Freedom as Leadership

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ABSTRACT

A common thread is explored in connecting leaders from different times and places, of different fields and stature. The leader has little to do with the quality of the reaction which is almost completely determined by the nature of the stimulus. Unlike animals, who are by nature reactive, proactivity is inbuilt to humans beings who have the freedom to choose. The essence of leadership consists in recognizing and manifesting self-awareness, conscience, imagination, and independent working together in concert in our lives. To be human is to be free and free from the finitude of conditional determinism. The essence of human-ness is in the infinite freedom of self-determination. The relationship between leadership and economic growth is mediated by innovation and entrepreneurship. Freedom is the essence that manifests as leadership. Often a question is asked "Are leaders born and can leadership be learned as well?" The answer lies in the person and so does the leader. Leadership is the manifestation of freedom already in a person.

Unmindfully I walked in to the kids' room the other day. A bunch of pre-teens including my own were deeply and loudly engrossed in what appeared to be a typical session of the Indian Lok Sabha but, according to them, was merely a game. As I was turning back with a smile on my face that betrayed one hundred percent "out-of-place-ness," somebody suggested: "why don't we ask uncle?" "Yes," rang a surprising unison supporting that idea. Hardly had I re-turned to them with tacit consent in my eyes, explanations, objections, and interjections sprayed in from all sides. It took me a while to figure out that they were playing some sort of game one of them had picked up from school. The game involved identifying the common theme threading through different words put forward by the participants. For example, if the different words were grapes, mangoes, oranges, and apples, then an acceptable answer could be 'juicy fruits.' As it happened, the question that got them all engaged, made them think (really aloud!), and had them stuck was: "Uncle, what is common among Sourav Ganguly, Mother Teresa, Gandhiji, and Tata?"

Must confess that the question unsettled me, if only for a moment. But, like a true grown-up, I pretended otherwise and my daughter was spared mega embarrassment as the answer was delivered through my mouth: "They are all leaders." Lo and behold, unanimous acceptance. The kids were impressed. What a relief! While making a triumphant exit, I caught sight of my daughter. She was looking at me and there was something in her look that instantly wiped the 'smart Alec' smile I wore on my face. Busywork soon buried the whole incident away from the surface of my mind.

One day, after a while, my daughter brought the daily copy of a best-selling

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newspaper to my attention. She pointed out a story the newspaper ran on the first page. I guess you could call it the story of the old man and the pond. It was the story of a 67-year-old man who had lost his only son seven years ago. The son died from drinking water that was not fit for so. That, in and of itself, was certainly not newsworthy because their village, like so many of India, had acute shortage of drinking water. However, the story was published because in the last seven years since his son's death, the old man, using a home-made gardening tool, had single-handedly dug a pond in his village that was full of fresh water now. "Baba," my daughter asked, "Is this guy a leader too?" She briefly recounted the earlier incident to jog my memory. "I guess so," was my casual reply. "Then why didn't they mention his name in the story even for once?" enquired her innocent sincerity. "Well, I guess … I think … you know …" I fumbled, hoping for a carefully crafted diplomatic phraseology to emerge faithfully to my rescue. It didn't. Instead, it was my daughter again. She didn't insist for an answer. "Dad … you know why," she reassured with an affectionate smile as she left my room.

She left me wondering. What is the common thread connecting leaders from different times and places? Of different fields and stature? I know, as does my daughter, it is not fortune, fame or name. It is an act of, for and by humanity itself. An image surfaced on my mind – one person, alone, braving a line of monstrous military tanks at Tiananmen Square. An image of anonymous immortality.

Indeed, what is the essence of leadership? Posing the question in this fashion lets us implicitly define leadership as the generic quality that is common to leaders from different times and places and of different walks and acts of life. In fact, the widespread use of the word leadership acknowledges the existence of a generic quality underlying it. What is attempted in this article is to understand and articulate the nature of this generic quality commonly known as leadership.

The word 'lead' goes a long way back in the history of the English language. It had an early meaning of front or ahead. The word was often used to describe animal behavior. For example, the wolf that leads the pack. Or the patriarch that leads a herd of elephants. The widespread adaptation of this word in the context of humans is but a natural consequence of the animal ancestry of both. This brings up the real issue to light. Though humans have evolved from animals, yet 'human-ness' is not merely an adaptation of 'animal-ness' resulting from natural selection. Or is it? Are there endowments that make us uniquely and exclusively human – creating a distinct identity not to be found in the rest of the animal kingdom? If so, what are these uniquely human endowments? How do they redefine the meaning of leadership in the human world? These are the questions underlying the search for the essence of leadership in human society.

Let me outline the flow of thought followed in this article. Humans are distinct from animals by virtue of having unique and exclusive endowments. The uniqueness of human nature implies that leadership in human society may be fundamentally distinct from that in the animal world. We begin by exploring the nature of leadership in the animal world. That is followed by identification and appreciation of the unique attributes that make us human. Subsequently, we attempt to connect the essence of leadership in human society with these exclusive endowments. In the process, the meaning of the word lead (and its derivatives) as applied to human endeavor becomes clear and explicitly distinct from that when applied otherwise.

The Reactive Model

To react is to be a prisoner of conditioning. The reactive model is derived from a paradigm of complete determinism. Determinism implies that behavior is determined by the conditioning environment. In other words, the quality of response of a living being is a reproducibly and predictably deterministic function of the stimulus. Such a behavioral map is based on the stimulus-response theory we associate with Pavlov's experiments with dogs. Since that time, innumerable experiments have been conducted using animals ranging from mouse to monkey with a view to reinforcing the paradigm of conditional determinism.

Now, what is the meaning of leadership in accordance with the reactive model? An answer can be found if we carefully observe the behavior of animals in a group setting. Imagine a pack of wolves in the wild. Also,

imagine a hunter in the same wilderness out to hunt wolves. As it happens, one or more of the pack notices the hunter – a stimulus spelling danger. In reaction to the stimulus, one of the wolves instinctively starts running away and the rest instinctively follow that one. The wolf that started or led the reactive behavior is the leader of the pack in this case. Typically, the leader of the pack also stands or travels or gets to eat ahead of the rest of the pack. That is a reinforcement of its leadership position. Note that the leader of the pack could have instinctively attacked the hunter, because 'fight or flight' is the typical animal reaction to a stimulus of danger. In that case as well, the rest of the pack would have instinctively followed the action of the leader with equal gusto.

The essence of this example can be generalized to the animal society where leadership entails initiation of the reaction in response to a stimulus. The leader, however, has little to do with the quality of the reaction which is almost completely determined by the nature of the stimulus (see Figure 1).
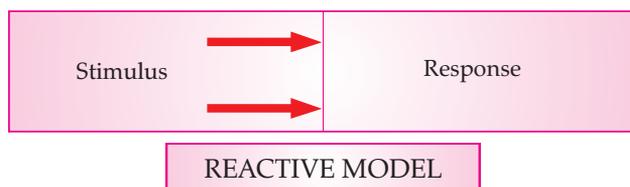
Figure 1: *Animal behavior is determined by the nature of the stimulus.*

Though the deterministic paradigm comes primarily from the study of animals – rats, monkeys, pigeons, dogs – as well as a few neurotic and psychotic people, historically some researchers, allured by its (over)simplicity, predictability and measurability, have been rather persistent in extrapolating this paradigm to construct a generalized explanation of human behavior. There are actually three social maps – three theories of determinism – widely propagated, independently or in combination, to explain the nature of man. Genetic determinism basically says your grandfather did it to you. It's in your DNA, being passed on through generations, and you inherited it. Psychic determinism basically says your parents did it to you. Your upbringing, your childhood experience essentially laid out personal tendencies and your character structure. Environmental determinism

basically says your boss is doing it to you – or your spouse, or your economic situation, or national policies. Someone or something in your environment is responsible for your situation. You can do little to change it.

To acknowledge the power of conditioning in our lives is one thing, but to say that we are determined by it, that we have no control over it, is to submit to an oversimplified doctrine inconsistent with the history of human development. How accurately do these deterministic models describe human behavior? How clearly do they reflect the true nature of humanity? Are they likely to become self-fulfilling prophecies in the life of the believer, like so many ancient fears and superstitions? Are they based on principles we can validate within ourselves?

In the Space between Stimulus and Response

The story of psychiatrist and holocaust survivor Victor Frankl is enlightening in regard to these questions and their answers. Frankl, a Jew, was raised in the determinist tradition which postulates that the limits and parameters of your life are set, and you can't do much about it. He was imprisoned in the death camps of Nazi Germany where he experienced things that are so repugnant to our sense of decency that we shudder to mention them. His parents, his brother, and his wife were sent to gas chambers. Except for his sister, his entire family perished. Frankl himself suffered torture and innumerable indignities, never knowing what awaits next.

One day, naked and alone in a small room, he began to become aware of what he latter called "the last of human freedoms" – the freedom his Nazi captors could not take away from him. They could control his entire environment, they could do whatever they wanted to his body, but Victor Frankl himself was a self-aware being who could look as an observer at his very involvement. His basic identity was intact. In the words of M K Gandhi, "They cannot take away our self-respect if we do not give it to them." Frankl could decide within himself how all of this was going to affect him. He realized that between the condition he was subjected to (the stimulus) and his response to it lay his freedom – the power to choose his response. It was up to him to recognize and exercise this freedom

within. Through a series of mental, emotional, and moral disciplines using memory and imagination, he exercised his small, embryonic freedom until it grew larger and larger, until Victor Frankl had more freedom than his Nazi captors. They had more liberty – more options to choose from in their environment; but he had more freedom – more internal power to exercise his responsive options. He became an inspiration to those around him, even to some of the guards. He helped others find meaning in their suffering and dignity in their prison existence.

In the midst of the most degrading circumstances imaginable, Frankl used the human endowment of self-awareness to discover a fundamental principle – the principle of unconditionality about the nature of (wo)man: Between stimulus and response, humans have the freedom to choose. Animals don't, even the most intelligent ones. They are prisoners of their instinct and training. To be human is to be free, free from the finitude of conditional determinism. The essence of human-ness is in the infinite freedom of self-determination.

Freedom to choose is made up of those endowments that make us uniquely human (see Figure 2). First is self-awareness – an awareness of our existence and an understanding of our true nature formed through detached observation and dispassionate reasoning, as exemplified by Descartes' timeless proclamation "I think, therefore I am." In addition, we have imagination – the ability to create in our mind visions of future beyond our present reality. We also have conscience – an inner sense of compassion, fairness, and justice, an awareness of the principles that govern human behavior, and a feel for the extent to which our thoughts and actions are in harmony with them. Finally, we humans have independent will – the ability to act based on our self-awareness, imagination and conscience, free from immediate external influences, however rewarding or punishing.

The Proactive Model: To Lead Is To Be Free

Even the most intelligent animals have none of these endowments. To use a computer metaphor, they are programmed by instinct and/or training. Animals can be trained, but cannot direct the training themselves. In other words, they cannot change the 'program' or

the 'script' – they're not even aware of it. Our unique human endowments lift us above the animal world. Between stimulus and response lies the ultimate human power – the freedom to choose. Realizing, awakening, and exercising it empower us to fulfill our uniquely human potential. Thus, unlike animals, who are by nature reactive, proactivity is 'inbuilt' to humans. The word proactivity is used in the management parlance to capture this spirit of unconditionality. It means more than merely taking initiative. It means that as human beings, we are responsible for our own lives. Our actions are a function of our decisions, not our conditions. We are inherently capable of taking action, instead of merely being acted upon. (Wo)man, by nature, is not a prisoner of conditioning. S/he is born free to choose.
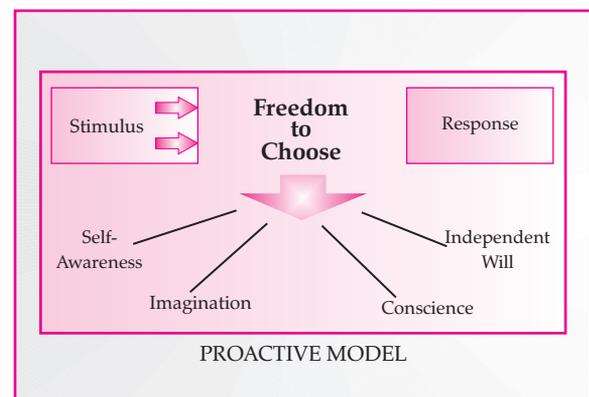

Figure 2 : *Human behavior is led by the freedom to choose.*

In the human context, the essence of leadership consists in recognizing and manifesting in our lives these unique and exclusive endowments, namely self-awareness, conscience, imagination, and independent will which, working together in concert, have intrinsically empowered each of us with this infinite possibility called freedom to choose. Leadership is the act of realizing within and materializing without this potent, proactive power to alter the conditions of reality around us. The higher the degree of leadership, the more significant and widespread is the change – in space as well as in time. Leadership of the greatest kind touches and transforms the lives of innumerable people for a long time in history. Throughout human history, leaders – famous or anonymous – have demonstrated with their lives that leadership, interpreted as freedom to choose our action, is a fundamental, inalienable

human right. But to realize it, we have to manifest it with conscious, reflective action.

The antithesis of the practice of leadership is living in amnesia of the unbound human potential that lies within. Because humans are proactive by nature, if our lives are a function of conditions and conditionings, it is because we have – by default or by decision – let those things take control of us. In doing so we become reactive, governed by our physical, social, or psychological environment. Indeed many of our lives follow the reactive model. Sadly, albeit perhaps unconsciously, we help perpetrate the untruth of the deterministic paradigm that denies freedom as the nature of (wo)man. We fall for it because it is extremely hard to resist, especially if we have had years and years of habitually explaining our misery in the name of exogenous determinants. But until a (wo)man can say deeply and honestly, "I am what I am today because of the choices I made yesterday," the leader in her cannot assert, "I choose to be otherwise."

Humanity and Leadership

It is now clear how the meaning of the word leadership is different in reference to true human behavior from that when applied otherwise. At a lower level, in animal society for instance, leadership is virtually synonymous with initiating the reaction determined by instinct or conditioned by training. At a higher level, such as a highly developed human society, leadership means much more. It involves conceiving high quality options within, exercising our freedom to choose such options, and subsequently materializing those conceptions into reality by use of uniquely human inner powers. Note that true leadership must exercise all the four core human endowments. Anything less is misleading. The vicious acts of Hitler or Stalin are trademarked by a conspicuous absence of conscience, albeit anything but extraordinary in other three dimensions. History bears testimony to the monstrosity of many such infamous individuals who are labeled at best "negative leaders." True leaders breed more leaders, not blind followers. True leadership thrives on freedom, not oppression. Also, it is important to understand that once a leader does not mean always a leader. By definition, a leader is a person who has performed an act of leadership. It may, but not always,

happen that the same person continues to perform further acts of leadership. The reach and impact of leadership acts vary too. Another word of caution: leadership is not perfection. Leaders – being human – are, more often than not, likely to err. However, that does little to cripple the liberating power of leadership.

In view of this understanding, let us revisit our claim that what is common among Sourav Ganguly, Mother Teresa, Gandhiji, and Tata is that they are all leaders. Indian cricketer and builder of the 'Team India' spirit Sourav Ganguly is known for his proverbial resilience. In fact, he has become synonymous with the idea of 'come back.' Every time somebody or something had tried to write him off, he invariably sprang back with a bang. Thus, insuperable power of independent will is the hallmark of Ganguly's leadership, aptly complemented with imagination – being the chief architect of the shared vision of 'Team India,' with conscience – displayed in the search, selection, and encouragement of talented young cricketers for the national team, and with full awareness of what his team was capable of accomplishing. Mother Teresa, recipient of the Nobel Peace Prize and the Bharat Ratna Award, was an embodiment of compassion for humanity – an erstwhile expression of the conscience dimension of human leadership. This dimension in her was suitably reinforced with a strong will that helped her take innumerable sufferings in stride without a whine. Spiritual orientation was at the center of her awareness of the purpose of her life, which she dedicated body and soul for the fulfillment of her compassionate, albeit Christian, vision of a world free of poverty and destitution. MK Gandhi, Indian national leader and the pathfinder of non-violent movements founded in truth, was driven primarily by his unshakeable conviction and unique awareness of the true nature and capability of the Indian common (wo)man. The strength of his conviction was matched by the power of his will and capacity for suffering. Gandhiji's conscience propelled him to experiment with truth, but didn't permit him to compromise it. In the end, he gave his life for his lifelong vision of a free, undivided India. The fourth name, Tata, is unique because it does not refer to a person, but is an icon of leadership instead. For about a century or so, the name Tata has stood for

the understated potential of the underdog. Tatas are humble, calm, unflinching, unyielding visionaries. Jamshedji Tata suffered many mockeries and a lot of humiliation from the directors of British Steel in colonial India, but went ahead nonetheless about making steel, especially rail-grade steel, as the first Indian to venture in an industry that was arguably the most capital and technology intensive of the time. As destiny, and irony, would have it, Tata Steel celebrated the 21st century by acquiring Corus – the descendent of the imperial British Steel. About the same time, the conscience of Ratan Tata was moved by the sight of a middle-class Indian family traveling in pouring rain on an over-crowded and unsafe two-wheeler, and he dared to imagine a future when every Indian household could afford a safe passenger car. Thus 'Nano' was conceived. But it faced serious resistance and problems at birth that could only be overcome through the steely determination and iron will of Mr. Tata. The tradition of imagining the future and exerting to overcome the resistance of the present continues over a century because Tata leadership is uncompromising in the awareness of the purpose of their enterprise.

Now that we have explained the leadership of the four famous ones, let's consider the case of the old man and the sea. Oops, sorry… I mean the old man and the pond. The anonymous old man who worked alone for seven years to dig a pond after his only son's death. It is difficult, if not impossible, to single out any one particular dimension – awareness, conscience, vision, or independent will – as the driver of this man's action. He was certainly moved by a selfless compassion for fellow human beings, knowing fully well that his son was dead and was not going to come back even if he were to succeed in his mission. Though old, emaciated, and poor, he dared to imagine a future when none of his fellow villagers will have to suffer mortally from the shortage of drinking water. He was fully aware that he couldn't guarantee the completion of his project, only its beginning. That he did in all earnest. And that he could transform the pain of his loss into seven unyielding years of solitary effort was the living proof of the mythical proportion of his will power. Like the protagonist of Hemingway's classic, he was defeated but refused to be destroyed. Who says he is anonymous? He is Human.

Freedom, leadership, and development

The relationship between leadership and economic growth is mediated by innovation and entrepreneurship. Economist Paul Samuelson puts it plainly: "One of the key tasks of economic development is promoting an entrepreneurial spirit. A country cannot thrive without a group of owners or managers willing to undertake risks, open new businesses, adopt new technologies, and import new ways of doing business." What is the role of freedom in this context? Implicit in his use of the word 'risk' and 'new' is the fact that at the most fundamental level, entrepreneurial spirit or business leadership boils down to exercising the freedom to choose the unbeaten or 'less traveled' path in full awareness of the uncertainties and consequences. In order to understand the relationship between economic development and leadership, it is instructive to recall Amartya Sen's thesis on "Development as Freedom." Professor Sen argues that economic development promotes, activates, and liberates freedom in (wo)man. In this essay we have attempted to develop the idea of Freedom as Leadership – that is, freedom is the essence that manifests as leadership. Linking the two theses, one can see that development promotes freedom which unleashes leadership. Innovative and entrepreneurial acts of leadership do, in turn, close the loop – the virtuous circle – by fostering economic development (see Fig. 3).
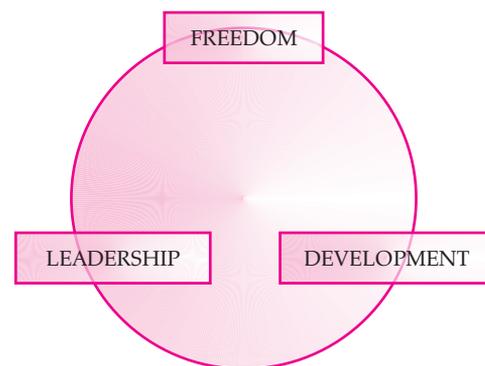
Figure 3 : *The Freedom-Leadership-Development linked loop.*

Another school of thought, closely related to yet distinct from Professor Sen's, posits political freedom as a precursor to economic development. Why is a democratic political system hospitable to economic development? Yale political scientist Robert Dahl describes the link as follows. Democratic systems

foster the education of their people; and an educated workforce is helpful to innovation and economic growth. In addition, the rule of law is usually sustained more strongly in democratic countries; courts of justice are more independent; property rights are more secure; contractual agreements are more effectively enforced; and arbitrary intervention in economic life by government and politicians is less likely. Finally, modern economies depend on communication, and in democratic countries the barriers to communication are much lower.

In any case, irrespective of whether (economic) development precedes (political) freedom or otherwise, (entrepreneurial) leadership is the unequivocal link that closes the loop for perpetual progress transcending ancient fears of Armageddon and defying not-so-ancient economic doctrines – such as the Malthusian one – of universal gloom and stagnation.

Evidence in favor of the 'freedom-leadership-development' linked loop can be found in historical facts, such as (a) continuously evolving sophistication and sustained growth of two of the oldest human institutions, namely democracy and free markets; (b) the close association between economic progress and political freedom; and (c) the 'free' world breeding many more influential leaders and transformative innovations than the rest. The essence of both democracy and free market economy is self-determination. Both these institutions believe in the primacy of bottom-up emergence over top-down imposition. Because the market system confers greater rewards on productive and entrepreneurial activity, it allowed an escape from the stagnation and diminishing returns of the traditional economy of earlier ages. Atomized decision making by different economic actors at many different levels produces new ideas, new experiments and trials that promote the technical changes so central to economic growth. Every occasion of decision making is an opportunity to exercise the freedom of choice innate and unique to human beings. And in a functioning democratic society, every citizen is entitled with as well as empowered by freedom to speak, freedom to change, and freedom to live as s/he chooses. The spirit of enterprise is nurtured by an open society and free markets. One of the remarkable features of the

twentieth and early-twenty-first centuries is the close association between economic progress and political freedoms. Philosophers of an earlier age believed that great wealth was the mark of aristocracies and monarchies. Yet a look at the world today reveals a striking fact: While not every country with a market economy is democratic, every country with a democratic political system has a market economy. Moreover, every high-income country is both a market economy and a political democracy. The freedom of the marketplace goes hand in hand with political freedoms, such as free and fair elections, the presence of a significant opposition, and self-determination of major minority groups. These go hand in hand with civil liberties such as freedom of expression and association, a free press, rule of law, and respect for human rights. Figure 4 illustrates how freedom as well as economic prosperity has grown over the last three decades.
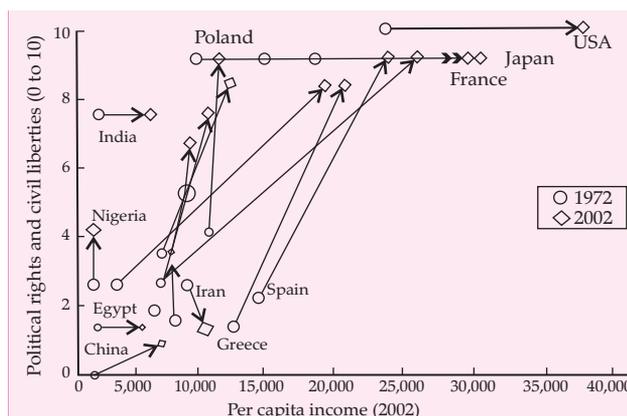

Figure 4 : *Economic Progress and Political Freedom, 1972 and 2002*

High-income countries generally have the most political freedoms and civil liberties, As countries succeed in raising incomes, political freedoms often, but not always, go hand in hand. You can see how freedoms have generally increased over the last three decades.

Source: *Freedom House for data on political rights and civil liberties, The index takes 0 to be the lowest and 10 to be the highest per capita incomes for 2002 come from the world bank and economist Intelligence Unit and correct for purchasing-power:pariues.*

It is not surprising, therefore, to find that many more leaders are bred in the 'free' world than elsewhere. In fact, leadership and innovation in any field have acquired a connotation of breaking free from the existing and established way of doing things. In sports, it means playing a shot as never before (such as a 'reverse' sweep in cricket). In art, it means painting a canvas as never before (such as the 'impressionist' movement). In technology, it often means leapfrogging ahead of the legacy (such as the 'mobile' communications revolution). Leadership is proactively driven by the sprit of experimentation and

invariably poses a challenge to the existing order. Only a 'freedom-based' social order is not threatened by the uncertainties inseparable from such challenges and is stable and confident of benefiting from these unprecedented experiences. The leadership of Western Europe and the United States of America in varied fields like business, art, music, literature, science & technology, sports, etc in the last couple of centuries cannot be explained otherwise. Only recently, after embracing a free market economy of sort, China has seen a couple of its firms make the list of most innovative companies of the world for the first time in history.

A Silent Revolution

Humanist thinker Amlan Datta, with his proverbial perspicacity, has recognized a silent revolution that is "gradually taking shape." Subtly, slowly, but surely this revolution is leading human society "towards an alternative economic order." According to Professor Datta, "Our vision of this new society for the future is based on a recognition of the supreme importance of peace, of decentralization of power, of the indivisibility of the interests of the whole humanity despite local conflicts." Based on these three basic and interrelated principles, the new society will be a worldwide fraternity, loosely organized, not controlled from any center, yet increasingly in touch with one another, and increasingly conscious of the fact that they belong to the same globe. It will be "a kind of confederation" under which different constituents will enjoy maximum possible autonomy. "So a confederation would be a political order which is in tune with the spirit of the new movement" that Professor Datta is talking about.

On a totally different forum and an apparently different context of "Building Tomorrow's Corporation Today," chairman of the Aditya Birla Group Mr. Kumar Mangalam Birla maintains: "So the tight, highly-structured organization will begin operating like a flexible, loose federation of businesses." The similarity between these two visions of tomorrow is hard to miss. Parallel to Professor Datta's prognosis of the political order of the future, Mr. Birla foresees that "Tomorrow's corporations will be marked by fluidity… and decentralization." Both

these scenarios will demand much more widespread acts of leadership by all the participants, big as well as small, than is the case now.

Describing a key feature of the model 21st century economy in his thought-provoking book 'Future Wealth – A New Economics for the Twenty-first Century,' James Robertson explains, "Instead of systematically creating and extending dependency, it must systematically foster self-reliance and capacity for self-development… self-development includes the capacity for cooperative self-reliance." More emphatically, he observes that what we need is not a uniform global economy, but a multiform world order, with local autonomous associations at the base, regional organizations at the intermediate level, and a qualified globalization consistent with this multiformity. Industrialist KM Birla maintains a strikingly similar vision: "Let me start with some major forces… First is the powerful force of globalization… Second, despite a global world, local and regional identities will become sharper. The trend towards regionalism and localization will be equally pronounced." Thus, global thinking and strategies will have to coexist with local execution. Evidently, such multi-level interdependence would demand decentralized leadership and freedom of decision at progressively local and individual level.

The growing influence of new stakeholder interests is visible. Look at corporate behemoths such as Royal-Dutch Shell working jointly with activists such as Greenpeace, whereas not too long ago they were not even on the same side of the fence. Mr. Birla thinks that "Another clear directional change in the formulation of strategy is on the cards." We have to understand that individual preferences of customers are getting to the fore. Individual customer's choice as well as voice is increasingly shaping the nature of the offerings and communications coming out of the marketer's stable. Seeing beyond conventional customer relationship management (CRM), strategic thought leader CK Prahalad advises marketers to explore and engage in co-creating value with active customer involvement and input. Increasingly, the freedom of choice exercised by a multitude of different customers and stakeholders will be gaining in power enough to influence the strategic decisions of business

organizations, small and large alike. Through this evolving mechanism, customers – individually as well as in network – will exhibit elements of unprecedented influence through their increasingly sophisticated power of choice. This incipient force of customer leadership is indeed an emerging trend.

According to W. Brian Arthur of Stanford University, a fundamental change that has relevance in this context is taking hold of the business world in the form of 'Increasing Returns.' "The concept has revolutionized economics. Business is next." Assumptions of diminishing returns – products or companies that get ahead in a market eventually run into limitations so that a predictable equilibrium of prices and market share is reached – are increasingly breaking down in the business of high-tech information, communication, and entertainment (ICE) products. This orthodox Alfred Marshall-ian doctrine of the last century is being challenged more and more by the discovery of increasing returns – the tendency for that which is ahead to get further ahead, for that which loses advantage to lose further advantage. Increasing returns generate not equilibrium but instability, and thus entail more frequent decision making. More decision making demands more leadership.

Analyses by observers like Professor Arthur conclude that modern economies have bifurcated into two interrelated worlds of business corresponding to the two types of returns. The world of diminishing returns involves bulk-produced commodities (for instance steel, chemicals, coffee, etc) heavy on resources and light on know-how. The world of increasing returns involves high-tech products heavy on know-how but light on resources (such as pharmaceuticals, software, telecommunication, etc). Because the two worlds of business – processing bulk goods and crafting knowledge into products – differ in their underlying economics, it follows that they differ in their character of competition and culture of management. It would be a mistake to think what works in one world is appropriate for the other as well. Bulk processing requires efficiency, standardization, control, and hierarchy; and functions smoothly in a deterministic environment of low uncertainty. It is, above all, a world of optimization. In contrast, knowledge-based companies compete in dynamic,

winner-takes-most markets characterized by high levels of uncertainty and disruption. In that milieu, management is not production oriented but becomes mission oriented. Innovation and effectiveness take primacy over efficiency and control. Consequently organizations flatten, hierarchies dissipate, and functions span boundaries. Adaptation, not optimization, is what drives the increasing-returns business in a probabilistic environment. The word adaptation, used here in the proactive sense, means consciously responding to the emergent reality with the vision of the mind, the passion of the heart, and the power of the will. Such adaptation is nothing but acts of leadership exercising our uniquely human and supremely powerful freedom to choose.

As the knowledge-based economy continues to contribute more and more to our gross domestic product (GDP), concomitantly more and more acts of leadership are required from more and more of us. Leadership and entrepreneurship are emerging as the zeit geist. The power of ideas has never been more powerful. Increasingly many venture capitalists are looking for innovative ideas to finance. Entrepreneurship networks are spreading globally. Reverse innovation is becoming a mainstream jargon, if not practice. Large private firms, especially those in the service sector, are actively promoting intra-preneurship within their corporate frameworks. The franchise business model is becoming ever so popular. On the other end, there is growing public support in spirit and money for micro, small, and medium enterprises (MSME). Microfinance, self help groups, grassroots innovation and the like are proliferating. Locally relevant innovative models of collaboration like ITC's e-choupal and HUL's Project Shakti are being tried and tested. Even business schools of every league are rushing to catch up with reality by opening entrepreneurship cells and incubation centers. Governments of developing nations and states are waking up to this development as well. The Thirteenth Finance Commission of India (2010-11) has allocated Rs 20 crore for a Center for Innovation in Public Systems. More importantly, the Commission has earmarked Rs 1 crore to each district for setting up District Innovation Fund (DIF) at the district level aimed at making cutting edge levels of governance responsive to felt needs and innovation. Add to all this

the exponential explosion of consumer choices and its transformative impact on our lives – economic, political, social, cultural as well as every other facet. The commandment of the future has been pronounced: it is not enough to merely live our life, we ought to lead it. This is the kernel of the concept of inclusive leadership – responsible acts of freedom and self-determination for the decentralized many, not just the exclusive few. Through the mechanism of inclusive leadership, progress will be powered not only by the orthodoxy of the Khaas Aadmi but by the heterodoxy of the aam aadmi as well. Let us prepare ourselves to embrace this inevitable process in history. Let us real-ize that to lead is to be unconditionally free – free from the bondage of conditioned determinism.

Taking the cue from my daughter, I would like to conclude with a simple question: "Are leaders born? Or, can leadership be learned as well?" Relax; please don't struggle to articulate. The answer lies in you. And so does the leader. Because, leadership is the manifestation of freedom already in (wo)man.

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The Cs of Transformational Change in Organisations

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The Primary C deals with "Cultural Transformation" and the Secondary Cs – Communication, Care, Capability building and Courage.

ABSTRACT

Transactional change in organization needs some important 'C's which are categorized as Primary and Secondary in nature. The Primary C is 'Cultural Transformation' and the Secondary Cs are Communication, Care, Capability building and Courage. A turnaround needs redefining and rebuilding of the culture in the organization. It also faces a real danger of quickly slipping back from the highs if not sustained properly. Bold and innovative steps in this respect are required to recast and reorient established system and procedures, and large organizations particularly those with bureaucratic history tend to nip in the bud. The key to turnaround stories in Large Organizations are not as much about redefining the Strategic Orientation as they are about achieving Cultural Transformation. Transformational change requires a system of shared vision and values, overall goal alignment and high level of employee motivation and secondary 'C's play vital role for such change. There are other three complementary Cs i.e. Customer, Costs and Competition which meet the fundamental requirements for existence of an organization.

Prologue:

The world of Management literature has a penchant for alliterative jargons and words. There are the Ps (as in the 4 Ps, the 6Ps etc), the Ss (as in the 7 Ss), the Ws (as in the who, what, when & why etc) and of course the Cs. Having been in this world for so long, it is difficult to stay away from this penchant and in this paper, some of the Cs have been dwelt upon which are keys to bringing transformational change in large organizations. I have always been more focused on the softer aspects of management and hence the Cs focused in the paper also are more on the softer aspects of managing change. These are basically categorized as Primary and Secondary in nature. The Primary C deals with "Cultural Transformation" and the Secondary Cs – Communication, Care, Capability building and Courage.

The Primary C - Cultural Transformation:

Having worked in a Large Organization for over 3 ½ decades, I had the opportunity to experience some key transformational changes, amazing ups and downs and at least two great turnaround stories, one in the early 1990s and another in the last decade. These experiences have given some very valuable insights and learning in Management of Change in Large Organizations. This prompts me to begin this article with a strong assertion - the key to turnaround stories in Large Organizations are not as much about redefining the Strategic Orientation as they are about achieving Cultural Transformation. A turnaround which is achieved without redefining and

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rebuilding of the culture of the Organization is very difficult to sustain as the organization, in such cases, faces a real danger of quickly slipping back from the highs that it may have achieved. On the other hand, a turnaround which hinges on redefining and rebuilding a strong culture within the organization lays the foundation for achieving even greater high in the future.

The Secondary Cs

a) Communication

The importance of Communication in achieving Cultural Change which is quite aptly summed by Louis V Gerstner Jr in his book "Who Says Elephants Can't Dance".

"No Institutional transformation takes place, I believe, without a multi-year commitment by the CEO to put himself or herself constantly in front of employees and speak in plain, simple and compelling language that drives conviction and action throughout the organization."

I had the privilege of heading the communications function in my organization (SAIL) during one of the most tumultuous phase of its existence and strongly believe in Communication being one of the most important aspects of Management, critical not just to bringing about change but even in day to day management and leadership. There are certain important words in the above extract, the importance of which might not be evident at the first glance and which need to be re-emphasized and further elaborated.

"Multi-year commitment" - Cultural transformation is not achieved over a short or even medium term time frame. It typically calls for a long term commitment, the initial years of which might be very painful as results typically do not show in the early part and hence the efforts appear to be futile. It therefore implies that the commitment to keep communicating has to be strong, consistent and long term.

"CEO…in front of employees" - This brings out the importance of the top leadership in communication. The top man in the organization cannot insulate himself but has to lead from the front, constantly remain in touch with the employees, be aware of and alive to their concerns, find ways and means to develop a strong feedback mechanism and make sure that he does not alienate himself from the employees in his quest to achieve strategic reorientation..

"Plain, simple and compelling language" - Of immense importance is the need to be identified and clearly understood. The language has to hence, be clear, straight and easy to understand. The message also must be compelling enough to bring about a willingness to accept a new reality, no matter how discomforting it may be at the beginning.

"Drives conviction and action" - The right communication is one which is not just understood but has the ability to galvanise people in believing, accepting and internalizing the change imperative and translate them into concrete actions within the organization. In other words, it is the catalyst for motivating the entire organization to act.

"Throughout the organization" Cultural changes are not achieved by developing pockets of transformation. Hence the communication has to be consistent, clear and compelling to the entire organization, from the top to the bottom.

A key to a successful manager is to make sure that he communicates and communicates some more. However, even more important to understand about communication is something which is not said in the quote which has been elaborated above. Communication is more about listening and less about speaking. It is very important for us not just as Managers but even as Individuals. If one does not listen one will never be able to communicate right. It is therefore, important for any CEO, whether aiming to achieve a turnaround or consolidating and building upon a success or just leading a successful organization that he does not lose touch with the messages that is flowing in the entire organization.

Communication brings about a Clarity in beliefs, thought and action which is motivational and it is critical for achieving transformational goals. Organisations often make the mistake of expecting clarity from its employees on a need for change, about new strategic imperatives without the top management, communicating and aligning the same to them. One should not expect clarity without right communication.

b) Care

A critical mistake which many of us end up committing during a phase of transformational change is to start expecting that employees have to display higher level of commitment and motivation without giving anything. This, in its typical manifestation will be reflected in statement which would say – "we are passing through tough time and all of us need to make sacrifices".

My experience tells me that more often than not, employees are more willing than the top management to make sacrifices in organizations with a strong culture. However, expectations of sacrifices (whatever that connotes) and a high level of commitment and motivation cannot be achieved without the organization displaying, in covert as well as overt ways, care for its people. This care does not mean making them the best paid in the industry. It just means that the organization understands the needs of the employees, their desires and concerns and have the ability to respond to it appropriately. The organization should have a culture where the deserving people are acknowledged – some times by a small gesture like a pat on their back. Other ways could be organizational successes are shared and individual success rewarded, and genuine failures are seen as efforts well made and stepping stones to successes in the future and are not unnecessarily punished.

Care brings about commitment and conviction which play a vital role in achieving transformational goals. It will be counter-productive if we expect commitment and conviction without showing care and concern.

c) Capability Building

The term capability needs to be clearly understood, as distinct from the word capacity. More often than not, focus of organizations during phases of transformation becomes solely focused on capacity creation and utilization and not on capability building i.e. to say, the focus is more on physical assets and less on human assets and systemic changes. Sometimes, organization even tend towards moving to structures that destroy the ability to develop capability. This typically happens as organizations, in an effort to bring about a new strategic direction, tend to centralize decision making and authority to ensure that the organization moves towards the new strategic goals that have been set. The centralization of Authority and decision making more often than not is counterproductive to the objective of bringing about a transformation. It stunts leadership growth and harms the process of capability building within the organization. The ever changing world outside call for continuous enhancement in capabilities of the organization and its people. Cultural change cannot be achieved without a clear and unambiguous focus on developing leadership at all levels within the organization and building the overall capability of the organization.

A CEO cannot hope to get a better transformational tool than leaders across the organization who are clearly aligned to the overall goal and have the commitment and conviction to execute even the toughest of the tasks. Any effort to subvert or bypass this process in an attempt to bring about a new strategic direction does not yield any long term or for that matter even short term benefits. The right way to go about is to bring about an alignment of goal and vision through effective and direct involvement with leadership at all levels and not by centralizing thus alienating the organization at large from the leadership and holding back the process of building the organizational capability.

d) Courage

All transformational changes call for bold decisions, tough tasks and risk taking not just at the top level but at all levels. It is important for the organization to build this courage in its employees and this is achieved through displaying a reasonable level of appetite for risk, the ability to accept genuine failures and mistakes of those who display initiative and gumption in trying to achieve the overall organizational goals as opposed to those who 'play safe'.

The first of these efforts has to be directed towards greater delegation, bringing down bureaucracy within the organization and focusing on goal alignment and developing principles as opposed to an excessive focus on policy and procedures. In large organization, sometimes these are very difficult to achieve because of firmly entrenched multiple bureaucratic power centres, vested interests and coteries. The leadership, however, has to bring about

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this change and build a climate of trust within the organization which enables each employee to take bold and innovative steps, a collection of which build the transformation.

This is easier said than done as more often than not, that bold and innovative step may not be in sync with the established system and procedures, and large organizations particularly those with bureaucratic history tend to nip in the bud such initiatives and the top leadership may not even come to know about it. It may be noted that one such instance of an organization displaying a lack of acceptance to bold or new initiative, kills many more such initiatives that may have come from others. Bureaucratic organization, breed this culture of 'play safe' which makes them unable to transform and change. Building this courage in the people is hence a tough task but real transformation cannot take place without it. Sometime, one may just need to lead by instinct and display implicit trust in its people.

Conclusion

This article began with an assertion - the key to turnaround stories in Large Organizations are not as much about redefining the Strategic Orientation as they are about achieving Cultural Transformation. However, it must be clarified that this is not to say that redefining strategy is not important. It just asserts that in this fast changing business environment, if an organization needs to maintain its superiority consistently, it will need to redefine its strategy fairly frequently - say a time frame of maybe 5-10 years, and such redefinition of strategic orientation is not possible to achieve every time without bringing about a cultural transformation which builds an organization that does not exist on extensive policy and procedures, administrative machinery and bureaucracy but one which thrives on a system of shared vision and values, overall goal alignment and high level of employee motivation. Hence cultural transformation is the foundation of the pyramid on which turnaround and transformation has to be built.

It must also be added, that apart from these Cs mentioned above there are three other very important Cs which are not less important but highly complementary to the C's listed above, as these are fundamental to the existence of any organization. I list these in order of importance as I see it :

a) Customer – is the reason why any organization exists. Hence an organization's core value.

b) Costs – the very survival of the organization will depend on how much costs are controlled. One must make sure that nothing more than what is required is incurred and

c) Competition – is there to stay however much we may wish them away and accordingly measures taken to counter them.

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Feature Article

Spiritual Foundations of Corporate Social Responsibility

Dr Pramod Pathak* and Dr Saumya Singh**

" As the good manager realizes the limitations of Intelligence Quotient (IQ) and Emotional Quotient (EQ) in delivering the goods the recourse to spirituality becomes critical."

ABSTRACT

Corporate Social Responsibility (CSR) has been talked about very much in Management literature and it has become important imperative for business organizations in the recent times. Spirituality has to be foundation in realizing importance of CSR and carrying out CSR activities. It is also seen that Emotional Quotient (EQ) can work effectively if it is backed by high Spirituality Quotient (SQ). It is the blend of EQ and SQ which gives a person 'vivek' the capacity to take righteous decisions. Ancient tradition of 'Daan' (charity) has been corner stone of social concern for Indian society down the ages and it can be seen as lead point for CSR. The essential feature in Islamic economics is the aim to establish socio-economic justice which includes the principle of social balance. CSR evolved in its present form – from individual growth to inclusive growth. Organisations have developed a conscience that makes it conscious about the society at large. Green quotient and societal orientation have become important parameters in addition profitability figures of judging organizational effectiveness.

Introduction

CSR has become a popular buzz word of Management literature in the recent times. As the good manager realizes the limitations of Intelligence Quotient (IQ) and Emotional Quotient (EQ) in delivering the goods the recourse to spirituality becomes critical. And hence the increasing demand for Spirituality Quotient (SQ) by the companies when they look for executives. It is now realized that the classroom lessons of the primary school have more significance than the B-school jargons which are fashionably used in Management literature today. So what was taught in good old days had more value and application. 'When wealth is lost nothing is lost, when health is lost some thing is lost, when character is lost every thing is lost' is therefore more valid and useful than those umpteen theories that are taught in a business management classroom. There was a time when IQ was thought to be enough for being an effective manager. The focus in those days was on knowledge and information. Interestingly even then there were people who realized the futility of bare facts. A very interesting anecdote may be cited here to emphasise the limitations of IQ. A high quality seminar was being organized in US in which some high profile audience were present two of them being Henry Ford and Alfred Sloan. In the course of various presentations a young man came with his paper and did a wonderful job, full of facts, figures and citations. His presentation was so informative and organized that Sloan could not restrain himself. He asked Henry Ford how much salary could be paid to the young man if he was hired. Ford's reply was rather cryptic – three

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hundred dollars for a life time. Sloan was rather surprised and asked if Ford was serious. Henry Ford's reason was that whatever the young presenter had given in his presentation were all there in an encyclopedia that cost $300. Does it make sense? Yes, but still high IQ was selling for quite a long time. In fact it still sells. But now it is not the only requirement. Managers are supposed to have high EQ also.

What is EQ?

Difficult to explain but a tale from the life of famous Indian King of Ujjain Raja Vikramaditya can be helpful in unfolding the concept. In one of the villages of his Kingdom, there lived a widow with her young son. The young man had an uncanny power. He was into the habit of falling into sleep off and on and at times would dream while asleep. The events in his dream, however, would actually come true the next day. But this clairvoyant tendency would often land both mother and son into trouble. The son used to narrate even the untoward to the prospective victim. And when things went wrong the next of kin of the victim or sometimes the victim himself, if he or she survived and was in a position, would quarrel and even physically assault the young man for his fore boding. Fed up with this the lad's mother went to the king and narrated her woes, requesting him for help. The king, kind hearted as he was, immediately said that the young lad would be the king's personal night guard. The lady was very happy as she would now be relieved of her problems.

On the first day of his duty the young man was rather alert making it a point not to fall into slumber. But, late in the night his old habit caught up and he dozed off. In the sleep he dreamt that the king's chariot was being readied and the king was preparing to go somewhere. As the king arrives at the destination a huge earth quake hits that place endangering the life of the king. The dream ends and the young man wakes up. In the morning as he is ending his duty he saw the chariot being prepared and the king ready to embark as was seen in the dream. The queen was present to give a send off. Seeing this, the young man fervently appealed to the king to postpone his trip citing his dream. The king was not willing but the queen prevailed making the king agree to wait for a day. The

next day news broke that a massive earth quake had hit the place were the king was to visit, killing many. The queen asked the king to thank the young man and suitably reward him for saving his life. The king, known for his balanced decision making, calls the young guard and gives him the diamond studded gold chain he used to wear. While handing over the chain to the young man Vikramaditya tells him that the reward is for saving the king's life. But the king also tells the guard that he need not report for duty any further because he has been sacked. The queen is surprised at this. But the king says that the reward was for saving the king's life and sacking was for the dereliction of duty. A night guard is not supposed to sleep. The decision may not be palatable but the subtle objectivity needs to be understood. This is the kind of high emotional quotient which the managers need to possess.

But it is now realized that EQ can only work if it is backed by high SQ. It is the blend of EQ and SQ which gives a person *'vivek'* the capacity to take righteous decisions.

Spirituality and Corporate Social Responsibility

What is spiritual quotient? Even more difficult to explain, it is the inner moral strength that gives qualities like integrity, commitment and sincerity to managers and apply their *vivek* in decision making. Understanding *vivek* is not easy as there is hardly an English equivalent to the term. But, it implies taking decisions based on *Dharma*. It is the SQ that makes managers stick to the path of Dharma and take decisions that are free of emotions free of biases.

The practice of Corporate Social Responsibility (CSR) that has become so important today for businesses is a metamorphosis of SQ. CSR finds a prominent place today in Management literature and practice and is supposed to originate from modern western values. However, a careful analysis will reveal that the practice has its roots in the Indian value system and spiritual traditions. CSR is nothing but an attempt by business to uphold the path of *Dharma*. Ancient Hindu philosophy has given the concept of the four *Purusharthas*, the basic objectives of human *life – Dharma, Artha, Kama* and *Moksha*. CSR is a

manifestation of *Dharma,* the duty of human beings towards the society.

In the beginning of *Satyuga* the first era according to ancient Indian philosophy, there was neither king nor kingdom nor state. It was self sustained and self governed society where the people lived according to the tenets of *Dharma*. Gradually, decline set in and anarchy started growing with greed and possessiveness becoming prevalent social ways. It was during this period that the gods went to *Brahma,* the creator, to bring the society out of the morass of valuelessness. It was then that Brahma wrote the *Nitishastra* (the book of knowledge) which laid down the laws of living, talking about *Dharma, Artha* and *Kaama* as the cardinal values. Owing to these three subjects this book was also called *'trivarga'.*

The Vedanta Philosophy also recognizes the concept of *trivarga,* the triple set which always have to go together to ensure the happiness of all. The objectives of *Dharma, Artha* and *Kama* are to lead the society to material progress, cultural development and general welfare of its diverse population. The roots of CSR can be traced to the concept of this *trivarga*. CSR can also be seen as an extension of the ancient tradition of *'Daan'* (charity) which has been the corner stone of social concern for Indian society down the ages. Famous names like *Raja Bali* in *Satyuga* and *Danveer Karna* in *Dwapar* yuga show us the importance of philanthropy in ancient Indian thought. They also tell us that philanthropic leanings of people like Bill Gates or Warren Buffet from the West had been a part of the Indian ethos long ago.

Almost all religions around the world have mentioned about charity or philanthropy in some form or the other. Tithing-the practice of giving away one-tenth of the income for charitable activities especially for the upkeep of the poor, including orphans and widows, has been recommended in most religious texts. *Dashmamsha* was the traditional Hindu practice of Tithing, that is giving one-tenth of income to a religious institution. This practice was widespread in India in the ancient times.

Even in the Rig-Veda, the ancient Hindu scripture, there was a mention of the need for the wealthy to plant trees and build tanks for the community as it would bring them glory in life and beyond. Veda emphasizes that the continuous flow of money to the people who need it is more important than its accumulation, and creating wealth for the welfare of the society is one of the important responsibilities of the business enterprise. Atharva Veda says that one should procure wealth with one hundred hands and distribute it with one thousand hands. The success of an organization is measured by the extent and quality of goods and services that is delivered to its stakeholders. It says that a King should take care of the welfare and growth of its entire people as by doing this he will grow as the Sun grows and shines at dawn and after its rise. Just as the Sun takes water from the Earth to distribute it, we also should perform our business in the same way.

In Islam religion it is said that it is the duty of every citizen to set aside a certain amount of earnings for the poor and the needy. The Koran says "woe to those who pray but are heedless in their prayer; who make a show of piety and give no alms to the destitute". This in fact is the underlying principle which Islamic banking follows. An Islamic bank is a financial institution that operates with the objective to implement the economic and financial principles of Islam in the banking arena. The essential feature in Islamic economics is the aim to establish socio-economic justice which includes the principle of social balance. It is believed in Islam that everything belongs to Allah and human beings are just trustees and therefore accountable to Him for utilization for these resources. Responsible behaviour towards the society is, thus, ingrained in the eastern religious thoughts and practices and CSR as a concept owes a lot to these ideas.

The most comprehensive term that describes Indian thinking about values is *dharma*. Covering a range of issues like virtue, righteousness, duties and obligations and moral principles for interpersonal and social relationships *dharma* provides guidelines for both moral and spiritual advancements of the individual as also for the creation of a harmonious social order. *Dharma* is the path through which individual and collective well being, not only of human beings but of all beings is to be achieved. Thus, *dharma* can be said to be the foundation of the triple bottom line concept of people, planet and profits that is being talked about today. The rule of *dharma* ensures

that one person's pursuit of pleasure does not cause harm to the rest of the society. It also allows others to carry similar pursuits.

CSR in its modern form is nothing but widening of the range of stake holders. From owner to shareholders to workers to workers families to immediate society to the society at large the range of stakeholders has been widening. This is how CSR evolved in its present form – from individual growth to inclusive growth. A diagrammatic representation of this model is given in the figure below-

Widening canvas of CSR
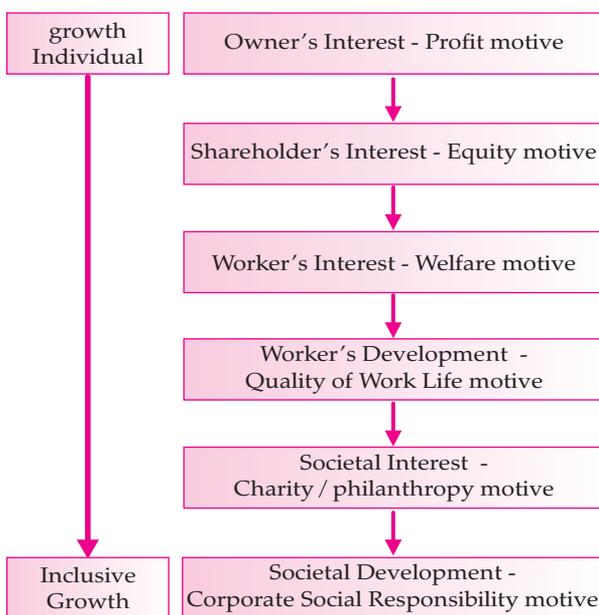
Pathak & Singh Model of CSR evolution

Taking a look at the figure we can see how the concept of stakeholders broadened. In the initial phase when owner entrepreneurs were responsible for running business profit motive was the main agenda and perhaps the only interest of the owner for running a business, who was the only stakeholder. As business enterprises grew in complexity and size the shareholders came into the picture and growth of equity became the motive resulting in profit to the shareholder and they became stakeholders. As the complexities grew, presence of workers increased in business creating the need for considering workers'

interest. Thus, they too were added to the stakeholders list and their interests were protected through welfare measures. The next stage was the inclusion of the family of workers for the purpose of enhancing the quality of work life. This brought about a further extension of the stakeholder concept to include the family of the workers. Subsequently the immediate society where the business existed also came in as a stakeholder whose interest were served though philanthropy and charity were the means of achieving this. With further development and growth of business the need for including the society at large as a stakeholder and CSR became the means to serve the societal interest. Thus, ideas like environmental consciousness and sustainable development gained currency. It is from here that the triple bottom line idea of 3 Ps (people planet and profit) has emerged.

However, it has to be realized that while the western world has included society as the stake holder today the Indian tradition has been since the ages talking about *'Vasudhaiwa Kutumbakam*, the world as one family. The philosophical moorings of concepts of ancient Indian tradition like *Bahujan Hitaya, Bahujan Sukhaya and Sarve Bhavantu Sukhina* find expression in the modern business practice of CSR.

Mahatma Gandhi, the great Indian statesman and Father of the Nation can be said to be the bridge between ancient Indian thought and modern CSR. It was his knowledge of the concepts of Indian scriptures and Vedanta that made Gandhi talk about issues like *Gramodaya, Sarvodaya* and *Antyodaya*. He wanted the rich to be the trustees of the poor. His trusteeship doctrine is quite close to the modern CSR.

Social responsibility of business and individual has been a part of ancient Indian thought right from the very beginning. How things drifted and when is difficult to find, but somewhere during the medieval period things changed and the merchant class drew a line between religion and business, putting different set of values in place for religion and entirely different ones for the business. More so in India, where this trend was more discernable till not very long ago. Though big business houses did build temples and community halls for pilgrims, these remained isolated acts of charity rather than expressions of corporate social concern. Of late, the wheel seems to have come a

full circle and the dividing line between profit and public concern has started thinning.

CSR is now serious business, and socially irresponsible companies have prepared ground for their own fall from grace. Enron, Arthur Anderson, Union Carbide and latest in the list is Satyam from India which are some examples that suggest why it is important to be good. Studies suggest that Nike faced an extensive consumer boycott after the New York Times and other media outlets reported abusive labour practices at some of its Indonesian suppliers in the early 90s. There are many such instances that support this view that companies who are perceived as irresponsible to the society have to pay dearly in terms of goodwill and image and subsequently consumer apathy.

Conclusion

Values consciousness of business organisations has grown over the years and the critical factor has been *dharma* and subsequent humanization that gave corporations the soul which hard core economists like Friedman had been denying over the years. But, with the acquisition of the soul corporate entities are learning to become corporate citizens getting conscious of their *dharma* and aiming for corporate

nirvana. So the sequel of *dharma, artha, kama* and *moksha* is complete. This is how the CSR in its present form has evolved and its genesis can be traced back to the ancient Indian value system.

The legend has it that said that when Prince Siddhartha attained nirvana to become the Buddha over 2000 years ago, among the first of his followers were two merchants. One converted into a monk while the other remained a simple follower continuing to run his business as before. But the way of his doing business had changed. He had acquired a corporate soul and would now follow the moral guidelines of Buddha's philosophy in his conduct of business.

Today there seems to be more congruence between business and ethics and compassion and co-option are becoming a part of corporate philosophy. The bottom line does not depend on the profit and loss statement of the balance sheet only. It is also about striking a balance between the haves and the have nots in the society. Business today appears to have acquired a conscience that makes it conscious about the society at large. Corporations' effectiveness is increasingly being judged by not just the profitability figures but also the green quotient and societal orientation.

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Note: Words in the italics are original terms taken from the scriptures and their sources are myriad. The references quoted above have used those terms and hence the paper carries them in that form. *Satyuga*, Treta, Dwapar and *Kalyuga* are the four yugas (epochs) as given in ancient Indian thought. The present epoch is *Kalyuga*.

Impact of Work Culture on Strategic Employee Engagement

Dr. Chandan Kumar Sahoo*, Prof. Ajit Kumar Sahoo** and Sitaram Das***

" Employees should get opportunities to put their knowledge, skills and abilities (KSA) to prove themselves. It's about giving employees a work culture where they are free to take up initiatives. "

ABSTRACT

The challenge today is not just retaining talented people in the organization, but fully engaging and nurturing them at each stage of their work lives. Now-a-days, in this competitive business environment, a positive work culture leads to employee engagement which has emerged as a critical driver of business success. The concept, employee engagement is influenced by many factors of the organizational work culture, which can be augmented by various employee related factors such as, effective communication, shared decision making, mutual co-operation, employee development, career advancement etc. Employee engagement is indeed a concept which if implemented properly makes a lot of sense. It is a simple idea rationalizing the fact that the engagement and commitment of employees towards their work and organization can make a huge difference. High levels of employee engagement promote employee loyalty, retention of talent, improved organizational performance, increased productivity and organisational success.

Introduction

In the post globalization scenario, employee engagement (EE) is a pivotal mechanism for nurturing a high performance culture to drive the organization towards success. EE is about building a truly great relationship with the workforce. Any organization that embraces fine management philosophy, recognition of employees' talent, potential and is committed to providing enriching professional experiences is bound to succeed. So EE is directly linked with company's growth and development and contribute towards the core competencies of a successful organization. Any employee who is not engaged in their respective jobs strategically, the first thing that affects organizational productivity. The more engaged an employee is, the more is his commitment level towards making a plan more successful in a significant way. So that each of the employee should think like the strategic business partner of the business process. Engaged employees do not look for organizational support in each and every step of the way. They are self-starters and believe in supporting the organization in all its endeavours. EE have some merits such as self-starters and believe in supporting the organization, motivates co-workers, work with passion and better performance, gets better aligned to organizational goals and leads to productivity and profitability for sustainability. It is all about giving an employee a bonded eco-system to work in, wherein he shares a common goal, belief and values with the team, with each member having a clear understanding of the goals. Employees should get opportunities to put their knowledge, skills and abilities (KSA) to prove themselves. It's about giving employees a work culture where they are free to take up initiatives.

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The challenge today is not just developing and retaining talented people, but fully engaging and nurturing them at each stage of their work lives. In the fast changing business environment the growing global economy has forced many organizations to redefine their ways of operation in order to sustain and survive. They need to get their business wheel move speedily to improve their performance to remain competitive in the market in which they operate. In the competitive business environment, a positive work culture leads to employee engagement which has emerged as a critical driver of business success.

Theoretical Background

Employee engagement is a relatively recent developed concept in human resource management and a mantra for today's workplace and leading organizations to recognize the vested interest for measuring, monitoring and maximizing the level of engagement amongst the employees and ensuring it is not left to chance. It is defined as the level to which employees are fully involved in their work, committed to their work, care about their organization and colleagues and are willing to extend themselves and go the extra mile for their company to ensure its success. The Conference Board of USA (2006) publication describes employee engagement as a heightened emotional connection that an employee feels for his or her organization that influences him or her to exert greater discretionary effort to his or her work. Employee engagement matters as it impacts on companies bottom lines, both through human resource (HR) related impacts (such as recruitment and retention) and through wider impacts on productivity, profit and achieving the core values, envisioned future and objectives of the organization. According to the Institute of Employment Studies (IES) has defined engagement as a positive attitude held by employees towards the organization and its values. An 'engaged employee' is aware of the business context, and works with colleagues to improve the performance within the job for benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. EE is a combination of organizational aspects like individual commitment, organizational citizenship behaviour (OCB) and employee motivation. It is a real challenge (Wash, 1999). The argument is that an engaged employee works with passion and is more committed to the organization. In the other words it is the extent to which people enjoy and believe in what they do and feel valued by doing it. It is the degree of commitment towards the hub which an employee performs and till how long the employee remains with the organization as a result of their commitment (Mahendru and Sharma, 2006).

In the changing global market, competition and managing change over a period of time the strategy of an organization has changed from just promoting the knowledge worker to foster engagement. Employee engagement and organizational performance are highly interlinked (Concelman, 2005). He further states that engaged employee try harder, contribute more, speak positively about the organization, and stay longer. The trend shows that almost all of the companies explore the possibilities for adopting employee engagement as a strategy for human resource planning (HRP). Harter (2002) examined the relationship at the business unit productivity and employee engagement and noticed that the 'engaged employee' are satisfied employees, which in turn leads to higher productivity. According to Erickson (2004), the best ways to shape the bahaviour of an employee towards work is to improve employee engagement. The Corporate Leadership Council (CLC) defines 'engagement' as 'the extent of employees' commitment, work effort, and desire to stay in an organization'. Stockley (2006) defined 'engagement' as the extent that an employee believes in the mission, purpose and values of an organization and demonstrates that commitment through their actions as an employee and their attitude towards the employer and customers. An institution's ability in providing psychological safety such as good support from the supervisors and rewarding system has a positive relationship with employee engagement, job enrichment and work role (May et al., 2004). Value of assessment and taking feedback of employees has been followed as practical strategy for employee engagement according to Glen (2006). He further adds

that work environment is a better predictor in this direction. McCashland (1999) defined employee engagement as 'commitment or engagement - an emotional outcome to the employee resulting from the critical components of the workplace. Miles (2001) described it as intensively involving all employees in high engagement cascades that create understanding, dialogue, feed back and accountability, empower people to creatively align their subunits, teams and individual jobs with the major transformation of the whole enterprise.

Fostering Employee Engagement

Employee engagement has been described as 'a positive, two-way relationship between employees and their organizations where both parties are aware of their own and the other's needs, and support each other to fulfil these needs. Engaged employees and organizations go the extra mile, and both reap mutual benefits (Daniel, 2004). Gibson (2006) has defined employee engagement as "a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work". Gallup Consulting (2008) describes employee engagement as "the extent to which employees are psychologically connected to something or someone in the organization". High levels of employee engagement are associated with high levels of organizational performance (Soladati, 2007). A lack of employee engagement can lead to disloyalty and organizational failure (Khan, 2007).

The key drivers of employee engagement in organizations will help to create a road map for achieving organizational excellence. In order to achieve the organizational effectiveness and drive the organization forward, EE helps to drive value and optimize the resources properly. The work of the Conference Board a major US organization reflected twelve major studies on employee engagement. Each of the study has used different dimensions and, collectively, came up with 26 key drivers of engagement. But out of all the 26 key drivers the Conference Board's synthesis were 8 key drivers of EE (fig. 1).
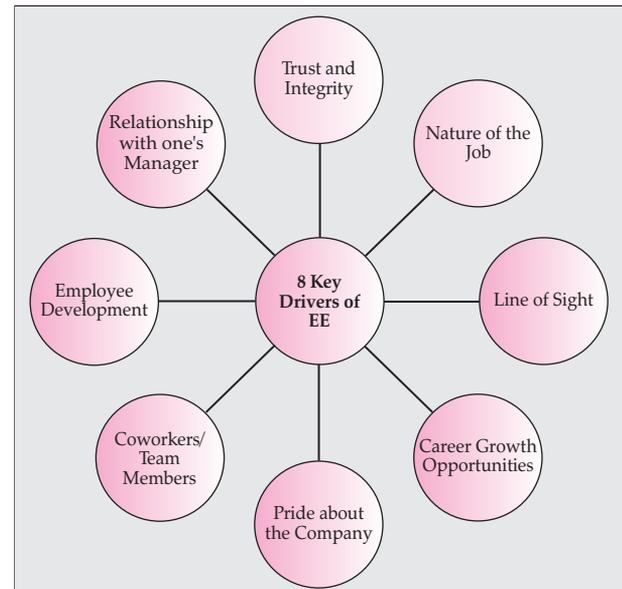

Figure 1: *Employee Engagement – Key Drivers*

Principles of Employee Engagement

Review of literature confirms that engaged work places compared with least engaged are much more likely to have lower employee turnover, higher than average customer loyalty, above average productivity and earnings. These are all good things that prove that engaging and involving employees make good business sense and building shareholder value. Negative workplace relationships may be a big part of why so many employees are not engaged with their jobs. Employee engagement needs to be measured at regular intervals in order to track its contribution to the success of the organization. But measuring the engagement (feedback through surveys) without planning how to handle the result can lead employees to disengage. The macro-level organizational practices that make up the HR value chain provide the context in which an engaged workforce can develop. However, if these organizational practices are not reinforced at the micro-level, employee engagement may still be lacking. Thus, the micro-level practices may be even more important than the macro practices which are helping to build organizational climate for workforce engagement. The key employee engagement principles based on micro-level practices for organizational effectiveness are given in table 1.

Table 1 : Key Engagement Principles

Principles	Description
Principle 1	Employee engagement will be positively impacted when the organization has an integrated HR value chain .
Principle 2	When managers engage in a full-range of leader behaviors that incorporate contingent reward transformational behaviors, employee engagement will be positively impacted.
Principle 3	The level of employees engagement will increase when employees work in jobs that are enriched by providing variety, significance and task identity.
Principle 4	When employees are working to achieve challenging and specific performance goals, theirs level of engagement will increase.
Principle 5	Engaged employees are high performers.
Principle 6	Engaged employees go beyond the minimum requirements specified in job descriptions and performance evaluations. They are outstanding organizational citizens who engage in a wide variety of extra-role performance behaviors.
Principle 7	When employees have a high level of trust in their leader the amount of engagement increase.

Source: Whittington, J. L. and Galpin, T. J. (2010)

Strategic Employee Engagement

The focus for HR was on improving 'employee engagement', which was about creating an 'emotional connection' with employees so that they are passionate, committed, and long term attachment with the organization (Tomlinson, 2010). The employee engagement strategy consisted of five interventions that were distinct but interconnected for symbiosis and greater impact as reflected in figure 2.

• **Leadership development:** All members of the management team were sent on a series of training courses to improve their management skills. In order to measure their behavioural change, all managers were tested through a 360-degree assessment tool before and after attending the training. The focus was very much on doing rather than knowing, built around five core behavioural

competencies (delivering results, customer focus, communication, managing self or others and teamwork) that are applicable for all employees, each of which has positive and negative indicators.

• **Employee recognition:** To ensure the awards gained employee support, the nominations came direct from employees, rather than purely from senior management.

• **Internal communications:** To support the improvement of internal communications, a number of tools to facilitate greater organizational communications were introduced. The content was a combination of key business information, presentations and provision of some more light hearted commentary to build a sense of togetherness across the various departments. To further ensure transparency, the minutes and

agreed conclusions of the meeting are published for all to see.

- **Organizational development:** This intervention was in many ways the most-wide ranging. HR led the negotiations with the relevant employees, gaining universal support for the implementation of HR policies and programmes.

- **Employee development:** The organization also ensured that non-management employees received training to support them in both their role and career development. Training needs analysis were collected across the organization and utilized to create a clear training plan for each employee, aligned with their career aspirations as expressed in their annual appraisal.
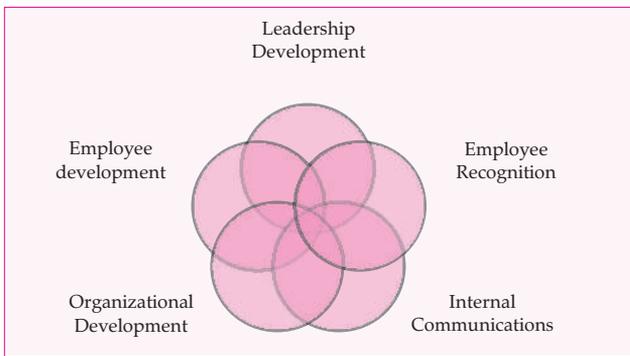

Figure 2 : Strategic Employee Engagement

Work Culture and Employee Engagement

The "work culture" of an organization represents the internal work environment created for operating an organization. Pettigrew (1979) identifies work culture as the system of personally and collectively accepted meanings of work, operating for a given group at a given time. According to Peters and Waterman (1982) work culture is defined as a system of 'shared values', which results in high performance in organizations. Singh (1985) says that the work culture is the prevalent and common patterns of feeling and behaviour in an organization. Sinha (1990) labels work culture as the totality of the various levels of interacting forces around the focal concern of work. Work culture means work related activities in the framework of norms and values regarding work. It includes: work related activities, the cognitions, the affect and the values attached to them. It is concerned with beliefs and values on the basis of which people interpret experience and behave, individually and in groups. Overall the literature indicates that the individual work values may have a lot to contribute to the work culture of the organizations. A model has developed (work culture and employee engagement model) after reviewing a wide range of research studies that lays out the roadmap to increase employee engagement (see fig. 3).
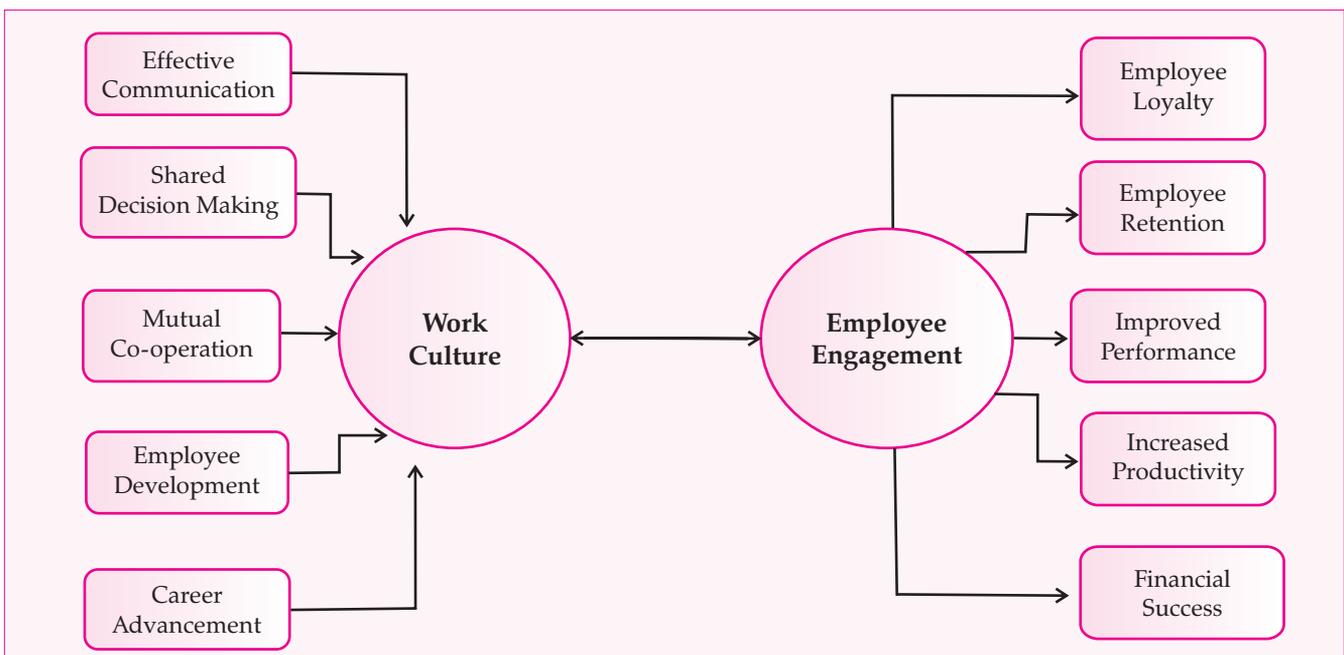

Figure 3 : Impact of Work Culture on Employee Engagement

In this model, five work related factors as shown: effective communication, shared decision making, mutual co-operation, employee development and career advancement, are the most important drivers of work culture which foster employee engagement. Effective communication means allowing workers the opportunity to share their views and opinions with management and the employees informed about what is going on in the organization by management, it builds a high level of employee engagement. When employees participate in making decisions, they feel more engaged in the organization. The organization must work to nurture employee engagement, which requires a mutual relationship between employer and employees. Organization that provides employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realise their potential, fosters a high level of employee engagement. When companies plan for the career advancement of their employees and invest in them, this promotes a positive work culture which influences engagement of employees and retaining the most talented employees and providing opportunities for personal development. Employee engagement is a barometer that determines employee loyalty and retention, improve performance and productivity and also brings financial success in the organization.

Impact of Employee Engagement on Business

Organizations that have created a competitive advantage through innovation, technology, quality products, and pricing strategies, now view 'customer service that exceeds expectations' as their key to success. Quality service demands engaged employees. With jobs plentiful in many industries from high tech to service, organizations not only focus on ways to attract the right people; but they must also focus on ways to keep the right employees and make sure they are satisfied and productive. In the today's competitive environment, the ability of an organization is to tap the creative brain-power of its employees and to help them translate creative ideas into customer centered products and services. Only in a healthy organization can this happen. The most valuable resource of a company walks out of the door every evening and sometimes it never come back- this

is of particular importance in knowledge and service based industries. The quality of output and competitive advantage of a company depends on the quality of its people, way of thinking, and sharing of knowledge and contacts. In general the various outcomes of strategic EE are:

- Employees are able to get 'involved' in the organization and feel that they are genuinely participating and contributing to its performance.

- Employees have a pride in their organisation and endorse it as a place to work and for successful business.

- Employees demonstrate real commitment to their job and the organization and are prepared to 'go the extra mile'.

Concluding Remark

Employee engagement can be thought of as a potential outcome to a positive work culture. It is a state in which the employee feels an affinity for the organization, feels that they belong to and are appreciated and are part of something worthwhile. Engagement also implies an alignment with the organization and a level of commitment. Employee engagement is developed when the business values the employees and vice versa. A culture that facilitates employee engagement, accommodates employee needs, and ensures employee effectiveness and growth, will set the foundation in place for long term success of the organization. Once the culture is created, engagement becomes 'the way we do things around here' and it does not have to be recreated year after year.

Engaged employees create winning organizations that are more profitable, a fun place to work in and offer superb customer services and other solutions for which the organization exists. The concept is thus making headlines and becoming popular among major world class organizations be they in private or public sector. Today, however, there is clear evidence that business leaders are not simply saying this – they are actually experiencing it too with the EE tools. Companies who are able to better engage their people also deliver better business performance and maximize the shareholders value. Now almost all of

the organization has investing money towards people (HR-related practices). So that it create value for organizational performance. Increasing EE is highly dependent on leadership and establishes two ways communication where people work and views are valued and respected. EE is about building a truly great relationship with the workforce. EE is the key driver to which employees are fully involved in their work, committed to their work, care about their organization and colleagues and are willing to go the extra mile for their organization to ensure its success.

Managerial Implications

Any organization that embraces fine management philosophy, recognition of employee's talent, potential and is committed to providing enriching professional experiences is bound to succeed. The mantra of effective EE is highly dependent on the measures to be taken by the management are:

- Employee engagement starts right at the selection stage by choosing the right fit for the right job and giving a realistic job preview.

- Understanding of corporate goals, mission, and vision.

- Understanding of roles and responsibilities and how it contributes to achieve overall corporate goals.

- Regular feedback on performance to all employees.

- Employee freedom and job satisfaction.

- Employee involvement in decision making process.

- Providing learning and development opportunities.

- Mutual relationship between management and workers.

- Clear communication to the employees through a clear picture of company progress towards targets/goals.

- Keeping up the morale of the employees and driving them towards excellent performance through recognition letters, profit sharing schemes, long performance awards, etc.

- Communication forums like in-house magazine, regular surveys and conferences.

- Maintaining the quality of work-life and a balance between personal and professional lives, through recreational activities like festivities, get-togethers, sports etc.

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Learning Entrepreneurship Paradigm Shift: Extrapolating PAST or FUTURE Compatibility

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Global challenges facing the current state of affairs have extremely severe consequences and accordingly learning entrepreneurship needs serious attention on developing compatibility towards future.

ABSTRACT

To create sustainable and resilient businesses and to develop entrepreneurship in growing economies we must understand and decipher the element of change imbibed in the present. The focus of this paper is to attempt to make such an inventive, empathic, bird eye perspective regarding Element of Change, Growing Economies, Entrepreneurship, and finally analyze the potential lying therein for developing the requisite capabilities. The stress is on developing pragmatic aptitude for Entrepreneurial Learning through lessons from common practice, individual experiences, diverse reading and observations.

Introduction

The current education system prevalent throughout the world, almost similar with small variations, focuses mainly on teaching and learning through mass therapy in order to inculcate 'Industrial Discipline'. This concept finds its roots in the emergence of Industrial Revolution and subsequent aspirations of the founding fathers of this Education System to evolve an Industrial Society. So long as the Economy was operating in two dimensional framework viz. Agricultural and Industrial it was satisfactorily effective with covert limitations and operating costs. As soon as the third dimension of Information age was added to the economy these limitations and related losses started emerging as the hidden costs of this framework.

Further, the prevalent Industrial system was founded on market driven Ecopathy[F1] and immediacy focused Economics as is evident from its long term effects viz. the current states of affairs Social, Political, Financial, Environmental, Educational and in many other areas.

Advent of Information age highlights that High Entrepreneurial Index is an indicator of economic development and solution to current and future challenges. The limitations of Socialistic/ Capitalistic models were also evident vis-à-vis the resilient potential offered by Entrepreneurial model. In order to deliver results the discovery of this panacea needs proper comprehension and understanding of the reasons behind such a paradigm shift. Misinterpretation is the most important precaution that needs to be paid attention to in order to avoid any disaster(s) due to the backlog of the old order.

Global challenges facing the current state of affairs have extremely severe consequences and accordingly learning entrepreneurship needs serious attention on developing compatibility towards future. Any attempt to extrapolate only the past may lead to shift into unknown paradigms.

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Understanding: Paradigm Shift

Emergence of Information age and the pace of its dissipation in a short span of human history can mainly be attributed to the prevalent dynamics, which no government or regulatory agency had ever apprehended. This is a live example of 'free and innovative thinking' coupled with market needs.

Had it been comprehended by the Bureaucracy or Politicians it would have either been delayed by years, if not decades, or would have been damped by profit seeking stakeholders. Either way it would have severely affected the opportunity costs involved.

The cardinal benchmarks for human evolution for compatibility with Change had always been unchanged. These are based on empathic ground reality and astute perception of the future. But as Henry Hazllit [1] has said that

"People who become Bureaucrats by passing the civil services exams are trained to be efficient in solving hypothetical problems hypothetically."

Accordingly such bureaucratic aptitude of thinking generates the inertia and insecurity of the unknown thus preventing/ delaying/ diverting the essence of learning entrepreneurship.

This is the reason why certain systems are still strictly clinging to the old obstinate model, even though its limitations have been surfaced. Notwithstanding there are a few other reasons for it, like absence of inventive propensity or multidimensional perception and comprehension. Yet these can also be directly/ indirectly attributed to misinterpretations owing to the said causes.

Innovation and Entrepreneurship are of significant importance for any economy and are based on certain learning parameters. Unlike any other body of Scientific/ Artistic knowledge it does not rely solely on Facts, Formulas, Trends, Fad, Fashion, Perception, Interpretation etc. but on complex and dynamic array of Working Principles. The current pattern of Education model poses serious question on the rate of entrepreneurial and innovative learning required.

It is neither commensurate with the corresponding rate nor with the current stage of economic development.

Alvin and Heidi Toffler illustrate this with an example of varying speeds in which institutions change. [2]

> "Zooming along at 100 MPH is a car representing the fastest-changing major institution in America-- the company or business. Businesses have to change at 100 miles per hour because if they don't, they die. Competition just puts them out of the game. By contrast, a car driven by government and regulatory agencies would be puttering at a speed of 25 MPH. Meanwhile, at 10 miles per hour, shuddering along, with a flat tire and steam coming out its radiator is the American school system. The public education system is supposed to be preparing kids for the business world of tomorrow, to take jobs, to make our economy functional. So, how do you match an economy that requires 100 miles per hour with an institution like public education? A system that changes, if at all, at 10 miles per hour?"

The example is applicable to other economies as well with slight variation. The reasons for such state of affairs are that the existing Education System finds its roots in the transition phase from the First Wave 'Agricultural society' to the emergence of Second Wave 'Industrial society'. Again as per Tofflers. [3]

> "As the Second Wave began to move across First Wave societies, families felt the stress of change. Education of the child was turned over to schools.

> As work shifted out of the fields and the home, moreover, children had to be prepared for factory life. The early mine, mill, and factory owners of industrializing England discovered, as Andrew Ure wrote in 1835, that it was 'nearly impossible to convert persons past the age of puberty, whether drawn from rural or from handicraft occupations, into useful factory hands.' If young people could be prefitted to the industrial system, it would vastly ease the problems of industrial discipline later on. The result was another central structure of all Second Wave societies: mass education."

Footnote 1
After the Subprime crisis the success story of Capitalism was treated at par with the limitations of Socialism. Thus several arguments from the pre 2nd World War period to the post Cold War era engagements to the extent of MAD (Mutually Assured Destruction) emerged as phony and based upon insecurities for vested Economic interests.

"Built on the factory model, mass education taught basic reading, writing, and arithmetic, a bit of history and other subjects. This was the 'overt curriculum.' But beneath it lay an invisible or 'covert curriculum' that was far more basic. It consisted—and still does in most industrial nations—of three courses: one in punctuality, one in obedience, and one in rote, repetitive work."

ANALYSIS : Reading beyond the Projected Evidences

The meaning and model of Growing Economy under such paradigm shift exposes the unsustainable nature of prevalent Economic trends and the underlying Ecopathy.

Following observation highlights the same

"During the international mega festival FIFA-2010 a Columbian dancer Shakira, performed 'Waka-Waka this is Africa' in a nation which, in the not so distant past, had suffered from apartheid.

Likewise in 115 year old history of International Olympic Committee (IOC) since 1894 except for few exceptional occasions including Japan and S. Korea only the 29th Olympics was held in a country like China and the 31st Olympic is scheduled to be held in Rio de Janeiro, Brazil[F2] . Mega events of such magnitude reflect that the locus of Growing Economy has started shifting and highlight several other emerging strands of Global impact, consequences and contemplation."

But is it real that these countries with large consumer base and similar past have started emerging and shining all of a sudden. In an age when future definition of success operates in different dimension viz. Sustainability, can expansion of obsolete dimension viz. over Consumption be called success. Is it not extrapolating the past on the spurious name of propagating growth?

We are living in such an interesting age wherein the erstwhile giant economies could neither avert nor prolong the jerks of Change, whether it be because of technological revolution or evolution of new Global concepts and policy change like Liberalisation, Privatisation and Globalisation the point of focus is not the fact that the locus has started to shift and the direction of such Shift, but, the finding that whether it is momentary/ temporary/ significant? The answer to this question lies in the fact that the age of information has brought out seismic transformation in the nature and structure of economic leadership needed for effectiveness.

The benchmarks of terms like 'Development' and 'Success 'are, to a great extent, influenced by the rising aspiration for 'living the American dream' or towards the 'Neo Liberal affluence'. This has been the main driver of Economics which in turn financed the Scientific and Technological innovations, and of course shaped the Geo-Political scenario.

It is from such economic model, emerged out of the Imperial remnants of the 2nd World War and the Bretton Woods Agreement that the integration of the Global Economy was shaped. Subsequent technological innovations by the mid1960s snowballed out of the Trio of (1)Geo-Political competition; (2)limited resource based Industrial Age competition and (3)the corresponding pressures on Science and Technology lead to increased need for competition at global level and other such causes furthering the Ecopathy and defining 'Development' and 'Success' for individuals and nations alike. Though in-depth analysis of all these aspects would be left out of the scope of this paper, yet it is important to note that this formed the basis of the popular myth that 'education is a mean to get job'. Even if those jobs and their collective output were detrimental to the future yet it persisted for significant time, posing serious challenges to the future. It was detrimental to

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Footnote 2

"The land grab project of U.S. President George W. Bush in Chaco, Paraguay, had generated considerable discomfort both politically and environmentally.
The news circulating the continent about plans to buy 98,840 acres of land in Chaco, Paraguay, near the Triple Frontier (Bolivia, Brazil, Paraguay) is the talk of the town in these countries." [4]
It is pertinent to highlight that the Latin American countries have same potential for fresh water and natural   aquifers as the Middle East has for crude oil.

the serious extent of extinction of certain species, ecologies and life yet it was chased with the sole purpose of creating Market Demand. Such "manufacturing of consent", a term coined by Naom Chomsky, is not baseless because in the industrial age one's future was determined; to a large extend by one's Job.

Objectives of Understanding & Analysis

Since the misadventures of Imperialism/ Colonialism till the Recent Neo Colonialism of market based economy the promises of Entrepreneurial Economy are great and so are the challenges. To scale the challenges of future viz.

- Global warming,

- Containing and if possible reversing Environmental Imbalances,

- Solving the emerging Food and Water crisis,

- Maintaining Ecological balance and diversity by preserving species from getting extinct,

- Developing a sustainable Economy,

- Acclimatization and harnessing the benefits of technologically faster yet fragile realities etc.

We can not rely solely on industrial age model based on mass therapy. The old order has its limitations, is out of sync and unable to meet the challenges of the future.

The importance and possibility of empowerment using the latest technological tools has been realized. This opened up avenues for Entrepreneurship and learning Entrepreneurship further.

Observations

Since the eighteenth century World population has increased eight folds but the World production has increased by hundred folds [5].

The following findings [5] of Prof. Niall Ferguson, Professor of History as well as of Business Administration at Harvard Business School, are worth mentioning in this context.

"The pivotal role of finance in the modern global economy can be understood through some figures. In 2006, the global GDP was $47 trillion whereas the total market capitalization of the world's stocks was $51 trillion, that of domestic and international bonds was $68 trillion and that of derivatives, $473 trillion. The daily volume of forex trading was about $2 trillion while the monthly volume of trading on the global stock markets was $7 trillion. The financial sector was contributing 7.7% of US GDP by 2005."
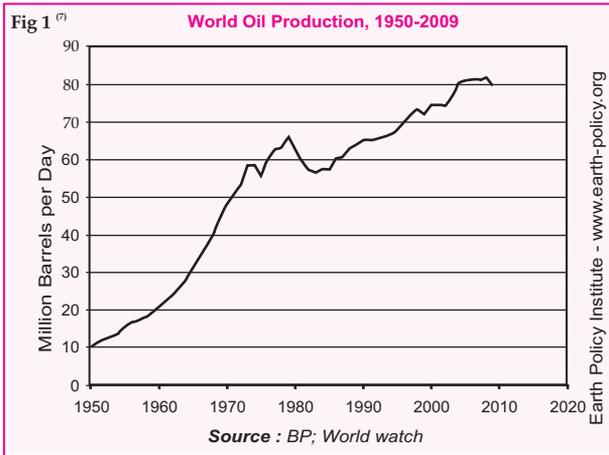
What does this means?

Derivatives approximately TEN times of GDP !

Bonds viz. the underlying notion of security are approximately TWICE of GDP!

Is it not interesting to find that this economic model has pawned the future based on predictions and on notions it has no control over?

The challenges before our times are highly significant, serious, and complex. They can be solved amicably only by entrepreneurship and entrepreneurial learning in order to face and overcome respective challenges at respective ends. No quick fix, ready made solution should be expected. Survival in the niche ecologies under challenging times can neither be provided by the free market nor the socialist order yet entrepreneurship helps. Social and economic plight of the fragmented parts of the erstwhile USSR and post subprime US highlights the same. Though there are other dimensions to the said arguments as well yet those are deliberately left untouched in order to avoid any digression.

Crude oil covers vital ingredients for economic growth in the crude oil based economy. It forms the backbone of current economic model from pumping groundwater out to increase agricultural and industrial output to generating power, both electrical as well as geopolitical. The following graphical illustrations (Fig 1) highlights the quantum of World production, consumption and dependence. With almost 2/3 of the total crude reserve consumed the dependence has to be reduced..

Fig 1 [7]

World Oil Production, 1950-2009

Source : BP; World watch

Earth Policy Institute - www.earth-policy.org

If the current Ecopathy based "Economic Growth model" prevails, which can not for very long

- By year 2025 China would build TEN New York sized cities [8]

- If the Chinese consumed as much Oil per person as the Americans then the world would need seven more Saudi Arabias to meet the demand [9]
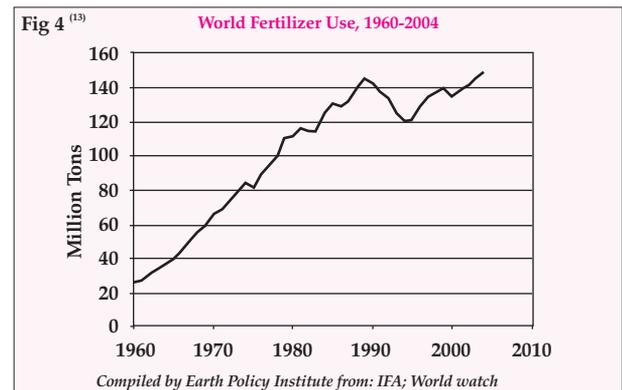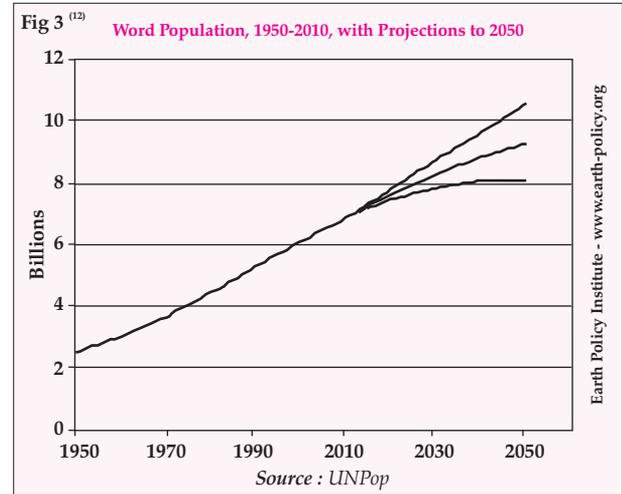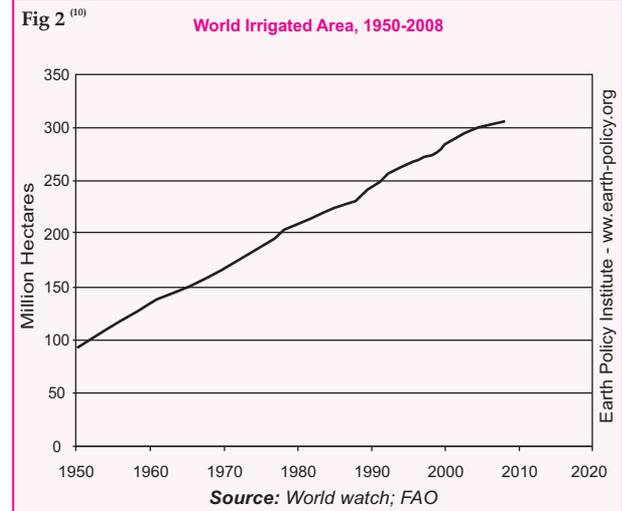
But there is an interesting fact related to this persistent rise in the crude oil dependence. It was supporting the agriculture harvest thus making Green and other colourful Revolutions possible. Of course there were other factors but Water is one of the prime factors and the persistent rise in population, agricultural harvests, over pumping groundwater/ aquifers and increasing yield of oil production can be correlated. The trend since 1960 is alarming.

Figure 2 and 3 provides the worldwide trends for water and population respectively. The projections since 2011 in Figure 3 represent Low, Medium and High rate extrapolations. Hence the pressure of rising population viz. from 3 billion in 1960 to 6.9 billion in 2010 is an astronomical burden on natural systems. How will the crude oil based economic model sustain the same is a serious question with obvious answer.

"In 2009 the world spent $ 1.53 trillion on military. [11]

Further the point of concern is that the top soil is loosing fertility and there is increasing dependence on fertilizers and pesticides. The Fig 4 speaks volumes about the same.

Now the findings of Prof. Niall Furguson appear more alarming. Once again let us reconsider the question

Fig 2 [10]

World Irrigated Area, 1950-2008

Source: World watch; FAO

Earth Policy Institute - ww.earth-policy.org

Fig 3 [12]

Word Population, 1950-2010, with Projections to 2050

Source : UNPop

Earth Policy Institute - www.earth-policy.org

Fig 4 [13]

World Fertilizer Use, 1960-2004

Compiled by Earth Policy Institute from: IFA; World watch

What does all this means?
Derivatives approx TEN times of GDP !
Bonds viz. the underlying notion of security are approx TWICE of GDP!"
What should be the solution esp. when the future had already been pawned by the past?

What should be the solution esp. when the future trends are already evident from the Table (1) ?

Of course, no Capitalistic or Socialist state could provide the sustainable solution commensurate and comparable with the one provided by an Entrepreneurial model.

Sustainability is not just confined to carrying a paper bag instead of Polythene while shopping and confined to similar self deceptive phony gimmick which the Marketing divisions propagate to provide the feeling of "evolved consumer" Sustainability is about taking strong, may be inconvenient, steps which are essential.

Table-1 [14] **:** Food Price Unrest Around the World, September 2007- April 2008

Sl No.	Location	Date	Description
1	Haiti	April 2008	Days of rioting left five people dead, including a U.N. peacekeeper, and forced the resignation of Haiti's Prime Minister. Food prices in the country, the poorest in the western hemisphere, have increased by between 50 and 100 percent in the last year.
2	Thailand	April 2008	Rice is now so valuable that thieves have taken to stealing it out of fields at night; the army is now being used to prevent food theft.
3	Bangladesh	April 2008	Twenty eight people were injured after ten thousand workers rioted in the capital, Dhaka, demanding higher pay to cover fast-increasing food costs. Rice prices in Bangladesh have doubled in the last year.
4	Trinidad and Tobago	April 2008	Bandits hijacked and looted two vans carrying flour, milk and juice as prices rose in supermarkets across the country.
5	Egypt	March-April 2008	Rice prices in Egypt have more than doubled in the last few months. Many people now depend on state-subsidized bread which is sold for 20 percent of market price. Fights in the long bread lines have left at least six people dead and the government has called in the army to bake bread for the public.
6	Côte d'Ivoire	March-April 2008	Protests against high food prices left one person dead and 20 wounded and prompted the government to temporarily suspend taxes on staple goods.
7	Ethiopia	March-April 2008	Prices of basic foods in Addis Ababa have jumped between 30-70 percent since last summer. The government has banned cereal exports and is subsidizing wheat for low-income city dwellers.
8	United Arab Emirates	March 2008	Soaring food prices caused hundreds of workers to protest for higher wages in Sharjah, where cars and offices were set on fire.
9	Senegal	March 2008 and November 2007	Senegal's 18 unions marched last November to protest the spiraling cost of basic food. Further unrest in March led to clashes with police and at least 24 arrests.
10	Philippines	February-April, 08	In February, the Philippines, the world's largest rice importer, made a direct appeal to Vietnam asking it to guarantee rice supplies. In April, the government deployed troops to deliver grain to poor areas in the capital. Amid growing fears of shortages, the government has also asked fast-food restaurants to serve half portions of rice.

11	Afghanistan	February-March, 08	Wheat export restrictions by Pakistan have caused prices to double over much of the country, leading to an increase in smuggling over the border. Continued high prices could contribute to spreading social unrest.
12	Burkina Faso	February-March 2008	Three hundred protestors were arrested in food price riots. Unions marched demanding further cuts in taxes and prices. The government responded by suspending import duties on staple food imports for three months.
13	Morocco	February 2008 and September 2007	In Feb., 34 people were sentenced to jail for taking part in food price riots. This followed rioting in Sept. 07 when protestors clashed with police after the government raised the price of bread 30 percent.
14	Cameroon	February 2008	At least 24 people were killed and over 1,500 arrested over riots caused by rising food and fuel costs in the worst unrest seen in over 15 years.
15	Yemen	February 2008	The prices of bread and other staple foods nearly doubled in four months, provoking demonstrations and riots that killed at least a dozen people.
16	Pakistan	January-February 08	Thousands demonstrated in January after the price of wheat flour doubled in less than a week. The army is being used to guard grain supplies and to crack down on hoarding and smuggling into Afghanistan, and the government has introduced ration cards for the first time since the 1980s.
17	Indonesia	January 2008	More than 10,000 people took to the streets in Jakarta on January 14 to protest soybean prices that more than doubled in a year, increasing the cost of the Indonesian soy-based staple, tempeh.
18	China	November 2007	Inflation in China is the worst it has been in more than a decade and food inflation has reached 18.2 percent. Cooking oil is now so expensive that 3 people were trampled to death in November in a stampede to grab bottles at a reduced price.
19	Mauritania	November 2007	A sudden rise in the price of staple foods triggered demonstrations across the country that left at least 2 people dead and 10 wounded. The government plans to respond by raising civil service salaries by 10% and eliminating tariffs on rice.
20	Uzbekistan	September 2007	Protests took place in the heavily-populated Ferghana Valley region after local bread prices rose 50 to 100 percent.

These and similar challenges of Food, Water, Environmental, Global Health, Power, fuel, security, sustainability issues etc. offers great Entrepreneurial venture as well as promises at Global level. More than business opportunities for making profit these are opportunities for global coherence focused on common good and to evolve out of the insecurity of mind.

Methodology

Focusing and solving localized challenges with global perspective and implication needs entrepreneurial endeavor at mass level. Entrepreneurial skill set and aptitude development is required in order to attain such learning.

This requires a practical approach of teaching. The

following example from Edward De Bono is worth mentioning here.

> Instead of teaching Algebra in classroom and explaining the benefits to students, which they are most likely not to understand, it is far better to ask them to compare the incoming and outgoing number of vehicles through a gate.

The existing system was designed to produce industrial workers. It is in Toffler's words *"stealing the kids' future."* [15]

The rote repetitive conditioning prevalent in the current education system is not delivering the essentials required for the compatibility which the future or for that matter even the demands of the present. One of the most innovative Entrepreneurs of our time Microsoft chairman Bill Gates said[15] that.

"We don't need to reform the system; we need to replace the system."

Educating for evolving sustainable developmental models at local and grass root level is the need of hour. Encouraging application based learning ecologies instead of formulating new curriculum shall provide better results.

Encouraging divergent thinking and developing aptitude should be the focus of concern and it needs serious reconsideration by the entire education system. New technologies make possible customization possible in a way that the old system could not. Everybody reading the same textbook at the same time is an obsolete model and not compatible to the need of the future. Hence massified system can be replaced with individualized system of education and learning, thus stimulating Entrepreneurship

Conclusion

The Government of India has recently taken initiative in this direction by encouraging and educating Entrepreneurship as core curriculum in few of the newly established Central Universities and Educational Institutions of Higher Learning by MHRD. The CampusVUE Virtual University Ecosystem maintained by the Bridgepoint Education in US focus on online education. Similar efforts by the Governments and private players across the world focusing and fostering on entrepreneurship development and conceptual knowledge building should enhance learning.

Entrepreneurship promises solution to the future challenges posed by the failure of Socialism, limitations of Capitalism. It assists to gear up for economic stability in Information age. Information age provides tremendous potential to cater for the challenges of the future. Here every 2.5 mins time slot is equivalent to approx 200 million emails sent; 12 million text sms sent, 42000 Facebook status, 2 million search on Google so on and so forth. It is an opportune time of collaboration and cooperation.

Entrepreneurship is the need of our times and should be taken seriously. The success stories of Great Entrepreneurs of the past may extrapolate the risk taking propensity of such successful entrepreneurial ventures. But as Peter Drucker said(16)- Entrepreneurship is not about deliberate risk taking. Entrepreneurship is all about Risk managing- comprehending and analyzing risk in advance in order to minimize it. Similar misinterpretations need to be seriously catered for while learning Entrepreneurship in order to avoid any paradigm shift between expected and actual results.

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Feature Article

Finding the fit: Using Competency Mapping to Leveraging Potential of People for Organizational Success

Sanjay Dhar *

ABSTRACT

It is being realised increasingly in organizations that people have many different ways of being effective depending upon their psychological predispositions, skill-sets and the way their life experiences have groomed them. There are two approaches to develop fit between people and organizations. One is to by setting strategies and targets of the organisation keeping in mind what the people are capable of and another is moulding people to develop the capabilities required to meet the organizational strategies. Some of the classical definitions of competency in management literature help to understand the nuances of competencies and their relation to performance. The common thread of ideas that underlies all the definitions is that competencies are linked with intrinsic capabilities of the individuals evident in the context of a job which contains a variety of tasks as part of the overall responsibility. The data on the competency profiles of positions and people helps organizations take many decisions regarding management of people in a more objective manner. Competency mapping and assessment exercises in this respect can be used by organizations to design developmental processes. Competency mapping is effective tool for structuring the organization around capabilities and ensuring a healthy balance between exploration of new capabilities and exploitation of existing capabilities to make organisations high performing and adaptive.

Introduction

People are our most valuable resource" is a cliché that has worn thin with usage but it highlights the importance of people in the success of any organization which cannot be underestimated. However smarter organisations know that it is the "right" people who are a resource. The problem is, "right" is contextual. It depends upon a number of factors, like the nature of the job, the culture of the organization, the specific challenges that the organisation is tackling. Getting an all purpose, "right" person who is suitable for every position and every context is well near impossible. There is also a growing realisation in organizations that people have many different ways of being effective depending upon their psychological predispositions, skill-sets and the way their life experiences have groomed them. When we consider the variety in the nature of challenges that organisations face and the variety of capabilities that people have in meeting those challenges, the key task for HR professionals becomes matching the people to the organizational requirements, or in other words finding a suitable "fit" between the people and the organization. It is this challenge that will be explored in this article.

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> " There is also a growing realisation in organizations that people have many different ways of being effective depending upon their psychological predispositions, skill-sets and the way their life experiences have groomed them. "

Making a fit between people and organization

Organizations can find a fit between people and organizations by using two approaches

• **Setting strategies and targets of the organisation keeping in mind what the people are capable of**: This limitation of this approach is that we first need to know what the people are capable of before we can take a view on what challenges to tackle. The bigger challenge is that the competitive environment does not allow organization the luxury of choosing to do only those things for which people are comfortable with. Organizations are in a dynamic interplay with their environment where they have to adapt to the environment and influence it through proactive actions, so new challenges would have to be met by developing new capabilities and/or re-arranging the cluster of capabilities existing in the organization depending upon the challenges. So there is a necessity of evolving capabilities.

• **Moulding people to develop the capabilities required to meet the organizational strategies:** This approach works on the assumption that anybody can be trained to do anything. This approach taken to extremes ignores the diversity in the capabilities of people and their ability and willingness to learn different things. Every person has a natural predisposition and would find some things easier to do and learn than others. Besides, as many effective managers will tell you "It is damn near difficult to use what is already inside people, so why do I need to struggle to stuff more things inside". The task of creating an all purpose "universal soldier" for the corporate battles is well near impossible. If we keep on developing new capabilities for every new challenges in every person, it will become a perpetual game of catch up which can be a very frustrating experience for people and their managers who are accountable for results and don't have the patience for taking "learning losses" on a regular basis.

The dilemma for the organizations is "how do we reconcile the two approaches mentioned above and get a fit between people and the organization" Organizations would save themselves and their people a lot of misery if they could enable people to operate mainly in the zone where working and learning is not a struggle for them. Howard Gardner, in his introduction to the tenth anniversary edition of his classic work "Frames of Mind. The theory of multiple intelligences" says "In the heyday of the psychometric and behaviourist eras, it was generally believed that intelligence was a single entity that was inherited; and that human beings - initially a blank slate - could be trained to learn anything, provided that it was presented in an appropriate way. Nowadays an increasing number of researchers believe precisely the opposite; that there exists a multitude of intelligences, quite independent of each other; that each intelligence has its own strengths and constraints; that the mind is far from unencumbered at birth; and that it is unexpectedly difficult to teach things that go against early 'naive' theories of that challenge the natural lines of force within an intelligence and its matching domains.

This would mean that the wide range of capabilities required by an organization to fulfil its strategies should be met by leveraging the diversity that exists in the capabilities of people rather than trying to create all-purpose clones who are expected to be effective in any situation. It is in the context of managing this dilemma that competency mapping will be discussed in this paper.

Appreciating Competencies

Competencies offer us a means of articulating the capabilities of people in a manner which can relate to the needs of organizations. A review of some of the classical definitions of competency in management literature helps to understand the nuances of competencies and their relation to performance.

• A capacity that exists in a person that leads to behaviour that meets the job demands within the parameters of the organizational environment and that, in turn, brings about desired results- Boyatzis (1982)

• the behavioural dimensions that effect job performance (Woodruffe, 1990)

• any individual characteristic that can be measured or counted reliably and that can be shown to differentiate significantly between effective and ineffective performance (Spencer et al, 1990);

- the fundamental abilities and capabilities needed to do the job well (Furnham,1990);

- all the work-related personal attributes, knowledge, skills and values that a person draws upon to do their work well (Roberts, 1997)

The common thread of ideas that underlies all the above definitions is that competencies are linked with intrinsic capabilities of the individuals evident in the context of a job, which will have a variety of tasks as part of the overall responsibility. Thus competency is not just about the the ability to do a task, but the larger ability to do a number of related tasks well, even new tasks, for which no prior direct experience exists. Thus competency has a larger gamut of influence than a specific trained skill. In their most influential book, "Competence at Work", Lyle M, Spencer, Jr., and Signe M. Spencer have further explored the concept of competency and provided a structured approach to understanding competency and its components. They have identified five types of competency characteristics

- **Motives:** the underlying need pattern that drives, directs and selects an individual's behaviour

- **Traits:** general dispositions to behave or respond in a certain way; for example self-confidence, self-control, resistance to stress, hardiness

- **Self-concept:** the individual's attitudes or values

- **Content Knowledge:** of facts or procedures, either technical (how to trouble-shoot a computer defective computer) or interpersonal (how to give feedback)

- **Cognitive and behavioural Skill:** either covert (for example, deductive or inductive reasoning) or observable (for example, active listening)

Taking the above characteristics helps us appreciate that the human capability is mouldable but the degree of mouldability in specific aspects is bounded by the intrinsic nature of the individual, as he is likely to learn faster on those aspects which are in line with his intrinsic nature. Competency mapping helps to chart paths where the amount of moulding needed to make people fit for a job is minimised by finding a job most suitable for a person and letting him operate through his strengths.

Appreciating Competency Mapping

Competency mapping is the process of connecting performance to competencies by using the following process

- Identifying what the organization needs to do well in order to succeed. This is done by identifying the competencies that need to be present in the organization

- Identifying the different jobs or roles through which the organization executes its strategies and identifying the combinations of competencies required to do these jobs well.

- Assessing the capabilities of people and comparing their competencies with the requirements of the competencies of various jobs

- Taking actions to match the capabilities existing in people to the capabilities required by the job through different initiative which aim at crafting jobs to suit people and developing people to meet the job requirements. Competency mapping is thus a bridging exercise between the two approaches towards optimising performance.

Making it happen: Practical approaches to Competency Mapping

In order to operationalise the process of fitting people to jobs, the following approach has been found to be the most practical and commonly used in organizations.

1. **Understanding the business needs and future plans of the organization:** It is the starting point of any competency mapping exercise as the business needs these form the context for all further actions. This can be done by

a. Understanding of vision, mission, future business and goals

b. Discussion with the top executives to understand value drivers

c. Discussion with domain experts and key human resource players across the organization

d. Understanding the organizational culture

e. Interaction with key players both one-on-one

discussions and focused group discussions The outcome of this process will be a clear understanding of what the organization needs to do well in order to succeed

2. **Developing a competency framework for the organization:** Competency frameworks define the competency requirements that cover all the key jobs in an organization or all the jobs in a job family. The frameworks are likely to consist of generic competencies. Each of the competencies is properly defined for uniform understanding across the organization and behavioural indicators for different levels of proficiency are documented so that measurement of competencies is uniform. Behavioral indicators are hObservable behaviours that are manifestations of underlying competencies. Sample of competency is given below:-

Sample of a Competency Definition

Competency	Managing external agencies /stakeholders
Definition	The ability to manage interfaces with external agencies/stakeholders proactively to ensure smooth working an d positive image of the organization
Subsumed Competencies - (related competencies deemed to be inherent in the main competency defined)-	Boundary Management, Networking, Relation Building, Partnering

a. A range of behaviours linked with a competency are graded at different levels in a proficiency scale.

b. Presence of a competency can be observed through behaviors indicating different levels of maturity.

c. Different levels of maturity are marked as different levels in a proficiency scale.

d. Behaviours exhibiting similar level of maturity are clustered together as one level in the proficiency scale.

3. **Developing competency profiles for key positions:** Using the competencies defined in a competency framework. Competency profiles are developed that set out the competencies required for effective performance in a specified role, indicating the relevant competencies and their required competency levels in that role. All the competencies identified in the framework need not be relevant to every job. The framework provides the basket of competencies from which to choose the relevant ones. Developing an assessment methodology: This job involves identifying the most suitable method to assess each competency and developing a basket of exercise, tools and techniques which can be used for assessing individuals. Some of the methods used for assessing people are :

a. **Psychometric tests-** Usually used to identify traits, motives and self-concept.

b. **In basket exercises-** where the decision making process of a job is simulated

c. **Stress Interviews-** test the ability to handle pressure as well as bring temperamental biases to the surface as people regress to their preferred style under pressure

d. **Behavioral Event Interviews-** draws inferences about competencies on the basis of evidence provided by that has already been done in a given situation

e. **Group exercises-** are an effective way of observing group and leadership behaviour

f. **Case Study analysis/presentations-** can be used to assess cognitive and communication capabilities

There are many more methods of assessing people and the art of assessment is in finding a basket of methods which held to assess people on a competency effectively by distinguishing between superior and average performers.

4. **Carrying out assessment and providing feedback:** Assessment is a highly skilled job and needs to be done by people with relevant skills and high professional maturity. Normally it is done by a team using multiple methods in order to eliminate the bias of individual and the limitations of any single method. The outcome of the assessment is useful both for the individual and the organization.

   a. The individual can use the feedback to improve himself by developing his competencies through training, practice, taking on projects that would help him to hone his competencies and in some cases steering clear of responsibilities where his weak areas can actually become limiting factors. The advantage of competency profiling is that a persons profile need not be a weakness per se. It becomes a weakness only if his weak areas are the ones that are critical to the job. Thus by simply mapping individuals to jobs where their profile does not cause any weakness and that leverages their strengths, people can actually do better with the same set of competencies.

   b. The organization can use the collective data about its talent pool for a number of long terms strategic HR processes like succession planning, competency based training and proper placement of people. The validated data of competency mapping and results achieved can even be used as a guide for recruitment as hiring for fit is the best means of getting a motivated and competent workforce. The aggregated results of competency mapping also helps organizations to review their talent pool and take corrective action for ensuring that for all key positions sufficient number of people matching the job requirements are available.

The process of competency mapping and assessment helps the employees and organization work out the best possible way of meeting mutual expectations, by providing a common set of data to form the basis of decisions regarding development and deployment.

Leveraging the Fit: Enabling people to give their best

The data on the competency profiles of positions and people helps organizations take many decisions regarding management of people in a more objective manner.

They are two different sources of confidence regarding the expected performance of a person in a new job.

• The performance track record gives us confidence on the assumption that the capabilities which led to good performance in the past will also lead to good performance in the future. This is a fairly valid assumption if the nature of work is not likely to change much.

• The competency assessment profile gives us the confidence on the assumption that the inherent disposition of a person (his traits, skill-set and knowledge base) will lead to good performance in a job where the competency profile required for the job matches the competency profile of the individuals. It is assumed that the person would be able to use his inherent strengths to bear upon the job and adapt himself even if the specifics of the job vary from his past experience.

It needs to be noted that the competency mapping data provides a good input for the right fit and does not rank individuals on one absolute scale. Competency mapping would enable the question of fit for job to be answered more scientifically. It would in-fact help in finding out where the capabilities of the high performers can be further leveraged.

The case of high potential, low performance would enable examining situational factors for low performance, and lead to better job allocation. The case of high performance low potential would help to identify cases of burnout or efficiency trap (people stuck in a particular way of working, which has worked well in the past but has dysfunctional because

the context has changed). Such people either have peaked or got trapped in their own past methods and approach and stopped growing. Timely inputs on these aspects would enable development of these individuals so that they can move to the next orbit of performance. Thus there is no conflict between performance data and competency profile data. In fact the competency profile of a person with a good performance track record will enable finding suitable positions for him where his weak competencies do not become a hurdle in future. Major gaps in a particular competency, which are difficult to fill through training can be worked around by placing a person in a position where these competencies are not critical and their absence will not limit performance. Organizations have a wide diversity in job profiles which has not been adequately explored for fitting with the diversity in competency sets of people.

The data from competency mapping and assessment exercises can be used by organizations to design developmental processes that provide are more effective by providing valid and rich data for such decisions.

- **Training and Development:** Training Needs Assessment based on competency data enables training people not only for current positions but also for future positions. Competency based training provides a complementary input to the domain knowledge based training, thus providing the foundation for well rounded employees. Competency data also provides a basis for other developmental options like Developmental projects consisting of special assignments or membership of task forces on important organizational issues and developmental postings-transfers to positions where required competencies would have to be exercised more and hence get strengthened.

- **Managing Career Paths of people:** Competency data enables lateral movement to positions requiring similar competencies, like similar department in a different unit of the organization, which will enable adjustment of age mix minimize age variations across units. This sort of lateral movement will enable people to move seamlessly from one type of position to another end by using intermediate assignments where strengths can be leveraged and weak areas developed without their being constraints to performance. Such lateral movement should be especially encouraged for star performers whose current performance and remaining tenure makes them possible candidates for future top management and board level positions.

- **Developing a leadership pipeline**: Consolidated data on the profiles of all assessed employees clearly indicates the pool of competencies available in the organization and helps to plan for ensuring that sufficient people are in the pipeline for taking up key leadership positions. Competency data also provides inputs on the readiness to take on new challenges; it is simply a matter of matching the existing competency set against the new requirements and making adjustments. On the basis of competency data organizations can systematically plan for developing successors for each of their key personnel, thus ensuring sustainability of results in the long run.

- **Effective recruitment:** Identifying the right competency fit, especially in terms of traits and values, which are difficult to change at the time of recruitment enables organizations to get people who fit in easily into the organization and pick up the necessary technical and task specific skills, which are relatively easy to train if the person is aligned to the organization.

Thus competency based HRM provides a sound basis of a range of people related issues in organizations improve the organizational performance significantly.

Conclusion

Competencies are the building blocks of organizational competitiveness based on capabilities and can be a great tool in leveraging the potential of people and significantly improving performance without increasing strain. It is also a great tool for structuring the organization around capabilities and ensuring a healthy balance between exploration of new capabilities and exploitation of existing capabilities

that is the hallmark of all high performing and adaptive organizations. However it needs a will to honestly assess the competencies required and act on the data that the assessment throws up. Doing so will provide great dividends for both the organization and the individual.

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Challenges and Opportunities in Sustainability Initiatives - Case of Steel Sector

S S Panda* and Anil Barik**

One of the original descriptions of sustainable development is credited to the Brundtland Commission: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". The definition continues by saying that it [sustainable development] contains within it two key concepts:

- the concepts of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and

- the idea of limitations imposed by the state of technology and social organization on the environments ability to meet present and future needs.

Sustainable development is generally thought to have three components: environment, society, and economy. The well being of these three areas is intertwined, not separate. For example, a healthy, prosperous society relies on a healthy environment to provide food and resources, safe drinking water, and clean air for its citizens. The sustainability paradigm rejects the contention that casualties in the environmental and social realms are inevitable and acceptable consequences of economic development. Thus, the authors consider sustainability to be a paradigm for thinking about a future in which environmental, societal, and economic considerations are balanced in the pursuit of development and improved quality of life.

Furthermore, the definition refers to three normative principles [6]

- physical sustainability: (…) the need to protect and exploit natural life-support systems in a manner that secures the ongoing satisfaction of essential human needs;

- generational equity: (…) physical sustainability needs to be achieved in a manner designed to guarantee essential need satisfaction for recurring future generation;

- global equity: (…) physical sustainability must be regulated among countries such that the satisfaction of the essential needs of the world's poor is given priority over the less-essential needs among the populations of wealthier countries.

Principle of Sustainable Development

The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations. The core of mainstream sustainability thinking has become the idea of three dimensions, environmental, social and economic sustainability. These have been drawn in a variety of ways, as 'pillars', as concentric

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circles, or as interlocking circles (Fig. 1.A). A representation of sustainability showing how both economic and societal values are constrained by environmental limits (Fig. 1.B). The interlocking circles model adopted to demonstrate that the three objectives need to be better integrated, with action to redress the balance between dimensions of sustainability (Fig. 1-C).

Fig. 1 D. shows the Scheme of sustainable development: at the confluence of three constituent parts

What does sustainable management entail?

So far Steel Sector is concerned, on the production side, companies that are able to maximize their use of recycled or renewable raw materials and environmentally friendly energy supplies are also the most successful ones. They design their production lines to use water and energy efficiently, promptly replace obsolete machinery and continuously look for opportunities to reduce waste. And they minimize harmful emissions into the air and water.
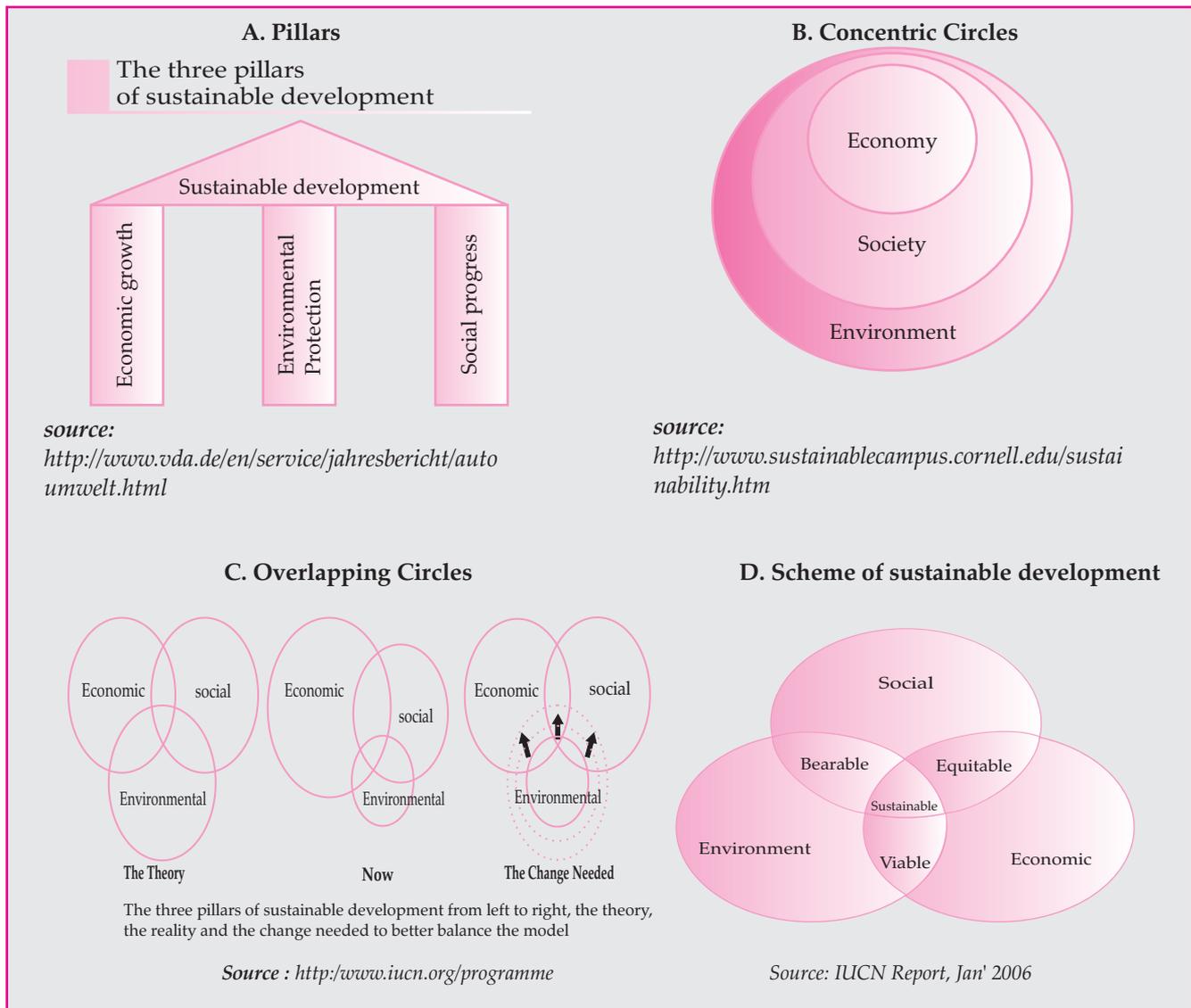
A. Pillars

The three pillars of sustainable development

Sustainable development

Economic growth

Environmental Protection

Social progress

source:
http://www.vda.de/en/service/jahresbericht/auto
umwelt.html

B. Concentric Circles

Economy

Society

Environment

source:
http://www.sustainablecampus.cornell.edu/sustai
nability.htm

C. Overlapping Circles

Economic   social

Economic   social

Economic   social

social

Environmental

Environmental

Environmental

The Theory

Now

The Change Needed

The three pillars of sustainable development from left to right, the theory, the reality and the change needed to better balance the model

Source : http:/www.iucn.org/programme

D. Scheme of sustainable development

Social

Bearable

Equitable

Sustainable

Environment

Viable

Economic

Source: IUCN Report, Jan' 2006

Figure 1 (a,b,c) : *Three Visual Representations of Sustainable Development: Pillars, Circles, Interlocking Circles*

Operationalizing Sustainability

The most popular and common attempt is the triangular concept with the three pillars **"economy,"** **"environment,"** and "society," which in recent years has in some contexts come to be referred to as the P3 concept of "people, planet, profits."

"Economy" refers to jobs and wealth; "environment" to environmental qualities, bio-diversity, and nature's resources; and "society" to health, social cohesion, and opportunities for self-development attributable to education and freedom.

The requirements of sustainable development are multiple and interconnected. The main dimensions can be said to consist of integrity of biophysical systems; offering better services for more people; and providing freedom from hunger, nuisance, and deprivation. To these one may add choice, opportunity, and access to decision making—aspects of equity within and across generations.

Sustainable development requires learning that feeds into decision making. Learning is needed on many fronts. We need learning about how to make products more eco-friendly, but also about new socio-technical systems for the delivery of goods and services.

Learning is also needed regarding new business models based on sustainability and about how existing systems of governance can be made more reflexive. We furthermore need to learn about our "real" needs (instead of assumed needs) and various ways for meeting those needs in more sustainable ways.

The Three Phases Of Sustainability Initiatives

Successful sustainability initiatives tends to evolve through three distinct Phase (Fig.2). However, different initiatives pursued in concert with one another will frequently be asynchronous in their evolution. Each phase relies on different levels of organizational capability and a specific set of leadership competencies on the part of individual heading that effort.

A closer look at each of the three phases provides details of these competencies and the leadership challenges involved. These are;

Phase 1 – Making the Case for change

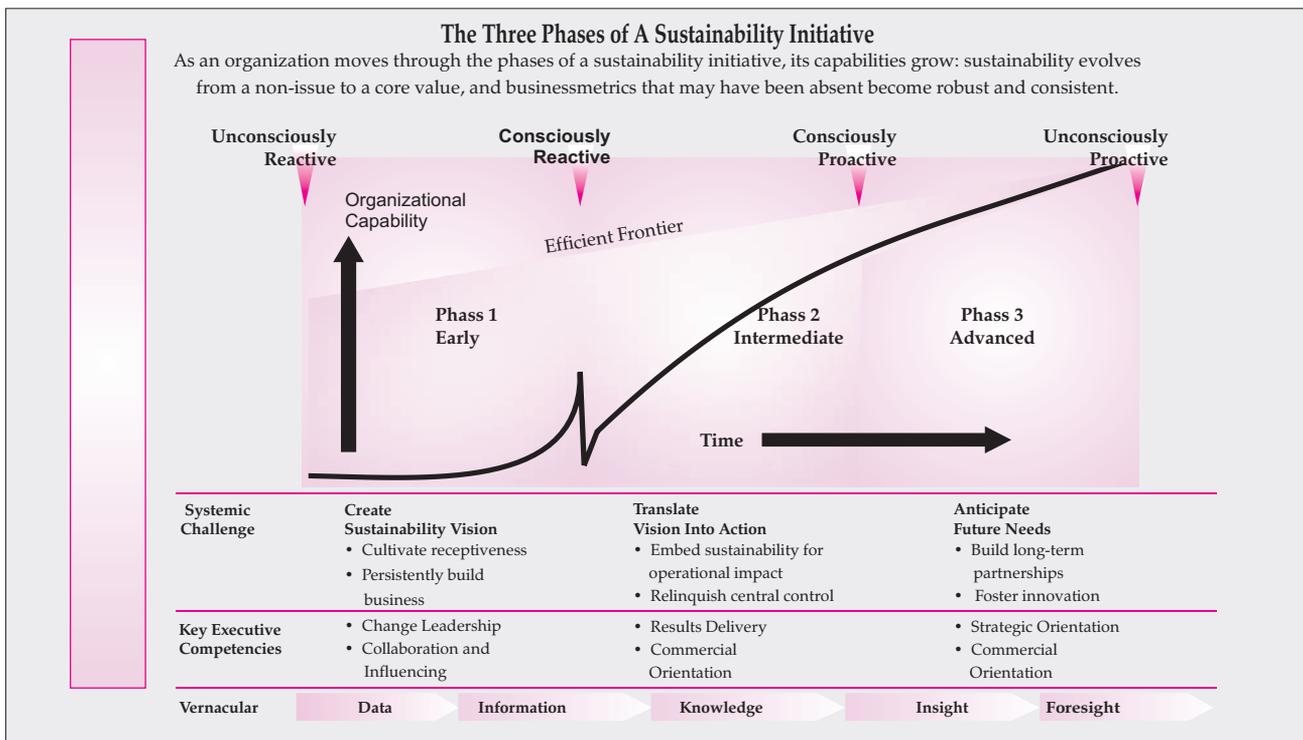Phase 2 - Translating Vision into Action

Phase 3 – Expanding Boundaries

Figure 2 (Source [2]: MIT Sloan Management Review, Summer 2010, Vol.51)

The Challenges before Indian Steel Industry

Indian steel industry is facing challenges in sustainable development in addition to business challenges. These challenges are explained below:-

1. Profitability Pressures due to volatility in prices of coal & other raw materials: the steel industry has been a prime beneficiary of the recent global boom. Steel production surged, driven primarily by galloping demand for infrastructure, buildings, and transportation, much of it in the BRIC Countries - Brazil, China, India, and Russia. As a result, steel prices soared as well. For example, the transaction price for hot-rolled coil in India grew from $200 per ton in early 2002 to more than $1,000 per ton in mid-2008.

Even today the balance between supply and demand is still in flux. However, even if the economic crisis continues to curtail demand, causing capacity shortages in mining to evaporate in the near term, energy and raw materials will remain the principal cost factors in steel production, and their prices will increase down the road. Already the recent flood situation in Australia resulted in decrease in Coking coal supply & increase in Coal prices. India's largest producer & supplier of coal Coal India has announced increase in coal prices by 40% last month.

The key question is whether the anticipated resurgent demand for steel will be strong enough to allow steel producers to stabilize their profitability against rising resource costs. Margins will face additional pressure when higher charges for CO_2 emissions take effect.

Cost structures differ from country to country and also reflect the proximity of steelmaking facilities to resources and markets. Moreover, there are likely to be shift in competitive advantage among regions and individual steel producers as price increases and decreases have different impacts, depending on energy effciencies in production processes. This is where environmental sustainability meets economic interest: increased energy effciency that is, the minimization of energy usage and CO_2 emissions—is the prime lever for cost reduction in steel production.

2. Energy Consumption & CO_2 emission: Steel is an energy-intensive and emissions-intensive industry, relying strongly on fossil fuels. So it has a particularly critical role to play in environmental protection.

According to the International Energy Agency, the iron- and steelmaking industry accounts for some 20 percent of industrial final energy consumption worldwide and for about 30 percent of the world's direct industrial CO_2 emissions.

The most energy-intensive—and CO_2-emissions-intensive—process in steel production is the reduction of ferrous oxide into iron in the blast furnace. Overall, the production of iron and steel entails a high level of CO_2 emissions per unit of energy used, compared with other industries. Energy, meanwhile, accounts for a large fraction of steel production cost—more than one-third for an integrated steel plant. So rising energy prices have had a direct impact on production cost.

Therefore, increased efficiency in the generation, transmission and use of energy is a decisive factor for reducing costs in steelmaking. And this is possible by applying best-available technologies to reduce the specific energy consumption. A study was carried out by Siemens VAI that compared the energyconsumed by integrated producers worldwide at each step along the production chain, from iron making to hot rolling (Fig.3).

It is seen that there was an overall average difference of 20% in the total energy consumption between worst performers (CIS countries) and best performers (Europe and modern Chinese steelworks).This difference varies at individual production steps, e.g., 27% in iron making and 78% in steelmaking. The 20% energy difference between worst and best performers is equivalent to 600Mt of CO_2 emissions per year. Thus, if all producers had the energy efficiency of the best producers, this would mean a reduction in CO_2 emissions by this impressive figure. It 'profits' to be energy efficient.

3. Environmental protection : In addition to energy aspects, the steel industry must also meet the continually increasing demands – and the related costs – governing pollution control. Permission to construct new production facilities is frequently linked to adherence to the strictest emission values, many of which were impossible to meet even ten years ago with the technology available at that time.

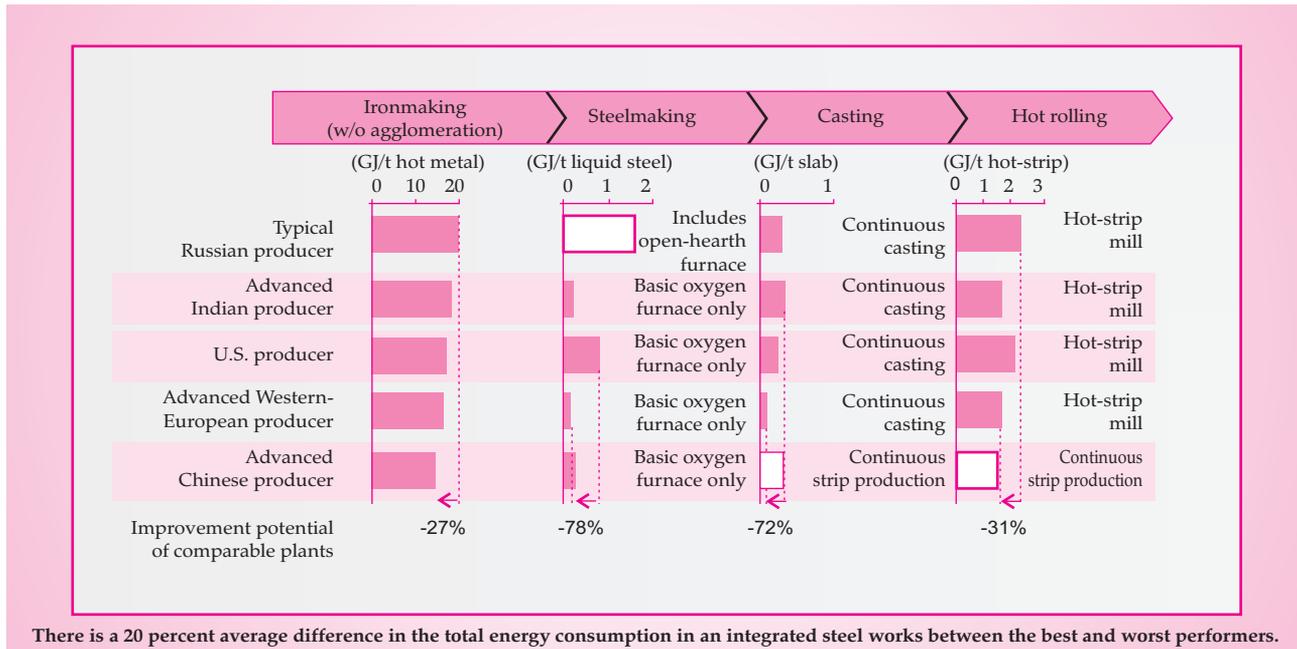However developments in various stages of Steel

Figure 3 : *Examples of energy consumed during processing in integrated steelworks*
(**Source :** *Siemens VAI Metals Technologies GmbH & Co*)

making have made it possible to new demands. Examples of various technological highlights in this field are briefly presented in the following.

Coke making: During the coke making process the energy that would otherwise be lost during the wet quenching of hot coke can be used to produce steam in a dry-quenching process. The steam is then available for the generation of electrical energy in addition to various heating purposes.

Furthermore, dust emissions are reduced as there are no dust-laden steam clouds released to the atmosphere during wet quenching.

Sintering

Reducing environmental emissions from the sintering process is one of the most important steps for improving the environmental compatibility of an integrated iron and steel works. The flue gas heat can, for example, be used to generate steam for subsequent applications within the steel plant.

Iron making

Modern Advanced Automation Systems allow, for example, the iron ore burden to be cost optimized with a simultaneous reduction in the coke rate. This results in substantial production savings and lower environmental emissions.

Newer processes like Corex & Finex are using mainly non-coking coal as the energy source and reductant. Through the elimination of sintering and coke making facilities, and thanks to the unique process features, dust and noxious gas emissions are decreased substantially compared to the integrated blast furnace route.

Steel making

In the field of electric steelmaking, the so-called Ultimate furnace developed by Siemens VAI has set new milestones for production performance. A high shell design and optimized furnace geometry allow single bucket charging to be carried out, thereby shortening tapping cycles. A higher power input with a greater control of the melting process is achieved with Smelt furnace modules, so reducing the power-on time. The use of advanced refining combined burner (RCB) technology and the application of post-combustion practice promotes high bath turbulence and, consequently, a high heat transfer and scrap melting rate.

49

With the direct charging of hot direct reduced iron (DRI) into the EAF, the sensible heat of the iron charge is efficiently utilised, increasing productivity with significant energy savings and electrode savings Compared to cold charging of Hot transport of DRI is by sealed special bucket-type conveyors to storage bin. From there it is hot fed by gravity.

The application of well-proven off gas-treatment solutions for LD (BOF) steelmaking plants allows primary and secondary dust emissions to be reduced to levels previously unattained in oxygen steelmaking. CO-rich gas recovery from the converter process reduces flaring, dust and CO_2 emissions, and saves money as well.

Comprehensive recycling and by-product utilization solutions not only benefit the environment, they are also profitable for producers. Waste-free steelmaking is no longer a dream, but a feasible option.

Reduce, reuse and recycle are the three Rs of sustainability. For decades, the steel industry has been reducing the need for raw materials and encouraging reuse of existing products. Steel is the world's most recycled material. The steel industry has made significant improvements in each of the three Rs: reduce, reuse and recycle.

- **Dramatically reduced need for raw materials**

  In the 1970s and 1980s, modern steel plants needed an average of 144 kg of raw materials to produce 100 kg of steel. With investments in research, technology improvements and good planning, the steel industry today uses only 115 kg of inputs to make 100 kg of steel – a 21% reduction.

1. In 2008, the world steel industry produced over 1.3 billion tonnes of steel. It used 1.48 billion tonnes of raw materials, or 470 millions tonnes less than would have been needed to make the same volume of steel in the 1970s

2. This equates to a saving of 1.12 billion tonnes of CO_2 emissions

Thinner, stronger steels reduce emissions

  Steel industry innovation continues to produce new grades of steel, which are thinner but still have the strength needed for the most demanding product applications. These new steels, called Advanced and Ultra High-Strength steels (AHSS and UHSS), allow customers, particularly automotive manufacturers to reduce mass of the vehicles by 17% to 25% while maintaining safety standards.

Less mass means lower emissions from driving the vehicle. If the body structure of all cars produced worldwide (approximately 71 million in 20086) were made of AHSS instead of conventional steel, this would result in total lifetime emission saving of 156 million tonnes CO_2 equivalents.

- **Reducing energy use**

  From 1975 to 2005, the average energy consumption per tone of crude steel produced decreased by about 50%. These improvements were achieved through: enhanced energy efficiency in

- the steelmaking process, the result of significant investments in R&D

- continuous efforts to implement incremental advances

- shared best practices

- more recycling of steel-containing products and better quality of recycled steels

- more use of by-products from steelmaking and yield increases.

Reuse extends a product's life

Reuse is a key aspect of sustainability. It applies to all materials, but the durability of steel makes reuse particularly relevant. Steel reuse can be described as any process where end-of-life steel is not re-melted but rather enters a new product use phase.

Many items made from steel are easily reused. For example, paper clips are used over and over again in homes and offices all over the world. Steel barrels, or

drums, have a typical life of six months. If they are used 10 times, however, that lifespan can be extended to five years. It is the durability of the steel that enables these products to be reused.

Table 1: Steel Industry Recycling rates

Sector	Market 2007 (est.)	2050 Target
Construction	85%	90%
Automotive	85%	95%
Machinery	90%	95%
Appliances	50%	75%
Containers	69%	75%
Total	83%	90%

(Source : Steel recycling on the rise, World Business Council on Sustainable Development, 2009)

These goals, when accomplished, will result in an additional 38 million tonnes of steel being recycled worldwide by 2050. This equates to 68 million tonnes less CO2. Steel recycling accounts for significant raw material and energy savings. Over 1,200 kg of iron ore, 7 kg of coal, and 51 kg of lime stone are saved for a tonne of steel scrap used. From an environmental point of view, steel recycling has an enormous impact on the reduction of CO2 emissions. If 450 million tonnes of hot rolled steel were produced from 100% scrap rather then new materials, the total CO2 savings would be approx. 811 million tonnes in one year.

General application

Plant-wide energy management solutions drastically reduce the overall energy consumption, costs and environmental emissions within a steelworks. This allows consumption rates to be accurately predicted and serves as the basis for the implementation of effective optimisation steps. The benefits include reduced peak load tariffs, fully coordinated energy and media distribution, improved power plant operation, reduced flaring and far lower environmental emissions.

Water is increasingly seen as a valuable commodity that can no longer be taken for granted. In the words of Benjamin Franklin, American scientist, inventor, statesman and philosopher, "We will never know the true value of water until the well runs dry". Figure 4 illustrates optimised water management of steelworks water circuits.

Conclusion

The sustainability of the steel industry worldwide in the long run therefore will depend on a combination of factors:

- the profitability of steel companies, essential for supporting modernization and technological growth, and attracting human resources

- the continuous drive towards consolidation, essential to defend the position of our companies
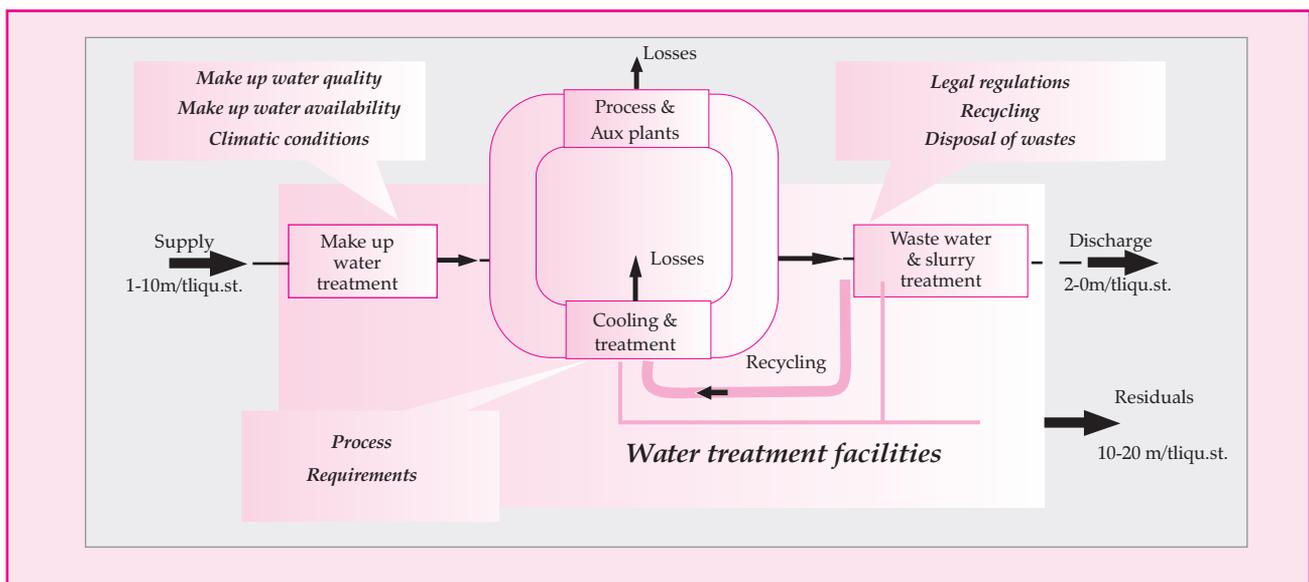
Figure 4 : Optimized water management of steelworks water circuits
(Source : Siemens VAI Metals Technologies GmbH & Co)

in an environment in which our suppliers and our customers are often much more concentrated than we are

- the ability to continuously improve our performance and reduce our footprint, in every aspect of environment, safety and health, in absolute terms and in comparison with competing materials

- the ability to attract and retain talented people, capable of bringing continuous innovation in every field of our business.

All of these aspects are interrelated and essential for the sustainable growth of the steel industry. The

optimized consumption of energy and raw materials, the application of advanced technological processes, and the maximum application of recovery/recycling solutions lead to major energy savings, reduced CO_2 emissions, increased environmental compatibility and higher profits.

Even at highly efficient plants, there is still the potential to achieve significant improvements. Cross-process optimization measures and an increased integration and coordination of technological processes and plants can play a key role in tapping the additional energy and cost-saving potential in iron- and steelmaking & contributes to long term economical viability in steel production.

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Fault Lines: How Hidden Fractures Still Threaten the World Economy

Raghuram G. Rajan*

Raghuram Rajan is one of the few economists who warned of the global financial crisis before it hit. Now, as the world struggles to recover from the double dip, Rajan argues that serious flaws in the economy are to blame, and portended in this book   a potentially more devastating crisis shall creep if they are not fixed. Rajan shows how the individual choices that collectively brought about the economic meltdown, made by bankers, government officials, and ordinary homeowners, were rational responses to a flawed global financial order in which the incentives to take on risk are incredibly out of step with the dangers those risks pose. He traces the deepening fault lines in a world overly dependent on the indebted American consumer to power global economic growth and stave off global downturns. He exposes a system where America's growing inequality and thin social safety net create tremendous political pressure to encourage easy credit and keep job creation robust, no matter what the consequences to the economy's long-term health; and where the U.S. financial sector, with its skewed incentives, is the critical but unstable link between an overstimulated America and an underconsuming world.

In Fault Lines, Rajan demonstrates how unequal access to education and health care in the United States puts us all in deeper financial peril, even as the economic choices of countries like Germany, Japan, and China place an undue burden on America to get its policies right. He outlines the hard choices we need to make to ensure a more stable world economy and restore lasting prosperity.

As the son of a diplomat, Raghuram G. Rajan lived outside of his native India for most of his childhood. In 1974, at age 11, he moved back to India from Belgium and got the shock of his young life. The widespread poverty stunned him, but it was not just that. Even for middle-class families like his, nothing seemed to work in India, a nation choked by regulation. A light went on in the boy's head: It doesn't have to be this way. "My friends in India were as smart as my friends in Belgium," At 48, Rajan is still obsessing over the problems that captured his attention as a boy in New Delhi. Only now he is applying his thinking on a global stage. Having served as the chief economist of the International Monetary Fund from 2003 to 2006, he has returned to his endowed chair at the University of Chicago's Booth School of Business and is the author of a much discussed 2010 book, Fault Lines: How Hidden Fractures Still Threaten the World Economy. Those fault lines include rising inequality in the U.S. and the dependence of the wealthy U.S. on loans from poorer China.

Rajan's arguments about what destabilized the financial world and how to respond

have emerged from a pack of competing theories to capture the attention of opinion makers. When Foreign Policy magazine asked its 100 "global thinkers of the year" for book recommendations, Fault Lines came out on top, with plugs from Yale University economist Robert J. Shiller and New York University economist Nouriel Roubini, among others. The high-level attention has made Rajan a player in the debate over how to prevent severe economic crises. Shiller says, "Raghu is more of a broad intellectual than is typical in business schools." Kenneth Rogoff, a Harvard University economist who preceded Rajan as the IMF's chief economist, says his book "is getting a lot of attention because it presents a particularly deep political economy analysis of the global imbalances....Perhaps he carries the argument too far, but there is certainly a ring of truth to it."

In 2003, the same year he began his three-year stint at the IMF, he was named the first recipient of the American Finance Association.'s Fischer Black Prize for the person under age 40 who has contributed the most to finance theory and practice. In addition to presiding over the American Finance Assn. this year, Rajan is an economic adviser to Indian Prime Minister Manmohan Singh. He chaired an Indian committee on financial reforms that produced a report called A Hundred Small Steps.

One reason Rajan has drawn so many admirers is his willingness to tackle big themes such as poverty and the power of banks, instead of keeping his head buried in the academic weeds of elasticities, volatilities, and heteroscedasticities. On Aug. 27, 2005, Rajan gave a speech that made his reputation as someone with a special understanding of the global economy. Rajan presented a paper called "Has Financial Development Made the World Riskier?" "Something as intimate as credit risk is now being traded with strangers," he said, noting that banks, displaced from conventional lending, were relying on riskier profit-making strategies such as providing backup lines of credit for corporate commercial paper. "Competition," he continued, "forces them to flirt continuously with the limits of illiquidity." He observed that investment manager's returns were "convex," meaning their personal upside for taking more risk was great and their downside was trivial. Although markets seemed

tranquil, Rajan warned against complacency, noting "the absence of volatility does not imply the absence of risk." His advice: Be wary of keeping interest rates too low, and fix the incentives in regulation—for example, by requiring investment managers to invest a portion of their pay in the assets they manage and barring them from pulling the money out until a year after they quit.

He was treated like a skunk at the party. Lawrence Summers, the former Treasury Secretary who was then the president of Harvard University, said he found "the basic premise of this paper to be largely misguided." But Princeton University economist Alan Blinder defended Rajan from what he called "the unremitting attack he is getting here for not being a sufficiently good Chicago economist" ("Chicago" being shorthand for free-market). In Fault Lines, Rajan writes, "I exaggerate only a bit when I say I felt like an early Christian who had wandered into a convention of half-starved lions." Rajan was soon proven correct. It is an attempt to identify the roots of the crisis and propose ways to make the system less vulnerable to another cataclysm. It is also an attempt to heal the intellectual fault line between market libertarians, who have no faith in government, and social liberals, who have no faith in unfettered markets.

If Rajan has the heart of a conservative, it is also a heart that bleeds. He says the excesses in subprime lending were a misguided attempt to deal with what he considers a very real problem, namely rising income inequality. He produces statistics showing that Americans in the upper income echelons are doing fine, while those in the middle and the bottom are losing ground. Borrowing by those less successful groups allowed them to spend as if they were better off than they really were, but it couldn't last. It would be far wiser, Rajan argues, to deal with the root causes of inequality by helping the poor and middle class get a better education so they can be more competitive in the now-global labour market. Maybe that is his Indian background peeking through. MIT economist Abhijit Banerjee says poverty and inequality are central concerns for most Indian-born economists across the political and economic spectrum.

One of his most ambitious proposals is for the IMF to gain influence by "appealing more directly to a

country's citizens," including China's "thinking middle class." It might not work, writes Rajan, but "in going beyond their comfort zone, multilateral organizations have little to lose but their irrelevance." "I'm making a leap. That's what a book allows me to do," he said. As an economic seismologist, Rajan is not satisfied just identifying the fault lines in the global economy. He wants to heal them, too. "The cost of doing nothing," he writes, "is perhaps worse turmoil than what we have experienced recently" because "unchecked, the fault lines will only deepen."

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MTI, SAIL, Ranchi

Transforming Your Leadership Culture

John B. McGuire and Gary B. Rhodes,

The authors, John McGuire and Gary Rhodes, have decades of corporate experience that they draw on while currently working with the prestigious Center for Creative Leadership. They start the book stating results from a variety of studies showing that organizations fail between 66 percent and 75 percent of the time when trying to implement a new initiative or transformational program and make the case that critical link between a change strategy and its execution is the organization's existing leadership culture. Organizational systems are first and foremost human systems. These are embodied and carried forward through an organization's leadership culture. Most change management programs are primarily focused on external systems, structures and processes, but what is needed most is a change in organization's leadership mindset. Organizations seeking to grow and adapt during turbulent times—like now—cannot get there by purely technical approaches such as restructuring and reengineering. A new leadership capability is needed to reframe dilemmas, reinterpret options and reform operations—and to do so continuously.

Building on a developmental view of individuals and organizations, the authors describe three basic types of leadership culture—Dependent-Conformer, Independent-Achiever, and Interdependent-Collaborator. Each culture is built on core assumptions and logics; each culture has a useful role.

1. **Dependent-Conformer** cultures are characterized by the assumption that only people in positions of authority are responsible for leadership. Authority and control are held at the top. Success depends on obedience to authority and loyalty. Mastery and recognition of work operates primarily at the level of technical expertise. Other characteristics associated with dependent cultures are: a conservative approach to change, an emphasis on keeping things running smoothly, and the tendency to publicly smooth-over mistakes.

2. **Independent-Achiever** cultures distribute authority and control through the ranks. They operate on the assumption that leadership emerges as needed from a variety of individuals based on knowledge and expertise. This assumption may lead to decentralized decision-making, high demand for individual responsibility, strong reliance on experts and expertise, and competition among experts. It focuses on success in a changing world and adapting faster and better than the competition. Success means mastery of systems that produce results in an individual's own domain, and eventually contribute to the success of the organization. Mistakes may be treated as opportunities to learn. Other characteristics associated with independent cultures include: individual performance as an important source of success and status, an emphasis on taking calculated risks, open disagreement, and independent actions within functions or workgroups.

3. **Interdependent-Collaborator** cultures are those in which authority and control are shared based on strategic competence for the whole organization. Leadership is viewed as a collective activity that requires mutual inquiry and learning. The mindset tends toward collaborating in a changing world so that new orders and structures can emerge through collective work. Mistakes are embraced as opportunities for individual, team, and organizational learning, and both positive and negative feedback are valued as essential tools for collective success. Other characteristics associated with interdependent cultures include: the ability to work effectively across organizational boundaries, openness and candor, multi-faceted standards of success, and synergies being sought across the whole enterprise.

Leadership culture then is the mutually reinforcing "web" of leadership beliefs and practices, as they are held, tested, and evolved over time in an organization or other community. Followers as well as leaders are participants in the leadership culture, though with different roles. Together, the group advances the leadership culture and the organization to a stage of development capable of facing and dealing with greater complexity.

None of these three leadership cultures is better than the other two in an absolute sense. Each has been and can be successful when the context is right. But there is an order of progression among the three. Interdependent-collaborator cultures are the only level complex enough to promote intentional, sustained and inter-systemic ways of engaging the organization for strategic change.

The authors take the view that Executives can't delegate culture transformation work to others. Without first leading by engagement and example, executives and senior leaders have an extremely poor chance of achieving successful organizational transformation. The authors follow two simple principles: Do not ask others to do what you are not willing to do yourself; and if you want something different, then become something different. It requires senior leaders to be genuinely and seriously committed to the mutual risk of initiating, collectively, new leadership beliefs and practices that generate change. In practical terms, three frameworks of focus guide effective cultural change work: Inside-Out, Readiness and Headroom.

1. **Inside-Out**. The source of transformation is your internal, intuitive, emotional, creative, spirit realm of deepest experience of being—subjective territory. Beliefs and meaning come from within (Inside-Out"). In contrast, "Outside-In" is what operations is made of--the objective, empirical stuff. Inside-Out is the source of deep, sustainable, change.

2. **Readiness.** This is your preparedness as a leader to face the challenge of change. Your degree of readiness depends on assumptions and beliefs that either enable or cripple your personal chance at transformation. There are three forces of Readiness, which include your assumptions about the nature and use of time; the degrees of your felt need for control over self, things and others; and your deepest intentions—how serious you really are. Your personal readiness for change will determine your ability to guide others through change.

3. **Headroom.** "Headroom" is the space and time created to allow systemic development of the leadership culture. Expanding Headroom assists everyone to acquire the "bigger minds" that meeting challenges requires. Headroom is about having genuine and creative multi-lateral, multi-level connections with others in the course of transformation. It depends on internal and group dialogue, authentic public engagement, and collective learning.

Almost all organizational cultures can change to some degree, but feasibility and the readiness to change cannot be taken for granted; at many points along the path you will need to weigh and monitor them. Weighing the feasibility and measuring readiness to change are fundamental steps in creating a leadership strategy that you can actually implement. Five factors that indicate a senior team's readiness to work on cultural change are

1. The executive team is engaged as both enabler and participant.
2. Leadership development is part of the organization's cultural history.

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3. In struggling to implement change, senior leaders know that the missing piece is change in the leadership culture.

4. The senior team is willing to engage in emergent work.

5. The senior team recognizes the need for cross-boundary work.

The authors defined leadership in terms of its outcomes: direction, alignment, and commitment (DAC). Shared direction implies that each member of the collective knows the aims and goals of the collective;each member also knows that the other members know those aims and goals as well. Alignment is the coordination of knowledge and work in the collective. Commitment is the willingness of members of the collective to expend effort toward the needs of the collective over and above the effort needed to meet their individual needs. High - functioning DAC indicates the presence of an effectively functioning leadership culture of beliefs and practices.

The authors propose a Culture Development Cycle as an organizational learning and development model or framework devised to represent their research findings. The cycle includes six "dimensions" or "phases."

- **The Inside-Out, Role Shifting Experience Phase:** The focus here is on gut-level experience, personal connection to change, grassroots truth telling and such issues, which help to appreciate "why change?"

- **The Readiness for Risk and Vulnerability Phase:** Leaders need to take risks and make themselves vulnerable in the course of developing skills and personal readiness. This means that senior leaders take risks with others in some public ways — at least " public " to the team. To increase willingness to take risks and be vulnerable, change guides need to identify and encourage openness, trust, and challenges as positive forces for change

- **The Headroom and Widening Engagement Phase:** Focus here is on making sense of dilemmas, imagining and defining future, public dialog in search of root causes, which triggers the clarity on **"change what"**

- **The Innovation Phase:** Focus here is on experimenting, application, and evolving strategy into action and learning, elevating ideas of leadership which facilitate the **"change how"** process.

- **The Structure, Systems and Business Processes Phase:** The importance of the structuring, systems phase of the leadership culture development cycle is that it holds the power to consolidate and integrate accomplishments of preceding phases in the cycle. One aim in the phase is putting in place whatever new structures, systems, and processes will anchor and reinforce the current, perhaps recently achieved, level of Headroom. That in turn creates the basis for expanding current Headroom in order to develop toward the next higher stage of leadership culture

- **The Leadership Transformation Phase:** Focus here is implementation of change, integration and refinement of system, structure, and process and emerging learning communities which promotes "What if?" thinking thus increasing change readiness for more change.

A transforming organization evolves through all six phases as a collective, organizational learning cycle in order to achieve an advance in culture stage. Inside-out development of leadership beliefs must come into balance with Outside-in changes in the organizations systems, structure and processes. Business strategy drives the challenge while leadership strategy meets and greets it. The culture development cycle represents the collective learning that results in the next advancement of leadership logic and culture. Each dimension is an ongoing, self-contained entity. Organizations can and will go through the phases multiple times and yet be contained within the dimensions as they advance in capability and sophistication.

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Powering Strategies: Profit Power in a Transparent and Interdependent World

Mia de Kuijper

Today's business world characterised by speed, ubiquity, universally available information and unlimited connectivity – all at a very low cost. Business arena has become more transparent and interdependent than ever before. With this changing scenario the traditional concepts of market behaviour, risk management and business strategies are inadequate. Old strategic theories and classical economic concepts are not likely to hold true any more. This article claims that it is the Powering Strategies of Profit Power that is going to thrive in the transparent economy and will differentiate the winners from the losers.

Powering Strategy in Action

Two examples have been taken for illustration of the concepts of Powering Strategy and Power Nodes. One is the successful strategy of Coca-Cola and Pepsi and the other about AT & T's failure story.

Pepsi and Coke focus on a tiny slice of the entire value chain of the production, bottling, sales & distribution of carbonated beverages across the globe. They focus only on two parts of their business the "outstanding global brand" and the "proprietary recipes" for soft-drink concentrate. These are their power nodes. They choose not to own operations in the areas of bottling and sales & distribution of their products. To take care of the balance chains of their business they enter into various patterns of relationship which are neither complete rigid ownership nor complete separate entity driven by market mechanism. They devise suitable business arrangements with their bottling and distribution agencies which maximise their returns on capital invested and offload major part of the risk. This is a successful case of Profit Power strategy where focus and investment is at the power nodes viz. 'Brand' and the 'Secret Recipe' directed to maximise profit by reducing unwanted risks.

The second case is of AT & T who had ownership of a huge base of communication lines, hardware and software for telecom industries during the 90s with minimal competition. However the emergence of new players in the field with modern efficient networking technologies challenged the supremacy of AT & T which was its power node at that point in time. AT & T believed too much on its outdated assets and invested heavily into the antiquated system which led to its downfall. The author believes that the company had another power node that is its 'huge customer base' which should have been leveraged efficiently. AT & T could have gone for a smarter powering strategy with leased lines and state-of-the art infrastructures from its rivals and used it for providing services to the large customer base.

One needs to understand the characteristics of the Transparent Economy, carefully choose the power nodes and go for the powering strategies to make the best out of the opportunities that emerge in this business scenario.

The Transparent Economy

The 21st century economy has been termed by the author as the transparent economy which demonstrates a different set of characteristics than that of the old economy we have experienced. The progress of the economy towards transparency is unstoppable and is going to affect all the industries. It is providing the organisations much more freedom with respect to managing the affairs, choosing business partners and estimating the growth potential. At the same time this transparent economy is changing the way the market behaves and people make their economic decision. Key to achieve extraordinary profit under these circumstances is what the author believe is the "Profit Power". There are 12 sources of profit power which is termed as "Power Nodes" which can be a thing, position, skill, dynamic or process that a company can reliably use to influence financial outcomes. In this economy vertically integrated companies are breaking apart into focused companies concentrating only on a narrow slice of the value chain. The distributed business arrangement of focused companies is emerging as the new dominant structure. The competition is becoming intense in three dimensions i.e. along the value chain, within the established market and across the traditional industry boundary. The transparent economy is driven by a new set of concepts yet provides much more opportunities for extraordinary profits. However to earn this profit organisations need to understand the concepts of Profit Power.

Profit Power: The Concept

Profit power is the ability to hold on to the value from your own activities as well as to extract value from the activities of others with whom you interact in your commercial dealings, to increase the value available to the entire group, and to optimize the risks for yourself and allocate to others the risks that you do not want.

Power Nodes

A power node is a source of profit power — that is, a thing, position, skill, dynamic, or process that a company can reliably use to influence the financial outcomes for itself and for other commercial enterprises in either a positive or negative way. Power nodes provide companies with the ability to help or hinder the cash flows, risks, and investments — that is, the inputs to returns — of other players over an extended period of time.

The 12 Power Nodes

Twelve power nodes are the most important sources of profit in the transparent economy. Many of these are older nodes and are already well established sources of leverage, but in the new environment they acquire new functionalities.

- Brands
- Secret, Special or Proprietary Ingredients
- Regulatory protection (Privileges granted by regulatory regimes like Nuclear Plants or offshore drilling)
- Focused financial resources
- A customer base with switching costs
- Proprietary processes or modus operandi
- Distribution gateways
- The dominant position in a layer of the Value Chain
- Increasing mutual utility (Example: Ipod and Itune; one propels the other's demand)
- Filters and brokers

Apart from the ten nodes mentioned above two more nodes that have emerged with the new communication technologies and information infrastructure are:

- **Aikido assets:** This power node is named after the Japanese martial art which exploits the energy of an opposing force. The current information scenario has empowered the customers to look out for what they want either on the web or through other information channels. The Aikido approach is to tap the dynamics from the information networks and information-rich markets and move swiftly with the momentum. Companies with a power node based on the aikido approach are smart in providing markets with many options and are quick enough to spot the preference through continuous analysis of the digital media. And

they react very swiftly by introducing or discontinuing products almost instantaneously.

- **Hubs:** Hubs are people or products that attract viewers, assignments, clients, buyers or users in part because others are drawn to them as well. One of the most effective power nodes in a transparent economy is to become the beneficiary of such a self-reinforcing popularity pattern. The first of J K Rowling's books, Harry Potter and the Sorcerer's Stone, took off rapidly because readers recommended it to friends. It became a hub as others wanted to know what was driving people to read it. The transparency and immediacy of communications media added momentum. Companies that can popularise a product and make it emerge as a hub can use it as a power node and can aim for extraordinary profit.

The New Strategy Play Book

Four powering strategies provide answer to the following four questions related to core strategic decisions in the context of the transparent economy:

- What to focus on and own?
- How to structure the organization?
- How to conquer competitive threats?
- How to read the marketplace and win?

1. Know Your Power Nodes and Focus, Focus, Focus

In transparent economy it is essential to be focused only on businesses with power nodes. It is no longer necessary for firms to own companies at every vertical step of the value chain in order to function efficiently or to compete. Rather a focused company concentrated on single element of the value chain that is likely to be profitable and attract capital. A focused company with a strong power node in the middle of a value chain, like Intel, may enjoy leverage over profits. New technologies are capable of enabling focused companies to expand globally, transcending previous limitations of scale.

2. Adopt New Business Models and Mind Your Power Relationships

As an organisation transforms from the traditional vertically integrated entity to a focused company with ownership only in the power node domain, efficient and effective relationship with other firms in the value chain is of paramount importance. Information technology provides varieties of options and solutions for establishing, monitoring, and coordinating ongoing relationships. The business model and relationship pattern becomes a major determining factor for profit maximisation and hence design of the same remains a challenge for the corporate leaders. A focused company with a power node has an opportunity to design the model and relationship in a way to maximise return and allocate risk in most advantageous manner. Profit power is the glue that holds the arrangements in a distributed business model together. The cultivation of power relationships is likely to become an essential management skill.

3. Compete Fiercely in Three Dimensions

With multiplicity of entities in the value chain the competition is likely to be fiercer along the vertical players apart from the competition in the traditional horizontal domain of same sector or in the third dimension i.e. across the industry boundaries. New competition is over risk-adjusted returns. In many cases, the key determinant of long-term value is now the ability to defend or extract returns from vertical competitors in the same value chain. The fierce 3-D rivalries will essentially be power node battles. The relative strength of one company's power node vis-à-vis the power nodes of its competitors in multiple dimensions will determine the level of returns.

4. Get Ready for Power-law Marketplaces

Perfect information and high levels of connectivity cause new dynamics in groups and in marketplaces because they fundamentally change the way people make economic decisions which can be termed as "interdependent decision making". The dynamics of

interdependence along-with the other favourable condition of transparency provide opportunity to create success on a phenomenal scale — the kind of scale exhibited by social networks like YouTube, Facebook, Harry Potter, Oprah Winfrey, and iPods. Interdependent decision-making makes large groups behave like a special kind of network, one that is characterized by power-law distributions. "Power law" is a mathematicians' term for a type of distribution that is similar to 80-20 principle. Hubs are the points with the predominant number of links in a power-law network. In the transparent economy, the power-law dynamics of mass consumer marketplaces cause actual consumer choices to be concentrated according to the 80–20 principle as opposed to individual preferences. Whenever 80–20 patterns are observed in the form of a bestsellers, or blockbusters, or other indications that the bulk of choices are going to a few hub points, there is a likelihood of presence of a power-law distribution. One should be on the lookout for the entities that are hubs or that have hub potential. Marketing and manufacturing programmes can be revised to make the most of the profit power of the products that have hub potential.

Conclusion

The transparent economy will offer extraordinary opportunities and challenges to business executives, entrepreneurs, leaders of not-for-profit enterprises, and investors. One will come across unseen market dynamics and fierce global competition from a multitude of fronts. However, there will be new degrees of freedom to shape the destiny and by applying Four Powering Strategies, one will be able to exercise profit power and create sustainable long-term value for the enterprise, partners and customers.

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How Will You Measure Your Life?

Professor Christensen and Clayton M

Professor Clay Christensen addressed the Harvard Business School's Graduating Class on the ways of applying his principles to their personal lives. On the last day of class, Professor Clay Christensen asked his students to find answers to three questions: First, how can I be sure that I'll be happy in my career? Second, how can I be sure that my relationships with my spouse and my family become an enduring source of happiness? And third, how can I be sure I'll stay out of jail? The answer to the first question--how to be sure we find happiness in our careers can be sought from Frederick Herzberg, who asserts that the powerful motivator in our lives isn't money; it's the opportunity to learn, grow in responsibilities, contribute to others and be recognized for achievements. The six principles he explained are:

Create a strategy for your life: For ensuring that relationship with one's family proves to be an enduring source of happiness--concerns how strategy is defined and implemented. Because companies' decision-making systems are designed to steer investments to initiatives that offer the most tangible and immediate returns, companies shortchange investments in initiatives that are crucial to their long-term strategies. Professor Clay Christensen cites that he has seen many of his batch-mates during reunions unhappy, divorced and alienated from their children. They didn't follow the purpose of their lives. He says that if they take the time to figure out their life purpose, they'll look back on it as the most important thing they discovered at HBS.

Allocate your resources: Our decisions about allocating personal time, energy, and talent ultimately shape our life's strategy. When people who have a high need for achievement - they'll unconsciously allocate it to activities that yield the most tangible accomplishments. And our careers provide the most concrete evidence that we're moving forward. In contrast, investing time and energy in our relationship with spouse and children typically doesn't offer that same immediate sense of achievement. You can neglect your relationship with your spouse and on a day-to-day basis, it doesn't seem as if things are deteriorating. People who are driven to excel have this unconscious propensity to under-invest in their families and overinvest in their careers--even though intimate and loving relationships with their families are the most powerful and enduring source of happiness.

Create a culture: Many companies start with usage of "power tools" - coercion, threats, punishment to secure cooperation. If employees' ways of working together to address those tasks succeed over and over, consensus begins to form. Ultimately, people don't even think about whether their way of doing things yields success creating a culture.

For ensuring that one's family becomes an enduring source of happiness we have to create a good culture in family. If we want our kids to have strong self-esteem and confidence, those qualities have to be designed into one's family's culture- and one has to think about this very early on.

Avoid the marginal costs mistake: We're taught that in evaluating alternative investments, we should ignore sunk and fixed costs and instead base decisions on the marginal costs and marginal revenues. It may be the wrong thing to do. This addresses the third question -- how to live a life of integrity. We often employ the marginal cost doctrine in our personal lives. The marginal cost of doing something wrong "just this once" always seems alluringly low. Justification for infidelity and dishonesty in all their manifestations lies in the marginal cost economics of "just this once." You've got to define for yourself what you stand for and draw the line in a safe place.

Remember the importance of humility: One characteristic of humble people stands out: They have a high level of self-esteem. Humility is defined not by self-deprecating behavior or attitudes but by the esteem with which one regards others. By the time you make it to a top graduate school, almost all your learning has come from people who are smarter and more experienced than you: if our attitude is that only smarter people have something to teach you, our learning opportunities will be very limited. But if you have a humble eagerness to learn something from everybody, your learning opportunities will be unlimited. When we see people acting in an abusive, arrogant, or demeaning manner toward others, their behavior is a symptom of their lack of self-esteem.

Choose the right yardstick: Professor cited that earlier he was diagnosed with cancer and faced the possibility that his life would end soon. But it now looks as if he will be spared. But the experience has given him important insight into his life. He has a clear idea of how his ideas have generated enormous revenue for companies that have used his research. He has concluded that the metric by which God will assess his life isn't dollars but the individual people whose lives he has touched. He thinks that's the way it will work for everyone.

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विकास के लिए नेतृत्व

डॉ. धनाकर ठाकुर,*

> " एक नेता और प्रबन्धक में अन्तर होता है– नेता दृष्टि देता है जबकि प्रबन्धक योजनाऐं बनाता है, नेता बदलाव लाता है जबकि प्रबन्धक कार्य सम्पादित करवाता है। "

विकास के लिए एक सही नेतृत्व चाहिए। यह एक आम धारणा है।

नेतृत्व की गुणवत्ता क्या है? उसकी कसौटियाँ क्या हैं? वर्तमान प्रबन्धन शास्त्र में नेतृत्व पर ध्यान तो दिया गया है पर बहुत कम लोगों ने उन परिस्थितियों को परिभाषित किया है जो नेता उत्पन्न करते हैं। शेक्सपीयर ने कहा था 'कुछ जन्मजात महान होते हैं, कुछ महानता प्राप्त करते हैं एवं कुछ पर महानता थोप दी जाती है। लंदन बिजनेस स्कूल के अनुसार मैनेजर की बहाली करो एवं उसे नेता बनाओ।

बताया जाता है कि यह भ्रम है कि नेता जन्मजात होते हैं, उनमें शौर्य होता है या उनका आकलन युद्धविजय से हो सकता है।

वर्तमान काल में नेतृत्व का आकलन तीन बिन्दुओं से होता है–

1. मूल्यों का अभिवर्द्धन

2. नयी दृष्टि का विकास और

3. उसके अनुरूप समुदाय को खडा करना।

यानी वर्तमान का सही आकलन कर, नयी दृष्टि के अनुरूप मूल्य आधारित नीतियां बना कर उनका कार्यान्वयन करना। जो नेता सफल होता है वह विशिष्ट गुण सम्पन्न होता है एवं उसे काम कराने की विशिष्ट पद्धति का ज्ञान होता है और इन्ही विशिष्ट गुणों से वह नेतृत्व प्रदान करता है।

नेता भी अनेक कोटि के होते हैं–

1. नेतृत्व करे या मार्गदर्शन करें

2. किसी कार्य के लिए किसी समूह के प्रभारी बनाए गए हों

3. किसी राजनीतिक दल या संगठन का नेतृत्व करे।

कोई नेता अपने पद से हो सकता है, उसमें नेतृत्व की क्षमता हो और वह मार्गदर्शन करे वा दिशा दिखाए। यह बात विश्व नेता के लिए कही गयी है परन्तु यह देश और संगठन पर भी लागू होता है। पर हर विश्वनायक देशनायक नही हो सकता और उसी तरह हर देशनायक विश्वनायक नही हो सकता।

महात्मा बुद्ध एक देश के नेता बिना बने विश्वनायक हो गये। माओ सबसे बडे देश के नायक

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होते हुए भी विश्वनायक नही हो सके।

गांधी ने देशनायक का रोल निभाया, उन्होंने अंग्रेजी शासन का विरोध किया पर अंग्रेज जाति का विरोध नही किया। हिटलर जर्मनी का नायक हुआ पर यहुदियों के प्रति उसकी घृणा ने उसे देशनायक से विश्वखलनायक बना दिया। सुभाषचन्द्र बोस ने उसकी मदद ली पर देश के बाहर रहते हुए भी वही नेताजी बने रहे।

इन्हीं अन्तरों से नेतृत्व की विविध जटिलताओं को समझा जा सकता है।

राजनीतिक या धार्मिक नेताओं की सभी बातें संस्थानों के नेतृत्व पर लागू नहीं होती है जहां विकास मापक होता है और नेतृत्व भी एक अधिकारी श्रृंखला के तहत ही सीमित व्यक्तियों के बीच से ही चुना जाता है–

एक नेता और प्रबन्धक में अन्तर होता है– नेता दृष्टि देता है जबकि प्रबन्धक योजनाऐं बनाता है, नेता बदलाव लाता है जबकि प्रबन्धक कार्य सम्पादित करवाता है।

एक नेता में अपने विषय की अधिकृतता, चरित्र, दृष्टि, दृढ इच्छाशक्ति एवं विवेक होना चाहिए।

'द मीथ आफ लीडरशिप' में जेफरी एस. नीलसन कहते हैं कि संस्थानों में श्रेणी आधारित एवं सहकर्मी आधारित चिन्तन रहता है और इसीके अनुरूप नेता बनते हैं। सहकर्मी आधारित को वे श्रेष्ठ बताते हैं क्योंकि इसमें सहयोग का भाव रहता है जबकि श्रेणी आधारित आदेशात्मक में सहयोग शून्य के बराबर होता है। सहकर्मी आधारित ज्यादा प्रभावकारी होता है। आज के युग में तो नेताविहीन संगठन को प्रश्रय देने की बात होती हैं।

विकास के लिए नेतृत्व चाहिए तो हमें विकास को भी परिभाषित करना चाहिए।

विकास को ग्रोथ एवं डेवलपमेन्ट दोनों प्रकार से जाना जाता है पर इसमें एक तात्विक अन्तर है। जहाँ ग्रोथ किसी जीवधारी के लिए उसकी शारीरिक बनाबट में वृद्धि को कहते हैं विकास वही डेवलपमेन्ट उसके सर्वतोमुखी विकास का मानक है।

इस प्रकार किसी कम्पनी वा संस्थान वा क्षेत्र वा देश के वृद्धि (growth) का मापक उसके भौतिक पैमाने हैं तथा जी. डी. पी. या प्रति व्यक्ति औसत आमदनी में प्रतिशत की वृद्धि या कमी वहीं विकास (development)   के मानक शिक्षा, स्वास्थ्य, आयु आदि के मानकों के समूहों से व्युत्पन्न होते हैं। और सही कहा जाए तो इसके ऊपर भी कई एक चीज होती है जिन्हें आप व्यक्ति या उनके किसी समूह वा संस्थान का संस्कार कह सकते हैं।

मान लिया जाए कि आप किन्हीं दो घरों में जाते हैं अपनी लड़की की शादी ठीक करने के लिए और आप पाते हैं कि वर दोनों जगह ही समान रूप से योग्य है पर एक घर में वर के पिता स्पष्ट सोच के लगते हैं पर दूसरे घर में निर्णय कौन लेगा यह ही आपको पता नहीं चलता तो आप पहले घर को वरीयता दे देंगे। यही किसी संस्थान का नेतृत्व है जो आपको तो सहज में अपने वस्तु के लिए आकर्षित कर ही लेता है आप उनके अधीनस्थ कर्मचारियों से भी जहाँ सहजता का अनुभव करते हैं वहीं आपको यह अनुभव होता है कि वहाँ सब कुछ ठीक ठाक है और आप अपना सौदा करेंगे तो फंसेंगे नहीं।

जो बात एक घर के लिए है वही आपको संस्थानों वा देश के लिए भी लागू होता है क्योंकि कोई भी समाज व्यक्तियों का समूह होता है और किसी एक कार्य के सम्पादन में ऐसे अनेक व्यक्ति या उनका एक समूह या अनेक समूह एक नेतृत्व में वैसे ही काम करते हैं जैसे शरीर का हर अंग मस्तिष्क के नियंत्रण में वा एक फौज कमांडर के नेतृत्व में।

ध्यान रहे कि जैसे मस्तिष्क अपने लिए पोषण के लिए रक्तवाहिनियों पर आश्रित है वैसे ही कोई नेता अपने अधीनस्थ कर्मचारियों से ही शक्ति पाता है। एक ओर जहाँ मस्तिष्क शरीर के प्रारम्भिक ऊतकों से ही विशिष्ट रूपसे नेतृत्व करने के लिए ही बनता है वहीं दूसरी तरफ फौज का कमांडर फौज में आनेवाले अधिकारियों से ही दूध से मक्खन की तरह निकाला जाता है और सही माहौल में उसका विकास किया जाता है।

नेतृत्व क्षमता सबों में नहीं होती– इसका कुछ गुण तो जन्मजात होता है पर कुछ योग्य गुरु से सीखना भी पड़ता है।

आपने चन्द्रगुप्त और चाणक्य की कहानी सुनी होगी। आचार्य विष्णुगुप्त कौटिल्य चाणक्य ने एक मैदान के टीले पर बाल दरबार चला रहे बालक चन्द्रगुप्त से गौवों की मांग की तो पत्थर के सिंहासन पर बैठे बाल 'राजा'

चन्द्रगुप्त ने कहा–'मैदान में चर रही गौवों में तुम्हे जितनी चाहिए ले लो।'

चाणक्य ने उसी बाल 'राजा' चन्द्रगुप्त को अपनी शिक्षा से तराश कर महान चन्द्रगुप्त सम्राट बना दिया। सोचें, चाणक्य ने उसी बाल 'राजा' चन्द्रगुप्त को ही क्यों चुना? क्योंकि बालकों के उस समूह में उसी में नेतृत्व क्षमता थी।इतिहास ऐसे महानायकों से भरा पड़ा है जिनकी क्षमता का किसी ने आकलन किया तो वह 'जीरो' से 'हीरो' बन गया।

बात जब संस्थान के स्तर पर आती है तो नेतृत्व क्षमता वाले ऐसे व्यक्ति दो तरह के होते हैं : एक जो आदर हृदय से पाते हैं और दूसरे जो आदर केवल अपने पद के कारण पाते हैं। दोनों में अधिक सफल पहला ही रहता है जहाँ उसकी मानवीय संवेदनाऐं अपने अधीनस्थ में भी उसके जैसे विराट व्यक्तित्व के अधीन काम करने में एक गौरव का भाव उत्पन्न कर देता है।

ऐसा नेतृत्व केवल एक इंजन ही का काम नहीं करता जिसके पीछे डिब्बे खिंचाए चले जाते हें वल्कि वह अपने अधीनस्थों के धनात्मक गुणों को बढ़ाते हुए उनमें आत्मगौरव का भाव बढ़ाते हुए सहजता से उस ऊँचाई तक काम करा लेता है जो कि अनुशासन के डण्डे से सम्भव नहीं है। आप किसी बेगार से मूरत तो बनवा सकते हैं पर उसमें रंग तो कोई सन्तुष्ट मानव ही भर सकता है जो एक शिल्पकार बन जाता है। और ऐसा अधीनस्थ कर्मचारी स्वयं नेता का भागसम बन जाता है जैसे इस विश्व मे कोई योगी भगवान से जुड़ स्वयं उनका भाग तो वह है ही ऐसा ही समझने लगता है।

श्रीमद्भगवद्गीता में भगवान कृष्ण ने सर्वप्रथम अध्यक्ष शब्द का प्रयोग करते हुए कहा है कि उनकी अध्यक्षता में यानी नेतृत्व में दूनिया चल रही है–

'मयाध्यक्षेण प्रकृतिः सूयते सचराचरम्' (अध्याय 9ः श्लोक 10)

लेकिन कुछ भी जरूरत नही होने पर भी भगवान भी कर्म करते हैं–

'न मे पार्थास्ति कर्तव्यं त्रिषु लोकेषु किंचन'' (अध्याय 3ः श्लोक 22)

यद्यपि वर्तमान प्रबन्धन शास्त्र में बताया जाता है कि सबसे अच्छा मैनेजर वह है जो स्वयं कुछ न कर काम अधीनस्थों में बांट दे पर मेरे दादा जी जो कि एक सफल किसान थे कहा करते थे–

''जे हर गहे सौंस हर बहे, जे संग बहे आध हर बहे

जे पूछए हर बहए कहाँ, हर बीया फेंकल तहाँ।'

(जो स्वयं हल जोतते उनका पूरा खेत जुतता, जो हलवाहे के साथ रहते उनका आधा खेत जुतता और जो पूछते हल किस खेत में गया है मानों उन्होंने मानों हल और बीज बेकार में ही फेंक दिया है।)

जो नेतृत्वकर्त्ता स्वयं कर्मठता से (अपने स्तर का, अधीनस्थों का नहीं) कार्य करता है, जिस नेता का चरित्र निष्कलंक है वह अपने अधीनस्थों में अपने प्रति सच्चा समर्पण उत्पन्न कर पाता है और अपने संस्थान को सफलता की उच्चतम शिखर तक पहुँचाता है।

संदर्भ–

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