clothing; Community related programme and others (orphanage, women empowerment etc.) are 5.789±15.205 lakhs, 8.350±9.387 lakhs, 39.371±87.390 lakhs, and 12.174±26.234 and 5.983±13.009 lakhs respectively. Kruskal wall's test shows that contribution by various religious organisation not significantly varies towards education. (p=0.564), health, construction of house, religious values, marriage fund, food/clothing, community related programs and women empowerment.

By this it is clear that the religious organisation are contributing to education, health, construction of house, religious values, marriage fund, food/clothing, community related programs, women empowerment with varying amount. Therefore the hypothesis "Religious philanthropy organizations have direct impact on socio-economic development of the society" is accepted.

H_2 - Management of religious philanthropic resources are efficient in all religious organizations.

Table No. - 8 Feedback about the difficulties

Taking the feedback from the beneficiaries about the difficulties they faced	RELIGION			Total
	R-1	R-2	R-3	
No	3 16.7%	29 59.2%	10 25.0%	42 39.3%
Yes	15 83.3%	20 40.8%	30 75.0%	65 60.7%
Total	18 100.0%	49 100.0%	40 100.0%	107 100.0%

$\chi 2$=15.422, d.f=2 p=0.000, HS

About 60.7% of the organizations take the feedback from the beneficiaries about the difficulties they faced to get the benefits and about 39.3% of the organizations do not take any feedback. The organizations that take feedback in R-1, R-3 and R-2 are 83.9%, 75.0% and 40.8% respectively. According to the chi square test there is significant variation among different religions in taking the feedback from the beneficiaries about the difficulties they faced to get the benefits. (p=0.000).

Table No. – 9 Implementing Right suggestions

Accept the right suggestions from the feedback and try to implement for future programmes	RELIGION			Total
	R-1	R-2	R-3	
No	1 5.6%	24 4.90%	6 15.0%	31 29.0%
Yes	17 94.4%	25 51.0%	34 85.0%	76 71.0%
Total	18 100.0%	49 100.0%	40 100.0%	107 100.0%

$\chi 2$=18.123, d.f=2, p=0.000, HS

The organizations around 71% accept the right suggestions from the feedback and try to implement for the future programs and 29% do not implement the suggestions. As per the data 94.4% of the R-1 organizations accept the right suggestions and trying to implement it for the future programs where as in R-3 and R-2 the percentages are 85% and 51.0% respectively. The chi square test reveals that there is significant variation among different religions in taking the feedback from the beneficiaries about the difficulties they faced to get the benefits. (p=0.000). From the above data we can conclude that the hypothesis "Management of religious philanthropic resources are efficient in all religious organizations" is rejected.

H_3 - All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development.

Table No. 10 Methods used for monitor

Method used	RELIGION			Total
	R-1	R-2	R-3	
Documentation	11 84.6%	15 65.2%	24 66.7%	50 69.4%
Observation	5 15.4%	8 34.8%	12 33.3%	22 30.6%
Total	13 100.0%	23 100.0%	36 100.0%	72 100.0%

χ^2=1.920, d.f=2, p=0.383, NS

From the above table it is clear that Religious organizations that monitor the progress, 69.4% use the documentation method and 30.6% use the observation method. Among these 84.6% R-1 organizations use documentation and15.4% use observation method, 65.2% R-2 organisation use documentation and 34.8% use observation and 66.7% of R-3 organizations use documentation and 33.3% use observation method. According to the chi square test there is insignificant variation in the method used for monitoring the progress. (p=0.383).Therefore the hypotheses that "All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development" is accepted.

Findings of the study

- It is found from the study that religious organisations are contributing to education, health, construction of house, promotion of religious values, marriage fund, food/clothing, community related programs and women empowerment with varying amount.
- Financial resources are the major obstacle met in implementing the programs for this religious organisation.
- From the field study we can conclude that in all religious organisations, donor's contribution is the major source of fund.
- The hypothesis "Religious philanthropy organizations have direct impact on socio-economic development of the society" is accepted.
- From the above data we can conclude that the hypothesis "Management of religious philanthropic resources are efficient in all religious organizations" is rejected.

- The hypotheses that "All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development" are accepted.

Conclusion

Third sector organisations have dedication, determination and commitment arising from a strong desire to attain their goals that the government machinery sadly lacks. The approaches and methods of functioning of an organisation are quite flexible. If with regard to the particular area and a particular target group, the decided strategy doesn't work then it is changed impromptu; saving time, money, and the programme being shelved. As they operate in grass root levels they can adopt an integrated approach to the overall development and they can experiment upon and improvise projects which can indirectly a help to the government. They can effectively organize awareness camps and provide motivational inputs. They have the capacity to mobilize large groups of the local population, stimulate unity and self reliance and direct them towards attainment of a particular goal.

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Intrinsic Motivation- A Guiding Principle For Revival Of Lost Productivity And Managing Organisational Turnaround

Rita Rangnekar [5]

Abstract

This article aims to explore the role of intrinsic motivation in helping employees lift themselves out of burnout and weakened morale and revive productivity. The study reviews research on intrinsic motivation and its link with productivity and performance. It suggests how organisations can use intrinsic motivation in their OD interventions, turnaround and change initiatives, talent management and learning & development initiatives.

Prior research and existing theory on intrinsic motivation links it to concepts of enjoyment states, flow, interest and pleasure, closely relating it to the theory of hedonistic motivation, as against normative motivation. The article reviews instances where revival of pleasure and intrinsic motivation has helped people to perform.

The article suggests process consultation, employee engagement and goal setting while discussing the span and effectiveness of intrinsic motivation.

As the article is conceptual and theoretical, it does not report any empirical findings.

Key Words: *Intrinsic Motivation, Productivity, Motivation, Change*

Introduction

Every organisation goes through phases of change, upheaval and turbulence. These upheavals affect the motivation and morale of competent employees, resulting in reduced productivity and a strained organisational climate.

The organisation now has to take the onus of helping its people to cope with the changes and upheavals and convert the environment into a positive and winning situation for the organisation. Bringing people back to their peak performance levels is a challenge. At this stage, even rewards and recognitions fail to motivate people to reach high levels of performance. It is only the inner passion and drive of the individual, which is deeply connected, to his inner sense

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of enjoyment for the work, also known an intrinsic motivation that can help lift an employee out of his demoralized state.

The study attempts to investigate the concept of intrinsic motivation by reviewing research on its relationship with productivity. It also reviews ways and processes through which organisations can help employees revive their intrinsic motivation and retain their competent employees. While studying the concept of intrinsic motivation, the article delves into studies on normative and hedonistic motivation. In order to revive intrinsic motivational levels, it sometimes becomes imperative to link organisational interventions to people's hedonistic motivation because it generates quicker action, as against normative motivation which is based on assumptions of what is the right thing to do and may not always push people into quick action.

Most employees joining new jobs are at very high levels of motivation. Reasons for this could range from the nature the assignment, the attraction value of the assignment, growth aspirations, career orientation, a vision for a bright future, a basic zest for something meaningful or an intrinsic passion for the work.

Intrinsic Motivation as a guiding principle or strategy to lift employees out of de-moralisation

Intrinsic motivation comes from within and is about a person's innate love for work of a particular nature. This keeps the employee completely committed to his job and his work. The work itself gives him almost total work satisfaction.

At these levels of peak performance, the employee is not very affected by other factors at the workplace. An employee, who works with inner motivation, is not really moved by other factors such as encouragement, praise, and appreciation, monetary and non-monetary rewards. In other words, these external boosts are not required for him to do his best.

However, extrinsic motivational variables cannot be completely ruled out as a complement to the existence of intrinsic motivation.

In business, the higher level of motivational hierarchy includes praise, respect, recognition empowerment and sense of belonging. While money /salary /incentives play a key role in motivating people, they are not the sole motivators for above average performance and may not necessarily elicit performance of a higher order.

For an employee with a strong inner drive, the ebb in passion may not be due to a lack of money but due to other factors which may be working around him to dampen the spirit of pleasure that

generates itself from outside some external forces which do not let him enjoy the full force of intrinsic pleasure that he derives out of his work. In such cases, only the higher rank of motivators such as respect, recognition and higher order empowerment can turnaround the demoralized employee. Maslow in his theory of physiological needs put money at the lowest level in the hierarchy.

When an employee gets burnt out or demoralized, it is likely that his productivity will dip considerably. The reasons, other than burnout could be role ambiguity, mal-adaptation to change at the work environment or a general veering away from the main reason/objective/ mission that the employee or the organization look at the association. A real inner driving force leads an employee to take up a project assignment job, or vocation. This could be further augmented by extrinsic factors like package position, status, power and future prospects. In addition to extrinsic motivation that other factors that can lead the employee to heights of excellence. But the extraneous factors may only lead to good performance. It is also possible that extraneous factors in very high proportions that may sometimes diminish attention to the intrinsic factors. At this stage, a sense of alienation sets in and the excellence begins to wane. Not only this, this phase can also generate factors such as ego, hamartia, autocratism, isolation etc. On the less assertive side, it generates withdrawal, lack of drive, and lack of spirits.

HR can play a vital role here in re- addressing the pleasure, which the employee once derived from his work. Through performance interventions, he can be helped to rediscover the basic mission for which he joined the organisation. One of the ways of doing this would be to have a talent review and then go for a talent drill.

A detailed look and through one –on –one sittings with him to help the employee talk a pause and look back to see at what point the employee started veering away and became disoriented. Strategic coaching can facilitate beginning from the point where he started earlier, help sort out ambiguous and piled up issues, and help to rediscover the intrinsic passion behind working for a purpose. It can help to keep on at productive activities and give them new dimensions. External coaching will help an employee step out of his role for a while and view it from a distance. Through the other side of the window, he can see that his window panes need washing.

Categories of Motivation

Motivation is broadly categorised into intrinsic motivation and extrinsic motivation.

Intrinsic Motivation happens when a person is motivated to do something internally. It could be for various reasons – it could give him pleasure, it may be important to him for its own sake and could give additional learning of a significant nature.

Extrinsic Motivation happens when circumstances around that person /employee push him into doing something. It could be either negative motivation or positive motivation, Positive could be in the form of rewards, money, incentives situation creation etc.

Negative motivation could take the form of punishments, threats or extreme situations which may hamper growth or survival of self and others, people who matter to the individual.

What is Intrinsic Motivation?

Intrinsic Motivation is the type of motivation that any employee derives out of intangible factors related to his or her work such as feeling satisfied, capable, enjoying a sense of challenge, getting higher self-esteem or simply enjoying the work that one does. Intrinsic motivation is actually related to 'feelings' rather than material objects that go to make a certain work interesting. It therefore comes from within.

The benefits of intrinsic motivation are said to include performance enhancing factors like increase in productivity and moral, reduced absenteeism, better work climate and even lower attrition. Research shows that it is always more cost effective for the organisation to focus on employees' intrinsic motivators and give them regular strokes on them to keep hem productive on their work Simple strokes such as praise, recognition and empowerment, as against tangible factors like monetary rewards, etc, go a long way in keeping employees interested in their work.

Literature Review

Cynthia Fisher (2009) in the paper *Happiness at work* says that Individuals feel more satisfied than usual for them at moments when they believe they are performing better than usual compared to their own baseline. She refers to a state called as **flow, which** is almost equivalent to intrinsic motivation. It is a state of **enjoyment** which occurs when somebody is totally engrossed in a task and is putting in more -than -average performance. The experience of performance has also to be accompanied by feelings of learning, development, and mastery. Intrinsic Motivation, according to the author is a slightly lesser state than flow. At a personal level, vigor is an

accompaniment of the intrinsic motivational state. The author distinguishes between intrinsic motivation and flow by saying that intrinsic motivation is accompanied by self determination and perceptions of competence resulting in voluntary time spent on work even when the individual knows that there is no extrinsic incentive in completion of the task. The author specifies that intrinsic motivation, because of its relation to happiness at work, is increasingly becoming important for the organisation. Making its people happy at work should be a prime and important responsibility of the organisation.

Extrinsic Motivation comprises of goals or strokes that are set for an individual to try and push him to take interest or like a particular task or assignment. Extrinsic motivators are required for people who are not actually on to a job for the love of it. Extrinsic motivators therefore come from the outside and the effort put in by people towards achievement of a goal is mostly fuelled by the lure of some promise or reward that is waiting for the individual on completion of the assignment or task. The stronger the promise or attraction of that promise or reward, the higher the likelihood of the task getting better completed.

Lam and Lambermont-Ford (2010) in the research paper **Knowledge sharing in organisational contexts: a motivation-based perspective** distinguish between normative motivation and hedonic motivation. The study suggests that organisational dilemma about knowledge sharing may be addressed by tapping upon their normative intrinsic motivation among people. The combination was coined as normative intrinsic motivation and hedonistic motivation The authors emphasize that the organisation should play a vital role in influencing normative intrinsic motivation among its people, As a result, knowledge sharing should become easier for people. The authors also suggest intense socializing as a way to motivate people to share knowledge.

This study is interesting for its inclusion of the concepts if normative and hedonistic motivation

The idea of Normative Motivation originates from the philosophy of moral motivation or moral judgment. In simple terms, it means that when people believe that something is good for them, doing that good thing becomes the most natural and rational thing to do. Once a person is convinced that a certain action is the right thing to do, he or she is moved to do that action. Normative motivation is therefore related to ethics, morality, norms and judgment.

Rosati, in the article "*Moral Motivation*" mentions that there this concept has received a lot of attention because of its inherent conflict with the human interest. She comments that morality may not always agree or match with a person's interests. Therefore, people may not always be strongly motivated by normative judgment or the demands of morality.

As against that, the philosophy of hedonism stems from the assumption that all living beings seek pleasure and avoid pain. All human action is therefore based on the primary motive of seeking pleasure for the self.

Reiss(2004) in the research paper *Multifaceted Nature of Intrinsic Motivation: The Theory of 16 Basic Desires,* defines intrinsic pleasure as one of the variables of intrinsic motivation. He names the various desires and pleasures as 'enjoyment states'. These states are experienced by people when they do something that gives them original pleasure as a result of the action. While the action is being experienced, the person is said to be in a state of flow. E.g., flow and pleasure derived by an artist when he is in the act of is painting and a singer is in the act of singing. This is similar to the concept of hedonism or hedonistic motivation, which is based on the philosophy that pleasure motivates behaviour. In the article, he also argues that the theory of intrinsic pleasure stimulating desired behaviour cannot be completely accepted, because intrinsic motivation does not lead to mere pleasurable activity. When a person is intrinsically motivated, he also develops the capacity to withstand pain related to the tasks, he will also tolerate occupational hazards, and is willing to forego certain pleasures that the work denies him. He also links intrinsic motivation to Aristotle's theory of end and means to an end. Hedonistic motivation, by some researchers, has been linked to the concept of 'end' in itself. Intrinsic motivation is that part of hedonism that generates pleasure in the course of the activity.

Ellen Bolman Pullins, Curtis P. Haugtvedt, Peter R. Dickson, in their research paper *Individual differences in intrinsic motivation and the use of cooperative negotiation tactics* studied the impact of differences in individual intrinsic motivation levels in the performance of cooperative offers. Intrinsic motivation, according to the researchers in this case, is that motivation which is generated through intrinsic rewards such as interest, challenge and employers' well-being. As per their research, intrinsic motivation relates to working smarter and making better choices about how to approach the work. As part of a study on the role of negotiation tactics in the performance of salespersons, a test was conducted on salespersons to test their motivation levels while suggesting counter offers with buyers. The study relates intrinsic motivation to high autonomy. (in other words, an intrinsically motivated person is said to be higher on autonomy orientation). The results showed that that individuals with high intrinsic motivation personalities (autonomy orientation), are more likely to initiate the use of cooperative negotiation tactics as against those with extrinsic motivators which are more control-oriented.

The longevity of intrinsic motivation

It is human to enjoy doing something up to a level of satiation. A sculptor can continue to sculpt for the rest of his life, without new designs, new models and dimensions to carve images out of stone. He could continue doing the same thing time after time with increased creativity ardor and energy, if he sees a calling or a higher order in the work. Without a higher order, even the most creative task may bore or wear out the most talented people.

Idol makers in Tamilnadu, as researched by William Dalrymple in: Nine Lives' continue to attempt invoking higher order or divinity in making statues of Indian Gods and Goddesses because they feel it is a divine art, handed over to them through a divine ordainment over generations. Every creation of the idol although with the metric dimensions, still proves challenging for the sculptors until the idol attains its divinity. The activity becomes divine and sanctimonious because they feel intrinsically responsible for the competency levels required to perfect the product. Up to this, point this case to would be an example of the connection between normative motivation with intrinsic motivation.

Divinity apart, an individual bored of repetitive activity, could go either for a revamp or over haul, through a change in profile, venue, working style or technique. He could even attempt skill upgradation. Going back to the sculptor, no matter how much he practices and perfects the art of sculpting, his creativity would still depend on rekindling his passion for stone and chisel. Here, the role of hedonistic motivation would be higher than that of normative motivation, because it involves enjoying the act of idol making.

As passion is connected to feelings and emotions, it is natural and expected that emotional stability plays a significant role in rekindling passion.

Positive and high-spirited emotions may help to revive skills and bring them back to their normal competency level. However, negative or low-spirited emotions may nosedive the employee, the artist or manager to levels of all time creativity lows. It is at this stage that extrinsic motivation has to be administered, especially for emotionally sensitive workers.

When low motivation begins to play havoc with an employee's day-to-day work, it is usually the direct result of environmental factors at work or the work environment itself. This also happens when employees attach high feelings for their job or are emotionally attached to the work. The attachment makes them passionate about the environment and therefore they expect the environment to get passionate about them.

Excessive passion for work sometimes also blinds them to the realities of the extent of the attachment. The trouble begins here.

An employee could also reach a stage where extraneous circumstances in the job may not be able to stand by the passion of the employee. In the book, Corporate Chanakya, this is based on Chanakya's philosophy. Radhakrishna Pillai, mentions that employees has to prepared for the time when the organisation is not able to stand by them for reasons for which they are not responsible. While referring to attitude, he says that a time could come, when even the best boss could fire you for reasons, which may or may not be known to you.

While firing is an extreme measure, it is quite possible, that due to circumstances unexplainable, the organisation is not able to deliver what it promised to its employees.

This could be due to various circumstances such as environmental crises, mergers and acquisitions, management change, economic crises or recession, change in leadership or total change in organisational mission and strategy.

A passionate employee, blinded by his myopic passion for his work, could have failed to notice the changes happening around him. He may also not have noticed that his prime zone (which could also have turned into a comfort zone for him) may be undergoing changes.

A painter may be so engrossed in painting by the seaside may fail to notice the storm brewing behind him.

What happens when passionate employees suddenly discover the change around them?

Star employees, face burnout after long spells of high performance and face a sudden lack of interest in the work.

Research in most cases attributes the following reasons for this syndrome-

- Lack of acknowledgement from the top
- Overload/Overwork
- Repetitive Work
- Lack of outlet for creativity or no channelizing of output
- Diminished sense of stimulation
- Lack of growth opportunities
- Toxic/Negative atmosphere at the workplace
- Stunted growth
- Delayed/stalled rewards, promotions or incentives

- Sudden attrition of co-employees
- Changes in immediate superior/reporting structure
- Reversal of promised growth opportunities
- Breach of faith and trust
- Family and Health problems
- Substance abuse
- Change in leadership

Burnout may make employees reach low energy and enthusiasm levels making it difficult for supervisors to elicit even minimum performance standards from the most talented employees. There could be prolonged spells of underperformance, negativism at work, employee seclusion, resultant loss of confidence and loss of productivity.

Burnout also leads to failed attempts at creativity and generates a toxic environment. Eventually, the disoriented employee becomes less desirable to the organisation. Emotionally he becomes weak and emanates negative and toxic behaviour. Such an employee is dangerous to the organisation.

Chaddha, in the book' *The Alchemy- Grievance Behaviour to Work Motivation*", comments that the organisation has to be quick in noticing signs of negativity and toxic behaviour among people. The author mentions that the real reasons for people's grievances could be far different and deeper than what is being manifested as a grievance. Chaddha also remarks that an organisational climate where there are no grievances being expressed in an even more dangerous scenario. When people complain, it means that they are engaged and therefore they have expectations from the employer. When people stop complaining, it could be either mean that they have switched off completely, or that they are about to do something that could prove very dangerous to the organisation and its future. Burnout could mean either that the individual has given up his expectations from the organisation or that he is now a malignant threat to the environment around him.

This could also result to increased absenteeism and an increase in medical reimbursement bills for the organisation. A chain-reaction in negativity could result in an exodus and sudden attrition and a major loss of some star employees.

Organisational (OD) interventions and measures

Pleasure, Flow and Empowerment

The organisation should be prompt in identifying signs of burnout and its behavioural outcomes. Prem Chaddha says that it is important to have regular meetings and wayside discussions with people to explore and investigate what people really doing. It is start by reinvestigating people initial reasons for joining the organisation. It is important to probe into areas of his work that he really enjoys and the flow and pleasure experienced out of the assignment. In most cases, the reasons for liking a particular job are the job itself and not the peripherals that go with it. Rewards in monetary terms could be the last factor that has led the person to remain there.

Employees need to be empowered to do the job of their choice. Space and authority to take risks and decisions, sometimes even the right to say no to things that they do not wish to do- whether for ethical reasons or personal reasons, without affecting the job. Respecting employees' value systems and allowing people to express viewpoints that are different from the organisational mainstream also makes people feel valued.

Goal Setting, Process Consultation and Employee Involvement

Employee involvement helps a sense of belonging and 'feeling cared for' in the employees. In cases of demoralized employees, going a step further in engaging employees in important decision would make the employee feel involved. Care should be taken to consult people who are passionate and competent in that particular area for a heightened sense of belongingness. It is the job of the leaders and the managers to encourage their employees, motivate them and empower them to take on additional challenges, which come in through job enrichment.

Process consultation will actually help to take a scientific look at the effect of what they are currently doing and teach them new and more effective ways of doing things and to counsel them to shed inhibitions about changed tasks and task execution styles. Employees need actual help to rework at some tasks and learn new ways of arriving at specific outcomes, ways that can be analyzed and measured. To quote Patima Jeerpet, good leadership is like good parenting. The leader needs to constantly communicate, monitor and counsel the employees. Overly passionate employees often fall into 'activity traps'. These can be reduced by helping employees analyse their work processes and document them.

Star employees have difficulty working in teams should be trained on team building. A sensitivity lab could help them discover hidden talents and discover behaviour patterns.

The management must also take responsibility to review and enrich current job profiles and help people ease into the new role. Not all people have the ability to quickly adapt to new roles, however enriching they may be. Moving people to senior positions requires interventions like developmental coaching, management development initiatives, leadership training and behavioural counseling. The management has to accept that people would require time to adapt and should facilitate setting a realistic timeline.

Organisational Measures

- Revival of Intrinsic Motivation
- Help in Change Management
- Talent Management Interventions
- Learning and Development Initiatives
- Revamp of Reward Systems
- Mentoring Counseling and Reverse Mentoring
- Holidays and Sabbaticals
- Goal Setting and Career Growth
- Heart to Heart Discussions
- Outplacement opportunities

Individual Renewal

In order to help employees turn over a new leaf and renew themselves the organisation can adopt the following practices

- Job Rotation
- Change in Workstation
- Break/Sabbatical
- Higher Studies
- Critical Self Review
- Mental and Physical Health checkups and treatment
- Family Outings and Retreats
- CSR and Social Engagements
- Direct Counseling by HR
- Career Change Options within the organisation

- Employees themselves can make personal action plans for self-renewal; make conscious efforts to avoid negative conversations at work. As a last option, they should check out their new market value.

Help in adapting to Change

Keller(2009) in an article in the Harvard Business Review comments that during phases of change management what is expected of employees is a change in behaviour, whereas it is the anxiety surrounding change of any kind that petrifies people and makes them even more resistant to change. This turns the situation to higher levels of conflict.

Stagnation, she says is one of the first phases of change. Those who notice this signs of stagnation push for change while others may go into denial and stagnate further.

During stagnation, those leaders or those in command can help demoralized employees. Leaders can help them learn the skills of behavioural change, help them become mobile and move from the state of shock and move to action. He can be taught how to adapt. He can be led to action. Leaders here can help to reduce anxiety by communicating clearly. They can be helped to overcome the heavy-heartedness over having to give up long held work practices, which they have grown fond of.

Good performance at the outset comes only with an employee who is charged with inner motivation or drive.

What drives people to perform?

No matter what the incentive, any individual cannot be driven to action unless he or she has her blood pumping or pushing from the inside to do what she aspires to do. The pumping could be for various reasons. It could be because the action brings him closer to an aspired goal (to the extent that sometimes that goal could be far from realizable yet it is the action itself which gives the doer the feeling (or even an illusion that he or she is doing his bit) towards reaching the goal.

The action itself could be the fulfilling factor of the goal. In other words, the action itself could be the goal.

One of the key factors in helping people to cope with change would be to help them discover capabilities and give them the hope of developing them in the changed scenario. HR can play a crucial role here by doing a strategic workforce planning and in motivating people to change. If, as part of its workforce planning activities, HR is able to show people to this is a way of their

getting space to develop aspects of their growth and career profile, which due to other work demands had got left by the wayside, the higher would be the likelihood of getting people to be receptive to change. This has to be further reinforced by re-documenting changed job profiles (of course) with people's consent and then by making people positively accountable for demonstrating change. This can only happen if HR has constant dialogues with various parts of the organisation about long term vision and strategic plans that its has for each employee.

Talent Management Initiatives

If talent management and retention initiatives are part of the formal people management, then it has to be linked to intrinsic motivation and job satisfaction levels of each of the employees. Not all people can be satisfied at all times with their jobs, but it can at least be aimed at as part of the talent building strategies of the organisation. To most people, job satisfaction comes with the inner passion that he derives out of his work. This inner passion itself being its own intrinsic motivator, the inner factors need to be reinforced as part of the talent management process. There should also be in place, the succession plan to replace key place if they leave the organisation at critical times Dave Ulrich recommends that the organisation should constantly focus on its B- performers and strive as much as it can to transform them into A- performers. The A- performers should be held up as role models and part of their aspiration plan to grow into future A-performers. For the A-performers themselves, their own performance can be a reinforcing factor to discover their inner motivation. It makes people feel good to know that there are role models for other employees.

As part of talent development, each individual along with his job description has to be reviewed for further growth potential. Talent reviews can generate astonishing findings on hidden qualities of people. Sometimes, on account on lack of exposure, or lack of opportunity or scope to display talent or past experience, skills and knowledge that an employee may have learnt on previous jobs may remain with him undisclosed and unutilized. Talent reviews would help in unearthing buried talent, which may probably be required in some sector of the organisation, which only the HR may know of. Reviews can also generate opportunities for individual counseling and focused mentoring activities. Clear measurement patterns have to be set for all activities.

Learning and Development Initiatives

It helps to create an environment of new learning within the organisation, where all employees feel that there is ample room within their domain and schedules for additional knowledge acquisition. People feel good when they know that growth through learning in appreciated and even encouraged. People get even more motivated when the learning initiatives in the organisation are close to their passion areas. Every organisation therefore needs to evaluate and structure its learning and development initiatives and constantly strive to make the organisation known as a learning organisation. Zimmerman's studies on the link between self regulated learning and academic achievement stresses the importance on allowing learners to learn through their own resources and their own pace. People can be equipped with adequate learning resources and tools to develop themselves and get adequate knowledge.

One of the measures that can turn into intrinsic motivating factor is a job-switch or job shadowing. Employees can be put on a new, meaningful and enriching job- switch which will help look at new avenues and functions, offer them real enjoyment and satisfaction. It will help refresh the person and bring him to his original productivity level. Another way could be to use job shadowing, wherein a person is observing a senior to pick up skills and in due to maybe takeover if he move on to a higher position. It gives a message that the organisation has a career growth plan for its people. It makes the employee that much more committed and engaged.

More than anything, people get motivated when they know that they are doing work that has meaning and that there is a choice in taking options. Another feeling, which motivates is the feeling that one is growing and getting opportunities to learn.

Sharon Cox has linked the idea of employee retention to employee engagement. In order to retain people, the team leader has to generate an environment where people want to work and stay for long. This, she says, is about engagement. Thus, in her article, Engagement as a Retention Strategy, she emphasizes how intrinsic motivation last longer and gives a higher return on investment as compared to extrinsic rewards and motivators.

Conclusion

Research studies on the impact of intrinsic motivation show that people work for the pleasure that their core competency gives them. In the face or organisational upheaval and stages of revolutionary change and turnaround, it is this pleasure that keep them going. Organisations should invest time and money to find out what gives intrinsic motivation to each employee so

that the knowledge can be used to revive people from stages of burnout and work related stress. Behavioural scientists like Reiss think intrinsic motivation is not a superficial pleasure seeking state but one that gives people the strength to withstand even pain during tough times. Developmental interventions in the organisation should incorporate this factor in the OD and talent management interventions

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Mature Brands And Its Characteristics In FMCG And Consumer Durables Industry

Rhizu Krishna Misra [6]

Abstract

Many apparently modern and up-to-date brands have actually been with us for a long time: Dabur appeared in 1884, Coca-Cola was born on 29 May 1887, the Godrej appeared in 1897, Johnson & Johnson was born on 1910 and Amul in 1946, to name a few. These are the brands which have survived-others have disappeared from the market even if their names do ring a bell.

In this paper, we use findings from academic literature, detailed case studies, and interviews with marketing executives to provide guidelines to deal with mature brands and identify its characteristics. The characteristics identified for mature brands through above mentioned procedure would be then ranked by the marketing managers and sales managers from advertising agencies through survey. The study would also focus on the reasons for brand maturity. Thus the study would help in identifying the mature brand and its characteristics.

Key Words: *Mature Brand, Brand Awareness, Target Market, Competition*

Introduction:

Brands are meaning-filled names that connect a firm's products or services with consumers. It is the consumers who, based on their experience with the brand at different touch points, assign the meaning to the brand. Some brands are more than several decades old but they still are young and happening .These brands have experience the change in the environment which comprises of market, target market ,competitors and product at the initial stage and had responded to these changes very swiftly due to which they have been the leading brands.

Few brands are not even able to cross a decade. Brand names become powerless when it's meaning transform from significant to irrelevant. This may happen due to the brand managers

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managing those brands have ignored the changes taking place in the environment in which brands have been placed.

According to Kapferer (2008) mature brand considering only the number of years they have been into the market are great and well known brands. The reason for their longevity is that the current product has been continuously adapted to meet the changing demand while at the same time new concepts of the future have been invented that will sustain the growth of the brand. The mature brands which had led the glorious and successful life have the benefits of bigger market share, secure brand position in the market, strong customer base, brand loyalty, and enhanced brand equity.

For the mature brands that are declining Kapferer says that the reason for their maturity and decline is mismanagement of the brand. According to him the various reasons for brand maturity are product quality degraded, not allowing brand extensions, not ready to accept the changes, pricing policy and also the distribution network of the brand. If the brand is left to decline in the market the firm losses the capital invested to establish the brand, firm image is affected and firm losses out in market share and customer loyalty.

Given the significance of the mature brand, a company needs to carefully manage the brand and should nurture the brand on regular basis. If the mature brand is successful it not only ensure enhanced market position but also better margins and sales. This is the reason why many researchers are continuously exploring the factors that influence the performance of the mature brands in FMCG and consumer durables industry. Researchers have predominantly investigated the revitalization of the mature brands. They had focused on the reasons for mature brand revival and the causes of the brand maturity.

Literature Review

Building a strong mature brand takes time, commitment, and hard work, but the result is one of the most valuable assets a company can own. Instant identification in the mind of the customer, a reputation for competence and quality, the knowledge that the promises of the brand are genuine and not just slogans…the list of benefits goes on. Bridwell (2006). Hence to understand what the mature brand is few definitions have been reviewed in this section.

Defining Mature Brand

According to **Huffman & Wansink (2001)**, by definition, mature brands are older brands and their value to a company is over time, not just from annual sales. As per the article it suggests

that academic research into advertising highlights that while promotions may lead to short-term sales increases, they can also make buyers more prices sensitive. Certainly they often encourage buyers to bring forward some purchases of the brand that they would have made anyway. It also appears from other studies that brand-focused, as opposed to promotional-style, advertising helps to reduce this price sensitivity.

As per **Sumeet (2002)** in the article *Re-launching Brand Means Thinking Beyond a New Design or A New Name. It Means, "Going Deeper."* defines mature brand is a brand which shows decline in its market share and the brand's strength (when measured through a suitable research methodology). The brand in question is losing share because its physical qualities need a change. In the article author suggest that before re-launching the brand detail study of the market and brand needs to be done. This will help in identifying the reason for brands declining performance and re-launch strategy should focus on this reason which in turn would ensure successful re-launch.

While **Bridwell (2010)** through personal mail states, "I do think of them as companies that have essentially been in the same business with a similar business model, similar client/customer base and the same brand for 50 or more years. I think the age is somewhat artificial because it really depends of the nature of the country and its economic development. I would imagine that there are some brands that don't fit this description in India but may be considered mature. In countries like the UK, mature brands might be much older. The mature corporate brands that I have worked are quite varied. The Hartford is the one that I have worked on recently. It is now 200 years old. One of the oldest insurance companies is in the US. Most of the others tend to be 50+ years old." Thus, mature brands cannot be considered only keeping the age factor there are other things into it which makes the brand mature brand and varies from countries and its economic development. (H. Bridwell, personal communication, April-14-2010).

According to Mininni (2010), "mature" brand is one that has been around for a while. A mature brand is one that is long established. Some of these brands are decades old; some are over one hundred years old. A large majority of consumers know what the mature brand is and what it represents, even if they are not constituents of that brand. Just naming a particular mature brand calls to mind the assets or values it stands for. Most mature brands have been around for some time because they have continued to innovate their product or service offerings, and they have kept their message or brand communications current. Thus, they have evolved as the consumer has changed. Otherwise, they would stagnate and die out. The author had considered many factors to state the brand as a mature brand and had considered the successful brands as mature

brands. He rules out the mature brands which had been revitalized and had made the booming come back. (T. Mininni, personal communication, April-14-2010).

As per **Keller (2010)**, mature brand have been out in the market for a number of years (at least 5 or 10) and have a certain level of awareness and image with its target market. If it didn't have that ... it would be a developing or maturing brand. The author had considered three areas for brand to be identified as mature brand i.e. number of years it has been in the market, brand awareness and brand image in its target market. (K. L. Keller, personal communication, April-14-2010).

According to **Suresh (2010)**, in my view, a mature brand could be considered as one that has been around for quite some time (say 40-50 years), experienced market ups and downs, faced competitive markets and managed to keep up with the changing times (consumer tastes, value additions to the product). Author had widened the horizon for mature brand by taking into consideration the market life, competitors and product with which brand is associated apart for the time they had been in the market. (K. Suresh, personal communication, April-14-2010).

Thus, from the above definitions we can conclude that mature brands have been in the market for more than fifty years. They have certain level of awareness and image attached with its target market, they have changed themselves according to the changes in the customer preference and need and they communicate with its target market.

Conceptual Frame Work

If we take a glance into the various mature brands in the FMCG and consumer durables industry that the brands which were launched together some are leading the successful life while others had exit the market or are struggling in the product category. The reason for mature brands having successful life is that they constantly revive themselves while others may have been not properly nurtured so they exist in the market either making marginal profits or may be struggling for the market share.

After studying various mature brands they can be categorize under the following two categories:

- **Mature Brands Which Had Been Revitalized**
- **Mature Brands Need To Be Revitalized**

For the above mentioned category researcher wanted to know the reason for the brand current position. There were many reasons which have been given separately in both the category. Also

the brands showed few characteristics in both the category, same have been discussed. This study would help in identifying the characteristics of the mature brands.

Mature Brands Which Had Been Revitalized (Reasons)

Mature brands that had been in the market for longer time. These brands are earning profits and have positive brand image among the customer. The customers are aware about the brand. To name the few are Amul, Coke, Nike, Colgate, Godrej and list goes on. The reasons for their glorious life are as follows:

Innovated and developed the product: These brands are nurtured and their products are innovated constantly which leads to a long life for them. For e.g. Amul brand which is now nearly fifty years old have continuously extended their product line. From selling milk and butter they extended to curd, milk shakes, shrikhand, cheese and many more.

Continuous brand awareness: The brand awareness of these brands is increased by various promotional and branding activities. Like Vodafone, Reliance in order to have more presence they put their signage on the small retailer shop.

Renewal of the target market: These brands have managed to renew their target market constantly. This is required because when the brand was launched that target market would have become older and to catch with upcoming young target market renewal of the target market is must. This can be done by giving new punch line for the brand. Coke has given various punch lines to quote few of them "Thanda Matlab Coca Cola", "Giving Happiness". Also Maggi brand from Nestle had been renewing their target market.

Mature Brands Which Had Been Revitalized (Characteristics)

Unique Point-of-Differentiation: These mature brands have distinct point-of-differentiation attached with. For e.g. if say Nescafe it reminds us of instant coffee. Sony they have premium quality as point–of –differentiation.

Wide distribution network: These brands ensure that their distribution network needs to be very strong so that the speedy and timely delivery of the product can be ensured.

Long held heritage: Majority of these brands have been in the market for more than fifty years.

Mature Brands Need To Be Revitalized (Reasons)

Mature brand which needs to be revitalized are those which have been in the market for more than twenty years. They may not be earning profits and due to marketing and brand managers negligence they have lost their customer base. The customer's awareness about the brand would be there but it would have narrowed. The reasons for these brands under performance are as follows:

Outdated technology: They may be losing out their market share due to the product it is offering is outdated. Taking the example of HMT watches at one point of time they were taken as the luxury brand but they stopped begin innovate and although begin a leader they have lost their market share to other players like Titan and Omega.

Non renewal of the target market: The target market has matured and has not been realigned. We can take the example of Boroline. It used to be the cream for skin problems like cracks and dryness in winters. The brand was not extended nor it was aligned to the upcoming youth market and thus the brand lost its market share to new upcoming brands.

Stiff competition: The brand has lost its share to the competitors. It may be due to competitor product is more efficient or competitor is more resourceful. Like Cibaca toothpaste brand couldn't face competition given by Pepsodent and Close up and finally the brand was bought by its competitor Colgate.

Narrowing down the brand awareness: The customers are aware about the brand but the brand awareness has been narrowed due to under promotion or advertising. Communication and message from the brand to the market is not aligned.

Mature Brands Need To Be Revitalized (Characteristics)

Unique Point-of-Differentiation: They have unique point of differentiation it may be its quality, its features, it unique smell, its taste, after sales support and list goes on. If we talk about the Ambassador car it reminds about us the strength and sturdiness.

Wide distribution network: They have wide distribution network. They may have dropped to the bottom row, or they may have been periodically replaced with a line extension, but they didn't have to fight stores for reintroduction. For example Hamam soap still has the shelf presences although it has drop down to the last shelf. To have the long life brands need to be nurtured over the period of time. Mature brands are those which have been in the market for

more than twenty years and these brands have few common characteristics which they share during their downfall.

Long held heritage: The brands in this category have long held heritage attached with them. It is this characteristic which helps the brand in revival in the initial stage.

Thus from the above discussion we can have the characteristics which mature brand should have. These have been discussed in detail in the following section. Few of the characteristics had been identified in consultation with the marketing managers.

Characteristics: Brand Should Have To Be Identified As Mature Brand

Based on the above discussion we can have the following characteristics that a brand should have to be identified as mature brand

- Brand awareness: Mature brands have brand awareness associated with it. Brand awareness may be either vast or may had narrowed down.
- Product quality: The product quality of the mature brand is either upgraded or had been compromised in the past. It is due to this characteristic the brand would have grown or it would have been in the market as a struggling brand.
- Pricing: Pricing of the mature brand plays important role. Pricing needs to appropriate according to the particular market condition. Mature brands are moderately to premium priced.
- Target market: Mature brands have target market and they know about the brand they may had consumed it or not but they do recognize the brand. Brand may be required to be repositioned as the target market may have shifted.
- Wide distribution network: Since the mature brands had been in the market for quite some time they already have the distribution channel. It is important that distribution channel needs to be reviewed regularly to make the effective supply of the product to various outlets.
- Profits: Mature brands have ability to generate the profits. Their profit margins may have gone down due to market conditions but they had the ability to generate the profits.
- Unique Point-of-Differentiation: The importance of differentiating a product is not news to any marketer, but doing it is a talent. Mature brands have unique point-of-differentiation attached with them. It is this characteristic of the brand which distinguishes it from the existing brand in its category.

- Age: Management guru have no definite opinion for that what should the age of the mature brand. Few are of the opinion that it should be fifty year old while other think even five year old brand can be a mature brand. But they have certain age attached with it.
- Long held heritage: There were vivid memories associated with the brand at least a small core of the market. Based on the performance of the mature brand it is either had been nurtured along with the brand. If the brand needs to be revived then this heritage plays the crucial role in its revival.
- Communication from the brand: Mature brand communicates with its target market through various channels. When the brand does not perform the advertising budget associated with the brand is slashed down which further degrade the brand image.

Any brand if it has the above stated characteristics it can be termed as the mature brand.

Methodology

Objective: To rank the characteristics of the mature brand of FMCG and consumer durables industry.

Variable

Dependent Variable: Characteristics of mature brand

Independent Variable: Marketing managers opinion

Research Question

What characteristics are considered to be most important for the mature brands by the marketing managers?

Sampling

The study aimed to capture the marketing managers, brand managers and sales managers' opinion regarding the mature brands characteristics. Responses were elicited from 30 respondents (10x3). The detail of the same is shown in the table below:

Table 1.1 Classification Of The Sample For - The Survey

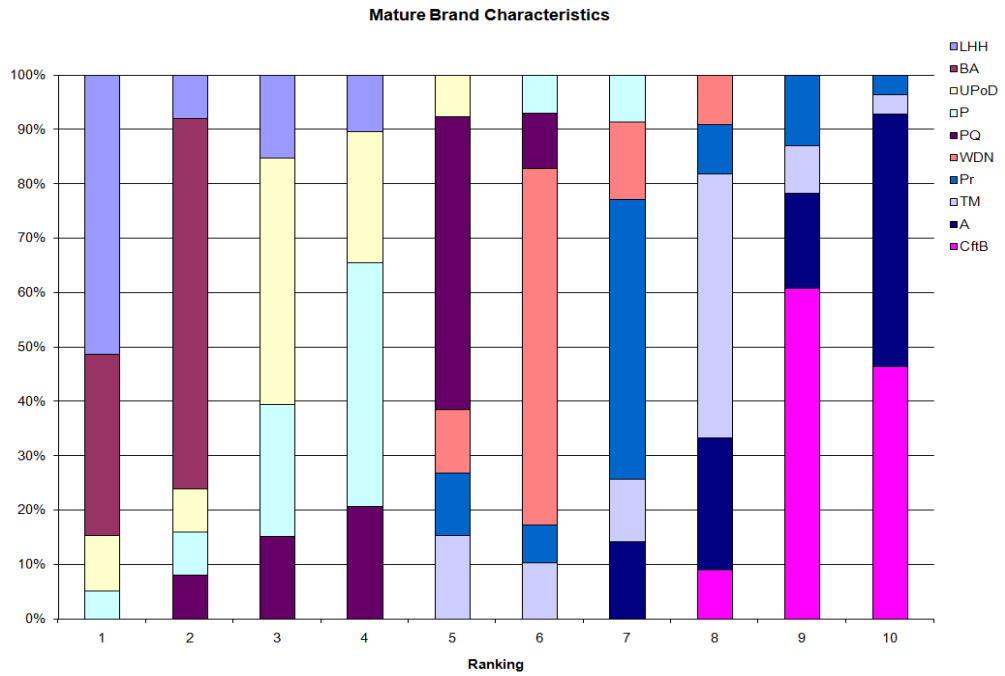
Companies	Number of Companies	Sample Target	Number of Managers	Total
F.M.C.G and Consumer durable Advertising/Brand Consultancy	10	Marketing Managers, Brand Managers and Sales Managers	3	30

The sampling method was purely judgmental and the research instrument which was the questionnaire was used to rank the characteristics of the mature brand by marketing managers from the FMCG and consumer durables industry. In order to reach a sample size, three factors were taken into account- judgmental, chosen company and time. Using these criteria, 5 FMCG and 5 consumer durable advertising/brand consultancies were selected within Mumbai city. In all the companies' three managers i.e. marketing manager, brand manager and sales manager were approached to respond to the structured questionnaire.

Result and Discussion

The mangers perception regarding the characteristics of the mature brand was captured through the questionnaire. The summary of the findings describing the percentage of the respondents for the characteristics of mature brands are shown below:

Mature Brand Characteristics	Ranking
Long held heritage (LHH)	1
Brand Awareness (BA)	2
Unique Point-of-Differentiation (UPoD)	3
Profits (P)	4
Product Quality (PQ)	5
Wide Distribution Network (WDN)	6
Pricing (Pr)	7
Target Market (TM)	8
Age (A)	9
Communication from the Brand (CftB)	10



Graph showing the ranking of mature brands characteristics

Above graph shows the ranking of the characteristics of mature brands. The managers were of the opinion that Long held heritage is the most important characteristics for the mature brand followed by Brand Awareness. The managers agreed that mature brand whether it is a performing mature brand or it is marginal mature brand they all have the above stated characteristics. Regarding the Age managers stated that the brand can mature and die within a year time also. So it there can be no definite category for the age of matures brands. Regarding the communication from the brand there are many brands whose communication level is very low in comparison to the competition brand but they are able to maintain their market share although market share may have narrowed down. Thus it can be said that a brand to be recognized as a mature brand should have at least six out of ten characteristics to be identified as a mature brand.

Causes of Brand Maturity

To understand why brands mature, we draw upon the theories of brand evolution. The popular product life cycle (PLC) framework identifies four stages—introduction, growth, maturity, and decline. The simplicity of the framework is appealing. However, several scholars point to some of its major drawbacks, including its tautological nature for managers (Hunt, 1976). It "uses sales to *define* the stages of the life cycle, which in turn are used to predict sales" (Tellis & Crawford, 1981 p.125). In fact, the Managing Partner & President of

Baumwoll International Consulting suggests that excessive reliance on PLC creates a self fulfilling prophecy because, when sales decline, "management decides that a brand no longer needs investment and begins to milk the brand" (J. Baumwoll, personal communication, January 23, 2006).

A more evolved form of the PLC framework—the product evolutionary cycle (PEC), proposed by Tellis and Crawford (1981)—offers additional insights into how a brand grows.

According to PEC, in a biological context, evolution of organisms is affected by three forces—generative (their genetics), selective (the environment), and meditative (intervention by other species; specifically, humans). The PEC framework is equally applicable to brands (Tellis and Crawford 1981; Holak & Tang, 1990). This framework implies that a brand can evolve, and is not predestined to die.

Managerial actions, both strategic and tactical, play a vital role in determining a brand's future. These actions act as a *generative force* in the brand's evolutionary growth.

However, managerial actions do not take place in isolation. The market environment serves as a *selective force*, affecting brands in certain industries. Finally, for most brands, the effectiveness of management actions will be impacted by the intervening actions of competitors. In other words, competitors' actions act as a *meditative force* in a brand's evolution. Thus, in the context of brands, managerial and entrepreneurial activities constitute the generative force, the market environment acts as the selective force, and competitors' actions and responses to marketing initiatives constitute the meditative force.

This is an intuitive and insightful approach of categorizing the key factors in a brand's success or decline. We now elaborate on each of these forces, and explain their role in brand decline.

1. Managerial Actions

Ron Strauss at Brandzone suggests that brands often decline because of "leadership, management, and employees making excuses rather than acting with integrity" (R. Strauss, personal communication, January 24, 2006). Even when environmental factors and competitive actions remain static, managerial actions can significantly impact brand health.

In our investigations, we found that such actions can be classified into five categories.

- **Product Quality:** A successful brand sometimes can lull its management into complacence. The sheer success of a brand becomes its own undoing. When compromises in product quality for cost-cutting reasons do not impact brand loyalty in the short run, managers mistakenly conclude that consumers are willing to accept "or live with" it. However, when the customers' experience with the brand does not live up to their expectations, the brand eventually starts to mature. As Ambassador which ruled Indian car market for more than forty decade became a marginal player from market leader. The brand made many cosmetic changes from 1958-2000 and three upgrades was made which was named as Mark II, Mark III and Mark IV. There was no significant value addition between these upgrades. The look and the built quality remained the same. A major change happened when the brand introduced an 1800 Isuzu engine. The Amby with Isuzu again lifted the sales of the brand. But the euphoria was short lived. The apathy of HM to offer product changes in tune with the times made the brand stale (Marketing Practice, 2008).
- **Price Increases**: If a company continues to raise prices without offering a corresponding increase in benefits, sooner or later consumers will start to abandon the brand. Maruti did with its SUV brand Maruti Gypsy. The product was priced at a

ridiculous premium which was not justified in terms of the delivery of value. The brand was priced at around Rs 5 lakh which is comparable with an entry level Sedan. The product although looked excellent outside was a mess inside. The vehicle lacked space and comfort especially for the rear seat. It had all the qualities for an off roader but failed to understand that Indian consumers use off roaders on roads (cities).The mileage was awful and that ensured that only those who fall head over heels over the looks only will buy this brand. For the ordinary consumers, the brand did not made any sense. The brand was finally withdrawn from the market (Marketing Practice, 2006).

- **Price Cuts:** Conversely, when a company cuts prices in desperation to increase sales, it can also damage the brand. Surf the popular detergent slashed down its price in competition with the Indian local brand Nirma in the year 2001. The company thought they would be able to regain the lost market share. But the impact was reverse the sales of Surf gone down further. Then they positioned another brand Sunlight in competition to Nirma and they slowly bring back the prices of Surf to its original prices.
- **Brand Neglect:** When a brand becomes popular, inaction creeps in. Even successful brands need constant nurturing. However, management can lose sight of this, start looking at its core brands as cash cows, and neglect to invest in them (Aaker, 1991).

  This is illustrated in Black & Decker's handling of the popular DeWalt brand, which the company ignored till it virtually ceased to exist (Paley, 1995). As the brand manager of DeWalt put it, "managers get wrapped up in the inertia of a brand and begin to miss changes in the market," (S. Wiercinski, personal communication, November 2, 2005).

  A brand could also face neglect when organizational shake-ups result in less attention being paid to a strong brand associated with the earlier management. As happened with Kelvinator. Kelvinator came to India in 1963. The brand along has ruled the market for decades. The brand changed hands and came to the fold of Electrolux in 1985. In India, the brand's disaster started in 1996 when Whirlpool acquired this brand globally. Whirlpool wanted to sacrifice Kelvinator for its own brand. According to Business World, When Electrolux bought the company White Consolidated which owned the brand globally, In India during 1996 Kelvinator's Indian licensee sold the license to market Kelvinator to Whirlpool. So Electrolux became a contract manufacturer of its own brand which was being marketed by its competitor. Whirlpool had the license to market Kelvinator brand in India till 1997. Because of this Electrolux entered Indian market with its own parent brand. The fate of Electrolux in India was also not good since it ran into huge loses. You can see that Kelvinator brand lost its place because it fell

into a cobweb of ownership issues. Whirlpool did not invest in Kelvinator since it had the rights to the brand only till 1997. So why invest in some other's baby. So during these years, Whirlpool harvested Kelvinator while developing its own brand. When the brand came back to its original owner, Electrolux did not have the money to build this baby. Now, the brand had been bought by Indian player Videocon. When the brand was bought, it had a market share of over 14 % (Marketing Practice, 2007).

- **Inability to stay with the Target Market:** When the target market moves away from the brand, the brand can move towards maturity. As Margo soap with medicinal values had lost its market. The single mistake the brand made was to miss the new generation. It failed to attract the young users. With Lifebuoy herbal variant and other established brands taking in the "neem" content away from Margo, this brand needs a hell lot of money to rejuvenate itself. May be a high decibel big celebrity endorsement may help this brand. Currently, the brand had a following in AP, Tamilnadu and West Bengal (Marketing Practice, 2006).

  The high end fashion brand, St. John, is in a similar position. St. John is known for its signature knit and traditional styling, with simple silhouettes and unique wrinkle-free fabric that holds its shape for decades, and rarely shows any signs of wear. As its target market matured, so did the brand. St. John's is a classic dilemma, where aging with its target market will ultimately lead the brand to its grave. On the other hand, shifting its focus midway to a more promising younger audience runs the risk of damaging the very essence of its "upscale conservative" image. Its decision to replace its iconic model, Kelly Gray (the daughter of the founder Bob Gray) as the face of the brand, with a more rebellious actor-model Angelina Jolie, was aimed at appealing to a younger, less conservative, audience. Unfortunately, the consumers were not buying its message and have started to turn away from the brand (Wilson, 2006).

- **Targeted to wrong segment:** Few brands mature when they are targeted to wrong segment. Moti the premium quality soap brand had problem was with the product. One of the factors was at the segmentation side. As the market for a premium soap is abysmally low in India. Another problem was there is something missing in the soap which ultimately led brand towards maturity. So it was also a tough choice for HLL. The company may have felt that Moti did not have a future as premium soap. And it may cannibalize some existing brands if the prices are rationalized. Moti may have to be repositioned if it had to survive (Marketing Practice, 2008). Similarly, Vanilla Coke not targeted at the right segment 'people in twenties could not relate Elvis Presley'.

2. Environmental Factors

Markets are dynamic in nature and can be significantly influenced by the larger environment they operate in. They can undergo major transformations, which in turn, have an impact on the various companies in an industry and their brands. Cigarette brands in the United States have been affected by changes in the (legal) environment. The industry is facing an increasing number of regulations and strong negative publicity. One brand in particular, RJ Reynolds's Camel, has been accused of using a cartoon character called Joe Camel, and other communication tactics, to attract children. This led to lawsuits against the company, and the subsequent negative publicity severely dented the brand's image, forced it to scale back its promotions, and impacted its sales (Haig, 2003).

Polaroid has been a household name since it popularized instant photography. With its unique product offering, Polaroid quickly gained prominence. Even today, it retains high brand awareness, but the company spiralled into decline and went bankrupt as the environment changed and digital imaging became popular (Hoovers, 2008). The very foundation of its appeal—*instant* results—was no longer appealing in an age of digital cameras and printers.

Kodak, another leading brand faced similar environmental changes. George Eastman had pioneered film cameras in 1885. His first camera called "Kodak" started selling in 1888 (Hoovers, 2008). For the next 90 years or so, films were the standard platform for photography. However, in late 1980's digital cameras started appearing in the market. This was a major challenge for Kodak, which had staked its dominance on film in the camera market; but it was quick to realize this "environmental factor," and made the necessary investment in the future. This helped it in maintaining a leading role in the "new market." It was one of the first companies to introduce digital cameras to the commercial market—the

DCS-100, with a 1.3 megapixel sensor and priced at $13,000. Kodak continued to take the lead in the digital technology. While other "digital companies," such as Hewlett Packard, Sony, and Casio entered the digital camera market and made significant strides, Kodak never allowed the transformation of the market to derail its brand, and avoided possible death. Today, it maintains a 16% market share.

3. Competitive Actions

In most markets today, a brand has to face the relentless onslaught of its competitors. This can become particularly problematic if the competitors have deep pockets. Puma and

Adidas are good examples of brands that declined in the face of intense competition.

Both these brands were very strong in Europe, but were almost completely squeezed out of the U.S. market by Nike and Reebok, which were more in tune with the trends in the American market. In fact, Nike almost wiped out Adidas in the United States causing its market share to drop from 60% to less than 3% in the early 1990s (Smit, 2008). Only recently, have Puma and Adidas regained their footing in the North American market, with Puma gaining a presence in the active lifestyle gear market, and Adidas making inroads in the footwear segment.

Similarly, the retailing giant, Kmart had anchored itself to being a low priced retailer.

However, Wal-Mart, a new competitor, proved to be formidable in this game. While the original Wal-Mart store dates back to 1950, its real growth came in 1980's, when in a short time span of 5 years it went from 330 stores in 1980 ($1.2 billion in sales) to 1,114 stores in 1985 ($6.4 billion sales). Wal-Mart made cost-cutting a science. Its operations were brutally efficient. It also offered "Everyday Low Prices," as opposed to periodic discounting by its competitors. Today, it has sales of over $378 billion. K-Mart was unable to compete, and was forced into a merger with Sears Roebuck in 2004, in the hopes of leveraging their combined strength to fight Wal-mart (Bhatnagar, 2004; Hoovers, 2008).

Newer competitors are often more nimble. They are able to leverage new technologies or marketing approaches to their advantage to challenge well established market leaders, who are often bound by their legacy. In the personal computer market, retail stores had been the primary distribution channels. However, Dell made a fundamental change in this model, and offered a direct-to-customer distribution system. This resulted in considerably lower mark-ups than its competitors, and Dell was able to pass these savings to its customers in terms of low prices. It also made smart use of the Internet as a platform for its offerings, allowing buyers to customize their PCs. As a result of these innovative changes, Dell became the market leader, while its major competitors, including Compaq, suffered losses in market share. Compaq subsequently merged with Hewlett Packard, and cost-cutting was a significant motivation in this decision.

Blockbuster, a giant in the video rental business, was in a strong position with an enviable network of retail stores nationwide. However, its fortunes began to slide when Netflix threatened this set-up by offering video rentals via mail to the comfort of customers' homes.

No more need for trips to the store to rent a movie, and no late fees! This business model was very appealing to its patrons. As a result, Blockbuster was forced to close 300 stores in 2006 alone. It is now fighting back by investing in its own version of online rentals by mail, under the name of Total Access (Internet Retailer, 2007).

Conclusion

As per the study conducted there are many mature brands based on the years for they had been in the Indian market few of them had led glorious while which were at one were the leading brand had either become the marginal player or had exit the market. These two different kinds of brand category share the same reasons for their success or failure. The characteristics mature brands were identified and were ranked by the brand managers, sales managers and marketing managers from the FMCG and consumer durables industry. Brands mature either due to managerial actions, environmental factors or competitive actions. The details of the same had been discussed with examples of the mature brands.

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Is Stress a Boon or a Curse?

Maj. M D Bharate [7]

Abstract

A large number of people of Mumbai suffer from stress and stress related diseases but they have very little awareness of this. They are even not aware of symptoms of stress related problems and biological and physical process involved in stress effects.

Key Words: *Stress, boon, curse, symptoms, meditation, diseases*

Objectives

- To find out reasons and process of stress.
- To find out the symptoms of stress and stress related diseases.
- To find and learn the methods to deal with and manage stress and stress related problems
- To list out the findings emerging from the studies.
- To make suitable suggestions to managements of the organized sector.

Hypothesis

- "Stress is less of a boon and more of a curse."

Methodology

- A questionnaire containing 30 questions and 3 or 4 options each, was carefully drafted and issued to 302 meditators, forming a sample size, selected at random for field work.
- A Prime Data was collected from meditators belonging to five meditation techniques and 25 meditation centers, functioning in Mumbai Industrial Region and either staying or/ and working in Mumbai.

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- Information was properly analyzed with tables, graphs and ratios drawing the appropriate findings.

Findings

- Large number of Mumbaikars are even not aware of stress they are suffering from and stress related diseases and its symptoms.
- There are very many methods to treat the stress related diseases and manage stress.
- Most effective method to deal and heal the stress is meditation.

Introduction

An American study says, 80 percent employees feel stressed on the job and 42 percent find it extremely stressful. On an average 20 employees are murdered each week and 18000 crimes are committed at workplace, each week, due to stress. 1 million employees are absent every day and 1 million employees leave the jobs every year, due to stress.

Recent study in Mumbai Industrial region indicates, very high population of Mumbai suffers from stress; leading to stress related diseases, like exhaustion, backaches, headaches, indigestion, blood pressure, hypertension, diabetes, cancer and heart diseases etc. Severe stress and frustration sometimes leads to deep depression, accompanied by suicidal ideas.

Well being index of Mumbaikars is main cause, bothering one and all, stress and it's management. It is very likely that number one threat to health and mental well being in 21st century will not be cancer or heart diseases but rather, stress, as levels of it are ever increasing in the society, making it epidemic of the times for many.

A great number of people experience more and more stress, every day in their contemporary life, due to constant and tragic conflicts, sometimes. Fast enhancing dynamics of civilization with its high insistent and often conflicting demands ever, leave the people tension filled. The pressures of everyday life impose almost unattainable and unavoidable pace and problems of complexities.

Further, effects of chronic stress and closely related emotional reactions of anxiety and depression are so broad and deep that affected people are likely to die, or will die more quickly. The situation is alarming, frightening, terrible, and disastrous and cannot be ignored, at all.

Some say, stress is mixture of both boon and curse. Others say, stress is more of boon and less of curse. Still few contradict and say, it is less of boon and more of curse. To arrive at rational views of stress, it is absolutely essential to understand the term and the process of stress in its

right perspective and critically analyze the effects on mental, physical, emotional and spiritual aspects, contributing to wellbeing of people.

It all starts at having some desire in the mind and motivation to act and achieve that to satisfy the desire, which is termed as generating some pressure or stress in the mind to achieve the desired results or goals or objects through necessary actions, which generally termed as eustress or good stress, forming a boon to achieve happiness, peace and pleasure, leaving good feeling of comforts and success.

Sometimes, in spite of waiting for good news for a long time and not materializing or failing, again and again to get the results, in spite of undergoing high and prolonged tensions, leaves one dejected and frustrated and unhappy, this can be termed as distress or bad stress.

Let us understand the biological and physical aspects of stress, in terms of medical parameters. An idea of danger perceived as a bundle of energy, initiates in the deep subconscious of mind as original or desired process and plan of action is made in the conscious mind to achieve or act as per the idea. Super conscious mind makes the decision to act or not to act and gives go ahead for action or rejects the idea, which goes back to sub conscious mind, called it as go-down or Idd. During above process in the mind instructions are given to the organs involved, like adrenalin glands to generate and pour the adrenalin and cortisol steroid in the blood streams, thereby, preparing the physical body to either act to fight or flight to achieve the results, as approved by the super conscious mind.

In case, idea is rejected by super conscious mind, the same is pushed back to sub conscious mind or go-down. Breathing rate increases, providing more oxygen to brain and muscles, heart rate increases, blood pressure rises, more sugar and fats are released by lever in the blood stream for extra energy, muscles get tensed up, flow of saliva decreases and perspiration increases. All our senses are put on Red Alert and body is mobilized. These spontaneous physical reactions are created through sympathetic nervous system, which is helpful to ward off danger. In case, all above happens merely by thought or anxiety, again and again, making stress hormones to go round the system, which keeps everything buzzing in overdrive. This can exhaust body and cause ulcers and damage functions of organs, like heart and kidneys.

Autonomic parasympathetic system (APS) gets it back through cranial and lumber nervous system to normal level, over a time. If that does not happen quickly, then other techniques like concentration, relaxation or meditation need to be made use of, for dropping / pulling whole system to normal levels.

It is very important to understand, the warning signals that your body and mind send out in response to a physical or emotional over load, which are known as stress symptoms. One should be able to recognize and deal with them effectively, before they get out of hands.

Our internal organs are controlled and regulated, without conscious efforts, by the autonomic nervous system (ANS). The ANS consists of two antagonistic sets of nerves, the sympathetic and parasympathetic nervous systems. The former connects the internal organs to the brain by spinal nerves; it prepares the organism for fight or flight when stress occurs. The nerve fibers of the parasympathetic nervous system, on the other hand, consists of cranial nerves and lumber spinal nerves and have task of getting the body back to the normal, after it has been aroused by the sympathetic nervous system.

Physical Stress Symptoms:

- Tensions (in the throat, neck, stomach, chest, shoulder, jaws)
- Backache
- Irregular breathing
- Breathlessness (even when at rest)
- Tics (face, eyes, mouth, etc.)
- Cold hands and feet
- Stomach ache (butterflies in stomach)
- Increased need to urinate)
- Diarrhoea
- Sexual problems
- Increased sensitivity to noise
- Ulcers
- Head ache and migraine
- Neck ache
- Palpitation
- Restlessness and fidgeting
- Dry mouth
- Sweating
- Shakiness
- Exhaustion
- Indigestion
- Nausea
- Sleeping problems
- Dizziness

Mental Stress Symptoms:

- Lack of concentration
- Inability to remember recent things
- Lack of coordination
- Mind going in circles
- Misjudging people and situation
- Inaccuracy
- Paying inordinate attention to details
- Forgetfulness
- Inability to take on new information
- Indecisiveness
- Being disorganized
- Struggling with simple tasks (adding up, working with simple machinery)

Emotional Stress Symptoms:

- Anxiety
- Panic and panic attacks
- Aggression
- Guilt
- Mood swings
- Nightmares
- Excessive worrying
- Withdrawal
- Phobias
- Feeling persecuted
- Cynicism
- Depression
- Tearfulness
- Feeling abandoned
- Less sense of humour

Behavioral Stress Symptoms:

- Increased smoking
- Over eating
- Driving aggressively
- Shutting you off from others
- Nail biting
- Skin picking
- Compulsive actions (checking and rechecking lights, locks and taps, etc.)
- Increased drinking
- Eating minimal
- Avoiding personal appearances
- Starting lots of things without finishing
- Hair pulling
- Having obsessive thoughts and ideas

The above shows interdependence between body and mind, means that physical stress symptoms will effect the mental efficiency and emotional balance. Depending up on how severely you experience stress, your mental and emotional symptoms will be more or less pronounced. Some people, rather than displaying overtly emotional changes in their behavior, may not appear to be linked to stress at all, like honking excessively his horns and gesticulations wildly.

How to climb out of stress trap?

It is all well and good to understand issues creating pressures and further manifestations, but ultimately crucial question is, how can one get rid of pressures?

We cannot always choose our circumstances, but we can certainly choose to deal with them in a constructive manner. Let us find out, practical methods and techniques of computing stress to get some relief from stress symptoms. It is better to deal with stress, while you are still in control than to let your stress control you.

One of the most common causes of stress is over working. Not everyone holding a job feels stressed, this means individual's attitude towards a job creates stress. Compulsive worker stays in overdrive, all the time.

- Make the choices to prioritize or to delegate or to ask for help or to take physical and emotional needs seriously. Else, work on your relationship or interpersonal skills.
- Breathe in correctly through your belly first and then chest, then breathe out from the lungs first before, the belly area deflates, to enable your body to relax and regain natural equilibrium, calming mind and abating anxiety and maintaining balanced intake of oxygen.
- Allow your mind and body to rest after finishing each chunk of work, by having a bite from a plate and sitting down or removing yourself from working environment, for a moment or drawing to quiet or listening to favourit music, by sitting or lying down, by giving your back a treat and loosening muscles.
- Taking a mental holiday, by day dreaming or visualization, by making pictures in your mind or accessing past relaxations or inventing relaxing scenarios.
- Valuable antidote to stress is to rest body and mind with good quality sleep. Worry bursting can be achieved by, making a mental list or by delegating problems to your subconscious or creating relaxing blank or preparing for sleep with breathing, exercising and muscles relaxing.
- Dealing with difficult people like, bullies by not smiling or maintaining eye contact or not shouting, backstabbers by stating clearly no gossip, directing to person concerned, withdrawing from scene, pursuing gossip seeking explanation, shirkers by getting facts straight, or having private word or construe description or negotiating better deal, moaners by restricting listening time, or no help or being firm.
- Using anger constructively, building confidence and trust and addressing problems.
- Accentuating the positive outlook, shifting focus and using affirmations.
- De-stressing your life by eating properly, thinking before starting work and getting more on exercises like cycling, stretching and running or outside interests.
- Alternative ways to unwind by aromatherapy, hypnotherapy, reflexology, shiatsu or positive thinking.
- Meditating is the best answer to de-stressing or avoiding stress at the first place, which involves calming, relaxing, concentrating, withdrawing senses, visualizing, getting

established in deep consciousness, and ultimately, uniting soul with supreme soul for divine peace, tranquility, bliss and happiness.

- This amounts to melting away all the stress and indulging your mind, body and soul, closing the eyes and shutting out all the stress of the world and allowing the feelings of totally chilled out. This further makes each pore of your skin cleansed out and made alive, every muscle of your body loosened and soothing divine music enhancing whole experience.
- As the practice of meditation enhances, the experience of pure consciousness becomes deeper and more refined. There may thus come a time, when pure consciousness remains permanently established in one's being and permeates through, all other three states of consciousness i.e. sleeping, dreaming and waking. This is called a state of enlightenment.

Findings

- A large number of Mumbaikars are even not aware of stress they are suffering from and stress related diseases and its symptoms.
- There are very many methods to treat the stress related diseases and manage stress.
- Most effective method to deal and heal the stress is meditation.

Suggestions

- The managements should be very sensitive about the causes adding to stress of the employees and try and avoid such situations in their working lives.
- The meditation being the effective process to prevent and remove stress from the lives of the employees it should be part of training and development activity.
- Even the other ways to manage the stress at work should be encouraged by allowing due time and facility at work.
- Safety of the health of the employees from the stress and stress related diseases be ensured for their better performance and productivity.
- Managements need to realize that stress free employees are the real assurance of the profitability and healthy working, and hence make special efforts to educate them about stress and remedial measures.

Conclusion-

The above deliberations leaves the impression that stress may be more of a curse for ignorant people and it may turn more of a boon for wise ones.

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Is Meditation a Myth or a Mystique?

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Abstract

There is very little awareness in the people of Mumbai that Meditation or Spirituality can take care of their stress and stress related problems quite easily. In fact, there are very many misconceptions, doubts, misunderstandings and suspicious queries exist in the minds of the people, regarding meditation practices.

Key Words: *Meditation, stress, myth, mystique, spirituality, meditation techniques, enlightenment*

Introduction:

Though, the process of meditation appears like a myth, being intangible in terms of evidence and actions but proves to be more of mystique, to experience the results in the areas of spirituality, peace, happiness and bliss.

Objectives

- To find out the process of meditation and inner journey to consciousness.
- To find out the possible doubts and suspicious queries and argue them critically and logically for clarification
- To find the wonders of meditation techniques for peace and harmony in life.
- To list out the findings emerging from the studies.
- To make suitable suggestions to the managements of the organized sector.

Hypothesis

- "Meditation is not a myth but more of a mystique"

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Methodology

A sample size of 302 meditators, staying and/or working in Mumbai Industrial Region were selected at random, belonging to five category of meditation techniques and practicing meditations at 25 meditation centers, functioning at Mumbai and were issued with well drafted questionnaire, with 30 questions and 3/4 options each. Prime information collected was carefully analyzed and very significant findings drawn.

For easy understanding, let us critically examine why, what, how, when, where of each and every term, action, process, elements, and results, involved in meditation which looks mystical or complex and raises many queries and quests.

- **What is meditation?**
  - ✓ Meditation is a process / technique that helps us establish contact with the field of consciousness, make it permanent and ultimately, attain enlightenment.
- **Why meditation?**
  - ✓ Any persistent pain, either physical or emotional, can create a sense of hopelessness and dejection, ill health, physical sufferings, loss of loved one, non attainment of objects or desires, intense hurt or insult or acute stress, are some of the reasons that drive the people to seek solace in the meditation.
  - ✓ With stress and anxiety ruling high in most people's lives, the promise that meditation will reenergize and soothe the nerves, is appealing.
  - ✓ The desire to know more about the true nature of existence and the self. When modern science is unable to answer the questions, people indulging in the realm of science turn to spirituality.
  - ✓ The desire to add another dimension, as meditator and to feel different from the masses.
  - ✓ Chance to meet Guru or spiritually evolved person.
  - ✓ For volunteers in an Ashram or spiritual institution may become means to livelihood, where they may be also practicing and promoting the path.
  - ✓ A desire to live more fulfilling life by nurturing inner being.
  - ✓ More common reasons for meditation are to see, if it can relieve stress, anxiety, clutter or hurt, loneliness or hollowness. Intrinsic promise of providing bliss, redemption of sorrow and sufferings come from masters and gurus.

- **How is meditation done?**
  - ✓ Sit comfortably on the ground or chair or lie down.
  - ✓ Concentrate the attention on middle of the forehead or object or mantra or idol or natural scene or breathing or observation of thoughts or body.
  - ✓ Withdraw the senses and enter the realm of deep consciousness.
  - ✓ Repeat above for 20 to 30 minutes in the morning and in the evening, everyday.
  - ✓ Remain established in deep consciousness and perform all the actions / duties naturally, based on divine guidance.
  - ✓ Many meditations techniques do not prescribe specific regimen of diet, dress or lifestyle.
  - ✓ Certain techniques prescribe code of conduct, discipline, abstinence from sex, non- vegetarian food, drugs, violence, killings, etc.
- **What is Key Concept?**
  - ✓ Meditation is spiritual journey about establishing contact with our true Being, which is the source of all creativity, intelligence, energy, joy that lie within us. The true Being is known by several names, such as pure consciousness, atman, soul, or field of absolute.
- **How can inner contact be established?**
  - ✓ It is through a suitable meditation technique that transcends or goes beyond three normally experienced states of consciousness ie. waking, sleeping and dreaming.
- **Is the mere contact with the field enough?**
  - ✓ As one contacts with the field of absolute, over a period of time, the state of consciousness tends to permeate through the other three states of consciousness. So, even, while one is sleeping or dreaming or awake, this field of absolute becomes permanently embedded. But, this happens at rather advanced stage of evolution, when one is closer to attaining or has attained enlightenment.
- **What can one attain by meditation?**
  - ✓ First, Self realization and then God realization or enlightenment. In this state, one is constantly in the state of sat, chit, and ananda or existence, consciousness and bliss. By expanding one's consciousness and thus evolving, one becomes capable of knowing the reality. He becomes free from present, past and future karma. His mind is saturated with the happiness and experiences complete contentment and peace.

- **Is learning technique enough?**
  - ✓ Each meditation technique has it's own principles, process, regimen and merits. The best suited to oneself should be learned and practiced and rest is known to follow naturally, over a period of time. One's experience and instincts should be one's best guide.
- **Does meditation take one to higher level of happiness?**
  - ✓ As the progression towards higher level of happiness enables one to work out past karmas and freedom from attachments of future karmas, which happens with trials, tribulations and even sufferings, bearable with grace of divine.
- **How about Guru?**
  - ✓ Many meditation techniques do not insist for surrender and servility to guru. If one's quest for guru is earnest, doors shall open to a path to guru. Grace may happen at any time, before or after one selects technique. Guru is definitely an important aid and guide to destination, whether or not one feels the need from within to surrender to guru, is purely a matter of personal choice and absence of such feeling may not be an impediment.
- **How to be sure of progress?**
  - ✓ The best guide is one's own experience, intuition and instincts. Though, quantifiable measurements are not available, but qualitative experience with inner self, with patience and perseverance are good indications of progress.
- **Meditation appears too esoteric for a common man?**
  - ✓ The essence of meditation is in the actual experience and not merely in acquisition of mental or intellectual knowledge. As one gathers experience by treading the technique, personal evolution ensures the understanding of the principles, which becomes integral part of one's being and this removes all doubts.
- **Why educated and rational persons generally do not believe in spiritual or meditational chatter?**
  - ✓ Though, scientifically proven evidence of the various paths may not be available for all the techniques. Some of the techniques have proven to be effective and positive on the basis of the experimental research data. Such data or validations are not available in respect of certain techniques, which does not take away their merit. One's own experience along the process is the greatest test of the validity of the technique. Demanding proof of the technique before taking the plunge

may not be the best way of experiencing the spirituality. One's own being needs to evolve in order to comprehend and assimilate the elements and the essence of the track.

- **Everyone wants to make the success of the life but spirituality advocates renouncing worldly pleasures, how?**
  - ✓ It is not possible to actually be without karma. So, the question of renouncing the world does not arise. Several techniques today unequivocally advocate that it is not necessary to renounce one's profession, family, friends and society in order to develop spirituality. Performing all activities naturally, while being established in yoga or consciousness is prerequisite.
- **Most spiritual people appear abnormal, why?**
  - ✓ For every abnormal type of spiritually inclined person, there will be several positive types, who lead balanced lives and full of strength and passion. So, it is incorrect to say it abnormal or insane behavior and also it is not fair or valid conclusion.
- **Many spiritual seekers get nowhere, why?**
  - ✓ The progress depends on two determinants, first, what level of evolution one takes plunge in and second, whether one has followed all the tenets of the chosen path. Depending on these factors each person reaches different milestone or landmark in the divine evolution. But saying it nowhere is incorrect.
- **Many god- men are frauds and even criminals, why?**
  - ✓ Frauds, criminals and cheats can be found in all the walks of life, even in most revered and ignoble professions and fraternities. However, that does not make the entire fraternity or profession untrustworthy.
- **How is the journey taken to inner realms or regions?**
  - ✓ Regions of lights and sounds beyond anything which we could ever imagine, reside within us. With colors incredible and with sounds and music so melodious, the soul characterizes the inner realms. Persons who had near death experiences, the saints, prophets and mystics have experienced and explored more brilliant lights than any seen on the earth which radiates love, bliss, coolness and peace in the inner realms.
  - ✓ We do not need a near death experience to encounter the inner realms, but we can enter the doorway through meditation. When we focus our attention at the third eye, we can pick up the currents of light and sound. The soul, absorbed in

the current, begins to transcend physical consciousness of the body and the world. As we are absorbed in inner light, we pass through a vista of inner stars, moon and sun and come to gateway of the astral realm. We reach astral region from which light and sound stream forth. Our soul, having shed its physical body, now travels in a lighter, more ethereal body, known as a astral body. The astral region, although not as solid as our physical plane, has many similar features of this world but in a finer and more subtler form. It has brighter light than this region and the region is permeated with the beautiful music of sound current that manifests as its own distinct sound. It is filled with numerous temptations. Soul can get lost in it's never ending supply of pleasures. Mystics and saints try to keep their disciples from getting lost in the region and guide the souls further on to higher planes, shielding them from these distractions.

- ✓ The soul travels next from astral regions to causal region, which has it's own distinguishing light and sound, much brighter and more melodious than astral region. Soul gets one with Universal Mind. The power of mind is so great here that one can get lost in it's knowledge, endless creativity, new inventions, creations of music, paintings, poetry, art, dance, literary works, etc. and endless permutations and combinations.
- ✓ Inner explorers who know the way, guide the soul further to higher supra causal region, where we find a pool of nectar. Soul is covered here with supra causal body, a thin veil. This region is beyond the mind and senses, where souls realize same essence as God.
- ✓ The soul, full with intense desire, to embrace and unite the Lord, ventures further in the region of Such Khand. Eternal joy reaches the highest intensity beyond the human thoughts. Sense of freedom and peace is experienced here, a timeless state of relaxation and enjoyment, and eternal rest. Soul enters a state of unlimited divine wisdom, immortality, unconditional love, fearlessness, connectedness and bliss, a completely empowered soul.

Findings

- ✓ There is very little awareness in the people of Mumbai regarding the process of meditation and its benefits in managing stress and stress related diseases.
- ✓ Meditation is simple, not costly, very effective, and for all ages.

- ✓ Results of meditation are great and achievements like concentration, relaxation and self or God realization are significant.
- ✓ Meditation is scientific process and it leads people to peace, happiness, harmony and ultimately to enlightenment.

Suggestions

- ✓ The managements of the organized sectors should make special provisions for including spiritual education and high lighting importance of the meditation practices by making it main activity of the training and development process.
- ✓ The managements should encourage the employees to attend the meditation basic and refresher courses by providing necessary time off and travel expenses for the purpose.
- ✓ As the meditation improves the performance at home and work place as well as the quality of life at work and home, the managements should take full advantage of this aspect and look forward for improved work environment, profitability and productivity.
- ✓ Social and secular conflicts in the organization can easily be avoided by encouraging spirituality which is devoid of religious tenets.

Conclusion

The above deliberations leave us with the impression that the meditation is great mystique and not a myth at all.

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Strategy to Launch Institute for Values-Based Leadership Development

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Abstract

In today's knowledge driven global economy, the principal wealth of an organization is its human capital or knowledge assets. Employability is a difficult concept to define concisely and scrupulously. As a term it is used in a variety of contexts with a range of meanings and hence lacks lucidity and accuracy as an operational concept. In spite of this, employability has become the buzzword today in the corporate market with most of the organizations, struggling to draw the gap between the two extremes of specifically desired and the plentifully available manpower, all for the sake of retaining its human capital. Though the acceptance and acknowledgement of this gap exists, what's most interesting and challenging, is its changing construct. With the onslaught of technology in every aspect of business backed by the globalization of business, it becomes imperative for every responsible and developing organization to be alert to this trend and seek measures to face it effectively, continuously.

This study is inspired by the current dearth of employable manpower in the most emerging sector in India, the KPO sector. It is a secondary study sourced from secondary sources of information.

Key Words: *Employability, Skills, Organizations, Knowledge Process Outsourcing Sector*

Introduction:

The trust deficit

The fiscal year 2010 – 2011 will go down in the annals of Indian history as a year of 'Scams'. What began with the discovery of the biggest corporate scandal involving the inflating of profits of the IT global major - Satyam- dubbed by leading economists as' India's Enron', has turned into a virtual tidal wave of exposes on corruption. The blatant corruption in the awarding of contracts during the Commonwealth Games, the leaked telephone conversations in the 2 G scam depicting the connivance of corporate lobbyists with media and politicians to defraud the

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exchequer of revenue to the tune of $ 40 million, the under pricing of spectrum by ISRO topped by the estimates of black money ranging from $500 million to $1400 million stashed away in tax havens expose just how extensive is the rot.

Just a few months ago, India was preening itself in the global spotlight. World leaders were queuing up to visit, and President Obama famously declared that the country was not simply emerging: It had "emerged." Yet the elation the nation has felt has been short-lived. With India's pride buffeted on a daily basis by tales of collusion between politicians, bureaucrats and businessmen and reports of billions of dollars lost to flagrant corruption, the mood among the nation's middle class is distinctly crestfallen.

The Prime Minister of India has himself been forced to agree to appear before a parliamentary panel investigating the mobile spectrum scam. The telecom minister is in jail, and the Supreme Court has struck down the appointment of the Central Vigilance Commissioner who runs the country's anti-corruption watchdog because he was facing charges of graft.

In a February 2011 survey of urban middle-class Indians by the Times of India newspaper, 83 percent said corruption was at an all-time high, two-thirds said the government was not serious about tackling it, and 96 percent said it had tainted the government's image.

At the time of writing this paper, there has been a nationwide outcry against graft and the Anna Hazare led anti -corruption campaign has created public pressure on the government to draft and pass the controversial Lokpal Bill which seeks to bring government agencies to book for corruption.

- **The new global phenomenon**

  The problem is not limited only to India buts seems to be a global phenomenon. Transparency International's *Global Corruption Barometer* (the Barometer) 2010, derived by interviewing over 91,500 people in 86 countries has some very interesting findings: (source www.transparency.org)

  - ✓ Corruption levels around the world are seen as increasing over the past three years
    - Almost six out of 10 report that corruption levels in their country have increased over time
  - ✓ Political parties are identified as the most corrupt institution around the world
    - Eight out of 10 judge political parties as corrupt or extremely corrupt, followed by the civil service, the judiciary, parliaments and the police

- Over time, public opinion about political parties has deteriorated, while opinions of the judiciary have improved

✓ Experience of petty bribery is widespread and has remained unchanged as compared to 2006

- The police is identified as the most frequent recipient of bribes in the past 12 months. The police also has the biggest increase in bribery incidents over time, according to the general public surveyed
- In eight out of nine services assessed, people in lower income brackets are more likely to pay bribes than people in higher income brackets
- The reason most often given for paying a bribe is 'to avoid a problem with the authorities'

✓ Government action to fight corruption is often seen as ineffective

- Across the world, one in two considers their government's actions to be ineffective to stop corruption

✓ There is little trust in formal institutions to fight corruption

- One in four worldwide does not trust any particular institution 'most of all' to fight corruption
- Nearly one in four trusts the media or government the most to stop corruption

✓ There is significant belief that the public has a role to stop corruption – and a willingness for action in reporting on corruption when it occurs

- Seven out of 10 respondents think ordinary people can make a difference in the fight against corruption, while half could imagine themselves getting involved

- **The spate of corporate scandals**

"The damage done by the financial & business scandals witnessed recently in corporate America to the US economy is far greater in American history than the cataclysmic events of September 11, 2001." - *Paul Krugman, Economist*

In recent years, the business world has experienced a disturbing decline in the expression of positive values by some of its leaders which, in turn, led to difficulties and even collapses of several significant companies. The list of scandals is growing and ranges from insider trading to responsible treatment of the environment.

Enron, World-Com, Lehman brothers, Galleon and closer home Union Carbide, Satyam, the 2 G scam and DB realty are all examples of an abbreviated list of corporations involved in scandals that rocked the financial markets, decimated the lives and fortunes of millions of employee's, investors and innocent people.

The corporate scandals appear to be a direct consequence of widespread greed. Managers and their lawyers, investment bankers and accountants simply lied to investors for their own avaricious gain. But the root of the problem is not just human nature. It stems from the overriding objective of a company's management to maximize shareholder value – that is, keep the stock prices rising, with a philosophy that ends justify the means!

- **The global financial crisis - a crisis of ethics**

The global financial crisis of 2008 that led to the domino effect of stock markets plummeting around the world, wiped out 33% of the value of companies equalling $14.5 trillion. The extent of the problems has been so severe that some of the world's largest financial institutions have collapsed. Others have been bought out by their competition at low prices and in other cases, the governments of the wealthiest nations in the world have resorted to extensive bail-out and rescue packages for the remaining large banks and financial institutions. Perpetrators of the crisis are being bailed out by large amounts of taxpayers' money. These values are staggering ... they could have wiped out developing world debt many times over.

A fact not discussed is that the financial crisis has also been driven by widespread ethical lapses that have manifested themselves just as much on "Main Street" as on Wall Street. One example is the subprime-mortgage fiasco. We now know that thousands of Main Street borrowers *lied* about their income, assets, and liabilities when applying for subprime loans. Likewise, many lenders failed to do even the most rudimentary checks on borrowers' credit history.

Recklessness also features among the sins underlying our present financial turmoil. On Main Street, thousands of investors mortgaged themselves to the hilt on the highly-imprudent assumption that house-prices could only continue to soar. Meanwhile on Wall Street, investment banks overleveraged themselves, sometimes at ratios of 30-to-1.

Then there is the rampant *materialism* "I-want-it-all-now" mentality that has apparently permeated Main Street and Wall Street to equal degrees.

Thus at the heart of the banking crisis, housing crisis, credit card crisis, job crisis and in general the economic crisis is a crisis in ethics.

- **Ethics- the heart of the problem**

  There is clearly a trust deficit in leadership in India as well as around the world and a growing sense of frustration at the increasing lack of ethics in public life. Ethical lapses are having far reaching consequences. Virtually institutions in all walks of life, be it political, religious, educational, philanthropic, sports organizations or corporates – none have been immune. The media's continuing interest in ethical issues and the current anti corruption campaign in India suggests that ethics is a real problem which needs to be addressed.

What is Ethics?

If a cross section of society was interviewed on their understanding of ethics, I would imagine the findings would be very similar to those of renowned sociologist Raymond Baumhart SJ. Typical replies may include:

"Ethics has to do with what my feelings tell me is right or wrong."

"Ethics has to do with my religious beliefs."

"Being ethical is doing what the law requires."

"Ethics consists of the standards of behaviour our society accepts."

"I don't know what the word means."

Most people may identify with these responses. The meaning of "ethics" is hard to pin down, and the views many people have about ethics are shaky.

Often people tend to equate ethics with their feelings. But being ethical is clearly not a matter of following one's feelings. A person following his or her feelings may recoil from doing what is right. In fact, feelings frequently deviate from what is ethical.

Nor should one identify ethics with religion. Although most religions advocate high ethical standards, it goes without saying that ethics applies as much to the behavior of the atheist as to that of the saint. Religion can set high ethical standards and can provide intense motivation for ethical behavior. Ethics, however, cannot be confined to religion nor is it the same as religion.

Another approach is to consider being ethical as the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. Yet examples are rife in history

which exemplify that the law can deviate from ethics. Case in point being the Pre-Civil War slavery laws in the US and the apartheid laws of South Africa.

Using standards of behaviour acceptable to society is also not reflective of being ethical. In any society, most people accept standards that are, in fact, ethical. But standards of behavior in society can deviate from what is ethical. Nazi Germany is a good example of a morally corrupt society. Moreover, if being ethical were doing "whatever society accepts," then to find out what is ethical, one would have to find out what society accepts. Take the case of deciding on abortion, or euthanasia - one would have to take a survey of society and then conform ethics to whatever society accepts. Some people accept abortion but many others do not. If being ethical were doing whatever society accepts, one would have to find an agreement on issues, which does not, in fact, exist.

What then, is Ethics?

First, ethics refers to well-based standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Ethics, for example, refers to those standards that impose the reasonable obligations to refrain from rape, stealing, murder, assault, slander, and fraud. Ethical standards also include those that enjoin virtues of honesty, compassion, and loyalty. And, ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury, and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well- founded reasons. Secondly, ethics refers to the study and development of one's ethical standards. As mentioned above, feelings, laws, and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well-founded. Ethics also means, then, the continuous effort of studying our own moral beliefs and our moral conduct, and striving to ensure that we, and the institutions we help to shape, live up to standards that are reasonable and solidly-based.

Definitions of Ethics

- Ethics is a set of moral principles or values which is concerned with the righteousness or wrongness of human behaviour and which guides your conduct in relation to others (for individuals and organizations).

- Ethics is the activity of examining the moral standards of a society, and asking how these standards apply to our lives and whether these standards are reasonable or unreasonable, that is, whether they are supported by good reasons or poor ones.
- Ethics are in play when a person takes the moral standards absorbed from family and friends and asks: what do these standards imply for the situations in which I find myself? Do these standards really make sense? What are the reasons for or against these standards? Why should I continue to believe in them? What can be said in their favour, and what can be said against them? Are their implications in this or that particular situation reasonable?

Business ethics - an oxymoron

Most large organisations with listing on stock exchanges have explicit business values and ethics policies, a key element of which is a code of ethics. Yet on a daily basis the media is full of examples of serious violations involving many of these companies. Large organisations like the Tata group, Reliance, ADAG, Satyam, Loop, Essar, Union Carbide, Posco, Vedanta, PWC... the list is long and growing ... are facing charges and are under investigation. At the moment 4 Indian telecom CEO's are in jail in the context of the telecom scam.

What are the causes of the apparent gap between having published ethical principles and their becoming embedded in the bloodstream of an organisation? Has the teaching of business ethics in business schools and management colleges been a waste of time? Is it true that business ethics is truly an oxymoron?

The term business ethics is generally used to portray two different concepts. First, it describes the relationship of civil society to the business sector. Second, it involves the interaction of business entities with their main constituents: employees, customers, suppliers and shareholders. These are usually categorised today as stakeholders.

There is still no set of guidelines or standards that clearly distinguish what is right and what is wrong in the business world. There are certain norms that people follow in life such as being honest, trustworthy, and respectful. These norms are pretty basic and most people understand them to an extent. Ethics in the workplace though is a whole new ballgame because many different situations will arise that deal with complex issues where one may not know what is wrong and what is right.

Economic theory is concerned with the efficient utilization of resources to satisfy consumer wants and to maximize profit and satisfaction. Yet, how business is to be pursued, at

what costs and by what means has been the subject of endless research and debates by famous economists, industry experts & management gurus over the past decade. The ethics debate kicked off with the following view of Milton Friedman, Nobel Laureate "Business's only social responsibility is to maximise profits so long as it stays within the rules of the game; which is to say engages in open and free competition without deception or fraud". Friedman's view was further echoed by Theodore Levitt "In the end, business has only two responsibilities - To obey elementary canons of face to face civility (honesty, good health and so on) and to seek material gain".

Ethical issues often arise when the desire for short term profit affects the way a business is run. 'Short-termism', driven by the need for quarterly reporting, does nothing for the requirement to do business ethically. However, that cannot be made an excuse for a business (or any organisation) neglecting high standards of behaviour.

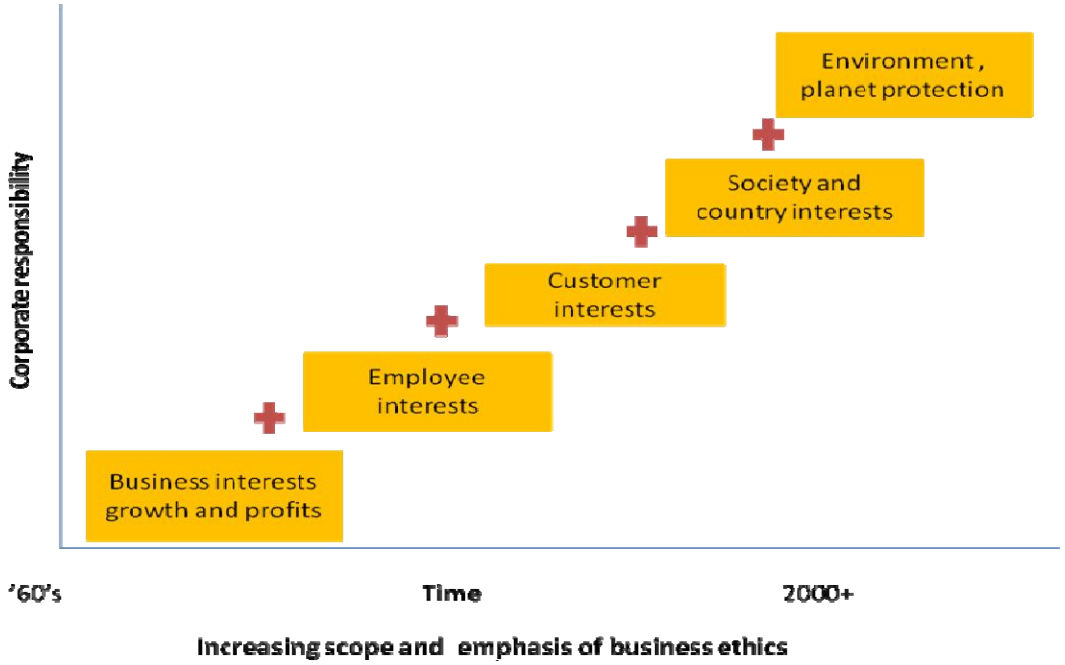
However, these arguments cannot be used as an excuse for business to be unethical. Business does not operate in a vacuum. It operates within the thick of the social environment. Business has its ethical casualties. It has externalities, victims, stakeholders. The ethics of business has to be seen as the right of its actual and potential stakeholders.

Today, companies face more ethical dilemmas than ever before. Technological change brings new debates, on issues ranging from genetically modified organisms to privacy on the Internet. Globalization brings companies into contact with other countries that do business by different rules. Competitive pressures force firms to treat their staff in ways that depart from past practice. To add to that, firms are subjected to scrutiny from outside, led by the media and non-governmental organizations (NGOs) and dealing with ethical issues has now become an integral part of every manager's job.

The new economy is changing the world of work and the people who work in it fundamentally. Technology, globalization, intangibles and the war for talent are all driving the new economy and helping to create new corporate paradigms. In the new economy, business models can be seen as groupings of assets (or stakes), and businesses will need to be accountable to each asset owner (or stakeholder) in some kind of mutually agreed way. Wider accountability involves wider ethical dimensions that businesses must grapple with, and with this comes a greater risk of ethical conflicts that can damage an organization.

From the mid-nineties, the discussion involving the question of ethics and social responsibility in business has been gaining prominence. In the face of worsening social and environmental problems (unemployment, social exclusion, deforestation, extinction of species,

water, air, and soil pollution) in every part of the world, consumers, investors and society in general have begun to call on companies to assume their portion of social responsibility and to conduct their businesses in an ethical manner.



One of the major challenges faced by organizations at the present time is to balance the search for competitiveness with ethical and responsible business operations. The pressure brought to bear in terms of ethical and socially responsible business practices has become even stronger, as companies expand their operations to various parts of the world, thereby demanding coherence relative to their activities at a global level, due to the speed with which information is distributed throughout the market.

A problem of choice- conflict of interest

Ethical problems arise not because of people's tendency to do evil, but because of the conflicting nature of standards and interests, which are valid in themselves. Problems in ethical decision-making and behavior occur only when individual interests and social norms conflict with each other.

Every organization has its own accountability towards its stakeholders – employees, capital investors, consumers, government, competitors, suppliers, and other community members. In most situations the organizations are able to balance its obligations towards these varied stakeholders. However, sometimes conflicts do arise between the interests of two or more

stakeholders. In such situations the more influential and powerful group could gain precedence over others, to protect their own interests.

For example, though maximizing financial returns is an organization's obligation towards its shareholders, it could be at the cost of the ecological system or legal business practices. Managers under these situations face the dilemma of protecting long-term interests of the organizations and short-term profits. The current emphasis on short term results with a focus on driving up stock prices often leads to compromises.

However, research has already shown that ethics do pay. Since unethical practices cost industries billions of dollars a year and damage the images of corporations, emphasis on ethical behavior in organizations has increased over the recent years. Societal expectations and pressures from legal and professional bodies have forced organizations to be more concerned about their social responsibilities and ethical practices.

Why Is Business Ethics Needed?

For businesses to exist in contemporary global markets, it is necessary to incorporate ethical behavior into their practices. The major reasons behind ethical business practices are:

- To prevent businesses from abusing the rights of the general public. For example, some business practices can cause harm to consumers through the production of defective products, it is the ethical responsibility of these companies to recall such products;
- To protect employees from being subjected to unethical practices. For example, sales representatives should not be given quotas that may induce them to partake in unethical dealings;
- To ensure businesses remain economically viable by complying to the value system of a society in which they operate. That is, for businesses to be successful they must abide by the established ethics of society;
- To protect business itself from unethical practices of employees. For example, if a business has its own set of ethical guidelines, employees will be unable to harm the good name of the business. Such ethical guidelines also provide security against unethical competitors;
- To act as major motivator for ethical employees to achieve a high degree of productivity (i.e. employees will be proud to belong to a company where sound ethical behavior is the prevailing norm)

In the long run sound ethics was good for business. A business cannot afford to have a reputation for not behaving ethically, which can in turn be damaging to its business interests.

What's Driving Business Ethics Today?

The AMA/HRI Business Ethics Survey 2005 clearly illustrates that businesses view ethics as having a big impact on their brands and reputations as well as on customer trust and investor confidence. Business ethics isn't only about "doing the right thing" or even avoiding the kind of scandals that can utterly devastate a company. It's about good business.

Some of the key findings in that survey on what is influencing ethics in today's organizations, and how business ethics may evolve over the course of the next 10 years are given below:

- The number one reason for running an ethical business, today and in the future, is protecting a company's reputation.
- Maintaining an ethical business environment has become more important and more challenging in today's fast-changing global marketplace.
- The pressure to meet unrealistic business deadlines or objectives is the factor most likely to cause people to compromise ethical standards in companies.
- Business scandals have had a major impact on business ethics issues in recent years but, in the future, globalization and competition will be the top business drivers of ethics.
- Laws and regulations are, and will remain, the most influential external drivers of corporate ethics, but issues related to the environment are expected to become considerably more important in the next 10 years.
- As technologies grow ever more powerful and pervasive, they will raise difficult ethical questions with which companies will have to deal.
- Globalization brings many ethical challenges, especially in developing nations where issues related to forced labor, child labor, and working conditions are top concerns.
- Corporate culture is crucial to creating and maintaining an ethical environment, but culture is notoriously difficult to shape and change. Doing so requires a systems framework approach.
- Leaders who support and model ethical behavior and communicate such values are critical to a company's ethics.

- Establishing codes of conduct and training programs are seen as the most important corporate practices for contributing toward an ethical culture. Also important are ombudsmen to provide confidential and informal guidance and help lines to officially report malfeasance.
- Having the right measurements and indicators is necessary to gauge the corporate ethics environment.
- The companies with best-in-class ethics practices will increasingly gear their strategies toward "external" stakeholders, such as customers, suppliers, business partners, investors, and communities.
- In terms of serving customers and investors, ensuring transparency is key.
- The best way of encouraging ethical conduct among suppliers is through codes of conduct and audits.
- In the near future, companies will seek ways to become more proactive in terms of dealing with problems that pose, or may soon pose, ethical challenges.

Operating ethically - Barriers faced by organizations

The modern world is becoming more and more interdependent due to increasing globalization of the world economy. While on the one hand businesses have open markets and unprecedented opportunity, on the other there are many ethical barriers facing firms operating in different countries. Some of ethical dilemmas include bribery; deceit/false information; anti-competitive behaviour; discrimination; environmental issues and social responsibility.

However not all the challenges are external or cultural. Many of them are also internal to the organisation and have to do with the corporate culture operating within the firm.

Understanding the barriers

Bribery

This is a typical phenomenon facing businesses around the world. Bribery is defined as remuneration for the performance of an act that is inconsistent with the work contract or the nature of the work one has been hired to perform.

Universally, bribery is not accepted as an immoral, illegal or unethical business practice. European law contains measures against corruption exercised within the European countries, but

unethical behavior of European businesses overseas is not covered within the European laws. For example, European firms can deduct foreign bribes as business expenses from their taxable income which give legitimacy to bribery or extortion payments. On the other hand American executives have been prosecuted for paying bribes. Bribery in Japan is an open kind of activity that is culturally accepted. In India, the license raj ensured the widespread prevalence of this evil but even post the liberalisation of the economy, the country is currently grappling with a number of graft cases. In the 2G telecom scam of 2010, the CBI and ED believe that telecom minister A Raja got bribes to the tune of Rs 3,000 crores.

False Information

Another related issue is the question of deceit/false information facing international trade. One serious detriment to the expansion of international business is the degree to which various nations condone the practice of falsifying information. Lying is particularly a complex phenomenon: the person lying must intend to deceive the person with whom he or she is communicating.

Falsifying reports

Is a highly unethical practice and ranges from falsifying reports to clever accounting to padding expense statements. However perceptions about the severity vary around the globe.

Dealing with Competitors

The manner in which companies compete with one another in the international market is a vital issue. If companies feel that some nations do not provide a level playing field for all competitors, they are less inclined to do business there all other things being equal. Two overriding concerns are violation of patents and copyrights and obtaining information about competitors. Piracy is still considered legal in Indonesia, and Thailand, although software copyright protection legislation has been passed in Japan and Philippines.

Environmental and Ecological Concerns

One of the most pressing and thorny international management problems is the ecological impact of industrialization around the globe. To protect the environment and the people from the unintended consequences of industrialization, most developed countries have established numerous regulations and enacted specific environmental legislation. Today, because of the increased knowledge about the environmental impact of industrialization, there are worldwide pressures and demands to curve the damage to the environment.

Examples of Ethical issues faced by organizations

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Examples of Ethical issues faced by organizations

Arising from the nature of markets

The 18th Century economist Adam Smith demonstrated how in a free market the self interest of producers and consumers will produce an outcome desirable to all concerned

But the market can also lead to inequality of income, wealth and market power:

- Monopoly suppliers can exploit consumers
- Monopsony buyers can exploit supply firms
- Worldwide inequality of income can result in unethical practices such as the child labour

Involving society

- Involvement in the community
- Honesty, truthfulness and fairness in marketing
- Use of animals in product testing
- Agricultural practices e.g. intensive faming
- The degree of safety built into product design
- Donation to good causes
- The extent to which a business accepts its alleged responsibilities for mishaps, spillages and leaks
- The selling of addictive products e.g. tobacco
- Involvement in the arms trade
- Trading with repressive regimes

Arising from internal and industry practices - examples

- Treatment of customers - e.g. honouring the spirit as well as the letter of the law in respect to warranties and after sales service
- The number and proportion of women and ethnic minority people in senior positions
- The organisation's loyalty to employees when it is in difficult economic conditions
- Employment of disabled people
- Working conditions and treatment of workers
- Bribes to secure contracts
- Child labour in the developing world
- Business practices of supply firms

Arising from unethical practices in marketing

- Lack of clarity in pricing
- Dumping – selling at a loss to increase market share and destroy competition in order to subsequently raise prices
- Price fixing cartels
- Encouraging people to claim prizes when they phoning premium rate numbers
- "Bait and switch" selling - attracting customers and then subjecting them to high pressure selling techniques to switch to an more expensive alternative
- High pressure selling - especially in relation to groups such as the elderly
- Counterfeit goods and brand piracy
- Copying the style of packaging in an attempt to mislead consumers
- Deceptive advertising
- Irresponsible issue of credit cards and the irresponsible raising of credit limits
- Unethical practices in market research and competitor intelligence

Arising from unethical practices relating to products

- Selling goods abroad which are banned at home
- Omitting to provide information on side effects
- Unsafe products
- Built in obsolescence
- Wasteful and unnecessary packaging
- Deception on size and content

- Inaccurate and incomplete testing of products
- Treatment of animals in product testing

In relation to the supply chain

It would be hypocritical to claim to be a ethical firm if it turned a blind to unethical practices by suppliers in the supply chain. In particular:

- The use of child labour and forced labour
- Production in sweatshops
- Violation of the basic rights of workers
- Ignoring of health, safety and environmental standards

An ethical producer has to be concerned with what is practiced by all firms (upstream and downstream) in the supply chain.

Can ethics be taught?

The former president of Enron, Jeffrey Skilling, was a top student at the Harvard Business School. On being questioned by his professor "what he would do if his company were producing a product that might cause harm, or even death, to customers that used it. According to his professor [...] Jeffrey Skilling replied 'I'd keep making and selling the product. My job as a business man is to be a profit-centre and to maximize return to shareholders. It is the government's job to step in if a product is dangerous'. The possible roots of the ensuing Enron crisis were already visible in this bright student.

Perhaps recognising the danger of students carrying such beliefs into the corporate world, and in response to the increasing number of corporate scandals, management institutes like the IIM's have now made it mandatory for students to take a course in business ethics.

Yet, the debate is: Can business ethics be taught? The views on both sides of the debate are strong. Many people feel that ethics is simply something you must learn at a young age. By the time someone reaches adult hood it is too late for them to learn ethics. If one subscribes to this view then ethics education is a waste of time and money. In such a situation, efforts should be devoted to identifying and eliminating those who are potential violators, not developing them.

On the other hand, many also feel this is not true. Each of us has faced numerous ethical dilemmas. When we observe a friend cheating should we stick by a friend, or turn in a cheater?

Knowing full well that delivery schedules cannot be met, should you lie to the customer and get the order or fail to meet your targets and face the boss? How do we choose when the consequences are real?

The first approach is convenient in a sense because the blame can be shifted to a few. But will the problem be eliminated by weeding out the so called unethical characters? The organization must scrutinize itself to determine if there's something wrong within the organization. Contrary to popular belief, most people are not guided by a strict internal moral compass. Rather, they look outside themselves—to their environment— for cues about how to think and behave. This is particularly true when circumstances are ambiguous or unclear as they are in many ethical dilemma situations. At work, the organizational culture transmits many cues about how one should think and act.

Let's take the case of the Enron scandal. Information to date suggests that both Enron and Arthur Andersen had cultures that encouraged unethical behavior. Enron allowed (and perhaps encouraged) unethical behavior throughout the organization and Arthur Andersen's actions with a series of clients is still under scrutiny from law enforcement and regulatory agencies.

If ethics problems are rooted in the organization's culture, discarding a few people without changing that culture isn't going to solve the problem. An effective and lasting solution will rely on management's systematic attention to all aspects of the organization's culture and what it is explicitly or implicitly "teaching" organizational members.

This broader question about the source of ethical and unethical behavior is based on the "nature/nurture" debate in psychology. Are we more the result of our genes (nature) or our environments (nurture)? Most studies find that behavior results from both nature *and* nurture. When it comes to ethical/unethical behavior, the answer is not either/or, but *and*.

The above proposition makes it clear that ethics can indeed be taught. Ethical behavior relies on more than good character. Although good upbringing may provide a kind of moral compass that can help the individual determine the right direction and then follow through on a decision to do the right thing, it's certainly not the only factor determining ethical conduct. In today's highly complex organizations, individuals need additional guidance. They can be trained to recognize the ethical dilemmas that are likely to arise in their jobs; the rules, laws, and norms that apply in that context; reasoning strategies that can be used to arrive at the best ethical decision; and an understanding of the complexities of organizational life that can conflict with one's desire to do the right thing. For example, businesses that do defence-related work are expected to comply

with a multitude of laws and regulations that go far beyond what the average person could be expected to know.

The ethical decision-making process involves three basic steps:

- Moral awareness (recognizing the existence of an ethical dilemma),
- Moral judgment (deciding what's right), and
- Ethical behaviour (taking action to do the right thing).

All of these steps are influenced by two types of factors:

- Characteristics of individuals and
- Characteristics of organizations.

The question of whether ethics should be taught remains. Many still believe that ethics is a personal issue that should be left to individuals. They believe that attempts to teach ethics are inappropriate efforts to impose certain values and to control behavior. But this does not negate the need for employers responsibility to teach employees what they need to know to recognize and deal with ethical issues they are likely to face at work. Failing to help employees recognize the risks in their jobs is like failing to teach a machinist how to operate a machine properly. Both situations can result in harm, and that's just poor management.

Individuals do come to organizations with predispositions that influence their behavior, but the work environment can also have a large impact. Making ethical decisions in today's complex organizations isn't easy. Good intentions and a good upbringing aren't enough. The special knowledge and skill required making good ethical decisions in a particular job and organizational setting may be different from what's needed to resolve personal ethical dilemmas, and this knowledge and skill must be taught and cultivated.

Therefore, organizations that neglect to teach their members "ethical" behavior may be tacitly encouraging "unethical behavior" through benign neglect. It's management's responsibility to provide explicit guidance through direct management and through the organization's formal and informal cultural systems. The supervisor who attempts to influence the ethical behavior of subordinates should be viewed not as a meddler but as a part of the natural management process.

Conclusion

Educational institutions and work organizations should teach people about ethics and guide them in an ethical direction. Adults are open to, and generally welcome, this type of guidance. Ethical problems are not caused entirely by bad people. They're also the product of organizational systems that either encourage unethical behavior or merely allow it to occur.

While individual characteristics are a factor in determining ethical behavior, good character alone simply doesn't prepare people for the special ethical problems they're likely to face in their jobs or professions. Special training can prepare them to anticipate these problems, recognize ethical dilemmas when they see them, and provide them with frameworks for thinking about ethical issues in the context of their unique jobs and organizations.

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Book Review

[10]Sims, Peter., *Little Bets;* 2011; Free Press, pp 213, Price

This focuses on innovation: apt for all those who aspire to soar high in the corporate world but don't really know how? This book also clears myths about being successful and reinforces the fundamentals that most in the corporate world tend to overlook.

The author, an erudite personality from Stanford, realized that people want to achieve but something and something really BIG. It was only after the author, transformed from a student to a venture capitalist did he realize that 'successful entrepreneurs don't begin with brilliant ideas: they discover them'.

Since the mantra to earn big is the norm for each one of us at an individual and corporate level, Peter takes you through the 'Amazon' example. In this example, the Amazon culture is such that employees are encourage to come up with ideas which can be implemented based on which they are evaluated. But Amazon also accepts ideas that have failed but does not slow down the 'ideas momentum'. This idea culture led to Amazon's exponential growth but this did not come without marked failed attempts.

Little Bets is all about powerful, meaningful and leadership provoking examples through which the reader's conceptual base which if applied can prove to be very effective. One such analogy is about the US – USSR war, which clears another myth that there is no fixed mantra or business model to combat competition. Yes, Peter actually interlinks war strategy to boardroom strategies and this is explained beautifully in one line: 'Instead of fighting with information, the army must fight to get information.' This is an important learning for companies who create products with superficial information instead of literally living with customers to get real insights. This is well articulated in the Starbucks example : lean milk instead of whole milk is used for cafes and lattes : because that is the preference of the customers. Yes, Howard Schultz, got his myopic perspective corrected for the good.

Mr. Sims stresses on the importance of prototyping— to create raw versions of products which could be of immense potential. The raw version is important to first test the feasibility which helps in gauging potential it really has to does not. This is aptly explained through the Procter & Gamble example, where tests are done to capture 'low resolution prototypes made from duct tape or cardboard'. This helped P&G to understand the user's perspective, receive insights and then take off to creating the 'final product'.

[10] Book Review by Anjali Talreja, Rizvi Institute of Management Studies & Research

The book also has a strong academic research link; this is actually not very surprising for an author who is an alumnus of Stanford University. He explains: Professors from INSEAD and Brigham Young University have surveyed and researched entrepreneurs. From their findings, they have come to a conclusion that 'inquisitiveness' proved to be common and an asset in creating a successful ventures.

This book is a true eye – opener, giving clarity to the corporate haze that most of us actually live in and thus deprive ourselves to grow. This book acts as guideline to help unearth the potential of entrepreneurs and companies through powerful and revolutionary examples , stalwarts and even the army.

Book Review

[11]Bansal, Rashmi., *I have a Dream;* 2011; Westland Ltd., New Delhi, pp 213, Price

The book titled "I have a Dream" (genre: general management-entrepreneurship) is the third book from the author, Rashmi Bansal. All the three books dwell on case histories of entrepreneurs to inspire younger generation to look beyond the conventional, cushy jobs with the security they promise and instead take the route of entrepreneurship. The three books written within a span of four years couldn't have been timed better what with the business environment becoming more conducive for people to translate their ideas into business reality, thereby contributing to the growth of the nation. There are a lot of incubators around- viz. National Innovation foundation set up by Government of India, Centre for Innovation, Incubation and Entrepreneurship instituted by IIMA, Corporates like WIPRO, Hero Mindmine setting up their own incubating cells, Venture capitalists & Private Equity firms like Blackstone, ICICI Ventures providing advisory and consultancy - who help entrepreneurs nurture and scale up their startups. All these and other trends in the business ecosystem only add to the relevance of the message being delivered by Bansal in her three books which have a common thread or leit motif running through them.

Her first book christened "Stay Hungry Stay Foolish" profiles 25 IIM Ahmedabad graduates who chose entrepreneurship with all the risks it entails instead of a government or corporate job with all the security and comfort it affords. The book was ostensibly written (under the aegis of Centre for Innovation Incubation and Entrepreneurship, IIM Ahemdabad) to inspire young graduates to look beyond placements and salaries. Her second book titled "Connect the Dots" recreates the business stories of those who unlike her first set were not armed with a degree in management yet were successful in transforming their ideas into feasible business. The two books are written in a manner to instill confidence amongst Indian youth to chase their dream of floating start-ups and by doing so also contribute to the growth of the economy of our nation. The author herself an IIM, Ahmadabad alumnus and an entrepreneur provides advice straight from the horse's mouth to the reader –her audience being young entrepreneurs- at the end of each of the chapters of the two books.

Her third book aptly titled "I have a Dream" documents the experiences and struggles of 20 entrepreneurs oddly enough working in the area of 'social entrepreneurship'. These entrepreneurs are in fact idealists committed to different causes of the society. The title is drawn from the famous speech by the great Idealist Martin Luther King Jr. at the Lincoln Memorial,

[11] Book Review by Garima Sharma, Rizvi Institute of Management Studies & Research

Washington D.C. These 20 'idealists' took up a social cause and applied principles of management and business to achieve a greater common good or welfare of the society as a whole.

Her latest book is divided into three sections namely- **RAINMAKERS, CHANGEMAKERS AND THE SPIRITUAL CAPITALIST**. The first section called 'RAINMAKERS' profiles 11 entrepreneurs viz. **Bindeshwar Pathak** , founder of Sulabh International who brought a revolution in public toilets and also dignity to millions who cleaned them ;**Anita Ahuja**, founder of Conserve India who took up the cause of ragpickers and ran a unique income-generation programme of recycling plastic waste to create export-quality handbags; **Vineet Rai**, founder of Aavishkaar Social Venture Fund for rural entrepreneurs; **Sumita Ghose**, founder of Rangsutra, a for profit venture which sources craft and textiles from villages and retails through Fabindia; **Saloni Malhotra**, founder of DesiCrew, India's first rural BPO; **Ishita Khanna**, founder of Spiti Ecosphere which promotes eco-tourism and berry processing and preserves heritage of HP rural areas; **Harish Hande**, founder of SELCO, which makes solar lighting affordable for villagers; **Santosh Parulekar** of Pipal Tree, which metamorphoses poorly educated rural youth into highly skilled construction workers; **Dinabandhu Sahoo**, founder of Project Chilka which initiated 'Blue Revolution'in Orissa villages by training villagers to 'farm the ocean'; **Anand Kumar** founder of Super 30 for tutoring poor but meritorious students for IIT JEE; and **Dhruv Lakra**, founder of Mirakle Couriers which employs the deaf. What's common among these eleven entrepreneurs from diverse areas is their shunning of profit as primary motive of running business and instead embracing a new model of business of 'doing good' which generates revenues and does not fall in the bracket of charity. Each of the eleven chapters in this section concludes with an advice straight from the horse's mouth i.e the idealist entrepreneur to whom the chapter is devoted. All chapters recount the personal lives of these Rainmakers as also capture their experiences in setting up and running their ventures, the challenges faced and the ways in which these were surmounted to address a social need gap.

The second section titled ' CHANGEMAKERS' chronicles and documents the stories of six idealists who singlehandedly laid the foundation of a NGO or initiated a movement in a space where there was a huge gap between what 'should be' and 'what is'. The space is as diverse as primary education to clothing for rural poor to democratic reforms to upliftment of slum children in urban areas to empowerment of citizens to helping the blind. This section provides in-depth profiles of the following : **Madhav Chavan** , founder of Pratham NGO in the area of education for poor; **Anshu Gupta** founder of NGO Goonj working in the area of transforming waste clothing into a piece to be worn with dignity and pride by people who don't have the

means to clothe themselves; **Trilochan Sastry**, founder of NGO called Association for Democratic Reforms working in the area of electoral reforms; **Shaheen Mistry**, founder of NGO Akanksha in the area of education for slum children; **Arvind Kejriwal ,** founder of Parivartan functioning in the area of citizen empowerment; **Bhushan Punani**, the leading light of Blind Person's Association. These Changemakers applied management principles in development or social sector. Their stories are quite awe –inspiring what with these idealists floating NGOs with no- profit motive. They blended their commitment to a cause with modern management practices to reach out to the needy or attending areas which were not being serviced by any government organization or other NGOs.

The third section christened 'The Spiritual Capitalist' presents sketches of another set of idealists – three in number who live by the ideals of selflessness and service. Oddly enough all three are IITians who were never enthused by the idea of working in corporate world and chose the untrodden path of joining Spiritual organizations like ISKCON, Parivaar Ashram and Belur Math.

Madhu Pandit Dasa, head of ISKCON, Banglore is now leading Akshaya Patra- a movement which combines missionary zeal and modern management to run the world's largest mid-day meal program feeding more than a million school children. An Akshaya Patra meal costs Rs 5.50; the government gives Rs.3 per meal, so balance has to be arranged by the former. This they do by donations from individuals as well as corporate. As corporate seek transparency and accountability with regard to their money, KPMG was brought in to audit accounts. The result was Akshaya Patra achieved the mission of feeding 1 million children by 2010, in early 2009. Their next milestone is reaching out to 5 million children by 2020.

Vinayak Lohani leads Parivaar Ashram which provides residential facility for orphans, tribals and daughters of prostitutes. Running an institution like this 24/7 requires commitment of the highest order from the employees. Lohani was able to attract and mobilize people to take up a life of service by setting example through his deeds and noble work. Most foundations or institutes take responsibility for a child only up to a certain age after which are expected to fend for their own selves. But Parivaar adhered to the true Indian tradition of a family never deserting its child come what may.

Shreesh Jadhav , an IIT graduate , and current registrar of Vivekanand University at Belur Math did not take up a conventional career instead chose to be a monk. Under the aegis of Rama Krishna Mission, he is doing a yeoman's service in the area of education and upliftment of the downtrodden with a spirit of complete selflessness.

Bansal's three books warrant comparisons with the first two books in the genre of Business profiles –namely the highly acclaimed Business Maharajas and Business Legends-authored by Gita Piramal . While the two books by Piramal provide in-depth profiles of the most powerful industrialists, business tycoons of India who either belonged to or started Business Dynasty, Bansal's three books in contrast present profiles of some well -known, some not so well known entrepreneurs who have emerged in the post -independence India. Piramal's Business Maharajas and Business Legends sketches stalwarts who had done business in or had seen pre Independent India at close quarters.

The book is written in conversational style to strike easy rapport with its target audience-India's youth. The language is simple yet effective- drawing heavily from the colloquial vocabulary. Each of the chapter is interspersed with transcripts of the interviews conducted by the author over her various meetings with the individuals profiled. At the end of each chapter is a page devoted to advice from these protagonists, as it were, to the young entrepreneurs.

The book is in fact a must read for not just Management students but also anyone who would want to start a venture in an area which does social good. The book would also appeal to a layman for the compelling and absorbing way in which the stories are recounted- one need not be well versed with business terminology or jargon to make sense of this book which in any case will occupy a place of pride in a management / business school library. The book would also be of immense use to business historians and research scholars for the mine of information it provides on some of the most successful start-ups in the domain of social entrepreneurship-the need of the hour for a beleaguered nation beset with problems of socio-economic nature.

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