

# LEADERSHIP INDIA

## LEADING CHANGE, CHANGING LIVES

Bhaskar Chatterjee  
Saugata Mitra



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# PREFACE

India has no dearth of leaders. Choose any area of human activity and an endless list comes to our mind. From political parties to corporations and from social activists to trade unions – the numbers are legion. When Saugata and I sat down at our first brain-storming session, we had decided already that we would attempt a book on leadership. The challenge really was – what kind of book? Shelves around the world are groaning with the weight of leadership books. We were also acutely mindful of the fact that this effort was not going to be a one-off attempt. Our intention was to create a niche that we could espouse as our own territory, an area or aspect of leadership that had very special leaders – driven by non-conventional values, motivated by off-beat perceptions but focused uncompromisingly on the common man. This common man we perceived as someone who was sometimes in the mainstream and sometimes marginalized, sometimes urban and sometimes rural, sometimes poor and sometimes middle class – someone that represented an opportunity to serve, to reach out to, to help and assist, and indeed see as a business proposition.

We were conscious naturally, that the late C.K. Prahalad had already essayed the novel idea of the bottom of the pyramid. Indeed, his unfortunate and untimely demise had taken place just a month or so before we began conceptualizing our book. What better way to perpetuate the memory of this great Indian management thought-leader than to look closely at the leadership styles of those who had that bent of mind and were cutting-edge leaders on the Indian landscape? What better tribute could we pay than to identify leaders who targeted the lower economic strata of our society to provide them with new opportunities, new identities and a whole new pride and belief in themselves?

This is how our idea was born – to zero in each year, on leaders that were making a real difference at ground level, to depict and describe their own individual styles and to hold up before the reading public a comprehensive view of how bottom of the pyramid leadership is helping

to lead change and change the lives of ordinary people in extraordinary ways!

Then began our search for leaders who fitted this profile. For those at the top of their own pyramids who still looked to the ground for inspirational ideas, or who mobilized people into development pursuits that benefit the community or even for those who encouraged inclusive growth and sought long-term business opportunities. And thus, we zeroed in on the chosen thirteen who represent different areas of human endeavour. Each of them, we believe, represents the true spirit of the book, a spirit that has a very special place in the rarefied world of today's leaders. A spirit, which we earnestly hope, will be kept alive by future generations.

**Bhaskar Chatterjee  
Saugata Mitra**

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There were others too who facilitated the interviews and supported our effort with reading material and photographs. They are: Mr K.S. Vasuki, GM Corporate Relations, Narayana Hrudayalaya, Bangalore; Mr Kanhaiya Lal, Secretary and Vinod of Tarun Bharat Sangh; Mr Sripathi Dasa of Akshaya Patra Foundation; Mr S. Manicka Vasagam, Chief Manager (Technical) & Staff Officer to Chairman, HAL, as also Mr H.S. Nanjundaswamy and Mr Prakash of HAL; from SBI, Mr Sanjiv Chadha, DGM & Executive Secretary to Chairman, Mr Pradeep Rao, Mr L.H. Punjabi, and Ms Renu D'Souza; from Ginger Hotels group, Ms Jayashree Sahoo, Ms Ratna Gandhi and Ms Kajal; Mr B.B. Bhattacharya of Corporate Communications, NBCC; Ms Shradhanjali Nayak of KIIT and Kalinga Institute of Social Sciences and finally Ms Dipjyoti Konwar of SEWA. Without the help of these people our project couldn't have moved forward.

We express deep gratitude to our research team consisting of Romina Robinson and Mr Ajit Kumar who have stayed steadfastly on the track of our chosen inspirational leaders, interacted with them, garnered a wealth of information on and about them and put together material that has been simply invaluable for us. It is hard to express in words the debt we owe to our editor Tapan K. Ghosh. Literally a master of several trades, he brings vast experience with him and he has put it to immense use in providing research support, improving presentation, editing, interacting with the

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**Bhaskar Chatterjee**  
**Saugata Mitra**

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## BOTTOM OF THE PYRAMID

“The real source of market promise  
is not the wealthy few in the developing world,  
or even the emerging middle-income consumers.

It is the billions of aspiring poor  
who are joining the market economy for  
the first time.”

— C.K. PRAHALAD

# DR C.K. PRAHALAD



**Transformational Leader** *Par Excellence*

In the sudden demise of Dr C.K. Prahalad in San Diego, USA, the world of strategy has lost one of the most perceptive, innovative and influential strategic thinkers of our times. Strategy would not have been what it is today but for the innumerable, path-breaking, conceptual and analytical constructs that Professor Prahalad developed and propagated over the years. With indefatigable energy and passion he taught, wrote, consulted and mentored, on a global platform for over 44 years, leaving behind his unique and distinguished stamp on management thought and practice.



C.K. Prahalad (CK or CKP as he is popularly called) represented the very best of Indian intellect that found a global home. Born into a large family of Sanskrit Brahmin scholars in the South Indian city of Coimbatore in August 1941, Coimbatore Krishnarao Prahalad obtained his B.Sc degree in Physics from Loyola College, University of Madras in 1960. After graduation, he worked in Union Carbide as an industrial engineer and later in India Pistons as training manager. Setting his sights on management education, he earned his PG diploma in Business Administration from the prestigious Indian Institute of Management, Ahmedabad, as a student of the first batch in 1966. His stint at Union Carbide and the move into the management studies were perhaps the critical inflexion points of his life.

**“I don’t like to think out of the box, I like to create my own box”.**

Prahalad, armed with the MBA from IIMA, proceeded to Harvard Business School, USA where he earned his Doctor of Business Administration in 1975. He returned to India to teach at his Alma Mater, IIMA during 1976-77. He thereafter joined the University of Michigan, USA and made his mark as a frontline management teacher in the United States. He served as the Distinguished University Professor of Corporate Strategy at the Stephen M. Ross School of Business in the University of Michigan. Dr Prahalad was the recipient of several honors and awards globally. Honorary doctorate degrees from global universities and high-ranking civilian awards from the

Government of India such as the Padma Bhushan were part of the many accolades he received.

### **SOME OF THE SEMINAL IDEAS OF C.K. PRAHALAD**

C.K. Prahalad developed several new concepts for the business world, but perhaps the most important was the Bottom of the Pyramid (BoP). Characteristically, he explained this in simple terms: “The real source of market promise is not the wealthy few in the developing world, or even the emerging middle-income consumers. It is the billions of aspiring poor who are joining the market economy for the first time.”

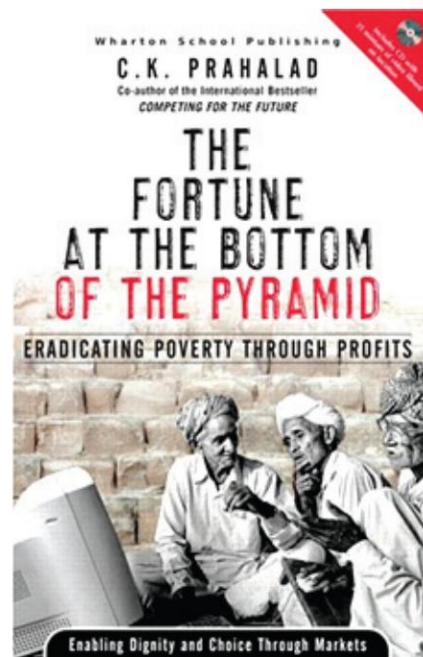
He further adds: “The distribution of wealth and the capacity to generate incomes in the world can be captured in the form of an economic pyramid. At the top of the pyramid are the wealthy, with numerous opportunities for generating high levels of income. More than 4 billion people live at the BOP on less than \$2 per day.”

Dr Prahalad, wondered, why it was that despite all our technology, managerial know-how and investment capacity we were still unable to make even a minor contribution to the problem of pervasive global poverty and disenfranchisement?

This was what he mulled over and cogitated about over the Christmas vacation of 1995. It became apparent to him that he needed to devote time and effort to this problem and to examine it from scratch.

Thus evolved the idea of motivating large firms to come up with solutions to problems faced by the four billion people in the world inhabiting the bottom of the pyramid. The poor must become a strong consumer base. They need to be informed and involved. For business this means that the bottom of the pyramid must be a key element for the large private sector firms.

The more thought he gave to the conundrum, the more was he convinced that some key perceptions to the issue would need to be altered in some dramatic ways. The concern at hand is not, “poverty alleviation”. The poor are





an under-served yet very large base and that base requires a significant connect to the world's capital markets. The problem must start to be addressed with the individuals at the BoP level being perceived as a viable consumer base, worthy of consideration. New and creative approaches will ensure the success of this possibility. Once recognized by

resilient and creative entrepreneurs, a whole new world of opportunity will open up for them as well as for business.

Any company that undertakes such a venture, must of course, be able to register profits while serving the BoP. The poor represent a section of the world that has latent potential for goods and services. They do not only have to depend on what is available in their villages. After being exposed to services and goods that can be made available to them on the basis of the opportunities available in inclusive globalization, they would benefit from the offered choices. For the firms this would mean widespread and sustained growth.

Dr Prahalad questioned many assumptions. One dominant assumption is that the poor have no purchasing power and therefore do not represent a viable market. Another is that distribution access to the BoP markets is very difficult and therefore represents a major impediment for the participation of large firms and MNCs. Also, that the poor are not brand conscious. These perceptions are incorrect. Not only are the poor brand conscious but they are also extremely *value conscious*, by necessity. The rural areas of India, for example, are getting increasingly networked and have become quite accessible. They are also open-minded and adapt to new technology quite well.

The BoP market has to be accessed by different methods as compared to affluent markets. To become a consumer, the BoP customers should have access to products packaged in low-priced packages. Single-serve packages have become the norm now with the implementation of this theory. Large companies like Procter & Gamble and Unilever are participating in serving the BoP markets and have achieved high levels of market penetration.

FFP, a Bolivian financial services company has introduced smart automated teller machines that recognize fingerprints, uses colour

coded touch screens and speaks in three different local languages. This technological innovation allows even illiterate BoP consumers to access, on a 24 hour basis, high quality financial services. Through Tecnosol, BoP consumers in rural Nicaragua have access to clean energy from renewable sources - solar and wind power. Previously, these consumers did not have access to grid-based electricity and were dependent on batteries and kerosene which are expensive. Casas Bahia not only sells appliances, but has also introduced a line of good quality furniture oriented toward the BoP markets.

The BoP markets expectations are high. So apart from the price being low, the product or service must have good value. New infrastructures should be evolved to cater to the market as the old technologies will be inadequate. To gain a large market share, the products must be designed to be easily adapted to all BoP markets and also be easy to transport. The packaging must have reduced usage of resources. Products should be developed keeping in mind the specific needs of the market. There may not be a current or updated set-up to rely upon. Factoring in the low level of skills of the consumer is also a requirement when evaluating the processes and products. The products must work in hostile conditions. Sometimes, the quality of electric supply being sparse or water being contaminated must be accounted for. Thus product development for this market has numerous challenges. Questioning of pre-existing paradigms is not just recommended but is an indispensable reality.

Using capital well is another essential element of success in the BoP markets. Hindustan Lever Limited outsources its products to several small and medium size employers in India. The operations are closely supervised by HLL. HLL serves 850,000 retail outlets in one of the most difficult distribution terrains. Revenue management is carefully handled and revenues are collected as goods leave the warehouses of the suppliers. It is important to separate gross margins from return on capital employed. The real economic profit is in the effective use of capital.

BoP markets are a tremendous source for experimentation in sustainable development. Innovations must become valuable from a customer's perspective. User-friendly interfaces are the key to their success.

There have been a few attempts to focus on the symbiotic nature of the relationship between various private sector enterprises and social institutional players that can lead to a rapid development of markets at the BoP level. The success of Grameen Bank in Bangladesh triggered great

interest in microfinance. Interaction between various kinds of organizations that understand the requirements of this market, lead to the successful development of systems that generate wealth. Coexistence and support of all these organizations is essential. Each may have their individual goals but as long as they are symbiotic in operation, the result will be wealth creation.

All foreign aid in poor countries is but a small portion of the capital potential of that country. Due to the absence of enforceable contract law, the small, informal sector is unable to grow and it remains small and inefficient. Enforcement and imaginative regulation is perhaps another basic challenge thrown up by the dynamics of servicing this sector.

In a study conducted jointly by the Confederation of Indian Industries and McKinsey consultants, it was found that the cost of micro regulations in the areas of import-export, labour laws, and transactions involving land can be as high as 2 to 3 percent of GDP growth. Peru enacts more than 28,000 pieces of legislation per year at the rate of more than 100 per day. Interpretations can compromise the timely execution of contracts and the clear establishment of ownership. It is tantamount to not having a law at all. These misplaced initiatives allow an informal sector to arise and remain outside the law of the land. For large firms, corruption becomes an added cost of doing business. Transparency is the outcome of well understood and implemented laws. Democracies tend to provide for processes that encourage formation of such laws, that uphold business systems and deter whimsical changes. Private sector investors naturally

prefer certainty in enforcement over laws in the books. This is one reason that MNCs continue to prefer China over India.

Development of the BoP market is also a tool of social development. Treatment of the consumer base as individuals capable of independent choices develops their identity and gives them the chance to climb out of the poverty trap. The ability to be in a position to choose, brings self esteem and a sense of respect for those long used to marginalization.



*Dr Prahalad with Dr Alan D'Souza, Director, Goa Institute of Management at an event hosted by GIM*

A well understood but poorly articulated reality of development is the role of women. The Grameen Bank's success is based on lending only to women. The entrepreneurs who were able to make use of the microfinance available were women. The Self Help Groups at ICICI Bank are all women and so are the Shakti Ammas at HLL. Amul, a milk cooperative, depends on women for their milk origination in villages. Despite the overwhelming evidence in favour of this idea, very little explicit effort has been made to have women participate actively in the building of markets. Empowered, organized and networked women are changing the social fabric of society.

With adequate monitoring, requisite checks and balances, BoP markets can transform the existent societies positively. The checks are necessary so that power is not misused by either a government or a powerful private firm.

**“Strategy is about stretching limited resources to suit unlimited ambition”  
—C.K. Prahalad.**

Prahalad gave a graphic description of social transformation: "The proof of this evolution of the BoP into an ecosystem that alleviates poverty is going to be the morphing of the pyramid into a diamond."

A diamond shape, visually, brings us to an image where the bulk of the population falls in the middle class. There have to be reliable measures of income, appropriate sample size and longitudinal data. As the BoP changes into a diamond shape, the distinction between the top-of-the-pyramid and the bottom consumers disappears. There is only one consumer group.

Prahalad, though a master strategist in business, was at one level a profound humanist. He understood that our best allies in fighting poverty are the poor themselves. Their resilience and perseverance must give us courage to move forward with entrepreneurial solutions to their problem. Given bold and responsible leadership from the private sector and civil society organizations, the elimination of poverty is highly possible.

## **THE NEW AGE OF INNOVATION**

"The opportunities are out there for everyone, but capturing new business opportunities is like shooting flying ducks – you can't do it with fixed gun positions," C.K. Prahalad once said.

Two things seem to characterize most of the companies that succeed in capturing future opportunities. First, they have aspirations which lie outside the resource base of the company, and they manage to stretch and enlarge their resources in order to succeed in this new market. Second,



successful companies have come to a view of the future that provides a sense of direction, a sense of common purpose, a sense of destiny, a single-minded and inspiring challenge which commands the respect and the allegiance of every person in the organization. The role of senior management is to make sure that the company develops this broad aspiration, and in addition that it is clearly articulated, understood and continuously reinterpreted.

Business models are in transformation. There are five elements identified to highlight this fact:

- Value is shifting from products, to solutions, to experience;
- No company has all the resources it needs to create unique personalized experiences. All companies will therefore have to access talent, components, products and services from the best source;
- Flexible management systems are a prerequisite; rigidity may well become an impediment;
- Resources in the ecosystem must be continually reconfigured;
- Specific models must be developed to enable organizations to focus on one consumer from the millions.

The competitive arena is shifting from a product-centric view of value creation to a personalized experience-centric view. There are new principles of value creation as well as new capabilities that we need to build in order to create.

Mass customization has failed because, first, it is based on a firm-centric view of value creation in which product managers and designers pre-select the possible options and say no to the customer: *We do not need to hear what you want; choose from the options we give you.* Second, firms underestimate the complexity of the back-end (business processes and logistics) that is required to fulfill that promise. Hence, many firms concluded that mass customization cannot be scaled economically.

Still, digitization of business processes, a knowledgeable customer base, and ubiquitous access to information in recent years not only have made it possible to push beyond mass customization but have made it a competitive requirement. Customers play an active role in co-creating value, and firms leverage a broader resource base to deliver this.

The entire firm must embrace flexibility – be it for long term capacity planning, monthly pricing, or daily counselling of patients. The focus must not be just on traditional load-balancing but on continuously balancing the load and the nature of the task with appropriate resources to maximize the experience of the customers.

The level of quality must be high as a consumer will not accept poor value or quality. The price-performance envelopes will be constantly tested. Since no single firm can provide the range of skills needed to satisfy an individual customer's need, a collaborative effort with a whole range of enterprises may be needed to feed the framework of the business. The solution is a complex one and the shift is from models based on ownership and controls to models based on access and influence. This level of complexity can be handled by a sophisticated system of technology architecture and its attendant business processes. This also calls for all employees to recognize the need to cope with an interesting and continuously evolving set of opportunities and problems resulting from the focus on each individual customer. As the variants are constant, it would require significant analytical support to transcend the dependence on managerial intuition. Managers with access to shared databases and solid analytics will outperform those without such tools.

Given a wide variety of consumers and their skills and motivation levels, a simple interface is critical.

Historically, firms have accumulated all the resources they needed in-house. Today they have moved away from the model of vertical integration and have initiated programmes to access specialized global suppliers. Outsourcing is just one way to access low-cost, high quality talent.

It is the globalism of these resources that allows leaders to overcome the limitations in the building of low-cost, high quality systems to meet the demands of consumers.

It is not a surprise that several global firms are establishing research and development centres in India and China and inducting them in to global projects. Simultaneously, Indian and Chinese firms are going global by actively acquiring firms in Europe and the United States. Cycle times and speeds are critical elements of success.

The selective outsourcing of work to others is a necessity for building scale in a short period. New infrastructures may have to be built, demanding that a lot of talent be focused for a short time. Global firms do not like to hire a large number of workers for a short duration hence the need for a vendor. Infosys (the well-known software development firm), located in Bengaluru, India, now has the capability to move 300 to 500 software engineers from one location to another or one project to another in a week. It also recruits 15,000 to 20,000 engineers per year out of a candidate pool of a million plus.

New technologies are incubated and nurtured in small firms. Sensing what is available and leveraging the innovations that are coming out of world-class institutions and small start-up firms are critical to staying ahead of the competition. Through selective licensing, collaboration or acquisition, the quality and speed of innovation can be dramatically altered.

The nature of resources—financial, human and technological—has transcended the firm and its legal boundaries. Today, resources are global. The focus should be on access and influence, not ownership and control. It is about leveraging a global resource base.

Outsourcing provides a model, a metaphor, that informs our efforts in manufacturing, design, software and call centres, but it is only a start. In most cases, firms approach outsourcing as a primary means to control internal costs, not to find innovative approaches for customer satisfaction. Managers approach cost reduction by leveraging the resources and the skills others have. Outsourcing manufacturing, design, services and IT are the result. Most companies are moving too rigidly along the resource dimension, sometimes motivated by cost alone.

There is also a tradition in how firms categorize innovation; and that tradition has had a long standing argument in some situations as to whether an innovation is in the product or in the process. Some people go one



step further and wonder whether the innovation is in packaging, pricing or something else. In reality, innovations that create significant value often incorporate all of the above.

Business processes that link strategy and operation are key enablers of innovation and sources of competitive advantage in the emerging global economy. Continuous fine tuning of strategy and the business model requires that managers focus attention on analytics that allow them to gain new insights into the consumer's needs, interests and skills, as well the reliability of suppliers. Having the ability to act on customer insights and re-configure resources dynamically, means that the entire network - consumers, the firm and its collaborating suppliers - must be seen, not as a static system, but as a system in continuous flux.

There are two assumptions here. First that there is no firm that has the available systems to leverage global resources to satisfy individual customer needs. Secondly, unless managers start with a very clear view on the specifications of such a system, this migration from where they are, to where they need to be, will be costly and time consuming. Thus, the transformation of the firm requires not just strategic clarity but also clarity to the underlying linkage between strategy and operations that converts assets into value.



Social architecture is the sum of the systems, processes, beliefs and values that determine an individual's behaviors, perspectives and skills in an organization. It includes managerial behavior determinants such as organization structure,

performance metrics, reward systems, career management, training, beliefs and values. These processes collectively influence managerial mindsets and behavior. Reinforced over time and embedded in the organization in standard operating procedures and rules, they lead to a predictable way of thinking about opportunities, competitiveness, consumers and performance. This is known as the *dominant logic of the firm*. The dominant logic becomes the lens through which managers in that firm see the world.

And this refers to the mental maps and models adopted by managers in organizations. They provide the lens through which managers look at their business and possible diversification, and make managers more likely to follow what has worked in the past.

## CORE COMPETENCIES

Another aspect on which Prahalad gave us fresh insight was Core Competencies. This is the key ability or strength that an organization has acquired that differentiates it from others, gives it competitive advantage, and contributes to its long-term success. Core competence is a resource-based approach to corporate strategy. Think of a diversified company as a tree – the smaller branches as business units, the leaves and fruit as end products. Nourishing and stabilizing everything is the root system: *core competencies*.

Focusing on core competencies creates unique integrated systems that enforce fit among the firm's production and technology skills – a systemic advantage your competitors cannot copy. First, you have to articulate a strategic intent that defines your company and its markets. Then, identify core competencies that support that intent. Once, that is done, the core competencies have to be enhanced by investing in enhanced technologies and forging strategic alliances. Then, a core competency mindset has to

be cultivated. Managers must willingly share resources and think long term. Business units should not be considered sacrosanct, as this motivates managers to hide talent. You need to identify people and projects that embody the firm's core competency and reallocate as needed.

Core competencies lead to the development of core products. Core products are not directly sold to end users. The intersection of market opportunities with core competencies form the basis for launching new businesses. Thus a vast array of businesses can be launched by a corporation by matching a set of core competencies with market opportunities. Core competencies arise from a coordination of multiple technologies with several production skills. Core competencies tend to be rooted in the ability to integrate and coordinate groups within the organization. Core products can find themselves in any number of end products. As an example, Honda uses its engines in cars and generators. Thus core competencies cannot be evaluated by traditional methods such as market share.

Core competencies are the glue that bind the business units together into a coherent portfolio.

### **THE STORY OF MONKEYS**

"It is the story of the monkeys," Prahalad would bellow in his trademark voice, a marker in his hand, in front of a motley crowd of middle aged business managers who were invariably, incessantly whining about governmental indifference, corruption and overall sense of "we are okay, the system is not okay".

Then C.K. Prahalad would expand the story. A bunch of monkeys were kept in an enclosed, high ceiling room. A bunch of bananas was hung from the ceiling. The monkeys immediately climbed one on top of the other and just as they were about to lower the bunch, a jet of cold water was released on them in a reverse Pavlovian manner. The shocked monkey-pyramid, symbolic of ambition and effort, collapsed. But soon, the monkeys regrouped and attempted again to build a monkey pyramid and again this time, with the bunch within reach, they received a shock. The jet of cold shower drove the pack to the ground. This time, the monkeys concluded that any effort to overachieve, to strive beyond their limited power, would be



rewarded with an adverse result and soon just gave it all up. Later, long after the cold shower was no longer there, even as the banana was lowered somewhat, they simply ignored it! The point the global professorial strategist and India's man of vision was making was that managers must realize the fundamental truth: *that was then, this is now*. Just like the cold shower remained a paradigm in the mind of the monkeys, business leaders were caught in their own past learning of failure (even as the business environment after the '90s was changing by the day).

Only Dr Prahalad could deliver his message equating the businessmen with monkey packs. The man delivered his message with brilliant ease to governments, corporate board members and students from Michigan to Madras. And received not a whimper of protest or outrage!!

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# STUDIES IN LEADERSHIP




Dr Devi Shetty • Madhu Pandit Dasa

O.P. Bhatt • Arup Roy Choudhury

Rajendra Singh • Dr Achutya Samanta • R.C. Bhargava • Prabhat Pani

Renana Jhabvala • Ashok Nayak • Partha S. Bhattacharyya

Dr Yasho V. Verma • Capt. G.R.Gopinath



“It is better to lead from behind  
and to put others in front,  
especially when you celebrate victory  
when nice things occur.  
You take the front line when  
there is danger.  
Then people will appreciate your  
leadership.”

— NELSON MANDELA

# DR DEVI SHETTY



**Leading Change in Healthcare**



**D**r Devi Shetty was referred to as “the Henry Ford of Healthcare” by the Wall Street Journal in November 2009. This is because he has been able to take sophisticated healthcare to millions of ordinary people in Karnataka State apart from guiding the treatment of millions of others from the developing world. And it is the poor who have mainly benefited from the efforts of this visionary doctor.

**Dr Devi Shetty has successfully instituted a unique model that combines technology, affordability, as well as sustainability and is laced with compassion.**

The motto of the Narayana Hrudayalaya (NH) group – which Dr Shetty heads – is caring with compassion and its vision is to make high tech health care affordable for the common man. Just how this group of hospitals has managed this has been discussed and written about for many years in different forums and media. The success of the model has attracted both national and international attention and low cost cardiac care at NH was taken up as a case study in the Harvard Business School in 2005. In fact, as early as 2004, the late Prof. C.K. Prahalad, who was observing the progress of the NH group, predicted that Dr Devi Shetty’s model for taking healthcare to the masses would be successful. He wrote about Dr Shetty’s work in his best seller entitled *Fortune at the Bottom of the Pyramid* and was one of the first to point out that Dr Shetty’s quality had not suffered despite a

substantial increase in the number of surgeries conducted every week.

Dr Devi Shetty has successfully instituted a unique model that combines technology, affordability, as well as sustainability and is laced with compassion. Narayana Hrudayalaya as a group believes in democratizing healthcare delivery. It is a sad and bitter truth that today, less than 8 percent of the world's population can afford heart surgery. India itself requires 2.5 millions heart surgeries a year and all the heart hospitals in the country put together are only doing about 80,000-90,000.

Once Dr Shetty worked out the economics behind reducing costs for the common man, he decided to take healthcare to an altogether different level. Dr Shetty has approached the issue on three levels: One, increasing infrastructure by building health cities as also using technology to reach out to remote areas; two, promoting micro health insurance, particularly for the weaker sections and three, addressing the problem of future shortage of doctors and medical staff in the country.

It is said that the rich come to NH, Bangalore for its world class medical treatment and the poor throng the hospital for the way they offer quality with compassion. Hundreds of ordinary people can be seen sitting patiently in the waiting lounge of NH Heart hospital on any day of the week. There is no panic or palpable tension and one would never guess they are relatives of patients who are to undergo major heart surgery or going through post-operative care. Alert attendants help the poor and illiterate with the formalities like filling forms and patiently explain the procedures for out-patients and those who need admission. The common man knows he couldn't have come to a better hospital!

**Mother Teresa's words "the hands that serve are greater than the mouth that speaks" are a constant guide for Dr Shetty.**

### **BRIEF LIFE-SKETCH**

Dr Devi Shetty was born in erstwhile Canoor district of the state of Karnataka and as a young boy saw how doctors treated his diabetic father and his mother when she was hospitalized. Doctors indeed, made a strong impression on his young mind. Later as a student of standard five, he heard about the feats of a heart surgeon named Christian Barnard. He decided then to emulate this pioneer and joined medical college at Mangalore. Subsequently, he went to England to train as a heart surgeon. After working in Guy's hospital, London for some years, Dr Devi Shetty left England in 1989 and returned to start his career as a heart surgeon in Kolkata. Here



*Narayana Hrudayalaya Heart Hospital, Bangalore*

he had the privilege of having Mother Teresa as his patient and he soon became her disciple. Dr Shetty was involved with her care till her last day and says that she was the closest he had come to seeing the Divine in flesh and blood. He admits that he learnt a lot from his association with her, and it set him thinking on how to “scale up charity!” Her words “the hands that serve are greater than the mouth that speaks” are a constant guide for him.

## **HEALTH CITIES - BUILDING INFRASTRUCTURE**

In 2001, Dr Shetty started Narayana Hrudayalaya in Bangalore city with the belief that a developing country like India cannot provide healthcare with 200 bed hospitals which need to sustain themselves by focusing on the rich or a patient’s capacity to pay. According to Dr Shetty, the country needs to build 3000-5000 bed health cities in every state capital and every major city of the country. This would cater to a large number of patients and help to reduce the cost of healthcare. With that ideology Narayana Hrudayalaya Health City was created – a gigantic utility with 3000 beds. The NH group now have four hospitals in the Health City, one of which is Narayana Hrudayalaya Heart hospital. This has 24 operation theatres and 1000 beds.

Currently, the heart hospital performs over 32 major heart surgeries a day. However, this is still considered insufficient. Efforts are on to build



*Stringent monitoring of patients in a post-operative ward*

enough capacity to do over 50 major heart surgeries a day. Patients come from some 70 countries; most of them come from Afghanistan, Bangladesh, Pakistan and the Middle East. The pull factor at the NH is the quality of care that they provide at low costs; the hospital is able to break even for a major heart surgery by charging 1600 USD. This cost covers the entire expenses starting from the day of admission to the day of discharge. However, their aim is to perform heart surgery for 800 USD only, or just 50 Percent of current costs! It goes to their credit, that today, the NH Heart Hospital together with the Rabindranath Tagore International Institute for Cardiac Sciences, Kolkata, performs the largest number of heart surgeries in the world. And this is just 10-12 percent of the heart surgeries done in India. At Narayana Hrudalaya Heart Hospital, surgeons and doctors who are appointed on fixed salaries work between 12 to 16 hours a day and ensure that all the essential equipment and common facilities such as the blood bank, CT scan, MRI and IT are used to the optimum.

The same business rules apply for cancer care. Behind Narayana Hrudalaya, has come up a 1400-bed Cancer Hospital which, in the near future, will become the world's largest cancer hospital. Adjacent to the Cancer Hospital, a super-specialty eye hospital has been built, which has the infrastructure to perform over 500 cataract operations every day, and an Orthopaedic and Trauma centre which specializes in joint replacements. The NH group has similar health facilities in Kolkata, Jaipur, Ahmedabad, Jamshedpur and Hyderabad.



*A child patient in the post-operative paediatric ward*

One of the super-specialities for which NH is renowned is paediatric heart surgery. The Centre has done many surgeries free for children from India and abroad. Every year, over 2100 surgeries are performed on small children. In mid 2003, the successful heart operation of Noor Fatima, a child from Pakistan, made international headlines. Dr Devi Shetty is determined to ensure that no child, or for that matter no adult, with a heart problem is denied treatment at NH because of lack of funds.

On an average about 40 percent surgeries done at Narayana Hrudayalaya heart hospital are subsidized and in many cases, are done absolutely free. A charitable fund looks after those patients who cannot pay. The others have an option of several packages which are offered in terms of private or semi-private facilities. The medical facilities and treatment in every case, however, is the same.

### **MICRO INSURANCE: THE YESHASWINI SCHEME**

Perhaps the most innovative feature of all, and that which seriously reflects Dr Shetty's concern for those at the bottom of the pyramid, is the concept of micro health insurance. Its genesis makes interesting reading. Dr Shetty recalls: "Around nine years ago in the State of Karnataka, there was famine for four consecutive years and farmers lost the financial capacity to afford healthcare. At that time, the Karnataka State Milk Federation, which is a cooperative society, approached me to endorse their low fat milk as a good product for heart patients. I agreed to sponsor their product provided they launched a health insurance scheme for the poor farmers who were members of that cooperative society. They agreed and subsequently other cooperative societies and the State Government accepted the model, marking the birth of Yeshaswini. This scheme, launched in 2002 as a Government initiative on a Public Private Participation (PPP) model, remains a benchmark to this day." In the first year, there were 1.7 million farmers and each farmer paid Rs 5 (or just 11 cents) a month and the Government contributed Rs 2.50. Essentially, it was an insurance scheme with Rs 60 from the farmers and Rs 30 from the government each year. After two years, the premium per individual was revised to Rs 10 (22 cents) and currently there are over 4 million farmers paying a monthly premium.

The NH group tied up with 350 hospitals all across the state and these provide cashless services to all the Yeshaswini members. There are over 1000 types of surgeries done on the human body and all these operations are done entirely free for the members. Gradually, normal pregnancy and caesarean sections have been included in the scheme. However, the insurance does not pay for normal medical treatment; it is meant as an insurance for surgical procedures since surgeries require large sums of money within a short period and poor farmers generally get money only three times in a year when they sell their crops. This insurance helped a large number of farmers and thousands of them successfully underwent major heart surgeries. Some years later, seeing the success of the scheme, Andhra Pradesh and Tamil Nadu adopted the model and named them “Rajiv Arogyashree” and “Kalaighar Insurance” respectively. After the experience of the micro health insurance programme the NH group launched another programme with the Biocon foundation of Dr Kiran Majumder Shaw. This was called “Arogya Raksha Yojana” and it was targeted mainly at the poor residents of Anekal Taluk in Bangalore district of Karnataka.

Yeshaswini insurance is primarily for members of cooperative societies. If one is not a member of a cooperative society, one cannot enroll under the farmer’s health insurance. Unfortunately, the majority of the workforce in India is unorganized. Now government is in the process of launching insurance for the unorganized sector similar to “Yeshaswini” with a very small premium. Another major revolution happening in India is the growth of ESI which currently covers all the organized sectors drawing a salary of more than Rs 15,000. Dr Devi Shetty believes that it is a matter of time before ESI emerges as the world’s largest insurance programme that would be paying for the entire cost of treatment irrespective of how much it costs unlike most other insurance programmes.



*Relatives of patients wait in the lounge*

**“The message given right from the very beginning is that the hospital is for the working classes and the poor. This sends out a very clear message to the new employees that the organization has a different view towards business and also that they mean business.”**

Dr Shetty strongly believes that the government should concentrate on facilitating health insurance for the millions of citizens from the lower economic strata and leave the infrastructure building to the private sector. He believes that the government could give certain concessions to the sector such as subsidized land to help create growth in infrastructure and encourage competition among big hospitals.

Dr Shetty is quite hopeful that India will become the first country in the world to dissociate healthcare from affluence. He is very confident because India produces the largest number of doctors, nurses and medical technicians in the world. Outside the USA, India has the largest number of USAFDA approved drug manufacture units. The only problem is that 60 percent of our country's population which still depends on agriculture, does not have the cash to pay for healthcare. Dr Shetty believes this scenario has to change as State Governments gradually become health insurance providers rather than healthcare providers. He affirms: "When the government becomes a micro health insurance provider, the majority of our citizens will have access to quality healthcare. Governments have realized that the best gift that they can give to their citizens is the health insurance coverage rather than building hospitals."

Currently, NH group is advising six State Governments as they prepare to launch the Micro Health Insurance on similar lines as the Yeshaswini. Delhi Government is also likely to launch this insurance in the near future and cover all the poor people carrying BPL (Below Poverty Line) cards in Delhi.

### **Outreach: Telemedicine and other Initiatives**

The telemedicine centre is a hub of activity from where doctors at NH monitor and guide the treatment of thousands of patients in rural India and many other remote parts of the world. The NH group gets the satellite connection free of cost and in partnership with the Indian Space Research Organization, they have connected their coronary care unit to government hospitals in remote locations such as Tripura, Siliguri and Bankura. Using the satellite, they have treated over thousands of heart patients in the last nine years and this is the largest experience by any hospital in telemedicine. Every day, they get hundreds of ECGs from remote locations, from general practitioners treating patients with heart problems and guide them. Till date, over 300,000 patients have benefited from telemedicine.



*Dr Devi Shetty monitors a surgery from the Tele-medicine Centre*

Apart from community outreach through regular medical camps, a very recent initiative of the NH group, called “Hrudaya Post” uses the Indian postal service. This links hundreds of post offices to nodal centres and allows rural folk to send their medical reports and receive specialist opinions regarding the course of treatment, from designated post offices for a small fee. The feedback is given within a day or two at most. The network of post offices under the scheme is growing rapidly.

In 2008, the NH group launched a programme called “Pan African Satellite Network”. In Africa there is hardly any land line for telephone connection. Satellite is the best way of communication and it is inexpensive and interestingly satellite is distance insensitive. The pan-African Satellite Network connected Narayana Hrudayalaya to 56 African cities, for its doctors to see patients and educate doctors. In Africa, there is a strong belief that the only way African healthcare will improve is through Indian hospitals taking active part in training them and creating infrastructure for them. Healthcare requires technically skilled people who are a scarce commodity in Africa.

Recently, the NH group signed an MoU with the Cayman Islands close to the U.S. border to construct and run a 2000-bed heart hospital. Dr Shetty foresees that this hospital would, in the future, attract thousands of American patients who would have quality heartcare at less than half the cost in the United States.

## ADDRESSING SHORTAGE OF DOCTORS AND MEDICAL STAFF

India produces the largest number of doctors and other medical staff in the world. But this would not be adequate as large numbers of the population are in need of health care. The NH group strongly believes in the necessity of training medical specialists and every institution they build has academic facilities which trains people ranging from super specialists like paediatric cardiac surgeons to medical technicians. They have their own medical schools and nursing colleges and a structured training programme to train medical specialists. The academic institutions run by the NH group have already been short listed by UGC for recognition as deemed universities.

Dr Shetty believes that in the near future, there will be a global shortage of doctors, since as people become more affluent, the medical profession becomes less attractive. As he puts it “Affluence leads to youngsters opting for professions in management, finance, and business and not the medical profession where one is expected to work 18 hours a day for the rest of one’s life. Currently, the western world has a lot of restrictions for Indian doctors to enter their borders to protect the jobs of the local medical specialists in the name of quality. However, when the shortage becomes acute, they will lift the embargo and once this happens, Indian doctors will flood these countries and our patients are going to suffer.” Dr Shetty fears that the growth of healthcare all over the world will slow down not because of money but due to the lack of technically skilled manpower and wants India to be prepared and take proactive measures.

As a member of Medical Council of India (MCI), an apex body which plans medical education, Dr Shetty is actively involved in looking at the shortage of medical doctors. The MCI is planning to start some five hundred new medical colleges in India over the next five years.

To encourage more students to take up the medical profession the NH group has started an initiative to catch them young. A few years back, the NH group launched a scholarship program to train 2000 children from villages in West Bengal to become doctors every year through a scheme called *Udayar Pathy*. Essentially, children when they are thirteen years old develop interest in various professions like medical, legal, engineering, architecture, military, etc. but most parents in the country cannot think of putting their children into professional streams particularly medicine. The NH group identifies a few hundred children every year studying in the seventh standard in rural West Bengal. These thirteen year olds have

to make a commitment that they will become doctors when they grow up. After the commitment is made and they pass the eligibility criteria, they are given a monthly scholarship of Rs 500. Out of this amount, they are expected to give Rs 300 to their parents so that their parents don't drag them out to work in the fields and Rs 200 they can use buying their books or anything else they need for the purpose of education. During this period, when they are still studying in schools, the NH doctors in the hospital in Kolkata mentor them. As Dr Shetty says, "These kids are very bright. They can get into any college by merit and when they join the medical college, we organise a student loan for them and we stand as the guarantor".

### **LEADERSHIP AND MENTORING**

Dr Shetty has always been leading his group from the front. He inspires people with his clear vision of public good and transparency in policy matters. Every person who joins him knows that he or she is joining a profession, a business and a *cause*. For Dr Shetty mentoring is serious business as it ensures the continuity of the core philosophies on which the enterprise was created. While he understands that charity is not normally scalable as it emanates mainly from an individual's personal vision, he believes that a good business model constantly striving to reduce the cost to make it affordable and accessible to the common man is a scalable model. He has proven and established this concept in cardiac healthcare and is sure this can be done in other super specialities of the medical field.

As the NH group expands, internal communication has to be effective. Dr Shetty explains: "When a new hospital gets launched under the banner of Narayana Hrudayalaya, we address the new employees giving them the philosophy of the organization. Employees are told that the hospital is for the working class and poor though we do get some rich patients and they should take care of them. The message given right from the very beginning is that the hospital is for the working classes and the poor. This sends out a very clear message to the new employees that the organization has a different view towards business and also that they mean business.

"When a patient with torn clothes and without shoes enters our premises our front office staff looks at them as our customer and treats him with great

**"We have a totally decentralized decision making process and individual hospitals are independent profit centres . . . However certain guidelines are given in the beginning, primarily about the code of conduct and ethics from which they can not deviate."**

respect. And the other great advantage is that most people working in the front office and nurses too, come from a background similar to our patients. They are proud to be working in a hospital where their own relatives and kith and kin can get the treatment unlike in a typical corporate hospital

**“One of the greatest strengths of Narayana Hrudayalaya group of hospitals is mentoring. Every institution we build is an academic institution conducting training programmes to train future heart surgeons, anesthetists, neuro-surgeons, nurses and technicians.”**

where they are expected to give their heart and soul but if their family members are sick, they will never be able to enter the premises of those expensive hospitals. This is the main reason why we have virtually zero percent attrition at the senior doctor's level. When somebody chooses to be a doctor, he generally has a desire to make a difference to society. At Narayana Hrudayalaya we have a total decentralized decision making process and individual hospitals are independent profit centres; they make their own decisions and manage their day to day activities. However, certain guidelines are given to them in the

beginning which is primarily about the code of conduct and ethics from which they can not deviate.

“One of the greatest strengths of Narayana Hrudayalaya group of hospitals is mentoring. Every institution we build is an academic institution conducting training programmes to train future heart surgeons, anesthetists, neuro-surgeons, nurses, technicians etc. Everyone involved in this organization has a large number of followers starting from the heart surgeons to the front office clerk. This is the only way we can scale up our operation with the aim to reach 30,000 hospital beds in the next 5-7 years. Unless an institution takes on the responsibility of mentoring, you will remain as a small scale operator constantly trying to poach people from different organizations coming from different ideologies and every hospital of yours will be different based on who is managing it.”

Recently, the NH group hired five MBA graduates from IIM Bangalore with the idea that these young managers would each be heading a 3000 bed hospital at the end of five years. When asked how he selected them and is mentoring them for the future, Dr Shetty had this to say: “We announced our visit and found about 60-70 graduate students ready to attend our programme. I gave a presentation to the students and then through an interview process selected five graduates who appeared committed to a career in hospital management and were willing to accept a lower compensation package for a social purpose compared to packages

offered by the corporate sector. Normally, trainee managers are exposed to every department but we decided to shorten the process of training and orientation. Thus these young people have been put in the front office first, but every afternoon they have lunch with me and other top management. Here I share my vision, problems and dreams. It is a two way process and we hear their views also. We do not have the luxury of time; these young persons have each to take over a three thousand bed hospital at the end of five years."

There is no doubt that Dr Devi Shetty's core vision and philosophy will rub-off on these MBA graduates and they will find their roles at NH more fulfilling and purposeful. At the same time, Dr Shetty is aware that when NH expands even more, this one-to-one exposure and orientation would not be possible and the whole process would have to be institutionalized.

Dr Devi Shetty never tires of talking of his vision and future plans with his younger colleagues. He is very quick with numbers and statistics. As a transformational leader he not only inspires his followers directly but he has demonstrated several hard skills which have been behind his success. This includes hard negotiations, whether we take the example of Yeshaswini micro-insurance or the way he has dealt with medical equipment suppliers to get the best price. His 'Wal-mart' approach has



*Narayana Nethralaya*



*Mazumdar Shaw Cancer Centre & NH Multi-Speciality Hospital*

been based on keen understanding and capacity for 'process innovation' rather than 'product innovation'. He has a proven ability to think out of the box and yet is willing to delegate and empower his officials. He is open to new technology as long as it serves his purpose and has made optimum use of whatever has come his way. But perhaps most of all, what he exhibits is a genuine concern for, and a willingness to reach out to, the common man. This he does, all the while ensuring that the enterprise is sustainable and continues on the chosen path.

Dr C. K. Prahalad had said once that Dr Devi Shetty is a very interesting combination of vision, strategic understanding, financial acumen and inspirational leadership. No wonder the good doctor has been able to take the first big step toward radically changing the face of healthcare in India.



# MADHU PANDIT DASA



**The Midday Meal Messiah**



**M**adhu Pandit Dasa renounced the easy and comfortable life of a technocrat and a professional in the prime of his youth to follow the spiritual path. He attempted to unravel, and kept on trying to understand, the mysteries of the world otherwise untouched by Science and Technology. He could have led a happy family life full of luxuries like any other fellow IITian dreams of, but he chose the less traversed path of service to God, the poor and the needy.

He went in pursuit of the Absolute truth, the cause of all causes, and in the quest of knowledge and the meaning of life, when he was just a student at the Indian Institute of Technology, Mumbai. He had a scientific background – studying physics, and at one point he thought he had the answers for all the questions of the Universe. But over time, a strange frustration began to overwhelm him. He realized that he could not find the answers to myriad disturbing questions; for science and technology had their limitations. They dealt with only “what we perceive with the *panch indriyas* (the five senses)”. He states with a disarming humility, “This sensory perception is the limit placed on science – it cannot explore or conceptualize the abstract, the many truths that lie beyond the realm of what we can observe. The Mind or the Ego and their incredibly diverse realities cannot be captured or visualized by any machine.”

When this perception seeped into his being, he crossed over from science and started reading philosophy. He viewed philosophy as continuation of science – yet as a subject that allowed him to explore the frontiers of the

mind, the imagination, and the self. He delved deep - searching for answers that troubled his young and agile mind - how do *buddhi* (mind) and the ego work, what is their inter-relationship? What are the various facets of the mind-boggling array of forces that drive us humans and of course, that eternal question of questions - 'who are we?' As he searched and sought, questioned and queried, he came across Bhaktivedanta Swami and those answers he could not find in science or western philosophy, he found here, in the discourses of this great sage. After that, there was no holding back. Spirituality beckoned but also, with it, its embodiment – service to humanity. And thus unfolded a life of giving and dedication, a life of institution building, a life that taught him to lead by example, motivate others, and become an icon of ethical leadership.

Dasa is currently the Governing Body Commissioner of ISKCON Bangalore Group of Temples, President and Governing Council Member, ISKCON Bangalore Society, Temple President, ISKCON Sri Radha Krishna Mandir, Bangalore, Chairman, The Akshaya Patra Foundation and Managing Trustee, Hare Krishna Movement.

### **A FOUNDATION TO FEED THE NEEDY**

The Akshaya Patra Foundation, set up by Dasa, was his first foray into the creation of institutions that would serve the vulnerable and deprived among us. Created as a not-for-profit Bangalore-based secular trust, it evolved and developed a free lunch programme in schools in the year 2000. What started as a pilot project in five schools in Bangalore, feeding 1,500 children, grew exponentially into a mammoth endeavor reaching out to about 11,98,206 children in about 7500 government, government aided schools and 'anganwadis' (day care centres) in 17 locations, across eight states in India. Today, Akshaya Patra is the world's largest NGO-run school meal programme.

Currently the Foundation reaches out to underprivileged children in Bangalore, Hubli-Dharwad, Bellary, Mangalore and Mysore in Karnataka, Jaipur, Nathdwara and Baran in Rajasthan, Vrindavan and Mathura districts in Uttar Pradesh, Puri and Nayagarh in Orissa, Gandhinagar/Ahmedabad and Baroda in Gujarat, Medak District and Vishakhapatnam in Andhra Pradesh, Bhillai in Chhattisgarh and Guwahati in Assam.

Dasa's eyes light up as he recalls the genesis of the Foundation. "Our founder Acharya was the inspiration for this," he reveals. In 1975, in

**"Let no one  
within a ten  
mile radius of  
our centre go  
hungry"  
--- Swami  
Prabhupada.**



*Madhu Pandit Dasa receives an award from Mr S.M. Krishna, then CM of Karnataka*

Mayapur, a village near Calcutta, His Divine Grace, Acharya Bhaktivedanta Swami Prabhupada saw a group of children one day, fighting with street dogs over scraps of food. From this simple, yet heart breaking incident, came the pronouncement to his followers, “Let no one within a ten mile radius of our centre go hungry.”

“It this inspiration which helped us to create the Akshaya Patra Foundation as it is today. We began by feeding just the poor, but the inspiration and trigger for the midday meal for school children came from T.V. Mohandas Pai of Infosys. He advised us that though we did ‘Annadaan’ (provide food) generally, we should specifically target poor school children. This would not only feed the needy but also boost education levels within communities by ensuring far higher levels of retention. The example set up by MGR in Tamil Nadu, pointed to the fact that mid-day meals dramatically assist the cause of school education.”

## **FACING CHALLENGES AS THE LEADER**

Once this decision was taken, there was no looking back. Dasa had found his true calling and he would pursue it with dogged determination. He recalls the new policies and initiatives that were taken: “We began in Karnataka. Around that time, there was a PIL (Public Interest Litigation) in the Supreme Court. The apex court gave the direction that every child below 14 year in schools should be provided with a hot cooked midday meal. This was a major breakthrough. The Court also took upon itself the task of monitoring how effectively its order was being carried out. And when there were failures – systemic or in the process, the Court had no hesitation in summoning even the Chief Secretaries of defaulting States. What began only in Tamil Nadu and with the Akshaya Patra Foundation in Karnataka, became, willy nilly, a country-wide movement.

“As we were pioneers in this, we even took part in assisting the government in policy making,” Dasa says with genuine pride, and explains further: “Our advocacy started with the HRD Ministry under Dr Joshi in 2002. He encouraged PPP and NGO participation wherever possible. The governmental procedures were also made more user-friendly. NGOs were allowed to directly take food from FCI with a certificate from the Education department.”

The use of technology, and environmental concerns have been central to Dasa's work at the Akshaya Patra Foundation. He observes, "Lots of NGOs also came to us for training. We did not spare any aspect of technology to make the cooking most cost effective and our processes environment friendly. Earlier, we used diesel for boilers, then wood-fired briquets (mix of groundnut shell and wood waste). Now we are also experimenting with solar energy. We are becoming increasingly more environment conscious, recycling our waste and will soon start to use biomass energy and biogas."

**"What a leader does, the common man tries to follow. You cannot transform everyone; you just change the leadership and you can change the world."**

He admits that there are seemingly insurmountable challenges in taking the Midday Meal programme to the rural areas. "We can handle all urban areas if funds are available. But the main challenge now is how to expand to the rural hinterland. Distribution is an issue since the village schools are located in remote areas. Roads are often so bad that they hardly exist at all. We therefore use a decentralized model in such terrain with smaller and simpler kitchens managed by local rural women. Here, these women are enabled to go and deliver the food themselves. The cost of workers increases manifold in this model. Still, we are confident of cracking the problem soon. Our rural area model is just a small one at present - feeding 10,000 children over a 10-20 sq km area. We hope the Lord inspires us to come up with a successful model to enable us to meet the many daunting challenges that the rural areas throw up."

Already, his leadership skills are in evidence as he grapples with the problems and puts his team to work. He feels confident enough to increase the targeted number of beneficiaries. "Earlier, we had kept a target of 5 million till 2020, but now we think we can scale it up to 10 million on our own. By the time we reach 5 million, more experience will be accumulated and we will be able to think of better solutions. We can even think of increasing our capacity through a suitable organizational mechanism which might be different, even franchising to other like minded spiritual or social organizations. Problems and challenges do not mean that we are not going to expand. We can and will draw lessons from the business world."

The business leader that he is, Dasa is constantly thinking of how best to marshal his resources – both human and financial. "We feel that there needs to be a professional CEO to manage all the kitchens. Right now, our

Vice Chairperson, also a devotee, performs the work of the CEO. He is the main force behind the successful implementation of our endeavours. Despite the organization being in the social sector, Dasa has brought about a great deal of corporatization and professionalism. The trust is a combination of some corporate leaders and missionaries of ISKCON and

**“Education can take an entire family out of poverty and generations of that family can come out of malnutrition and hunger even if one person gets good education. Our Midday Meal programme provides a huge support to the structure of education. This is the principle.”**

has a secular structure. He says, “We have only three missionaries in the trust which has a majority of top professionals. This brings confidence among the donors. But at the very top, we will always have a missionary because spirituality is our true driving force, ethics is fundamental to all that we do and pure materialism is what we eschew”. These three phrases, in fact, sum up the totality of the Dasa brand of leadership.

A quick listing of his many astonishing achievements will enable us to understand some of the dimensions of this leadership style:

- Madhu Pandit Dasa, leading from the front, has scaled up the operations of his outfit to a level where it now feeds an astonishing 1.2 million students with nutritious midday meals;
- Dasa has an influence that is spread across not only his team and followers, but thousands of donors and supporters;
- He has developed not only himself, but also his team and, in the process accomplished an extraordinary degree of up-skilling;
- He has inspired and mentored his team into an outfit that has mastered the staggering logistics involved in bringing healthy, hygienic food to the threshold of innumerable schools with metronomic regularity;
- He has displayed extraordinary managerial skill and foresight by running his organization professionally, hiring and paying capable and qualified managers;
- He is imbued with a strong charismatic streak, striking a chord with most people in the very first meeting and touching spaces deep within, creating a strong connect;
- He delegates tasks well - both within and throughout his team and guides them at all critical junctures.



*Cooking rice for thousands of hungry children*

As a Spiritual and Social Leader, he strongly believes in the importance of leadership, "If leadership is charged with persuasive force, followers become efficient automatically and deliver. What a leader does, the common man tries to follow. You cannot transform everyone, you just change the leadership and you can change the world." People within the Foundation and also outside it are attracted to him, respect him and try to follow his principles.

He does not hesitate to talk of politics and what can be done to improve the situation: "What the world needs today, is training for politicians. Politicians have a natural talent for moving people, but they need to get trained in leadership qualities, then only the world can change. We already have this in our Vedic Knowledge. The West is rediscovering this. Our Vedic texts are packed with great leadership mantras and encoded principles and these are worth recalling and replicating."

Articulating the philosophy that underpins his approach to education and nutrition for the deprived, he says: "Education can take an entire family out of poverty and generations of that family can come out of malnutrition and hunger even if one person gets good education. Our Midday Meal programme provides a huge support to the structure of education. This is the principle. In our Vedic system it was everybody's

responsibility to see that none was hungry. Members of the Grihastha ate only after feeding the hungry. We need to ensure the availability of at least the minimum necessities for the 'have nots'."

In the end, his eyes take on a distant look as he speaks of leadership in the social service sector. "There is lot of good leadership in the business world, but no matching leadership capital for the social sector. We want the best minds, MBAs and leaders to realize the potential in offering services to the social sector. It may not be as lucrative, glamorous or superficially attractive. But the social sector is transforming rapidly. Today, it offers immense opportunities and its potential is only just beginning to be harnessed."



# OM PRAKASH BHATT



**Promoting Inclusive Banking**



Om Prakash Bhatt, CMD of the State Bank of India – the biggest Indian bank - is a man with a Midas touch. He began his career in the Bank in 1972 as a probationary officer and served at the Washington and London offices of SBI. Thereafter, he served as the Managing Director of the State Bank of Travancore from January 2005 to April 2006. He was appointed Chairman of SBI in June 2006. He will have the longest tenure as SBI chairman in the recent past as he will retire only in March 2011. He also heads the eight domestic and five international subsidiaries besides 10 non-bank subsidiaries and two joint ventures. Bhatt is the elected Chairman of the Indian Banks' Association (IBA) for 2010-11. Apart from this, he is on the board of several companies such as Exim Bank, General Insurance Corporation (GIC) and Xavier Labour Research Institute (XLRI).

### **STATE BANK OF INDIA—INDIA'S LARGEST BANK**

With over 130,000 employees and 13,091 branches and the cumbersome hierarchy of the traditional Public Sector Company, SBI, led by Bhatt has faced and overcome tremendous challenges to stay at the top.

SBI has a large presence in the rural and semi-urban areas — 4,900 of its branches are in rural areas (defined as areas with population less than 10,000), while 3,500 branches are in semi-urban regions. The efforts of

the government to ensure that the benefit of social sector schemes reach the poor, has allowed State Bank of India to extend its outreach to even the most remote areas of the country. In fact, the Rs 40,000-crore spending through NREGA (National Rural Employment Guarantee Act) has been a boon in disguise for SBI.

Also, its reach under the SGSY (Swaran Jayanti Swarojgar Yojana) scheme is nothing short of phenomenal. Among the 1.83 million Self help Groups, (one group catering to 10-12 individuals), in the country, SBI has a 31 per cent market share. The book size is around Rs 20,000 crore, with Rs 13,242 crore disbursements given to SHGs that have an outstanding of Rs 6,567 crore in the hands of around 18.5 million individuals. In the first eight months of Financial Year 2011, SBI's book has grown by 8 per cent. It is also funding many microfinance companies, but that book size is small.

**SBI has a large presence in the rural and semi-urban areas — 4,900 of its branches are in rural areas (defined as areas with population less than 10,000), while 3,500 branches are in semi-urban regions.**

SBI currently has 82 overseas offices in 32 countries across the world. It has also 7 subsidiaries in India – SBI Capital Markets, SBICAP Securities, SBI DFHI, SBI Factors, SBI Life and SBI Cards. It is looking at prospects to expand in India as well as globally. SBI is raising investments for its augmentation and also strengthening its diverse assets.

Among its overseas ventures, SBI has formed a Joint Venture Agreement with the State General Reserve Fund, Sultanate of Oman. It has also financed large transactions abroad – for instance, for Tata Steel in the Corus acquisition and Tata Motors.

### **LEADING CHANGE, CHANGING MINDSETS**

Bhatt believes in reaching out and influencing people, specially his colleagues at the State Bank. When he joined the Bank as chairman, he already had the gut feeling that change was necessary. Yet it was also clear to him that this would not be possible without bringing all the players on board. "SBI has a diverse work force from rich to poor and from rural to urban - spread across the whole spectrum. The challenge is to communicate to them and motivate them to ensure that they have a clear understanding about the bank and the bond it shares with its customers," Bhatt explains.



Bhatt is famous for embracing traditional opponents with open arms. He once attended a union leaders' conclave at Jodhpur in 2007 and stayed for the whole duration with them. This direct and disarming style has paid rich dividends. He reaches out across apparent divides and wins over his opponents hearts. He appeals as much to the mind as to the emotions. He negotiated with the trade unions in his own inimitable style and managed to sign

a memorandum with them to increase efficiency and improve discipline. The declaration 'Mission Samay' pledged that all staff of SBI would arrive at their offices before time so that the customer does not have to wait to be served. This was widely publicized in the newspapers to facilitate the revival of faith and trust of customers in SBI.

He began to engage his colleagues step by step across the ranks. He took the Deputy Managing Directors and Managing Directors to Amby Valley for 4-5 days and did an enormous amount of brainstorming. "We spoke frankly," he recalls, "and tried to focus on what had gone wrong with the bank. We literally laughed and cried together. We resolved that these twenty-five people, gathered at the conclave, would take ownership of the problems that had been pin-pointed; and on return, would strive with every sinew to bring back the bank to its old position and glory. Everyone was encouraged to take responsibility to do what they felt was best for their positions. Some volunteered to do this on their own; some gave suggestions that involved team work and co-operation. The session was very fruitful and at the end, there was a strategy before us for going forward and a sense of ownership about doing it ourselves."

Mr Bhatt had a special role for those who had gathered at Amby Valley: "I looked to the twenty-five gathered at Amby Valley to act as volunteers. Their task was to leave their individual cocoons and step outside. They were asked to travel and make a structured and carefully prepared presentation so as reach out to all the 9000 plus branches SBI had then. The presentation was a communication tool to tell the Branch Managers that there were serious problems and that they needed to be addressed.

"This handful of people went out every week and met the Chief General

Managers of the Circles and Branch Managers and did some soul searching and discussed their levels of commitment. Then all Circle Chiefs met all Branch Managers. Many did not know what was happening and believed all was well, whereas it was not. What happened thus was that their emerged a heightened awareness of the problems besetting the bank. Also, with this awareness, dawned the realization that in light of the emergence of strong competition across the entire banking sector, things could not be allowed to drift. It could not continue to be business as usual."

**"SBI has a diverse work force from rich to poor and from rural to urban - spread across the whole spectrum. The challenge is to communicate to them and motivate them to ensure that they have a clear understanding about the bank and the bond it shares with its customers."**

Initially, there was also some diffidence among the higher echelons. But they soon got the message and, in fact, had quite an enjoyable time. The main question was, why should a top manager go to small places, when he already had his plate full? Bhatt answered this by setting a personal example. He recalls: "I started sitting in numerous conclaves of Chief General Managers and General Managers and interacted with over 300 GMs. The Amby Valley atmosphere was recreated. Suggestions poured in from industry experts, from CGMs and GMs. I also met many from the next level – Deputy GMs and Assistant GMs and brought them on board too."



*Chief General Managers at a conclave*

In all, Bhatt met over 2000 AGMs of the bank in groups of 30-50 and the process lasted for 3-4 months in 2007. He started the meeting process in August – September 2006, just a few weeks after taking over the reins of the State Bank of India as Chairman. He adopted different methods and said that it all became simple once they had decided. He himself did not speak much on these occasions. Instead he told the officers that he had just come to listen and to help them do what was good for the bank. The meetings with the AGMs, middle-ranking officers of the Bank, usually lasted for about four to ten hours and proved to be a hugely productive exercise.

**Mr O.P. Bhatt wanted to ensure that if the poor wanted resources to transform their lives, upgrade their skills, learn new trades, acquire basic assets and manage them, or open small businesses, his bank would be a symbol of hope and encouragement.**

Describing these sessions, the ace banker says, “I tried to touch their hearts. Therefore, I expressed my convictions and my commitment to the poorer sections with feeling and emotion. The meetings were structured differently for all the five levels. The meetings were without break and I would go there alone. In the meetings of AGMs, the CGM came just to introduce the AGMs and went back after that.”

SBI rolled out over 3,300 two-day workshops across the country involving more than 1,30,000 people in 100 days by about 400 trainers to disseminate the message of change and inclusiveness. Through all



*Windmill inauguration at Coimbatore*

of this, the Bank attempted to change old mindsets and attitudes and convey the message that the public sector had a commitment to all those who lived their lives at the bottom of the pyramid. The bank needed to be able to provide its services to the rural poor and enable the disadvantaged to share the rapid economic growth that the country was enjoying. The need of the hour was to take banking to the remotest locations and transform the outlook from being just customer-driven to truly embracing the concept of inclusive banking.

The actual transformation of set

attitudes was facilitated to a great extent by Bhatt's steadfast belief in delegation and empowerment. He gave additional powers to the regional and local head offices thereby empowering them and enabling them to speed up their decision making processes. Thus, managers at local levels were encouraged to reach out to those sections which had so long been marginalized and literally kept out of the credit map of the country.



By 2008, the results of the amazing transformation were becoming evident. SBI was picking up assets when other banks were shedding due to the prevailing economic uncertainty. People say that Bhatt has changed the DNA of his bank. Conspicuously, Bhatt has been able to achieve speed and growth without sacrificing risk management. SBI is not only giving access to credit, but helping people even at the bottom of the economic spectrum, to cultivate the habit of saving and encouraging them to take up livelihood activities.

SBI became the first Indian bank to install a windmill for Green Power Generation as a part of its Green Banking Initiative and the Chairman led the inauguration on 23 April 2010 at Coimbatore. This is a major initiative that should not only motivate the big Public Sector companies, but also the multinationals and private sector organizations.

O.P. Bhatt and the SBI under him have received numerous awards and recognitions. The State Bank of India was presented the Best Bank of the Year 2008 by *The Banker* magazine of the Financial Times Group at London in an impressive ceremony attended by CEOs & Heads of commercial banks from over 116 countries. Bhatt was declared as one of the '25 most valuable Indians' by *The Week* magazine for 2009. State Bank of India has been adjudged the best bank 2009, by *Business India* magazine. SBI bank received the FE Best Banks Award in 2009. The CNN IBN, Network 18 recognized this momentous transformation journey and presented the prestigious Indian of the Year – Business award, to its Chairman, O.P. Bhatt in January 2008. SBI has also been the winner in the Financial Inclusion Category — for three consecutive years an accolade given by the *Business World* magazine in its Best Banks survey.

At the root of Bhatt's commitment and ceaseless drive, lay a simple and truthful commitment. He wanted his organization to transform itself to serve those whom the fancy private sector banks would not. He wanted to ensure that if the poor wanted resources to transform their lives, upgrade their skills, learn new trades, acquire basic assets and manage them, or open small businesses, his bank would be a symbol of hope and encouragement. Bhatt has indeed demonstrated the true spirit of inclusive growth and embodied the true nature of a transformational leader who leads change and changes lives.



# ARUP ROY CHOUDHURY



**The Visionary Builder and Manager**



*Pillar of progress; an NTPC plant*

**A**rup Roy Choudhury, currently Chairman & Managing Director, NTPC (National Thermal Power Corporation), has an illustrious career spanning over 32 years of outstanding contribution in the fields of engineering, general management, strategic management and business leadership. He is a graduate in Civil Engineering from Birla Institute of Technology, Mesra and a Post-Graduate in Management and Systems from IIT, Delhi. A keen learner of the latest professional developments, he is currently pursuing a doctorate in "Select Study of Project Performance Metrics in Indian Construction Industry" from IIT, Delhi.

Mr Choudhury started his career in 1979 and has the distinction of becoming the youngest CEO of a Central Public Sector Enterprise at the age of 44 years when he joined as Managing Director, National Buildings Construction Corporation Limited (NBCC) in 2001.

His vision, leadership and dedication transformed NBCC, which was a sick company with negative net-worth and salary back-log into a blue-chip enterprise with Schedule 'A' and 'Miniratna' status (bestowed upon it by the Government). NBCC's net worth grew about 500 times during Mr Roy Choudhury's years at the helm.

As Chairman of the Standing Conference of Public Enterprises (SCOPE), the apex body of Central Public Sector Enterprises (CPSEs), Mr Choudhury has been leading policy advocacy for greater empowerment of these enterprises and encourages adoption of best practices in strategic management and fiscal discipline.

Mr Choudhury took over as CMD NTPC, India's largest power utility very recently in September 2010. NTPC was set up in 1975 to accelerate power development in India and is emerging as a diversified power major with presence in the entire value chain of the power generation business. Apart from power generation, which is the mainstay of the company, NTPC has already ventured into consultancy, power trading, ash utilization and coal mining. NTPC was ranked 317th in the 2009 *Forbes Global 2000* ranking of the world's biggest companies.

The total installed capacity of the company is 32,194 MW (including JVs) with 15 coal based and 7 gas based stations, located across the country. In addition, under JVs, 4 stations are coal based and another station uses naphtha / LNG as fuel. By 2017, the power generation portfolio is expected to have a diversified fuel mix with coal based capacity of around 53,000 MW, 10,000 MW through gas, 9,000 MW through hydro generation, about 2000 MW from nuclear sources and around 1000 MW from Renewable Energy Sources (RES). NTPC has adopted a multi-pronged growth strategy which includes capacity addition through green field projects, expansion of existing stations, joint ventures, subsidiaries and takeover of stations.

NTPC contributes 28.60 percent of total power generation due to its focus on high efficiency. But the route to self reliance in energy sector for India is full of hurdles. Mr Roy Choudhury is aware of the challenges ahead and the high expectations people have of him after his exemplary performance in NBCC.

### **INFRASTRUCTURE BUILDING THAT IMPACT LIVES**

It was in NBCC, however, that Mr Arup Roy Choudhury showed his skills as a leader and top class manager. Being at the helm of this dynamic enterprise takes hard work and a relentless drive, the hall mark personality traits of Arup Roy Choudhury. He demonstrated the "missionary zeal" it takes to navigate a sick company out of troubled waters and put it on a safe and stable course.

Today NBCC, a Public Sector Enterprise under the aegis of the Ministry of Urban Development, is the largest public sector construction company with a



*Lecture hall complex, IIT, Roorkee*

turnover of Rs. 2025 crore with its activities spread across the country and abroad in areas of Project Management & Consultancy, Engineering Procurement & Construction, Post Completion Maintenance, Roads, Bridges and Airports, Solid Waste Management, Water & Effluent Treatment Plant, Chimneys & Cooling Towers, Border Fencing, JNNURM, PMGSY Works, Real Estate, Power & Infrastructure, etc.

NBCC has a number of prestigious awards and accolades to its credit. NBCC is now a Schedule 'A' and a dividend paying company. All this is thanks mainly to Mr Roy Choudhury's vision and leadership in the past 8 years.

Mr Roy Choudhury believes in hard work without attachment to results. He admits finding inspiration in the saying: *"Karmanye Vadhikaraste Ma Phaleshu Kadachana, Ma Karma Phala Hetur Bhurmatey Sangostva Akarmani"* [You only have got choice over your action (karma) and not over the result of the action. So it is alright to desire a favorable result but not be attached to the result and not to set conditions that only a favorable result will make me happy or content. Be unattached with your work, property, people, possessions... they belong to you but don't dictate your life or happiness].

## **NBCC IN 2000**

NBCC just over a decade ago presented a very bleak picture. Over a period of time, the financial condition of NBCC was deteriorating and it was really bad in 2001 when the employees were struggling for salary for months together and the corporation was facing a heavy interest burden on borrowings. The performance in execution of works and management

**Strategies that Mr Roy Choudhury adopted for turning around the Corporation were harnessing the strengths of the Corporation through SWOT Analysis and dedicatedly working on core aspects.**

was pitiable. Reputation of the company as a construction agency was quite low. The company was also being considered for disinvestment.

In April, 2001, Arup Roy Choudhury took over the reigns of the Corporation as Chairman-cum-Managing Director and worked day in and day out in a planned, systematic and open-minded manner and brought NBCC to heights where it is today, a construction giant. Strategies that Mr Roy Choudhury adopted for turning around the Corporation were harnessing the strengths of the Corporation through SWOT Analysis and dedicatedly working on core aspects. The initiatives taken then can be briefly described as follows:

### ❑ Re-organizing the Operation System

The old working system of top-down line concept was reversed to bottom-up working system. The engineers and staff members posted at sites and units started working with commitment and felt more responsible and accountable to the organization as they had effective systems in place to give their suggestions and discuss problems.

### ❑ Government Funded Projects for Resource Generation

A significant initiative was securing Government of India funded projects in all the North-Eastern States including Sikkim and MPLADS (a local area development scheme managed by members of parliament) funded Gujarat Earthquake Rehabilitation projects which largely helped NBCC to come out of the severe resource crisis that it had been suffering since mid-90s. The projects were implemented on time with quality, economy and strict manpower management. Appreciation from clients started flowing in which further boosted the morale of employees. Work orders continued to pour in from various ministries, government departments and other public sector undertakings.

### ❑ Selective Tender Works with Certain Ceiling Value

In a planned manner, NBCC became selective and started looking at large value contracts with assured profits in the initial CTC level. While executing these projects, there was rigorous control of the overheads and bottom lines.

### ❑ Customer Focus as USP

A clear message was sent across NBCC team members that the Corporation had adopted 'CUSTOMERS' DELIGHT' as its USP and that only would define success. The Corporation adopted the following business strategies which resulted in clients reposing their confidence in the company by giving repeat orders:

1. Introduction of the concept of "Cost to Completion" (CTC).
2. Computerized monitoring through LAN and Web based on-line monitoring system.



*Vibgyor Tower; Residential complex at Rajarhat, Kolkata*



*Housing for urban poor at Faridabad, Haryana*

3. Categorization of projects as 'A', 'B', 'C' and their close monitoring.
4. Proactive approach and constant liaison with clients.

#### ☐ **Value Addition through Improved Financial Management**

Effective financial management was undertaken and the Corporation introduced Centralized Cash Management as also e-Transfer System for payment to contractors. Introduction of Finance MIS was another important initiative. Financial decisions were taken quickly which resulted in benefits like quick receipts and payments, saving in bank charges, increase in the working capital etc.

#### ☐ **Change with a Human Face**

Employees were made to realize that they have to move to locations where the projects are being executed. An open and transparent transfer policy of "first in first out" was implemented. Employees responded and moved to remote locations of work. The Corporation, on its part, also ensured that such moves also carried along a "Human Face" and adopted abundant welfare measures for the employees providing them with bachelors' accommodation, mess facilities, enhanced pay, special LTC package etc. While implementation of such policies are now being strictly followed by NBCC, personal grievances and facilities of employees too are being taken care of to the extent of giving them ex-gratia, uniform, attractive Corporate Medical Insurance facilities, etc apart from other perquisites from time to time.



*100 Bed ESIC Hospital, Gurgaon, Haryana*

## **WORKING WITH PEOPLE FOR PEOPLE**

Under the vibrant leadership of Mr Arup Roy Choudhury, NBCC witnessed a total face lift. In a span of seven years, he transformed the public image of NBCC. Ministry of Urban Development and Department of Public Enterprises of the Government of India ranked NBCC as "Excellent Corporation" during the years 2003-04, 2004-05, 2005-06 and 2006-07 as the Corporation achieved all the targets set in the MoU with the Government. Besides, it continues to improve its position in all key financial parameters year after year. In the year 2006-07, it wiped out all its accumulated losses and declared maiden dividend to the Government of India since its inception in 1960. It also paid dividend of over Rs 55 crores in 2007-08, which is 62 percent of its paid up capital. Industrial relations continued to be harmonious and no man-days were lost on account of strike or labour unrest.

**In leading the rejuvenation and growth of NBCC, Mr Choudhury never lost sight of the core mandate of “public good” and often took up challenging projects to help the common man.**

In leading the rejuvenation and growth of NBCC, Mr Choudhury never lost sight of the core mandate of “public good” and often took up challenging projects to help the common man. No wonder after some years of experience in real estate NBCC expanded into the area of affordable housing schemes starting with some 800 flats in Kolkata and then to Patna and Cochin. In 2009, while private developers were struggling with the global



*Shopping Complex, Police Bazar, Shillong*

**On Roy Choudhury's initiative, NBCC ventured to undertake infrastructure projects in the northeastern States including Sikkim which had been largely neglected till then. By January 2009, NBCC had completed 60 centrally funded development projects in the Northeast.**

border regions. Under Roy Choudhury's guidance, NBCC started setting up joint ventures in the power sector and the first turnkey power project at Marwah in Chattisgarh State was taken up in 2007. Since then there has been no looking back.

**“To some extent it[leadership] has to be inborn but that inborn ability has to be cultivated over time”.**

quoting from the Bhagavad Gita to illustrate his point about devotion to cause and duty.

A strong believer in communication, he finds that most solutions lie with the people themselves. All that is required is for the team leader to

downturn, NBCC announced its Khekra project on Delhi-Saharanpur highway offering 3 to 4 bedroom houses to the public at a cost ranging from Rs 25 to 40 lakhs. Mr Roy Choudhury made sure that the consumer benefited from his policy of rigorous fiscal discipline, transparency and robust project management.

largely neglected till then. By January 2009, NBCC had completed 60 centrally funded development projects in the Northeast. Roy Choudhury also spearheaded rehabilitation works in disaster affected areas of Gujarat, Jammu and Kashmir, Orissa, and Andaman & Nicobar Islands. Under the PMGSY (Pradhan Mantri Gramin Sadak Yojna) development of rural road networks was taken up in remote areas of Bihar and Tripura. Border fencing was taken up in Indo-Pakistan and Indo-Bangladesh

Casting aside the jargon of the schools of business management, Mr Roy Choudhury touches upon the intrinsic qualities that set people apart as leaders. “To some extent it has to be inborn but that inborn ability has to be cultivated over time”. He likes

"get into their skin" and help them think their way out of their problems.

Since his early life, Arup Roy Choudhry has been an observer of people and how they faced the issues that surrounded them. He remembers his grandfather saying, "An individual's body is an entity that can tolerate anything. The body will adapt to it." Thus, everything works as per your mind. Management, in effect should be about providing direction. "There is no mathematical formula. One has to channelize the meandering." In essence one has to, "provide blinkers for the horse," so that the horse may complete his journey unimpeded by distractions, the horse, in this case, being a metaphorical reference to the company or industry.

Mr Roy Choudhury, a fourth generation civil engineer, works a six day week embodying the *sanskars*, deeply ingrained principles of his Gururji. Between hard-nosed, common sense ideas that deal with people handling, Mr Roy Choudhury quotes extensively from Tagore to bring to life his ideas on handling people.

"It is important to demonstrate the capacity to work hard," he says. If one shows passion for the job at hand, if one is willing to give credit where it is due, to forget and forgive, then one can carry people along. Selflessness is a necessary quality. His dictum is "*Sankalp Shuddha Hi Siddha*" which translated, reads, "if your intentions are pure, you are bound to succeed."

Says Mr Roy Choudhury, "Human beings are individuals and must be treated as such. They are not a resource as typified in the term Human Resource Management. They have unique personalities and need to be treated as individuals. And those that work with you heed you for their own reason." For some it may be a personal response to the individual in charge, to his ideas and their belief in his ideas. Some may heed a leader for his position of power. The synergy of all these individuals drives the work that needs to be done.



A road in rural Bihar under PMGSY



Solid Waste Management project, Jodhpur, Rajasthan

Mr Arup Roy Choudhury has been honored with a number of awards and prizes for his marked contribution in his professional arena. His expertise in engineering discipline, particularly in construction industry

**According to Mr Roy Choudhury, human beings are individuals and must be treated as such. They are not a resource as typified in the term Human Resource Management. They have unique personalities and need to be treated as individuals.**

and managerial competence, has been sought at many national and international forums, where he chaired sessions and presented papers. Known to be a strong believer of new paradigm shift in "Project Implementation by Proactive Approach", Mr Arup Roy Choudhury practises a management style that is both open and transparent. He is also an avid reader and possesses a keen quest for learning beyond his professional horizon.

Now in his vision for NTPC, a vision he mulls upon even when he is away from his desk, he sees it in the foreseeable future as a world class organization in solar, nuclear, hydro and thermal power. It already is a very strong company. The plants are beautifully designed and have dedicated teams at work in them. It is not difficult to foresee that under Mr Roy Choudhury's stewardship NTPC will thrive and attain greater heights.



# RAJENDRA SINGH



**The Ponds of Hope**



**R**ajendra Singh, the modern age “Bhagirath” (the mythological character who, through his penance and prayer, brought the river Ganga to the earth from Lord Shiva’s flowing locks) has worked relentlessly with marginalized communities, motivating them to work together for the development of their habitats. Rajendra Singh’s efforts have led to one of the largest initiatives in water harvesting and restoration of groundwater in the world. He touched the hearts of the sun burnt, thirsty people of some of the remotest regions of Rajasthan, starting his journey from a small village, where no one knew him and of which he also knew little.

An Ayurveda medicine graduate and post graduate in Hindi literature, Rajendra Singh is today the Chairman of Tarun Bharat Sangh (TBS). Since 1985, under his dynamic leadership, TBS has been working for the restoration of life and hope in the barren lands of Rajasthan. He has been honoured by Asia’s most prestigious Ramon Magsaysay Award 2001 for Community Leadership. Popularly known as “Waterman of India”, Rajendra Singh is also heading a national network of organizations working on water issues - Rashtriya Jal Biradari. This network is working for the restoration, preservation and sustainability of both the mighty and the small waterways of the country.

Singh’s wife, Meena who managed the family during his long absences and provided the children with a good education, also visits him often and now accompanies him to the project areas for meetings. His son, Maulik

Sisodia is a young management professional. He also holds a post graduate degree in econometrics and works as the Executive Director at TBS. He takes care of all the programmes related to natural resource management (NRM) policy interventions at national level and other daily operations. Daughter Renu Sisodia, a young social-work professional from Tata Institute of Social Sciences, is specialized in child health, youth affairs and rural development. She is a Programme Officer at TBS and takes care of all the programmes related to women, education and health.

**When people saw him doing what they could not and had not for decades, they readily followed him.**

The story of Rajendra Singh resembles a fairy tale. Four urban youth from Jaipur, fed up with the official procedures and the slow and inactive governmental system, decided to serve the people directly in one of the backward villages in Rajasthan by educating them. To their surprise, the inhabitants there were not interested in any educational initiative. The villagers' lives had been shattered by drought for many years - no water nearby, bad agriculture production and little cattle for animal husbandry. Those left in the village were the old, the weak, and women and children; most able bodied males had migrated out to work as labourers. Even as the four friends, somewhat intimidated by the desire of the villagers to focus on issues of water, deliberated among themselves, a village elder, Mangu Patel, suggested that an attempt be made to break the grip of the oppressive drought by digging a large pond.

Rajendra's friends did not support the idea. They had come to impart education, not to facilitate digging activities. Seeing that their efforts were bearing no fruit, they returned to the city. Singh, however, was unfazed. He began the daunting task of digging the hard, unrelenting soil in unbearably hot conditions. He was unused to manual work, had never ever worked the soil and here he was, deserted by his friends and far removed from his family. Yet, he persevered, motivated by a force that stemmed from within, but for which no rational justification could be found. His patience and hard work melted the hearts of the poor villagers and they finally joined him one by one. The pond was finally completed without any government assistance and the lives of the villagers changed dramatically. Instead of looking to any outside agency, the villagers had learnt the art of self-reliance. What began as the digging of one symbolic pond, grew into a huge movement that has resulted in many rivers in Rajasthan being revived and over 10,000 *johads* (pond-like structures to conserve and harvest water) being built. Millions of people now have access to a



*Villagers examine a johad*

far better quality of life, something they could never have dreamt of.

As he expanded his activities, and attempted to involve the people and the community directly, the Ayurveda trained doctor did not take much time to diagnose the basic malaise that afflicted the inhabitants of drought affected villages – their lack of faith in others and in themselves too. He found himself dealing with three major challenges that stood in the way of involving the community fully – pressure from the

cynics, opposition from the local mafia and the indifference of the local government.

To tackle the local mafia, he used the legal system, filing cases against all those who were conspiring to halt the progress of development work. He even knocked on the doors of the Supreme Court. The highest rung of the judiciary responded positively, hauling up the local administration and even punishing them for inaction or intentional mischief. Naturally, this approach antagonized the entrenched mafia and Rajendra faced attacks both physical and social. He bore up stoically to all of these patiently and peacefully, but never stopped or faltered.

Government and the local administration which had filed many cases against him also could not deter him or break his steadfast resolve. All the cases that had been filed against him were gradually withdrawn or closed. Finally dawned the day when the President of India, Dr K. R. Narayanan, visited the villages Bhaonta and Kolyala and encouraged and lauded the efforts of the villagers. The President presented the "Down to Earth-Joseph C. Award" to them.

When Singh decided to serve the community – the poor and the needy, he was young, emotional and very enthusiastic. He was deeply influenced by Gandhian philosophy from where he learnt the value of patience even in difficult times and circumstances. Local, so called illiterate villagers (full, however, of traditional knowledge), living on minimum resources and water, were his inspiration. Siddhraj Hadda, the Sarvodaya activist and friends like Anupam Mishra also helped him to stick to his chosen path.

At the worst of times, Singh believes he was able to strengthen his

internal resolve and energy by meditation and prayer. He also received cooperation and confidence from his wife and family and derived inspiration from their simplicity. As he puts it: “One should recognize and be able to derive sustenance and strength from one’s family to achieve larger goals and succeed in life.”

### **TARUN BHARAT SANGH: A BRIEF PROFILE**

Tarun Bharat Sangh (the organization that Rajendra established) built its campus in village Bheekampura on a donated land of 60 bighas. Today 40 bighas are reserved for forest, 17 for agricultural work and three bighas for buildings. The buildings comprise an office, a training complex, an Ayurveda hospital, a hostel, a common mess and a guest house.

TBS grew into a band of workers dedicated to rural development, from a small nucleus of professionals, under a faith known as TBS bond. TBS has a twenty-one member General Body of people of social standing. The general body sets the policies for the organization across a broad spectrum. At the executive level, TBS has a Governing Board consisting of nine members. The governing board is responsible for overseeing all the development works undertaken by the organization under the guidance of the general body. Most of the TBS field activists are themselves members of the communities they are working in. They live in the villages and share the joys and sorrows of the villagers seeking to unlock their inherent potential so that their energies can be channelized into fruitful development work.

Those who work for TBS and many others who are associated with its work, constitute a motley lot. First, there are the volunteers who are attached to the underlying philosophy – which is simply that of selflessly serving the poor and the marginalized. In this category, there are hundreds of unpaid village health workers and voluntary women organizers. Secondly, TBS trains local villagers and employs them from time to time. At a third level, there are hundreds of individuals from different spheres of life who support TBS in its national level policy advocacy interventions. And, finally, of course, there are paid, full time employees who drive the organization.

It is the relentless digging and commissioning of *johads* which made TBS a champion in the sphere of rain-water harvesting. The impact of 25 years of tireless efforts has brought about a significant transformation of the geographical area in Rajasthan which TBS targeted, from an officially marked “dark zone” to “a water surplus” zone.



*Structure built to provide drinking water for animals*

## THE INSPIRING STORY OF ARVARI

One inspiring success story is that of the rivulet Arvari. The first step to make this stream come alive was taken in 1987 by constructing a small johad in the remote village of Bhaota. This little pond, and the water it yielded, attracted the attention of the villagers. Soon, many of them came forward to build such structures in their own areas. Before long, there was simply a craze for digging of *johads*. Over the years, the movement yielded rich dividends. As of now, there are 375 water harvesting structures in the catchment area of the rivulet Arvari!

Water retained in these structures raised the water table in the entire catchment area of the stream. This in turn, enriched the forests in the same area. Forests and scrubs helped to retard the run-offs of monsoon waters. In this way, over a decade or so, the rivulet Arvari, from being a shrunken, dried up dead water-course, transformed to a water system that ensures a river-like flow all round the year!

R.N. Athavale, emeritus scientist at the National Geophysical Research Institute in Hyderabad, assessed the work done by TBS. His aim was to gauge the changes brought about by the water harvesting structures created through the efforts of the TBS. Here are some of his findings:

- The annual average rainfall in the region is about 600 mm. Most of this rain (about 80 per cent) falls during the monsoon.
- Before TBS's intervention in encouraging water harvesting structures, 35 per cent of the rainwater was lost immediately as seasonal run-off. Another 50 per cent was lost due to evaporation or transpiration.
- Only 15 per cent of the rainfall naturally recharged the groundwater. Of this, five per cent became soil moisture, as the soil was too dry. Another five per cent constituted the base flow, implying that this amount of groundwater returned to the surface stream or river. Of the remaining five per cent, some parts were tapped by wells and used, but the rest percolated to depths below the wells and stream beds.
- After the structures were built, there was an additional recharge of

groundwater to the tune of 20 per cent.

- Though the base flow to the stream or river remained the same, there was an additional seepage (effluent seepage) of 17 per cent of rainfall to the river in non-monsoon months. This phenomenon contributed to the revival of the River Arvari and made it perennial.
- Seasonal run-off has come down from 35 per cent of the rainwater to only 10 per cent.
- There has been an increase in soil moisture: an additional five per cent of the rainwater is retained in the soil. The groundwater table has risen.
- In all, five per cent of the total rainwater is being used for irrigation, one-third of which is returned to the ground. It should be noted that the villagers have exhibited extreme caution in drawing out groundwater.



About 22 per cent of the run-off (excluding the 10 per cent seasonal run-off during the monsoon) is better regulated and spread out over the year. This has been crucial in reviving the Arvari. If this run-off had not been regulated, the river would not flow throughout the year. This shows how fragile the ecosystem is.

### **LEADING BY EXAMPLE**

Rajendra Singh's style is straightforward and direct – lead from the front and by example. Do the things others should have been doing but did not. Show them that the things they thought couldn't be done indeed can be done if there is resolve. Get them to join in then, and unite their endeavours so that through the unity of action one can leverage strengths and opportunities. Through it all stoically bear physical hardship. Abjure the softer comforts of life for the greater good of the community. And as efforts bear fruit, multiply and maximize, so that larger and larger areas get covered and whole regions are liberated from the scourge of drought and moisture-stress and barren, hard, unrelenting terrain.

This forthright, in-your-face style has proved incredibly effective and has succeeded in bringing back the lost prosperity of the dry villages of Rajasthan and neighbouring states. He has managed to influence the communities and organizations in many districts of India, and has brought

about a positive change in the quality of their lives – transforming their habitats from arid, drought prone zones to productive crop growing areas that support and sustain lives and livelihoods.

**By showing and reposing faith, trust and respect towards those that had been struggling for decades, he earned their trust and faith in return.**

His manner of involving and motivating people has, at its core, the sharing and demonstration of faith. By showing and reposing faith, trust and respect towards those that had been struggling for decades, he earned their trust and faith in return.

He lived and worked among the people he chose to serve, making do with paltry resources and coping with the very same problems that they encountered. When, finally they both owed and owned him, their own responsibilities towards him increased and they had no hesitation in both following him and facilitating all the efforts that he was undertaking. What happened over time was that strong bonds were formed and love and respect and goodwill brought out the best in terms of teamwork and output.

Singh thus led and inspired a movement that grew stronger by leaps and bounds and today he leads the Rashtriya Jal Biradari, a National Water Rights and Action movement that has an outreach that stretches to virtually all parts of the country. He forsook worldly comforts and personal pleasures, and a decent city life to serve people in distress in the hot, humid and dry villages of Rajasthan. When people saw him doing what they could not and had not for decades, they readily followed him. He won their hearts and conquered their minds and changed their lives and their environment. People accepted and embraced his vision, followed his example and reaped enormous benefits.

Singh believes that improvement and change-management is possible if people running governments are willing to understand that community-driven democracy is more just, more egalitarian and more strong. He also hopes that there will be a spontaneous integration of social leaders like petals in a garland. This will not only help rejuvenate, recharge and clean small and big rivers, but all water bodies and drive the society and community to solve their problems on their own. Such self-confident and self-supporting communities can create environmentally sustainable and economically viable social and physical infrastructure, as well as help in the formulation of policies and their effective implementation.

# DR ACHYUTA SAMANTA



**Mainstreaming Tribals through Education**



*Dr Samanta and Mahesweta Devi, Magsaysay Award winner with the KISS Rugby team*

**“Giving education to the deprived is like giving sight to the blind.”**

Dr Achyuta Samanta is a man with a mission: to give a better life to the deprived tribal communities of Orissa through education. Success and accolades sit easy on him as he meets people in his unassuming office in his unassuming way. A bachelor married to the cause closest to his heart, he continues in his simple Spartan lifestyle despite his success. Most visitors from outside of course are already aware of Dr Samanta’s background and achievements but still cannot believe their eyes when they visit his dream campus on the outskirts of Bhubaneswar. For most, it is hard to imagine that Dr Samanta, whose childhood was so full of struggle and hardships, could have made it this far on his mission. Or that this man received his masters in chemistry despite such adverse circumstances and then went on to establish such institutions as the Kalinga Institute of Industrial Technology (KIIT) and Kalinga Institute of Social Sciences (KISS).

Dr Samanta started with just Rs 5000 in savings to found what at first began as a technical training centre in 1992 in two small rooms. It is now a robust campus comprising 16 mini campuses for 15,000 full-time residential students with over 40 academic programmes and 23 colleges, schools and departments. KIIT, accredited as a Deemed University since 2004, is located on 400 acres of land area and has a township of over

700 faculty, scientists and researchers in residence. The institution houses around 50 labs where over 30 research and development projects are underway and it is among India's top 15 engineering institutes, including the famous IITs and NITs (Indian Institutes of Technology and National Institutes of Technology).

Dr Samanta remains deeply rooted to his past and has drawn amazing strength from his childhood experiences. Memories of extreme deprivation and struggle have become the foundation for creating a better life for the marginalized and disadvantaged communities of tribal children. He puts his philosophy typically in simple words: "Giving education to the deprived is like giving sight to the blind." He firmly believes that education is a sure path to beating poverty. This is what drives him to pay special attention to the poor tribal children of the state.

**Recently in 2010, KISS reached an important milestone when it received the ISO 9001 international certification as the world's largest residential tribal school.**

In 1992, Dr Samanta finalized his plans for creating KISS, *a free residential school for educating tribal children*. He and his associates went from door to door convincing tribal parents to send their children to his school. He started his venture supporting 125 tribal children and this number today





*KIIT university, Bhubaneswar*

has grown to some 12,000 tribal students. KISS is now the largest residential school for tribal children in not only Asia but the world. Recently in 2010, KISS reached an important milestone when it received the ISO 9001 international certification as the world's largest residential tribal school. As the founder of KIIT and KISS, Dr Samanta has already left an indelible footprint in the education sector in Orissa.

Dr Samanta's dream is to eradicate extreme poverty and hunger; provide universal education from primary through university studies; reduce child mortality; promote gender equality and empower young girls in their future opportunities. He is a social entrepreneur who helps tribal communities to fight poverty and deprivation and join the mainstream of society.

Rarely does one come across a man combining such deep social commitment with entrepreneurial skills. Recently in June 2010, the Gandhi Global Family (GGF) appointed Dr A. Samanta as National Secretary in charge of five States – Bihar, Chhattisgarh, Jharkhand, West Bengal and Orissa. The appointment was made in recognition of his "adherence to Gandhian principles, austere lifestyle and exemplary work for the downtrodden sections of the society". For his entrepreneurial acumen and achievements he was awarded Asia's Best Social Entrepreneur by the World HRD Congress at a ceremony organized in Singapore on 3rd July 2010.

## **A UNIQUE SCHOOL FOR TRIBAL CHILDREN**



The tribal school that provides free schooling from kindergarten right up to post-graduation, has every kind of facility that one hopes to find in a good school. Apart from normal academics, the children are exposed to sports, cultural events, hobby and leisure activity, and vocational training. Rugby is a major sport at KISS and the under 14 team has won international recognition after winning several competitions abroad including

the world rugby tournament beating South Africa. Some children have received national acclaim in different sports and cultural events. Academically, the tribal students are doing well with 100 percent results in the State Senior Secondary Examination of 2010. The achievements of these children have vindicated Dr Samanta's belief that when given the opportunity and right environment, the deprived or marginalized children are second to none.



*Computer Lab for KISS children*

Dr Samanta's goal is to have these tribal children join the mainstream as professionals or self-employed young people. Five percent of the seats in professional courses at KIIT University are reserved for KISS students who shine in academics and show promise. At the same time some of the young educated adults are expected to return

**“Even if a student is doing well academically, he or she needs exposure to understand the larger picture and realize one's own potential.”**

to their communities and help improve living conditions and opportunities for education in their respective villages. This will in due course have a large impact on the State as about 25 percent of the population of Orissa comprises tribal communities who live in isolation and in difficult geographic terrain.

The achievements of the Kalinga Institute of Social Sciences have been highly acclaimed by everyone who has visited the tribal school where students representing over 60 tribes, including primitive ones, have found a home away from home. The Union Minister of Tribal Affairs, Mr Kantilal Bhuria recently strongly advocated for replicating KISS in every State of India. Senior Cabinet Minister of Social Development, Republic of South Africa, Ms Bomo Edna Molewa went a step further calling for replication of KISS throughout the world. While the former President Dr A.P.J. Abdul Kalam who has visited KISS twice has described the tribal school as “a wonder”, Nobel Laureate Prof. Richard Ernst lauded Samanta as his role model. Magsaysay award winner and renowned social activist Mahasweta Devi has



*Vocational training for girls at KISS*



*KISS girls at craft class*

gone on record to describe KISS as "Bapu's dream realized", a "Second Santiniketan" and the "Bharat Tirtha" envisioned by Rabindranath Tagore. Diplomats, statesmen, legal luminaries, educationists, planners and even social activists unanimously hail Samanta as a great humanist and educationist. Even the US Ambassador, Mr Timothy J. Roemer during his recent

visit spoke about Dr Samanta's vision and its relevance to the world and humanity at large. Undoubtedly, the efforts to educate tribal children is a big step forward in fulfilling the Millennium Development Goal articulated by UNICEF and the Vision 2020 envisioned by former President of India, Dr A.P.J. Abdul Kalam.

KIIT and KISS have attracted top academicians, educationists and administrators from across the country. They are inspired by Dr Samanta's achievements in the face of extreme hardship and struggle. Professor Ashok Kolaskar, former advisor to the National Knowledge Commission of India, an advisory council to the Prime Minister and now Vice Chancellor of KIIT University recalls: "I came to KIIT because I felt I could make a big difference here compared to other more developed parts of India. Orissa is ripe for development and through education we have a chance to improve the lives of many here in the State."

KIIT University hosts prestigious national events every year. In 2010, it was a national event attended by financial experts, economists and policy makers. Country's top finance executives, managers and consultants discussed the role of finance sector in inclusive growth at the National Finance Conclave-2010 organized by KIIT School of Management, a constituent of KIIT University, in November 2010. The conclave was inaugurated by Dr K. C. Chakrabarty, Deputy Governor, RBI and Dr K. G. Karmakar, MD, NABARD in the presence of Prof. A. S. Kolaskar, Vice Chancellor, KIIT University.



*Dr A.P.J. Abdul Kalam during his visit to KISS*

Earlier, in December 2009, the 92nd Conference of the Indian Economic Association was held at KIIT university campus and this was inaugurated by Dr Manmohan Singh. Among those present on the occasion were: Mr Naveen Patnaik, Chief Minister of Orissa; Prof. C.H. Hanumantha Rao, President IEA; Prof. Sukhadeo Thorat, Chairman, UGC; Prof. B.B. Bhattacharya, Vice Cancellor, JNU; and Prof. Arjun K. Sen Gupta, Hon'ble Member of Rajya Sabha & Chairman, Institute of Economic Growth.



*Dr Verghese Kurien visits KISS*

Recently, the United States Government and the UN selected KISS to implement innovative projects, which have high potential of being replicated across the country. The US Embassy sponsored English Access Microscholarship Programme was launched in Kalinga Institute of Social Sciences (KISS) in December 2009. The programme was formally inaugurated by His Excellency Mr Muralidhar Chandrakant Bhandare, Hon'ble Governor of Orissa.

English Access Microscholarship Programme provides a foundation of English language skills to talented 14 to 18 years olds from disadvantaged sectors and gives participants English skills that lead to better jobs and educational prospects in their future endeavours. Under the programme, the Ambassador of US to India facilitates English language study for 100 tribal students of KISS for a period of two years.

After completion of the programme, tribal students will have opportunities to work in enterprises in India and abroad. The progress of the programme is being directly monitored by Washington DC. The graduation ceremony for the successful participants will be held at the US Embassy in New Delhi. Entire scholarship for these 100 tribal students under the programme is being borne by the US Embassy.

In the other development, United Nations Population Fund (UNFPA) has partnered with KISS for a project to overcome knowledge and skills deficit for life skills education in the state. This is the first project of its type of UNFPA in South East Asia and the biggest project of UNFPA for Orissa state. The project will address tribal adolescents who are highly vulnerable and have fewer opportunities to access information.



*Ms Maxim Olson Coordinator of United Nations, India Head at KISS*



*Mr Ham Kee Sun, President,  
Hanseo university  
after signing MOU with KIIT*

## LEADERSHIP, CHANGE AND SUSTAINABILITY

In an exclusive interview for this publication, Dr Samanta talked on various issues close to his heart and about his future plans.

On the challenges facing an entrepreneur in the education sector Dr Samanta minces no words. He says: “The educational entrepreneur has many challenges particularly in Orissa state. As you know the State government does not have any provision to promote or encourage educational entrepreneurship, whether in terms of giving land on market price or subsidized rate or any other facility. This task is therefore very hazardous, as one has to take on all kinds of hurdles from the start including acquisition of land in the face of opposition from other competing and vested interests. Setting up infrastructure and balancing requirements of all people and agencies is almost a herculean task. Working with the local police station right up to the highest authority of the state is not a small thing. Orissa moreover is a poor State and looked upon as a non-priority State by every one. Therefore getting work done at the level of the Centre is again very difficult for those based in Orissa. It requires great hard work, perseverance and patience for anyone to succeed, particularly if you want a good institution.”

**Dr Samanta believes that in the long run, it is better to be a good public institution rather than depend on the leadership of one individual.**

Dr Samanta had no model to emulate when he started out on his mission, and there was nothing available nationally or internationally from which he could draw inspiration. At the same time two things were clear to him; he “wanted to do something new, and something that would be extremely valuable for the State of Orissa”. As for expansion plans, Dr Samanta is clear that he is ready to venture into other districts of Orissa as also other States where the tribal communities need a helping hand. While KISS has been running smoothly through their own means, he welcomes the participation of corporate entities in the future expansion plans perhaps under their CSR commitments. At the same time he cautions that every such school would need an extremely capable leader who would not only be able to take the plan forward but be willing to take risk which is an inherent part of creating residential facilities for large numbers of tribal children in one set-up.

On the rationale behind establishing a new international public school recently for the well to do and elite of Bhubaneswar, Dr Samanta has this to say:

“We are doing two things in parallel. Please remember we started the professional institution of KIIT with its various professional courses in the very beginning. The success of KIIT actually allowed us to take up charitable work for deprived children. So we first look at the need of the State and how we can establish a new institution and then other things. Our international public school addresses a felt need in Bhubaneswar for a good public school for children of senior professionals and others who are now working in the State. The school has been built with about Rs 200 crore loan. But in years to come it would also perhaps contribute towards our charitable work.

“It is to be understood that we try to do whatever we think is best for the education sector in Orissa State. The public school is also required as so many people from outside are now working here in various development projects and are based in or around Bhubaneswar. This international residential school which has government of India affiliation and foreign affiliation, when fully operational, will be the pride of the State.”

Dr Samanta is very clear that the best of students need exposure. That is the philosophy behind his tying up with various prestigious institutions in the country and abroad. He says: “Even if a student is doing well academically, he or she needs exposure to understand the larger picture and realize one’s own potential. The tie-ups are an opportunity for the students at KISS and KIIT to see how their counterparts in other countries are doing. My philosophy is thus to give maximum exposure to this newly born university. At the same time it provides awareness and information on these institutions to the larger public outside both nationally and internationally. In today’s world no one however so good, can afford to remain insular and isolated.”

Despite the large number of visitors at KISS and KIIT every year, Dr Samanta does not cultivate the media actively or practice proactive



*Dr Manmohan Singh, Hon'ble Prime Minister of India during his visit to KIIT*

**"So I plan to work next 20 or 25 years on the expansion of KISS as a charitable institution, and expect to reach a goal of educating some two million tribal children."**



*KISS children practice Archery on the campus*

public relations. He believes reputation built on a solid foundation of hard work is much better than hype. He explains his outlook: "I think work should speak for itself. It is better to have the reputation grow and be known widely in a slow fashion rather than indulge in media campaigns, etc. Whenever, media has shown interest in us and written about us, it has been the result of visits by journalist and senior people who have seen our good work and have been impressed. In one sense, what we have achieved is not a miracle but has come as a result of great hard work, sacrifices and some luck. With these three elements others can also be motivated to achieve

**Dr Samanta is not prepared to mentor a specific person or a core team to take over in the future. This is because he believes that as strong public institutions KIIT and KISS would be sustainable and achieve its long term goals.**

great outcomes in the education sector and Orissa does need more people as social entrepreneurs particularly in the field of education."

Dr Samanta is conscious that the two large institutions of KIIT and KISS have to be managed with strong and transparent leadership. At the same time he is not prepared to mentor a specific person or a core team to take over in the future. This is because he believes that as strong public institutions KIIT and KISS would be sustainable and be able to achieve its long term goals. At the same time Dr Samanta is aware that his own personal charisma, complete commitment and leading by example

bring out the best in those who currently serve in these institutions. Yet he believes that in the long run, it is better to be a good public institution rather than depend on leadership of one individual. Speaking about the decision making processes Dr Samanta says, "Yes, we are big; over 16000 students in KIIT and 12000 students in the charitable institution KISS and around 5000 in overall faculty members and other staff. We are running smoothly because these institutions are perhaps the most vibrant institutions in the whole of the country. Where else have you seen so many VIPs and VVIPs visit every year as in these two campuses? If you go through our *working guidelines* you will see how every staff member is empowered to take decisions and deliver results.

"I am making this institution into a public institution where anybody with proper qualifications and drive can take up the leadership role. And anyone can take the highest position in KIIT university. In this institution the highest position of chancellor or vice-chancellor is held by renowned academicians and not the promoter. In our institutions no kith and kin of any member of the society is involved. The process is therefore fully democratic and any body with qualifications and loyalty can occupy the highest position here. I am the secretary of KIIT charitable society but will be leaving the position this year. But the promoter also has a role as somebody must keep watch. Like in any other university after the matter has reached the vice-chancellor, the secretary education from the education ministry can intervene in case of a serious problem. Similarly, a promoter also ensures that things are moving as per objectives and philosophy of the institution. I am thus ensuring that these institutions are run purely on public institution lines. Moreover, this ensures that the institution is above any individual however important he or she may be at the moment."

**"When others see the top man has no personal agenda and is fully committed to the cause he espouses, they also give their 100 percent to their work and duties."**

Dr Samanta puts transparency as a critical quality for any leader. But his inherent distrust of the larger-than-life leader is evident. He says: "Though I am at the helm of affairs I am so transparent that everyone understands that I have no personal agenda. When others see the top man has no personal agenda and is fully committed to the cause he espouses, they also give their 100 percent to their work. But ask any body here where you work or study and they will tell you KIIT or KISS. They will not say I work for Dr Samanta. So these institutions in the public mind are becoming



*KISS students during a visit to Thailand*

dissociated from a single leader syndrome and I want it this way.”

Dr Samanta has a clear picture in his mind of what he wants to do in the next 20-25 years. Speaking of his future plans, he was categorical that he would prefer to expand and replicate the tribal school across the country and contribute to

uplift of the tribal population. As he put it: “It is decided that there will be no more further expansion of KIIT but it will excel in all departments and compete with the best. KISS will expand and be replicated not only in other districts of Orissa but in other States where they want to bring the tribal children into mainstream society. So I plan to work next 20 or 25 years on the expansion of KISS as a charitable institution, and expect to reach a goal of educating some 2 million tribal children. And this will be done under the umbrella of KISS. After just five years, I expect to see many of our tribal children doing well out in the world and in 20 years I hope we would have contributed to mainstreaming much of our tribal population into the national development agenda.”

Tribal students at KISS look upon Dr Samanta as a father figure, mentor and guide. Some children who were interviewed in the campus admitted their lives had changed because of the school. But they were happy to go back to the villages during holidays and teach the not-so-lucky. The villagers also look up to them and the village children are picking up on rugby skills! There is no sense of alienation on either side.

Dr Samanta can be called philosopher, educationist, philanthropist, idealist and practical entrepreneur all rolled into one. One cannot help but pray that the winds of change he has unleashed will sweep the whole country.



# R.C. BHARGAVA



**Leading the Motor Car Revolution**



**R**. C. Bhargava joined the Indian Administrative Service in 1956. After an eventful tenure, during which he had postings in Uttar Pradesh, Jammu and Kashmir and in the Central Government, he was deputed to Bharat Heavy Electricals Limited (BHEL) as its commercial director in

1979. In 1981, he moved to Maruti Udyog Limited, retiring from the IAS shortly thereafter. He was appointed managing director of MUL in 1985. In 1990, he also assumed the responsibility of Chairman of the Board. Except for a few years following his retirement in 1997, he has been continually associated with the company. Since 2007, he has continued as Chairman.

Mr Bhargava is also on the boards of leading Indian companies across a diverse range of sectors. He has also been providing advisory and consultancy services to several Indian and foreign companies, and is actively involved with the Confederation of Indian Industry.

### **MARUTI UDYOG LIMITED: A BRIEF PROFILE**

Maruti Suzuki is India's number one leading automobile manufacturer and the market leader in the car segment, both in terms of volume of vehicles sold and revenue earned. Until recently, 18.28 percent of the company was owned by the Indian Government and 54.2 percent by Suzuki of Japan. The BJP-led government held an initial public offering of 25 percent of the company in June 2003. As of 10 May 2007, Govt. of India sold its complete share to Indian financial institutions. With this, Govt. of India no longer has a stake in Maruti Udyog.

Maruti Udyog Limited (MUL) was established in February 1981, though the actual production commenced in 1983 with the Maruti 800, based on the Suzuki Alto Kei car, which at the time was the only modern car available in India. Since 2004, Maruti Suzuki has produced over 5 million vehicles. Maruti cars are sold in India and several other countries, depending upon export orders.

Its manufacturing facilities are at two locations - Gurgaon and Manesar, south of Delhi. Maruti Suzuki's Gurgaon facility has an installed capacity of 350,000 units per annum. The Manesar facility, launched in February 2007 comprises a vehicle assembly plant with a capacity of 100,000 units

per year and a diesel engine plant with an annual capacity of 100,000 engines and transmissions. Manesar and Gurgaon facilities have a combined capability to produce over 700,000 units annually.

As part of its corporate social responsibility, Maruti Suzuki launched the Maruti Driving School in Delhi. Later the services were extended to other cities of India as well. These schools are modelled on international standards, where learners go through classroom and practical sessions. Many international practices like road behaviour and attitudes are also taught in these schools. Before driving actual vehicles participants are trained on simulators.

Maruti Exports Limited is the subsidiary of Maruti Suzuki with its primary focus on exports and does not operate in the domestic market. The first commercial consignment of 480 cars was sent to Hungary. Some time later, by sending a consignment of 571 cars to the same country, Maruti Suzuki crossed the milestone of exporting 300,000 cars. Since its inception, export was one of the aspects government was keen to encourage. Every political party expected Maruti Suzuki to earn foreign exchange.

Angola, Benin, Djibouti, Ethiopia, Europe, Kenya, Morocco, Sri Lanka, Uganda, Chile, Guatemala, Costa Rica and El Salvador are some of the markets served by Maruti Exports.

### **LEADING BY EXAMPLE**

R.C. Bhargava is an impressive person. If it is not the self assured, quiet calm of the man that convinces one of it, or that well defined head with its beautifully prominent frontal lobes that may speak of a superior set of abilities, then one must believe the man himself who, when asked about his capabilities, states without ego that he was always gifted in mathematics. He is able to arrive at solutions to a problem with the balance sheets before the people around him have managed to pull out their pocket calculators!

Even when he speaks of the philosophy of Kaizen or of quality circles, he is pithy and precise. Through his speech one gets the idea that the man is all about goal achievement. Whatever is an impediment is speedily resolved, always employing a set of internal guidelines honed and perfected over the years.

Leadership is crucial and must have some essential qualities. Bhargava

**Bhargava takes inspiration from these words: “Hold yourself responsible to a higher standard than anybody expects of you. Never excuse yourself”  
– Henry W Beecher.**



enunciates them with an ease and confidence born of long years of experience. Excellent job knowledge is one of the keys. Without that one cannot gain the respect of those that are supposed to look to you for guidance. One must also “walk the

talk”. There is no scope for double standards. Of course, keeping the ego under control is essential. Exhibiting it unduly impedes team work. Respect for every worker is very important and no one’s set of skill and knowledge is sacrosanct. Everything must be subject to enquiry when necessary.

Maruti brought in several Japanese practices of management. Egalitarianism was one of them. Staff and management eating together was one manifestation as was also the use of similar uniforms by all levels. While at work, R. C. Bhargava himself wore the same uniform that all employees were supposed to wear and ate the same food that was served to everyone at work in the same staff canteen. He had an attendance rating of 97 percent and made sure that all senior management toed the line in all these matters. On one memorable occasion, when the senior managers decided that they would not eat in the same canteen with the workers but in a separate room by themselves, Bhargava acted swiftly. The special lunch room of the executives was locked and its air conditioner was removed! “One has to lead by example,” Bhargava avers with a disarming simplicity.

Bhargava made it a point to attend as many meetings with his workers as possible. He recalls with pleasure and pride that around 125 crores were saved by the company just by listening to the workers’ suggestions and ideas. Very soon, as the basic management principles were laid down and adhered to, the workers understood that their future growth, job security and quality of life were closely linked to the company’s prosperity. Apart from monetary remuneration, it is a feeling of empowerment and participation that drives the individual. Bhargava firmly believes that a company that fails to provide this will not have productive people working in it.

Bhargava also realized that all promotions for supervisory positions should be made internally as that would offer an incentive for growth to the

worker. Aspirations are the key drivers of the human being. Earlier, Maruti had a policy of recruiting supervisors from outside. These supervisors did not have the job knowledge of the workers and thus could not steer them effectively. It also led to resentment in the ranks. Thus when internal promotions were begun, despite the naysayers, it breathed fresh hope among the workers and enhanced their morale and sense of belonging. Today, Maruti has no supervisory level positions recruited from outside the organization.

Bhargava, however, underscores the point that one cannot compartmentalize leadership styles. They have to be subjective and dependent on whom one is supposed to lead. He believes that the Japanese management style had many excellent features. Their bottom-up style of management, for example, is so relevant for us in India. That is what we need to help this country stave off unwanted situations in politics as well as industry. He mentions an incident where the Chautala Government in Haryana was trying to force the factory to have a second union. The management was deeply concerned. They had persevered really hard to avoid falling prey to the bane of Indian industry – multiple unions. They, therefore, worked in unison, and through every channel possible to convince the Chief Minister that it would not augur well for the State Government to acquire a reputation of heavy-handed meddling with industrial enterprises. However, before that realization dawned, many efforts in that direction had to be made to guide the matter to its proper conclusion. There was even a time when major violence appeared inevitable but, thankfully, the phase passed and industrial peace prevailed.

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Bhargava holds that discipline is the key to handling a vast organization. He remembers a time in 1988 when the workers protested by resorting to a tool down strike. The management imposed the maximum allowable salary cut as per the rule book. The strike was illegal and management demonstrated that it had the resolve to deal with it appropriately.

The importance of discipline in Bhargava was instilled in him at an early age by the school routine that he followed at the Doon School. It taught him independence and the sense that everyone is equal. The children of royalty did not receive any special privileges in his school. They had to follow the same routines as everyone else.

He organized a co-operative society housing scheme for the Maruti workers. The instalments were so fixed that the workers could pay out of their house rent allowance. Many of them were thus enabled to become proud owners of their own homes in their thirties! Most PSU guidelines provide for a housing colony built by the PSU and rented out to the worker. Mr Bhargava showed them calculations which revealed that the rent paid during the tenure of service of a worker was several times the cost of the house he lived in! The co-operative housing scheme led to the worker becoming a permanent owner of the property where he could also live after retirement.

A true Sai Baba follower, Bhargava never tires of recalling many instances in his life that involved miracles wrought by the Godman and is truly grateful for Sai Baba's blessings. A large component of the successes in his life, he happily concedes, has been because of good luck. As he puts it: "When a window has closed behind me, I have found one open ahead of me!"

Mr Bhargava's personal philosophy dictates that success is determined by the right intentions. One's only object, at work, is the good of the organization. This was ruthlessly adhered to and those that did not fit the mould had to leave, voluntarily or otherwise. He feels that people have an innate sense of fairness and that disproportionate emoluments create dissent. Effective leadership means punctuality and no misuse of company assets. Now at the age of 76, Mr Bhargava serves on the board of companies like British Aerospace, Hitachi and McKinsey. This he attributes to his inability to sit still. He is also keen to hold on to his mental faculties and physical well-being so he can contribute to society and its people.

What Bhargava and Maruti did together, was to bring about the motoring revolution in India. The common man's dream of owning a small car of international standards was realized because of their untiring efforts. Millions of ordinary Indian folk, destined to ride two wheelers for what appeared to be the rest of their lives, were now transported to a seat behind a steering wheel! So exultant were they, and so overwhelmed, that they bought the Maruti-800 in hundreds of thousands. In a car landscape that included only the gas guzzling, antediluvian, World War two vintage Ambassadors and Fiats, the modern, cute, easy to handle, small, yet four-door family car suited the average Indian to a "T". Bhargava's stewardship had delivered to lakhs of his countrymen and women, their dream of owning and driving a four-wheeler.

# PRABHAT PANI



**Ginger and the New Look Hospitality**



**P**rabhat Pani, the Chief Executive Officer of Roots Corporation Ltd. prefers to maintain a low profile and humbly attributes all his success to his team and top management. As the CEO of the wholly-owned subsidiary of the Indian Hotels Company Limited (IHCL), a Tata Group company, he manages the entire operations of the Ginger Hotels chain and is accountable for its growth across India.

Pani is an engineering graduate from the Birla Institute of Technology & Science (BITS), Pilani, and also holds a Post-Graduate Diploma in Management from IIM, Ahmedabad.

He has extensive experience across many locations in India in Sales, Marketing and Operations in big companies in the FMCG and Telecom sectors. He has been an active member of the Confederation of Indian Industry (CII), and it's Southern Regional Council. He also co-chaired the Sub-Committee on Corporate Social Responsibility.

Pani uniquely, remembers the names of almost all his senior managers. He is in constant touch with the executives of all the 25 properties launched till the end of 2010 end and maintains a strong rapport and regular communication with each of his team members.

Like any other Tata enterprise, Ginger Hotels is driven by respect for people and nature, and constantly endeavours to epitomize environment-friendliness and social responsibility in all aspects of its business.

## GINGER HOTELS: THE ORGANIZATION

The Tata Group of Industries have been known the world over for their innovations and business acumen. Ginger's branding and positioning reflects the Tata Group's broader push to develop products to cater to India's emerging mass market, most famously with the Tata Nano, which is the world's cheapest car. The new hotel chain, Ginger Hotels, referred to by Ratan Tata, the Chairman of the Tata Group in 2009 as 'Nano Taj' seeks to empower the middle classes and make their business and family trips memorable. The Ginger Hotel concept was developed in association with renowned corporate strategy thinker Dr C.K. Prahalad, (from whom this book derives its inspiration) the Distinguished Professor, who authored, 'The Fortune at the Bottom of the Pyramid', a book about the transformative impact of profit-oriented businesses catering to the needs of poor consumers. This category of hotels has been indigenously designed and developed by the Indian Hotels Company Limited (IHCL) incorporated in 1902 by the founder of the Tata Group, Jamsetji Nusserwanji, who as we know, opened India's first luxury hotel, The Taj Mahal Palace Hotel, Mumbai in 1903.

**The Smart Basics concept is an innovation, which has changed the direction of Indian hospitality.**

IHCL operates Taj Hotels, Resorts and Palaces and is one of South Asia's largest and finest group of hotels. Roots Corporation Limited (RCL) is a subsidiary of IHCL and was incorporated on December 24, 2003. RCL operates the unique category of 'Smart Basics' hotels across the country with 25 hotels already operational and many more new ones in the pipeline.

These Gen Next categories of hotels provide customers simplicity, expediency, ease, style, care, modernity and affordability. The first Smart Basic hotel was started in Bangalore under the brand IndiOne. After the test marketing of the model and consequent fine-tuning of the hotel amenities and services, the Smart Basics concept rolled out hotels under a new name – Ginger Hotels - across India in sync with the fresh, simple, stylish, affectionate and caring world of Smart Basics.

The guiding principle behind the design of Ginger Hotels was to create a unique 'space' that





equally provides guest comfort and relaxation as well as tries to fulfill the work requirements of residents. Ginger Hotels exemplifies freshness. The Hotels are contemporary, modular and scalable, standard and consistent and have between 100 to 150 rooms with a multiple choices of single, twin and queen sized beds. Intelligent, well thought-out facilities

and services like rooms sans frills at a 'value' pricing have all combined to catch people by surprise and awe, which is clear by the 80-100% occupancy the hotel has, on an average.

Each property has smartly spaced, centrally air-conditioned rooms equipped with electronic locks. The hotels have numerous dining options. Rooms are packed with electronic locks on doors, 17-inch wall-mounted flat-screen TVs, 24-hour cable TV with all major channels, internet connectivity: Wi-fi, Mini-fridge, Tea / coffee maker with complementary sachets of Tea/Coffee, STD and local direct dial, voice mail and self programmed alarm on phone, full-length mirror, ergonomic work area, wardrobe and luggage rack, self controlled AC, bottled water and duvets. Every room has an attached bath with 24-hour running hot and cold water facility, branded toiletries like body, hair and hand wash. The rooms have a shower area with bath and hand towels. Other guest facilities at the hotels include a multi cuisine restaurant, a meeting and conference room with a capacity of approximately 8-10 people and 30-40 people respectively, smart space, safe zones for the security of guest belongings, and a wi-fi zone. Ginger has also introduced limited 'room service' where guests can

enjoy a select range of snacks in their rooms. The Ginger Hotel chain offers all of these facilities at a truly unbelievable price of Rs 1699 plus taxes for a single room.

The total security of travellers is paramount. The Hotel has security features such as 24 hour security, Close-circuit TV, swipe card locks that offer the latest in security and digital safes located at the Give 'n' Take counter at the lobby.

**In total, Ginger Hotels plans to have 70 hotels in 55 cities across India in the next few years to have an inventory of 7,000 rooms at an average of 100 rooms per hotel.**

The 25th Ginger Hotel in India was inaugurated at Indore on December 23, 2010. Ginger Indore has 95 rooms and is Ginger's first hotel in

Madhya Pradesh. Ginger has a pan-India presence with operational properties in New Delhi (New Delhi Railway Station as PPP and Vivek Vihar), Pune (Pimpri and Wakad) and Nasik (Maharashtra), Ahmedabad, Vadodara and Surat (Gujarat), Ludhiana (Punjab), Haridwar



*A restaurant at a Ginger hotel*

and Pantnagar (Uttarakhand), Bhubaneswar (Orissa), Thiruvananthapuram (Kerala), Agartala (Tripura), Bangalore, Mangalore and Mysore (Karnataka), Durgapur (West Bengal), Jamshedpur, (Jharkhand), Puducherry, Panaji (Goa), Chennai (Tamil Nadu), Manesar (Haryana) and Durg.

Ginger Hotels now wants to further extend its pan India presence by focusing on the smaller towns such as Tirupur, Amritsar, Chandigarh, Noida, Greater Noida, Faridabad, and Jaipur. The company is exploring opportunities of opening more hotels in West Bengal at Kolkata, Siliguri, Haldia, Kharagpur and in Gujarat at Rajkot, Jamnagar, Bharuch, Bhavnagar and Vapi. The company wants to fulfill the capital requirement through both debt and equity from the parent company, IHCL.

Ginger Hotels was judged as the Best Hotel Chain in Budget/Value Category at the TAAI Awards, 2010. Last year, Ginger Hotel under Pani was also honoured with 'Scurry' award for creating new market / category for LeapVault Change Leadership Awards 2010. Ginger received the Golden Star Award for the Best Economy Hotel of the year, and earlier, the CNBC Travel Award for 'Best Budget Hotel of the year and Best Hospitality Benchmarkers Award in India' at SATTE 2009.

### **PANI – THE PEOPLE'S LEADER**

A tech-savvy individual, Pani has set up a very Smart IT system and infrastructure with SAP and ERP, which help immensely in property management. The hotel provides an online booking service for room reservations. For cash or debit card bookings, reservation details can be e-mailed. Booking can also be done over the telephone on the national toll free number or the reservation helpdesk. This helps provide the customers the best available rates for the day. Bookings are also possible now using mobile phones.

Pani has designed the systems at Ginger Hotels to enable growth at

a fast pace. He has got the people in his outfit to share his vision and values. As this is a new space, Pani's team is developing the rules of the game. The team he has built is largely a combination of people from the hospitality sector and the parent company; but there are others from the telecom sector who understand the technology part well and are able to leverage it to suit the new initiative.

Pani has ensured that multi-skilling is ingrained into the Managers, Assistant Managers and the Accounts, Sales and Marketing teams through continuous training and development. Pani has paid special attention to the Front office personnel. They are trained in soft skills and need to have a thorough knowledge of other hotels in the city and other cities - their locations and distances. They are even trained in the basics of housekeeping and Food and Beverages and they supervise these divisions also when the load is less. With this, they get fool proof knowledge of almost all aspects of the Ginger Hotels concept.

Pani has ensured that his people have ample opportunities for vertical growth. His company gives preference to internal candidates whenever there is a vacancy, providing immense opportunities to them. Their growth is based on performance and regular feedbacks. Objective methods of testing have been evolved. There is a Leadership Development programme

**Perhaps the real secret of the success of a business enterprise is the way it ensures feedback from its customers. Pani has taken great pains to see that this happens on a regular basis.**

in place for the Assistant Managers and Managers that prepares them for taking up higher responsibilities.

Pani has evolved a novel strategy to take care of rapid expansion without dilution of standards. Ginger Hotels have tied up with partners for many of activities related to food and housekeeping. These partners are different for different locations - usually one partner operates in not more than 2-3 states. The most critical part is to standardize and maintain the same quality.

Pani faces many challenges in getting the right kind of partners and standardizing many elements. Their training levels have to be similar. There is a review and monitoring system to oversee that change is being taken up properly. The best are rewarded and the non performers are pulled up.

Perhaps the real secret of the success of a business enterprise is the way it ensures feedback from its customers. Pani has taken great pains to

see that this happens on a regular basis. E-kiosks have been placed in the hotels for instant and frank feedback. The analysis of the feedback is done by a third party. Mystery Audits are also undertaken wherein the company sends in one of its employees as a customer. This helps to get first-hand knowledge of the way things are actually functioning.

Then there are feedbacks that go directly to Pani himself on e-mail. These range all the way from minor to major complaints or suggestions. Periodically also, meetings are held with customers and non-customers on what elements they look for. This helps the management to anticipate needs. “We listen to the customers, their requirements, and are nimble in providing them the value they look for.”

Pani has meticulously installed and operationalized a “Performance Management System” that enables proper and objective appraisals. It also throws up training needs and requirements. “We use a combination of programmes, says Pani with justified pride,” like the Tata Management Training Programmes or customized programmes that focus on aspects relevant to us and help us to have a systemic approach to things. There are not only scores, but psychometric tests evaluated independently. There is a period of mentoring and only if the mentor certifies that the person mentored has come up to the expected level, then that trainee is taken on board; otherwise he/she is sent back for new training. We are also designing the curriculum for Hotel Management Training to help the industry grow.”

Pani adds, “Typically people grow restless when they do not get enough challenges. We offer them challenges and equip them to handle these through the right kind of training. Managers looking after one hotel are given charge of two hotels as they grow. There is also growth within the hotels where the span of control is gradually widened. One important fact that the team realizes is that there are good opportunities for individuals to branch out, as the Tata Group have many other big companies in their fold and there are opportunities for lateral movement.”

**Pani has ensured that his people have ample opportunities for vertical growth. His company gives preference to internal candidates whenever there is a vacancy.**



*A no-frills lobby at a Ginger hotel*

**“Typically people grow restless when they do not get enough challenges. We offer them challenges and equip them to handle these through the right kind of training.”**

Pani's sales strategy has also been a unique one. The CEO planned his approach in such a way that the company did not have to spend too much money on marketing its products. Instead of the electronic media, the concentration was on internet-based advertising.

The promotion was, therefore, through Search Engine Optimization and Search Engine Marketing as well as banner advertisements on the relevant websites and portals. During the launch of the Hotel in specific cities, advertisements were published in the local editions of English and vernacular dailies. A Social Media company was also hired in December 2010 to promote the property through social media platforms highlighting this first-of-its-kind chain with unique features that make it undoubtedly, the people's choice.

Under Pani, RCL has been following a flexible model for quicker expansion and using multiple options such as management contracts, leasing of land, public-private partnerships and setting up hotels in shopping malls. "Ginger Rail Yatri Niwas" in New Delhi is an apt example of a truly successful public private partnership (PPP). Ginger launched its first hotel in a shopping mall in Ludhiana. "The Ginger concept is open to expansion through redevelopment of existing properties, replacement of guest houses and via PPP," Pani elaborates.

Taking innovation even further, is the alliance with Café Coffee Day, which, Pani continues, "provides a youthful, simple and affordable eating option to our customers. On a similar vein is our tie-up with Landmark Bookstore. This opens up for guests another opportunity to explore a fresh experience."

Pani, the Tata Group and Ginger hotels have thus all come together as a truly unique initiative in the tourism sector that has given to the bottom of the pyramid traveller, a hygienic, low-cost, user-friendly option. The frontiers of the travel trade have indeed been widened, its cost dynamics overturned, its reach exponentially increased and its appeal made far more universal than ever thought possible. Prahalad's vision has acquired yet another dimension!



# RENANA JHABVALA



**Organizing Women at the Grass roots**

**P**admashri Renana Jhabvala was born to the Booker prize winner, Ruth Praver Jhabvala and architect, Cyrus S.H. Jhabvala. She graduated from Hindu College, Delhi University in the year 1972 with a distinction in B.Sc Mathematics. She went to the Harvard University, Cambridge, Massachusetts, USA to pursue an additional degree in B.A. Math. She then went to the Yale University, New Haven, Connecticut to pursue a Ph.D. in Economics. However, after obtaining her M.A., she joined SEWA in Ahmedabad, India, and has spent the rest of her years working there.



Renana Jhabvala joined SEWA in the year 1977 as an organizer, when SEWA was five years old. Her main work was organizing women workers under the umbrella of SEWA. In 1981 she was elected as a Secretary of SEWA under Ela Bhatt and organized bidi workers, agricultural workers, garment workers, street vendors and many others to bargain for higher income, better work conditions, space to work and social security. She was active in spreading the message of SEWA across India, taking the experiences of the organization to States like Madhya Pradesh and Bihar and more recently to Uttarakhand and West Bengal.

Ms Jhabvala was instrumental in forming SEWA Bharat, a National Federation of SEWAs now active in nine states of India. In 1995, she became the National Coordinator of SEWA and started the national office in Delhi.

**Ms Jhabvala was instrumental in forming SEWA Bharat, a National Federation of SEWAs now active in nine States of India.**

When the women members of SEWA began expressing the need for basic infrastructure and housing, she was one of the founders of the Mahila Housing SEWA Trust. In 2002, Ms Jhabvala became the Chairperson of SEWA Bank and helped to increase the availability of finance for poor women in many parts of the country. She is one of the founders and current Chairperson of WIEGO (Women in Informal Employment and Organizing) and has been active in the formation of international networks for women workers in the informal economy.

Ms Jhabvala has been active at the international level and represented SEWA at the International Labour Organization in 1995 and 1996. At the South Asia level, she was instrumental in the formation of Homenet South Asia, bringing organizations working with women home-based workers in India, Pakistan, Bangladesh, Nepal, Sri Lanka and Bhutan together. She has been active in many Government committees and task forces which have formulated policies ranging from National Policy for Street Vendors to the Law for Social Security of Unorganized Workers, to policies for unorganized workers in various States. She has written widely on these issues in journals and newspapers and has co-authored seven books.

**The vision of SEWA is to develop the socio-economic sector of poor, informal women workers and bring them into the economic mainstream of the country.**

### **SEWA: A BRIEF PROFILE**

Self Employed Women's Association was founded in the year 1971 and registered as a trade union in 1972 at Ahmedabad, Gujarat. It was born out of the struggle of women textile workers. It grew rapidly and gained international recognition for its work when founder and general secretary Ela Bhatt received the Ramon Magsaysay award in 1977.

SEWA's credo is that since women have contributed a lot to the development of the country, they should be given their rightful place. The women workers of the informal sector ensure their livelihood by the dint of their own labour without any capital or government assistance. Among the total number of women workers of India, 97 percent are from the informal sector. Today, SEWA has a total membership of 1.3 million across the country.

The vision of SEWA is to develop the socio-economic sector of poor, informal women workers and bring them into the economic mainstream of the country. It aims to provide full employment to this sector and make the women self dependent. SEWA attempts to mainstream them into the country's economy by highlighting their contribution to society.



*A SEWA member*

## FINANCIAL AND SUPPORT SERVICES OF SEWA

SEWA began its own bank to give women access to micro-loans. SEWA has been successfully giving small loans to resource-poor women over two decades. Women are encouraged to hold accounts in their own names (revolutionary for traditional Indian society, where financial accounts are almost always managed by or passed down along patriarchal lines). Since many women clients are very poor, illiterate, and cannot sign their names, photo IDs are provided and transactions made using this means instead. Bank clients are largely hawkers, vendors and those working in the tobacco and dairy producing areas of Gujarat state in Northwest India. They are share-holders of the SEWA Bank. Decisions regarding policy and sanctioning of loans are made by a Board of Directors, where positions are filled by regular elections.

### Loans that Transform Lives

The Bank is run by qualified financial managers who are hired by this Board. The Reserve Bank of India (India's Central Bank) supervises its functioning as it does any other bank. The repayment rate is high by the yardstick of commercial banks, as SEWA provides loans at viable commercial rates of interest. Its attraction is that it provides services tuned to the poor (especially poor women) and its interest rates are much lower than those of usurious money-lenders.. There are no government subsidies. Thanks to its commercial interest rates and members' high repayment record, SEWA successfully stays self-sustainable, something many financial experts believe is difficult to achieve when the loans are given to the poorer strata of society.



*Ms Jhabvala with SEWA members at a village meeting*

SEWA Bank helps self employed and vulnerable women workers across 9 districts of Gujarat. These women want to save but have no access to banks and other financial institutions. Currently, there are some 22 saving products ranging from daily savings to savings for the house, for marriage as well as for contingencies such as disasters and illness. It not only fulfils their various needs but also educates and disciplines them leading to better repayment. There are 19 loan products one of them being

daily loans, taken in the morning and repaid in the evening. Others include loans for working capital and for release of mortgaged land and education loans.

### **Capacity Building**

Ms Jhabvala is aware that there is much to be done in terms of strengthening women's leadership, their confidence, their bargaining power within and outside their homes and their representation in policy-making and decision-making forums. It is their issues, their priorities and needs which should be a factor in guiding and moulding the development process in our country. Toward this end, SEWA has been supporting its members in capacity-building and in developing their own economic organizations.



SEWA dairy

SEWA has many achievements it can be proud of. Among the more recent ones one can mention three:

- In 2008, Video SEWA's 'My Life My Work' received Social Documentary Award at the Guidonia Film Festival in Guidonia, Italy. Of 310 entries, only 13 films were chosen. Video SEWA team received the award from the Mayor of the city.
- In 2009, after a prolonged struggle SEWA's *Rudi No Radio* obtained permission from the government to start its own community radio station (CRS) in Manipur village within 10 Km radius. The CRS is 49th in the country and is operational from SEWA Academy's rural training centre at Manipur village, Sanand Taluka (Gujarat). The new radio station was inaugurated by SEWA Academy team on 26 November 2009. The radio station broadcasts the programme in 20 villages of Sanand and Daskroi Taluka from 9 am to 1 pm and 4 to 8 pm on 90.4 frequency. The initiative is entirely managed by women who have had no formal training in mass media.
- In 2010, a Skill Education and Communication Centre was started by SEWA Academy through which vocational training and life skills training are provided to adolescent girls. Currently, Skill Education and Communication Centre are functional in 10 areas of Ahmedabad and efforts are being made to start more centres.



SEWA members at a rally

## CAMPAIGNS

The growth of SEWA has been due to the campaign and struggle approach. Several major campaigns have been successfully run by SEWA. A brief profile of some of these are given below.

### *Home-based Workers Campaign:*

A campaign started at SEWA more than two decades ago reached its peak at the International Labour Organization (ILO) in 1996. A

historic victory for home-based workers worldwide was won when the ILO voted for a Convention to address the needs and priorities of home-based workers everywhere, according them full rights as workers.

*The Water Campaign:* The areas of North Gujarat where SEWA works are mainly arid and semi-arid. Safe drinking water is a major problem, as is water for irrigation, and so both living conditions and the economy remain depressed in these areas. In 1995, SEWA's local leaders organized gram sabhas in 290 villages. The response was overwhelming with villagers coming together to identify their major problem – an acute shortage of water. The villagers have been responding to SEWA members with great enthusiasm, and in some areas results are already visible, with water tankers being provided in some villages, repair works beginning in others and new water resources provided in a few. Since 1997 this campaign has been carried forward by women leaders.

*The Food Security Campaign:* The second major problem identified in the gram sabhas was the unavailability of food grains. Most of the villages, and especially the poor, rely on the ration shops for their food needs. Most villages do not have their own ration shop but have to rely on those 3-4 kilometers away. Even there, the villagers face shortage of their basic needs. In the campaign for adequate coverage of ration shops, adequate supply in them and alternatives to the ration shops, village women held rallies against the civil supplies authorities demanding adequate and timely supplies, ration cards and the kind of supplies they require.

*Vendors Campaign:* Vendors are an important part of the urban distribution system, yet they are treated as criminals. SEWA took the campaign for "Legal Rights for Street Vendors in Our Cities" to the international arena,

with a meeting of vendors of 11 mega cities of the world organized in Bellagio, Italy. The meeting resulted in an International Declaration demanding policy and space for vendors.

*Campaign for Forest Workers:* Women have been forest and nursery workers and collectors of minor forest produce for years. However, they have not received the technical support and services that they require. On the other hand, they are the worst sufferers in the increasing ecological degeneration and land degradation at the local level. In addition, some policies of the government's Forest Department, including their own nursery-raising, are an impediment to women's employment. These policies are not only an hindrance but also result in declining incomes of the poorest of women who depend on forest and nursery-raising for survival. SEWA therefore initiated a national and state level campaign to feminize our forests.

**Many natural leaders emerge when situations arise. There will always be one who people are listening to. To identify these leaders and put them in charge of a group, leads to the success of the group's performance.**

## **THE LEADERSHIP STYLE**

Working with the bottom of the pyramid means dealing with the basic issue of providing a livelihood for people. The task is enormous and requires strong leadership at the grassroots level. SEWA encourages leadership that is useful to others.

"The leader must provide direction and goals. The leader should have desire to help and be capable. The leader must be able to nurture and support," says Ms Jhabvala.

Many natural leaders emerge when situations arise. There will always be one who people are listening to. To identify these leaders and put them in charge of a group, leads to the success of the group's performance. With success comes a new confidence. Mrs Jhabvala has been viewing these life-changing transformations over time.

She points to the fact that a vital aspect of empowerment of women via work, is overcoming of fear. When helplessness leaves the psyche and women are able to see a future clearly, they feel defined and strong.

Service to the needy has been for Renana Jhabvala, a family tradition. Her grandfather was a trade unionist and her grandmother was a freedom fighter. The poverty in India became noticeable to Renana during a visit



*A vegetable vendor and SEWA member*

**A leader must have the “desire to give”. That is a value which will strengthen the organization and the country at large.**

Often the work involves fusing of issues related to caste, religion and class. Integrating all these factors has proved to be trying at times but progress finds a way when one has good intentions.

There is a constant scaling up of activities and all this has been possible through the selfless devotion of people like Ms Jhabvala. Being intolerant of unfairness and injustice is important. These motivate her to organize new ethical trading initiatives.

Money control is one of the largest issues that face women at the bottom of the pyramid. SEWA insists on the bank account being in the member's name.

A leader must have the “desire to give”. That is a value which will strengthen the organization and the country at large. In keeping with SEWA guidelines, Mrs. Jhabvala wears handloom and works with the people directly so that she is completely familiar with their language and behavior. “Listening to their needs helps serve them better.”

In sum, one can most appropriately classify her leadership approach as path-breaking, pioneering, rooted in simplicity and grass-root realities, and dedicated to the cause of uplifting poor and needy women.



# ASHOK NAYAK



**Ruling the Skies**



**A**shok Nayak, the current Chairman of Hindustan Aeronautics Limited (HAL) seems to have been destined to lead HAL, the world's foremost aeronautics company to greatness. With an order book of over Rs 70-80,000 crore, he feels there is no time and production has to be in full speed. Nayak, the 15th Chairman of HAL, earlier served as the Managing Director of HAL's Bangalore Complex. He handled the huge responsibility of leading seven vital divisions of the company with a lot of elan. He has taken strong initiatives in fleet serviceability and customer services and the Hawk, IJT and LCA projects moved to various levels of implementation on a high priority mode. The Bangalore Complex showed a marked progress in the manufacturing and overseas trade and revenues under his stewardship.

Starting as a management trainee at HAL in 1973 after doing Mechanical Engineering from Bangalore University, Nayak handled key positions in planning, production, quality, customer services and exports in over three decades.

He led the assembly, overhaul and repair of engines like Artouste, Garrett, Dart, Orpheus, Gnome, Adour and the Avon series as the head of Production Engineering at the Engine Division in Bangalore from 1986 to 1998. Then in 2004, as the General Manager of the Aerospace Division,

he gave a major thrust to the manufacturing of GSLV Mk. III structural assemblies and tankages.

He took over as the General Manager of Aircraft Division at Bangalore Complex in 2006. He established a strong base for the manufacture of the Pilotless Target Aircraft, and gave a boost to the Hawk and IJT projects, the concurrent engineering and upgrade of Jaguar aircraft.

His focus on exports led to several orders from many OEMs of aircraft. The Aircraft Division now works on the Boeing Production System (BPS), a system brought by him that resulted in Lean Management.



The HAL Chairman aspires to take HAL to the top twenty global defence companies with a turnover of \$6 billion in the coming 10 years, a five fold increase in production requirements as the company at present holds 34th position with a turnover of \$2 billion. He strongly believes, "Those who rule the sky will rule the world."

Nayak articulates his vision for HAL in simple words: "To make HAL a dynamic, vibrant, value-based learning organization with human resources exceptionally skilled, highly motivated and committed to meet the current and future challenges. This will be driven by core values of the Company fully embedded in the culture of the organization."

### **BRIEF ORGANIZATIONAL PROFILE**

Hindustan Aeronautics Ltd, declared provisional pre-tax profit of Rs 2,617 crore and sales of Rs 11,415 crore for the fiscal year ended March 2010. Sales grew 10 per cent and profit before tax (PBT) 12 per cent over the previous fiscal March 2009.

Hindustan Aeronautics Limited was born on 1 October 1964 after the merger of Hindustan Aircraft Limited with Aeronautics India Limited and Aircraft Manufacturing Depot, Kanpur. The roots of the company can be traced to the original work of late Seth Walchand Hirachand, an industrialist with extraordinary dreams, who set up Hindustan Aircraft Limited at Bangalore in association with the princely State of Mysore in December 1940. The Indian Government took over the management in



1942 about a year after it became a shareholder in March 1941.

HAL now has 19 Production Units and 9 Research and Design Centres spread across seven locations in India. The company has manufactured over 3550 aircraft, 3600 engines and overhauled over 8150 aircraft and 27300 engines. It has 14 types of aircraft manufactured under license and 12 types of aircraft with in-house R&D. HAL has also successfully developed

R&D programmes for Civil Aviation and Defence.

Some of HAL's projects where it has made substantial progress are: *Dhruv*, which is Advanced Light Helicopter (ALH), *Tejas* - Light Combat Aircraft (LCA), Intermediate Jet Trainer (IJT) and the various military and civil upgrades. HAL has a unique distinction of delivering *Dhruv* to the Indian Army, Navy, Air Force and the Coast Guard in March 2002 in the first year of its production. HAL has also played a significant role for India's space programmes by participating in the manufacture of structures for Satellite Launch Vehicles like PSLV (Polar Satellite Launch Vehicle), GSLV (Geo-synchronous Satellite Launch Vehicle), IRS (Indian Remote Satellite) and INSAT (Indian National Satellite).

HAL has in addition created many Joint Ventures (JVs) like: BAeHAL Software Limited; Indo-Russian Aviation Limited (IRAL); Snecma HAL Aerospace Pvt Ltd; SAMTEL HAL Display System Limited; HALBIT Avionics Pvt Ltd; HAL-Edgewood Technologies Pvt Ltd; and INFOTECH HAL Ltd.

Joint Ventures and co-production with other international companies are under the deliberation process. Industrial Marine Gas Turbine and Airport Services are two other major diversification projects in the pipeline.

With exports to over 30 countries, HAL has proved its quality and cost competitiveness. In India, HAL's supplies and services primarily to the Defence Forces, Coast Guard and the Border Security Force. Apart from this, airlines as well as State Governments of India have also received transport aircraft and helicopters. Millions of people thus depend on the technological excellence of HAL in the country.

Many international and national awards for achievements have come to HAL in Technology, Managerial Performance, R&D, Exports, Quality, Fulfillment of Social Responsibilities and Energy Conservation. HAL was bestowed the 'International Gold Medal Award' for Corporate Achievement

in Quality and Efficiency at the International Summit (Global Rating Leaders 2003) by M/S Global Rating, UK with the International Information and Marketing Centre (IIMC), London, UK. The company also got the International – ‘Arch Of Europe’ Award for its commitment to Quality, Leadership, Technology and Innovation in the Gold Category.

HAL won the ‘Gold Trophy’ for excellence in Public Sector Management by the Standing Conference of Public Enterprises (SCOPE) at New Delhi.



### **NAYAK AS A LEADER**

Nayak’s work and leadership have been a major factor in the evolution and growth of the HAL. The company has developed elegant services for production of aircrafts, helicopters, aero engines, accessories and avionics. This sturdy growth has come with the strengthening and broadening of its operations and by all round efficiency. He explains, “The challenge is that each aircraft has its own kind of complex problems and quick resolution to that is the key to success.”

Nayak aims at increase in exports and international strategic partnerships and collaborations with the best companies and learn from them. Nayak on the eve of taking over as the Chairman, said that HAL must grab all the opportunities to stay atop the global aerospace heap. He said: “With the offset opportunity and massive new programmes coming up, HAL must find ways and means to capture all these opportunities for a safe and secure future. We have made an impact in the international market and will now have to focus on our exports further to stay ahead in the race.”

**Modernization is the key as customers need products and services in a timeframe. Service is one area where a lot needs to be done and we are building the system for it.**

Nayak is clear on modernization needs for such a high-tech industry: “Modernization is the key as customers need products and services in a timeframe. Service is one area where a lot needs to be done and we are building the system for it. Third line will need lot of logistics support and coordination between the agencies. Policy framework here is very strong, so we didn’t face any adverse impact of the economic slowdown.”

The chairman understands how much a leader needs to focus on the social responsibilities in a company like HAL. They have a strong CSR policy and have planted more than 5 lac (500 thousand) saplings in Bangalore alone and have got recognition from the Ministry of Environment and Forests, Government of India for planting trees around their campus in Bangalore and Nasik. HAL also organizes regular medical camps and works in the education sector led by a sensitive team.

Despite hands on experience of many departments at HAL, Nayak's presence does not make anyone feel threatened or unnerved and people are comfortable to discuss the problems and possible solutions with him. He keeps himself well informed of the changes needed and happening at HAL and never shies away from truth, taking suggestions positively from juniors. He knows how to say 'no' when needed and convey the real picture to everyone.

During his long journey, Nayak has come to know a lot of the huge variety of divisions and feels that he is lucky to have worked with so many divisions. He knows the aircrafts very well now. Being an internal person always helps. He is determined to enhance the product engineering, support and coordination and provide the best facilities for growth.

His vision is to have a more system oriented approach, better training and newer projects along with guarantee / warranty of product and service, more professionalism, time, quality and cost consciousness.

Emanating from the Company's Mission Statement, the strategic Human Resource Development (HRD) goal of HAL is to create an atmosphere of technological and managerial excellence to become a globally competitive Aerospace Industry. With the changing environment, one finds rapid technological changes characterized by a paradigm shift from licensed production to R&D based production duly balanced with co-development / co-production, technological upgradation, and focused diversification to civilian and export markets. In this context the overall objective of the Human Resource Development plan is to build a vibrant and learning organization, so as to meet the challenges of quality and excellence, recruitment and retention of competent human resources and develop high commitment and a sense of belonging to the company.



# PARTHA BHATTACHARYYA



**Fuelling Development**



**P**artha S. Bhattacharyya, aged 59 years, is the Chairman and Managing Director of Coal India Ltd – one of the largest and most successful in the public sector, now on the verge of acquiring the coveted Maharatna status. Mr Bhattacharyya holds a post graduate degree in physics from Jadavpur University, Kolkata, and a diploma in finance from ICFAI University, Hyderabad. He is also a Fellow of the Institute of Cost and Works Accountants of India and the World Academy of Productivity Science. Mr Bhattacharyya joined Coal India Limited (CIL) as a management trainee in 1977 and since then has handled various assignments in the company and in its subsidiaries.

Prior to joining CIL as the Chairman and Managing Director, Mr Bhattacharyya was the Chairman and Managing Director of BCCL (Bharat Coking Coal Ltd.), where he played a crucial role in the turnaround of the company, which had been reporting losses since its inception. As the Chairman and Managing Director of BCCL, Mr Bhattacharyya is also credited with the introduction of e-marketing of coal, which was later adopted by CIL subsidiaries. For his achievements as Chairman and Managing Director of BCCL, Mr Bhattacharyya was bestowed the “Chief Executive of the year 2005” award by the Indian Institute of Materials Management, Pune and has also been felicitated by the Citizens Forum of Dhanbad.

He received, on behalf of Coal India, the Scope Excellence Award from the Prime Minister of India, in 2009. He was conferred with the “CEO with HR Orientation Award” by the Prime Minister of Bhutan in February of 2009 at the HR World Congress in Mumbai.



Upon joining Coal India Limited as Chairman and Managing Director, Mr Bhattacharyya initiated action on strategic areas such as thrust on underground mining, coal beneficiation and land reclamation. He has also spearheaded the introduction of an integrity pact in high value procurements with the objective of bringing transparency, equity, fairness and speedy decision making.

### **COAL INDIA LIMITED: A BRIEF PROFILE**

Coal India Limited (CIL) - a Schedule 'A' 'Navratna' Public Sector Undertaking under Ministry of Coal, Government of India, has its Headquarters in Kolkata, West Bengal. It produces non-coking coal and coking coal of various grades for diverse applications.

As of March 31, 2010, CIL operated 471 mines in 21 major coalfields across eight states in India, including 163 open cast mines, 273 underground mines and 35 mixed mines (includes both open cast and underground mines). CIL also operated 17 coal beneficiation facilities with an aggregate designed feedstock capacity of 39.40 million tons per annum. Coal India Limited intends to develop an additional 20 coal beneficiation facilities with an aggregate additional proposed feedstock capacity of 111.10 million tons per annum. Besides this, the company runs some 85 hospitals and 424 dispensaries.

For its executives, CIL operates the Indian Institute of Coal Management (IICM) which imparts multi disciplinary management development programmes.

Coal India's major consumers are the power and steel sectors but other industries too rely heavily on it such as cement, fertilizer and brick kilns.

### **HIS LEADERSHIP STYLE**

Mr Partha Bhattacharya honed his analytical capabilities while studying physics and the passion to excel has deep roots. The young Partha held his

father in high esteem - a father, who lived an exceptional life as a young revolutionary in the Freedom Movement of India. His father played the role of a conduit between Chittopriyo Mukherjee, on the one hand, and a group of revolutionaries on the other, passing messages in notebooks while still a student. He then went on to become a doctor in the Indian Medical Services and was also taken as a Prisoner of War in Singapore. He possessed a charismatic personality and loved to smoke cheroots, a box of which was gifted to him by none other than Netaji Subhas Chandra Bose!

Young Partha learned about secularism and the passion for excellence from his father. He would listen carefully to stories about Netaji. He remembers one where Netaji's soldiers, both Hindus and Muslims, ate in a common 'langar'. Religious beliefs and culinary sensitivities divided the two communities, and yet, on the battle front protein intake was a necessity. Therefore, as a compromise, accepted by all the soldiers and men, beef and pork were served to all on alternate days.

Bhattacharyya puts his values and ideals into practice when conducting his own life. He finds that the force of logic and conviction are required to give shape to ideas. "As a leader, the most important task is the driving of consensus. If that means subordinating your ideas to someone else's, then so be it. One must convince or be convinced." There is no third way to move forward. "Autocracy does not work", he states flatly, "you should place yourself in the shoes of the other person."



Under the able guidance of Bhattacharyya, Coal India has come of age. From being a drag on the national exchequer, it acquired the Navratna status in 2008 which confers on the company substantial financial autonomy and operational freedom. This has earned him the 'moniker' of 'the turnaround man'. Under Mr Bhattacharyya, CIL has acquired a global footprint by way of an International subsidiary in Mozambique. This required concerted efforts and planning. "Agendas should be defined and rolled out within a scheduled time period," he avers.

As a nation, he feels we still have some distance to cover in terms of our mindset regarding work. There must be greater procedural adherence and more discipline in thought. We tend to be erratic. The idea of Karma is something that finds a resonance in him. If one plays to one's own conscience, one is likely to do the right thing. Intellectual satisfaction is something Bhattacharyya feels strongly about.

**"As a leader, the most important task is the driving of consensus. If that means subordinating your ideas to someone else's, then so be it. One must convince or be convinced."**

### **COAL INDIA GOES PUBLIC**

The Indian capital market witnessed an unprecedented event in November of 2010. The initial public offer of Coal India Limited was showing all signs of being the largest in Indian history from the moment it opened. Still, the financial brains of the country were taken aback by the unprecedented response it evoked by the time it closed four days later.





The amount amassed was to the tune of Rs 2.36 lakh crore, over 15 times more than the expected Rs 15,500 crore.

Understanding the sum of Rs 2.36 lakh crore (or \$53 billion) can be a little hard. Comparative statements will serve to clarify the picture here. The amount of money that was generated and actually flowed into the public

offering by this huge PSU, in just four days, is more than last year's GDP of about 140 countries. From amongst our neighbors, it is more than the GDP of Sri Lanka (\$42 billion) and four times that of Nepal (\$12.5 billion), according to data on the World Bank's website. It is also almost 10 times India's health budget of Rs 25,154 crore for 2010-11, nearly five times our education budget of Rs 49,904 crore and almost one-fourth the size of the Union budget.

Foreign institutional investors (FIIs) pumped in a record Rs 1.08 lakh crore into Indian stocks for the financial year 2010-11. For the Coal India IPO alone, they put in bids worth Rs 1.20 lakh crore. With interest rates at extremely low levels in most developed countries, FIIs can easily borrow there and pump in money into attractive stocks in emerging markets, which is exactly what happened in this case.

Mr Bhattacharyya has likened the creation of the IPO by his team and its successful fruition as a "cathartic, creative experience". It called for a super-human effort – conceiving, nurturing, monitoring and delivering. There were many moments of self-doubt and extreme anxiety. The public's response to most public sector disinvestment activity has been generally lukewarm. In one fell stroke, Bhattacharya and his team changed the prevailing mindset about 'government' companies. In Coal India's offering, sweetly timed and attractively priced, the public discovered a never-before opportunity and they grabbed it with both hands. Through it all, Bhattacharya exhibited stellar leadership qualities. He had to tread carefully between, and coordinate effectively with, the Department of Disinvestment and the Ministry of Coal. More difficult even, was the recalcitrance of the union bosses who feared that another dose of disinvestment would seriously erode their clout. Reportedly, some of these individuals, with their vested interests, even advised their workers not to buy Coal India

shares. How mortified and embarrassed they were when the shares fetched such an attractive price and the workers missed a golden opportunity to receive a windfall!

The historic initial offering put CIL in seventh place among India's listed companies.

### **CARING FOR THE COMMON WORKER**

Coal India is the largest corporate employer in the country and a manpower intensive industry. With its mining operations spread over 8 States, the employee mix indicates that only 4 percent (15,484) of the 387,109 employees are officers and the rest are non-executives. Coal India lays great emphasis on the welfare of its miners and other skilled and unskilled workers who operate in remote areas of the country. It constantly endeavours to uplift the quality of their lives through various welfare measures.

With a view to monitor implementation of welfare measures and co-ordinate the progress of welfare activities in the subsidiary coal companies, Welfare Board(s) have been constituted at CIL as well as in subsidiary companies with equal representation of both the management and the workmen. Bhattacharya has encouraged and further empowered these Boards. They now meet annually to lay down policies and guidelines for various welfare activities and they also review the progress of welfare programmes.

**Coal India lays great emphasis on the welfare of its miners and other skilled and unskilled workers who operate in remote areas of the country.**

Because Bhattacharyya has pursued an open door policy, where workers and staff are free to access him, the industrial relations scenario in Coal India and its subsidiaries has been harmonious ever since he took charge. To secure support and co-operation and also to create a sense of belongingness among the workforce, Bhattacharyya's philosophy of participative management has been practiced in the true spirit throughout Coal India.

As part of his motivational efforts, Bhattacharyya, in 2007, conceived the idea of celebrating the foundation day of CIL on 1st November every year. He also introduced for the first time, a corporate song and a corporate flag for the company. The song not only is soothing to the ear but also evocative of Coal India's corporate ethos and the values that it stands for. This has led to increased cohesion and a sense of belonging amongst the

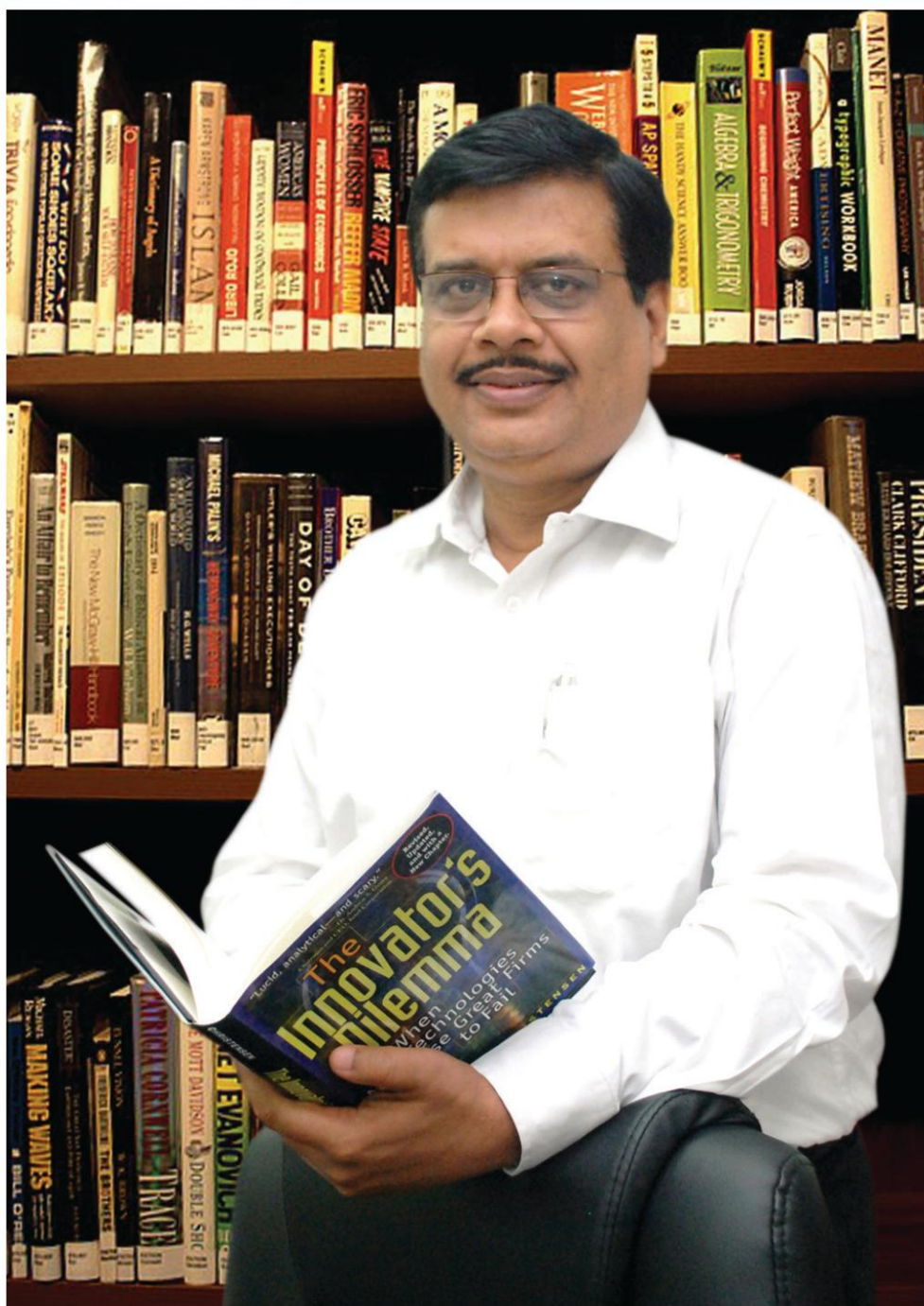
employees in this large and diverse company, with an amalgam of various work cultures.

Another emotive initiative taken up by Bhattacharyya for enhancing employee participation was the setting up of the Martyrs' Memorials, in remembrance of the miners who lost their lives in mining accidents. These memorials have been set up all over subsidiary companies of CIL, as a mark of respect and recognition to the supreme sacrifices made. Names of martyrs are engraved at these memorial sites. On CIL Foundation Day, tributes are paid to the martyrs. Needless to say, this step has found an emotional resonance in the hearts and minds of miners across the whole spectrum.

Bhattacharyya's has been a truly inspiring story of leading from the front and leading by example. As the giant and imposing new Coal India edifice comes up in Rajarhat, Kolkata – yet another example of Bhattacharyya's unrelenting devotion to the cause of his company – there will be none in the organization who will ever cease to recall with admiration his manifold achievements including his deep pre-occupation with the lives and aspirations of those lakhs of workers who toil to make Coal India what it is today.



# DR YASHO V. VERMA



## Touching Lives of Grass roots Consumers



LG products on display in a showroom

The success story of LG Electronics India (LGEIL) is an amazing one. Despite an initial false start they took up the challenge in 1997 and, in less than a decade, achieved market dominance in a host of consumer durables, putting to rest all speculation and doubts. In this timeframe the company achieved an annual turnover of about US\$2 billion overcoming all obstacles.

Dr Yasho V. Verma, who is currently Chief Operating Officer, India, joined LGEIL as Director (HR & MS) during the days of inception and has been with the company ever since. The years from 1997 to 2005 were very eventful years, with many ups and downs. The experience was so overwhelming that Dr Verma took up pen and paper and in a space of six months wrote *Passion: The Untold Story of LG Electronics India* which became a bestseller in corporate circles.

A well-known management philosopher and practitioner, Dr Verma has been conferred honorary fellowship by All India Management Association for his contribution to the profession of management and has bagged several awards for excellence in HR area. He is an engineer with a Masters in Personnel Management and Industrial Relations and a Ph.D. in organizational behavior from IIT Kharagpur. He started his career with

Tata Steel at Jamshedpur, working there for over 12 years.

Dr Verma, who has featured on the cover of *Business Today*, has addressed top management teams of many premier companies in India and abroad, and is frequently visible on print and electronic media as a spokesperson for HR discipline for consumer durables industry in specific and HR profession in general.



*LG TV in a typical middle class home*

It is well known that LGEIL firmly holds the top market share in the Indian consumer electronics market. But LGEIL has attracted attention because of its unique organizational competencies, such as organization management focused on localization and employees' passion for innovation. Since its inception, LGEIL has emphasized on localized management. From planning and administration, to marketing and sales, to Research & Development, local Indian employees are actively engaged in all areas of business. With the notion that "local experts know the market best," Indian employees have been given full responsibilities and ownership.

At LGEIL, the key to success has been these and other strong efforts by management and the HR Director to create the notion of "LGE India, My Company," amongst all employees. The driving force behind LGEIL's growth has been the ability to create a work place that employees can be proud of. In other words it is story of marshalling and effectively leading the organization's human resources

Mr Y. K. Kim, Chief of Human Resources at LG Electronics, Seoul, writes in the Foreword to the Dr Verma's book: "HR must become a 'strategic Business Partner'. For example, in order to change company' strategy, HR can promote cultural changes or changes in the most important assets, human resources. The ability to drive internal employee and organizational change is a fundamental business strategy that defines HR and contributes the most to the companies. Of course, for HR to have this and similar roles, HR must be the first to change. HR must have a role in

execution, a creative-strategic role, and must play a role in balancing the short and long-term points of view of a company. When HR professionals successfully demonstrate these roles, they can be true business partners in helping companies achieve their business objectives." Perhaps the greatest achievement of Dr Yasho V. Verma was the way he made *HR a strategic business partner in the enterprise*.

In this journey, Dr Verma was constantly inspired by the exemplary leadership of Mr K. R. Kim the Managing Director of LGEIL and indeed he gives Kim full credit for leading from the front during those turbulent days.

## GOING RURAL

How indeed did LG become a household name? By the end of 2001, LGEIL had a strong presence throughout the length and breadth of the country. It was doing well in almost all metropolitan cities, especially in the Northern and Eastern belts of the country, though there was scope for improvement in other parts.

Dr Verma recalls: "By 2002-2003, LGEIL had emerged as the undisputed market leader. The problem of further growth had to be addressed and thus the pressing need to explore and find new market. In the metros, although it was doing well, the cost of selling was too steep to cut good profits, as competitors were also focused on developing these markets.

"That's when organization began to respond to the pull of the semi-urban and rural markets – the real India, where 70 per cent of the population resides. There was some apprehension as to what strategies would work.

After months of intensive market study, it was concluded that the best way to tap this market was to do something very unconventional and bold in terms of rural marketing.

"In any case, since no national-level player had felt inclined to penetrate those markets, nobody (save a few regional players) really knew what the customer there wanted, and whether some of these wants could be satisfied by the products already in the portfolio, or if there was a need to improvise further."



LG Canter goes to rural India



The process was kick-started with a few feasibility studies that revealed three pre-conditions for LG's success in the hinterland:

- LGEIL needed to appoint Remote Area Offices (RAOs) and recruit qualified and committed people for this job.
- They had to be empowered in every possible manner
- The connectivity issue between the RAOs, the branch and the head office had to be resolved, and meant an additional expenditure of US\$ 55,000 to US\$ 66,000 per office.

Earlier, LG's research had shown that a few competitors had failed to dent this market only because they unwittingly made rural posting a punishment posting for their sales staff. Further they hadn't pumped in enough resources into linking their rural-urban infrastructure. In the end, although they did dispatch men to these outposts, they didn't dispatch enough material support to match and so it was a battle lost from the beginning.

LGEIL planned this battle on a different scale and with a different level of preparedness, because it was determined to get a different outcome. Armed with the three-fold strategy, the LGEIL management went the whole hog into the field and in one stroke, set up, not one or two, but dozen-odd RAOs in just over a year's time. In nearly eight months, there was a strong rural network in place.

**LGEIL planned this battle on a different scale and with a different level of preparedness, because it was determined to get a different outcome.**



*Promotion activity in rural India*

## CHALLENGES OF REACHING OUT

LG reaches into the hinterland through a pyramidal sales structure. Branch offices in larger cities set up central area offices (CAOs) in smaller towns; these in turn reach out to even smaller towns and villages through remote area offices (RAOs). At last count, the company had 51 branch offices, 87 CAOs and 78 RAOs.

The locations chosen for both the branch offices and the shops were determined by the likely demand for LG products and the viability of operating there. To Dr Verma, it was always obvious that if LGEIL could develop a presence in the interior, in rural areas, where 70 per cent of the Indian population lives, the company would have an advantage.

There were misgivings expressed against places like Rourkela because of the security situation. It was said no one would be able to tour there. But a couple of years later a branch office was set up which did quite well. The same arguments were used about Guwahati and Jorhat, where they also have branch offices.

## GROOMING LEADERS OF TOMORROW

On the question of leadership Dr Verma has this to say: "Leaders are not born; they are made. They don't teach; they touch and transform. They don't instruct; they inspire. Above all, they don't plot the way forward for their followers, they help them discover within themselves the strength to find the path to the stars.

**"Leaders are not born; they are made. They don't teach; they touch and transform. They don't instruct; they inspire."**

"The difference between a leader and a manager in my opinion lies in the scale with which they set out to accomplish these goals. There are several managers among us; but very few can rise to the level of a leader."

LGEIL has a rigorous succession planning process, implemented through job rotation and a series of Succession Review Meetings. Sometime ago, they crossed a milestone when a customized version of the 360 degree appraisal process was set up at LGEIL. Those who get rated less than 3.75 are assigned a mentor, who keeps a monthly tab on their activities and signs of improvement. Their cases are finally reviewed at the leadership counselling meeting, held at the month end.

## THE MAN AND LEADER

Dr Verma strongly believes in consensual decision-making. He explains this in the following words:

“Even the field staff at the very bottom the rung is able to contribute to this concept. I am not saying this is great empowerment, but it is a business necessity. Why? In business everything is decided top-down. But then it will not take care of market needs, market requirements and consumer insights, etc. We ensure that top down decision making does not take place at LG. It has to be consensual.

When the final decision is shown to me or the CEO we ask all stakeholders if they are satisfied. Many a time, we feel it was not the best decision in terms of what we thought earlier. But this is the best process for success in business.”

LGEIL have number of channels for top management to meet the lower rungs of management level. One, initiative they have here is the Pizza lunch. Earlier even as HR head Dr Verma used to attend these sessions. This happens twice a week. The same person meets the CEO once in four months.

Dr Verma explains about his communication channel “This is provision in my room for Video Conferencing. We have 47 branches now all over India from Guwahati to Madurai. I talk to my sales people from every part of the country once a month. Once in three months they come to meet me. This is employee to employee interaction. We have a concept of SSE (Shop Sales Executive), that is the person who actually stands on the shop floor and does the selling. They are outsourced employees. They are 6000 in number and I interact with them once in six months. We thus get to know the consumer feedback on our products; but we also have a system where these SSEs talk to each product head once in a month. This is the system we have; a total two way communication. Without this you cannot do much in the market which is very competitive.”

**We ensure that top down decision making does not take place at LG. It has to be consensual. When the final decision is shown to me or the CEO we ask all stakeholders if they are satisfied.**



Rural demand is generally taken care of by the distributor network or the sub-dealers of the distributors. But it is complex scenario in B and C class cities where different types of arrangements are often made according to the situation on the ground.

## **BUILDING THE CULTURE OF THE COMPANY**

The top management to oversee global operations is Korean. In India they now have a new CEO who is a Korean and Dr Verma, COO heads actual operations in India. After that they have many other positions. The head of a product is known as the company or business head. There are senior technical people from India sitting in Korea as products are manufacturing and innovation driven. But everything to be launched in the Indian market is decided by ground realities of India and needs of its customer base.

Dr Verma explains at length on the confluence of the cultures: “How is culture built– through technology, through people interaction, and third through processes and systems.

“Now talking of processes and systems if I do not honour the rules and realities of India for the product, the processes will all remain on paper. This is true for other countries like China, Sri Lanka, etc. or for other regions like Europe and similarly the US. So core process is there but it is modified according to the specific country and market. Now we even have the R&D head for refrigerator sitting in India. All R&D must end in a product and if that does not align with the needs of the market then it is a failure. Consumer insights in India are totally different from that of China or Korea. For example, LED is a global technology but the products that used this technology vary greatly from region to region, country to country, market to market as per consumer insight. So here we have Indian consumer driven products.”

LGEIL tries to match the challenges of a huge and diverse country where the population is not culturally or linguistically homogeneous. Dr Verma cites the example of how the green colour washing machine was popular in Gujarat but totally rejected for colour in Uttar Pradesh. Similarly, Punjab prefers high capacity washing machines like 10 Kg. as they wash quilts in them also, while this is not true in other parts of the country, where the popular sizes are 5.5 to 6.5 kg. LGEIL have put games in RCTV with the South Indian languages and English for the South and Hindi for the Northern belt. For coastal areas, the company has to put special coating on aluminium or copper parts because of corrosive atmosphere. As

Dr Verma puts it: “The consumer now demands customization through mass production or generalization.”

LGEIL have 47 branches and even in small towns like Agra, Tirupati, Hubli, etc. They have 12 regions. There is no branch located in rural areas but there are rural area managers. The smaller branches have 5 to 6 area managers whereas the bigger ones have 25 area managers. They are actually sales people. There are 120 rural area offices (RAO).

**LGEIL’s supply chain is the biggest in the industry in the country. They try to ensure that the potential customer even in villages does not have to travel more than 10 to 15 Kms to a *Kasba* (small town) for his purchase.**

LGEIL’s supply chain is the biggest in the industry in the country. They try to ensure that the potential customer even in villages does not have to travel more than 10 to 15 Kms to a *Kasba* (small town) for his purchase. The general trend is they come with tractor-trolleys and 2-3 families purchase LG products on cash and carry basis. But since past one year or so, LG has gained better insight into the rural customers’ mindset and situation. They have found that the rural buyer is not worried about prices. They purchase on trust and word of mouth. Interestingly, in over 40 percent cases the state partner or the dealer offers special financial help to a willing customer to acquire a product; this is on the basis of trust alone as there is no legal paper work binding the parties.

### **LEADING CHANGE**

Dr Verma has played a major role in drastic change of culture of LG over the last 3 or 4 years. They created change managers (CM) and actually managed to make them work and show results where many other companies attempting this had failed. He personally monitored for 3 years the work of each and every change manager once a month. Cultural change was monitored through what they called KDI or Key DNA Index.

Dr Verma explains the process of bringing change in work culture thus: “First, we empowered the CM from each of the 70 or 80 teams and through various means gave them acceptability and popularity; for example, I sanctioned from my budget funds for a team party once a month. We created half day holiday once in a quarter and called it My Day [special occasion for the employee]. We asked the CM to work with the departmental head to monitor how many people went for training. In case of sickness of an employee the CM would send a co-worker to the family to check on their well-being. This was the personalized touch. The

monitoring was very strong. Further, we stopped the practice of sitting late and in fact actively discouraged it. I monitored this personally and it was accepted very slowly in different regions, particularly by area managers. The HR department then started to cross-check by calling up homes of staff to ensure that the employee was at home. The sales people particularly found it difficult to accept cut in working hours and thought it would affect their performance. But finally, their fears were proven wrong and the principle we were propagating was accepted. This made the HR personnel very popular with the families of senior staff and others, who were now at home on Sundays and other holidays. The ultimate philosophy behind this was the balance of work and personal life which had a positive impact on individual efficiency and productivity.”

Channel management was the other thing on which there was focus. This implied a win-win-win strategy that meant a winning situation for the company, the trade partner and the consumer. A conscious decision was taken not to go for any short-term strategy for improving sales but only medium to long-term which would benefit all stakeholders. All stakeholders were able to voice their grievances and put in suggestions before decisions were taken.

One initiative taken in the recent past is GTM or *Go To Market*. GTM is a proactive programme by LG which focuses on LG’s trade partners and shoppers. This has ensured transparency at various levels making LG the most favoured choice of dealers. One decision taken more recently was that instead of dumping stock with dealers at the end of the month it was decided to give stock on the first of every month and there was transparency through written documents at all levels of the chain. This was initially thought to be risky but finally the system worked and paid rich dividends.

Despite his achievements Dr Verma is a lesson in humility; he never uses the word “I”. But two things he agrees to: he is highly accessible and he often takes a decision from gut feeling. It is obviously the gut feeling of a hands-on leader who has never lost touch with ground truths and the potential of the entrepreneurial spirit. In his words: “The LGEIL story demonstrates that human beings can be the most superior asset and resource of a company that follows democratic traditions. It then becomes the fulcrum for the convergence of all cherished human faculties, namely, personal empowerment, freedom, the power to decide and deliver the undeliverable.” No wonder such a company could successfully understand and fulfill the dreams of India’s vast consumer base.

# CAPT. G. REDDY GOPINATH



**Re-writing India's Aviation History**

**C**aptain G. Reddy Gopinath was born in Gorur, Karnataka. He schooled in the local Kannada medium school and at the Sainik School in Bijapur. He joined the prestigious National Defence Academy after school and served as an officer for eight years after being commissioned in 1971. He chose to leave the Army and bought a farm in Karnataka where he pursued ecologically sustainable methods of farming, poultry farming and sericulture. He received the Rolex Award for his efforts in the latter. An Enfield dealership, an Udupi hotel, a stock brokership, an irrigational equipment dealership, an agricultural consultancy and a short-lived attempt at politics came next. Then in 1996, he started a helicopter charter. In the year 2003, Captain Gopinath started India's first low cost carrier, Air Deccan. Today,



Capt. G.R. Gopinath is the founder and Chairman & Managing Director of Deccan 360.

**Captain Gopinath admits to being inspired by the following words of Anatole France: "I prefer the errors of enthusiasm to the indifference of wisdom."**

In May 2006 he was knighted with the 'Chevalier de la Legion d'Honneur', the highest civilian award conferred by the French government. He has also been given the 'Laureate Award' in the Outstanding Global CEO category by *Aviation Week*, New York, and the Rajyotsav award by the Government of Karnataka.

Capt. Gopinath has recently released his autobiography, *Simply Fly* published by Harper Collins which is the first entrepreneurial autobiography to have hit the shelves in India.

### **THE COMPANY**

Capt. Gopinath started Air Deccan in 2003. *His dream was that the common man should be able to experience a flight at least once his lifetime.* Air Deccan was the first airline in India to fly to tier-2 cities such as Hubballi, Vijaywada, Madurai, Vishakhapatnam, Rajahmundry and Mangalore from metros like Chennai and Bengaluru.

In 2007, Air Deccan posted heavy losses due to less than expected growth in the aviation sector and had to merge with Kingfisher Airlines. The merger became effective in April 2008. Captain Gopinath was retained and took on the role of Vice-Chairman. After acquisition of 46 percent shares, the combined fleet was numbered at 71 Airbus A320s and ATRs that would operate 537 flights to 69 Indian cities. It was also going to be called Simplify Deccan. However, it has since been rebranded and is now known as Kingfisher Red.

Captain Gopinath started operating Deccan 360, an express transport and logistics company in November 2009. The services include connecting large cities and small towns, again addressing the needs of the common man by providing inclusivity. Towns like Rajkot, Derabassi, Zirakpur and Tirupur are some of the 47 places where the services of Deccan 360 operate.

Captain Gopinath admits to being inspired by the following words of Anatole France: "I prefer the errors of enthusiasm to the indifference of wisdom."

### **HIS LEADERSHIP STYLE**

To borrow a word used in the beginning of his autobiography, there is a *refulgence* in the spirit of Capt. Gopinath that seems to light his path forward. From a person who has essayed such a vast spectrum of roles, one's sense of curiosity sharpens and makes one wonder if there is the slight possibility that while he speaks, at a whole other level, perhaps his mind is incubating a nascent notion of a new enterprise. Not that his attention strays for a moment even. The questions put to him are answered with expansiveness and sincerity.

We are speaking of a person who transfers energy from the courage of his convictions, from his energy and his passion. He believes that by appealing to the higher self, an individual is able to build trust in his cause. People are convinced of his reasons and equally convinced that they would make a difference to the overall picture and so they offer their allegiance to his work. This spirit, harnessed and fueled by his steely determination, takes Capt. Gopinath from one success to another.

One of the core qualities of leadership, according to the Captain is fair-dealing in people handling. Also, one should not be surrounded by sycophants.

Then, decision making ability is essential. With the data at hand and



one's own instincts being put into play, a leader should be able to come up with a ruling in a timely fashion. Reading from Gandhi, Tagore and Socrates at his father's knees, provided inspiration for the young "Gopi" as he was known as a child, and triggered in him an idealism that refuses to die. There is a noticeable restlessness in his soul always searching, looking for a

new challenge, chasing dreams. "That," he says, "is the only way forward and anything else is darkness."

He thinks that in India, the only limitation is the ability to dream. Entrepreneurs can create markets, demand and create jobs for people of the 'other India'.

Air Deccan, his biggest business venture so far was so liked by investors that the market cap surged to 1.1 billion rupees in just four short years. The

**Because he demonstrated that flying could be tailor-made as much to the masses as to the classes, he re-wrote the aviation history of this country.**

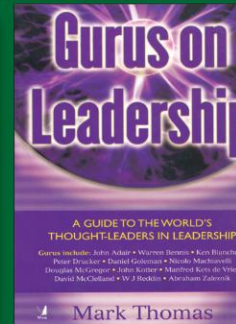
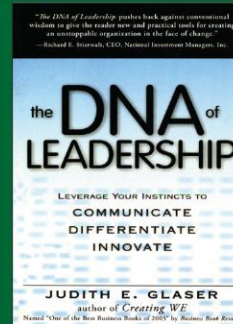
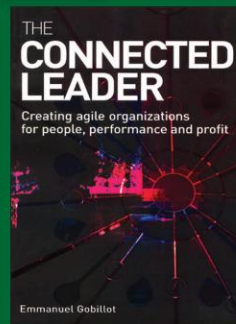
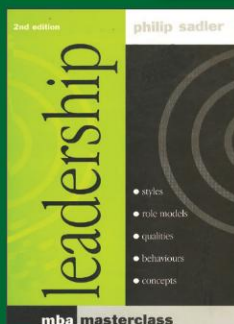
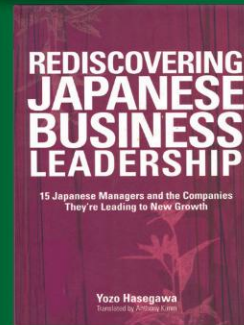
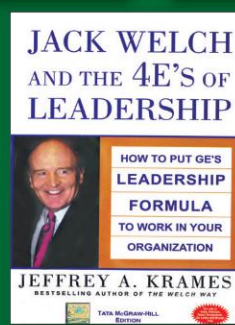
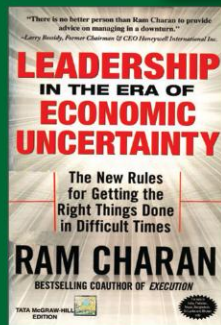
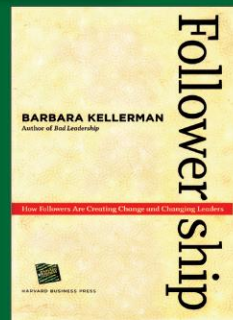
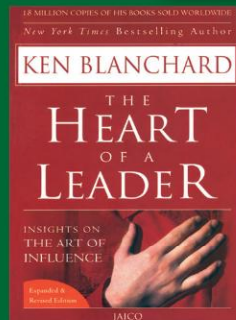
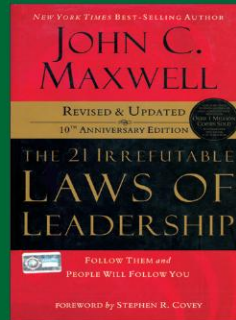
success of Air Deccan saw a mushrooming of other low cost carriers like Go-air, Spicejet and Indigo. Established players like Jet Airways and Air India had to bring down their ticket prices in order to remain in the fray. All this removed the perception of air travel being elitist and boosted the capacity of the common man to avail of efficient travel opportunities. In this lay the realization of Capt. Gopinath's dream and in his success lay the realization of the


dreams of hundreds and thousands of people who never imagined that their transition from the locomotive to the aircraft would actually happen in their own lifetimes. Because, he was able to harness his entrepreneurial talents to the needs of the common man, because he created the aviation revolution in India and because he demonstrated that flying could be tailor-made as much to the masses as to the classes, he re-wrote the aviation history of this country and made flying an activity that virtually anyone could undertake.



# REVIEW OF LITERATURE

## SELECT STUDIES IN LEADERSHIP





“When people respect you as a person,  
they admire you.  
When they respect you as a friend,  
they love you.  
When they respect you as a leader,  
they follow you.”

—JOHN C MAXWELL

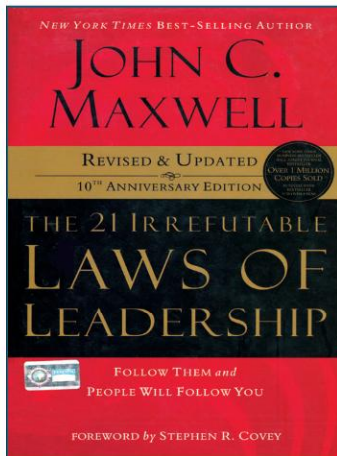
# THE 21 IRREFUTABLE LAWS OF LEADERSHIP

FOLLOW THEM AND PEOPLE WILL FOLLOW YOU

JOHN C MAXWELL

10th Anniversary Edition,

Revised and Updated 2009, Pearson,  
South Asia Edn. by Dorling Kindersley, New Delhi.



In the Foreword, Dr Stephen Covey confidently states that readers who have not read the first edition will find this book a treat! One suspects that even those who have gone through the earlier edition will find this compelling reading. The story of this 10th anniversary, revised and updated edition is the story of the author's self growth and his own acceptance of change.

John Maxwell, who needs no introduction for students of leadership, describes his experience of writing books as one of "directly speaking to his readers." At the same time and perhaps more aptly, he points out one great problem with such books: "they freeze in time". Within a couple of years of the first edition, Maxwell learned from teaching in developing countries that his 21 laws were not inscribed in stone. And so he made some changes in the laws and updated his case studies and stories of his own learning process. The result is this edition and the author is quite confident that he has captured the essence of the laws that govern leadership and brought out the universal principles inviolable in time and space. To quote him: "Though I have made adjustments to the laws and updated the ways I teach them, some things have not changed in the last ten years. It's still true that leadership is leadership, no matter where you go or what you do. Times change. Technology marches forward. Cultures differ from place to place. But the principles of leadership are constant—whether

you're looking at the citizens of ancient Greece, the Hebrews in the Old Testament, the armies of the modern world, the leaders in the international community, the pastors in local churches, or the business people of today's global economy. Leadership principles are unchanging and stand the test of time."

But what is the nature of these irrefutable laws? On this aspect Maxwell guides and prepares the readers with the following four ideas:

- 1 **The laws can be learned.** Each of the laws can be acquired though some are easier to understand and apply than others.
- 2 **The laws can stand alone.** Each law complements all the others, but they stand alone as independent tools.
- 3 **The laws carry consequences with them.** People will follow you if you apply the laws. Violate or ignore them, and you will not be able to lead others.
- 4 **These laws are the foundation of leadership.** Once you learn the principles you have to practice them and apply them to your life.

To quote from the book again: "Each law is like a tool, ready to be picked up and used to help you achieve your dreams and add value to other people. Pick up even one, and you will become a better leader. Learn them all, and people will gladly follow you."

"Everything rises and falls on leadership", continues Maxwell. "These laws carry consequences with them. I've seen them at work in more than ninety countries around the world. Apply the laws and people will follow you. Violate or ignore them, and you will not be able to lead others. But here's the good news: every one of the laws can be learned."

The author clearly feels that the book would be useful to all those who aspire to be a leader or improve as a leader. And this is not only for the world of business, but the military, the Church, civil society and politics, and many well known people from these walks of life figure in the exposition of the Laws. Maxwell writes: "Whether you are A follower who is just beginning to discover the impact of leadership or a natural leader who already has followers, you can become a better leader." As one goes through these laws, an individual may recognize that he is already practicing some of these quite effectively. But other laws may well expose weaknesses one didn't know one had. Readers are encouraged to use the review as a learning experience

for themselves and prepare a self assessment on how well the law is being applied in their own cases.

Let us see how the laws are presented. We find a brief title followed by a line in amplification; and it is this amplification that gives the law a context and meaning. Some of these laws with their amplification are:

- 1 **The Law of the Lid:** Leadership Ability Determines a Person's Level of Effectiveness.
- 2 **The Law of Influence:** The True Measure of Leadership Is Influence – Nothing More, Nothing Less.
- 3 **The Law of Process:** Leadership Develops Daily, Not in a Day.
- 4 **The Law of Navigation:** Anyone Can steer the Ship, but It Takes a Leader to Chart the Course.
- 5 **The Law of Addition:** Leaders Add Value by Serving Others.
- 6 **The Law of Respect:** People Naturally Follow Leaders Stronger Than Themselves.
- 7 **The Law of Intuition:** Leaders Evaluate Everything with a Leadership Bias.
- 8 **The Law of Connection:** Leaders Touch a Heart Before They Ask for a Hand.
- 9 **The Law of Empowerment:** Only Secure Leaders Give Power to Others.
- 10 **The Law of Buy-In:** People Buy into the Leader, Then the Vision.

The way the laws are dealt with individually, makes for absorbing reading as also easy recall. First the Law is explained in a simple way through some true life stories highlighting the important sub-principles. Then an episode involving the author is given to demonstrate his own learning process of the Law. At the end is a small self assessment exercise for readers to help them understand where they stand in their application of the principle in their own life.

Though the listing of 21 Laws does not imply any order of importance, Maxwell does underscore the primacy of the first law, i.e. the **Law of the Lid** as “it helps people understand the value of leadership.” Simply, it means that the higher a person's ability to lead, the greater is his effectiveness in an organization whatever its profile. And the reverse holds true. Thus the **Lid**

is a kind of invisible threshold determined by the person's leadership ability whether acquired or inborn or a combination of both. Almost everyone has potential but their levels differ. But everyone can improve and be a better leader. In this chapter we find the story of the initial founders of McDonald's who were not able to go beyond a point until they partnered with Ray Kroc who opened new vistas; then, there is the story of Steve Wozniak who founded Apple Computers, but only his partner Steve Jobs had a Lid high enough to make it a world class organization. One has to raise the Lid in some way, and in these examples it was through finding the right partners.

In the **Law of Influence**, Maxwell clarifies the meaning by identifying 7 factors that impact our ability to influence: character, relationships, knowledge, intuition, experience, past success, and ability. It is for each leader to work harder to develop in the weaker areas and improve Influence. Mother Teresa and Margaret Thatcher among others, figure in this section. The author has a unique piece of advice: join a voluntary organization in your spare time and try to become a leader there. See what happens. This is where the purest form of "influence" works as there is no other leverage.

Two things come out clearly in Maxwell's exposition of his vision. One, the truly great leader has a service focus and thinks of how to add value to the lives of the followers. Two, a position of authority, a successful achiever, a top innovator—none of these should be confused with good leadership, for these can be attained even by ignoring the Laws. As he says, many of us are often thrust into positions of leadership but when we look behind we find no followers! Many other leadership myths are busted here.

One cannot help but recall Shakespeare's words on Greatness: **"Some are born great; some acquire greatness; and some have greatness thrust upon them!"** Somewhere, the author connects with leadership in the same way; but he marshals his most persuasive arguments in favour of the acquisition of qualities that build leadership. He underscores the point repeatedly: there is hope for all who aspire to become leaders in their own fields. And for them, the route is through **the 21 Irrefutable Laws..**

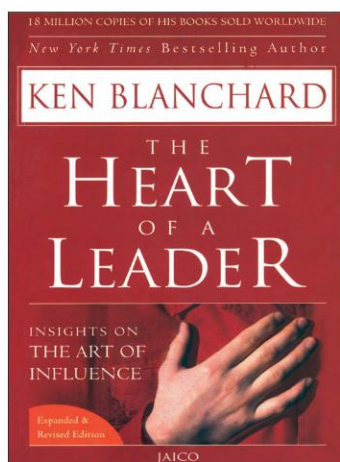


# THE HEART OF A LEADER

INSIGHTS ON THE ART OF INFLUENCE

## KEN BLANCHARD

Jaico Publishing House, Delhi, 2010



Ken Blanchard needs no introduction for millions of readers of management and particularly leadership issues. In the past three decades and more, he has written over forty books and taken hundreds of workshops on organizational leadership in several countries. Most popular for his mega bestsellers *One Minute Manager* and *Leadership and the One Minute Manager*, Blanchard is known best in the management fraternity for his Situational Leadership II Model which is taught in most business schools across the world.

The present book *The Heart of a Leader* is a unique book on leadership; it provides the reader over ninety most popular sayings mostly from the author's previous works but also others, including well known figures such as Abraham Lincoln and Winston Churchill. These are, in a sense, pearls of wisdom that sum up the attitude, mental make-up and character of a modern leader, and provides a treasure trove of some of the most quotable quotes that a management student or professional would like to memorize.

Each saying or quote on a left hand page is amplified on the following page, often from a real life story or an anecdote involving people in a business setting. Sometimes the story comes from the author's own earlier experiences going back even to his days as a teacher. Despite the anecdotes being mainly from the American business world, they are universal and enriching and would make sense to any aspiring reader in any part of the globe. What makes it even more rewarding is the strong element of humanism that shows through as the author unfolds his spiritual side. The

author is looking at a new kind of leader, “the servant leader”; one who can keep his “ego” aside and helps to empower his people. It is worth noting that Blanchard spells out *ego* as “*edging god out!*”

This book starts with two very direct prescriptions: “The key to developing people is to catch them doing something right” or “Don’t wait until people do things exactly right before you praise them.” Appreciating the positive qualities of others instead of just finding faults, praising without restraint, encouraging till confidence is instilled in them are the stuff which is required to mould employees into confident performers and influence their actions. Many managers wait for that elusive top performance or achievement of a distant goal and lose the opportunity to give positive strokes and enhance performance. The author compares the situation with parenting of an infant who is just learning to walk! When the child takes the first few independent steps and then sits down suddenly giving up, do we punish it for failure? No! Parents happily applaud every attempt of the child to walk till it gains enough confidence and balance and finally succeeds. It is an extraordinary insight into human behaviour but one that we rarely think about in our dealings in the adult world!

There is no doubt that teamwork is the essence of success. But ego is a big hurdle in the way; so it has to be kept under control so that it does not interfere with our rational thinking. A good leader understands this and manages teamwork accordingly. In a team, even occasional failure of an individual should be acceptable, since “No one of us is as smart as all of us”. But learning from failure is important since “Success is not forever and failure isn’t fatal”, and not everyone can be successful at one go. Learning being an eternal process should continue, or you cease to exist. The team emulates its leader. So if the leader stops learning, his staff will do the same thing. Hence the leader should be an earnest learner for the sake of his staff. Blanchard minces no words in reminding us that, after all, good leadership has nothing to do with the self! When a leader thinks only about the people of the organization or his followers, he becomes a leader in the true sense of the word.

Working hard is part of the reason for being successful, but the author warns us that thinking before acting is more vital for producing results and thus he says we should change our attitude from “*don’t just sit there, do something*”, to “*don’t just do something, sit there!*” This advice is likely to strike a chord with most readers in the modern business environment where

so much stress is laid on output particularly in some industries.

The author talks of those nice people who are often apparently not on the top of their performance potential. Organizations so often treat them as laggards who are likable but not performers! But it is often the wise who are nice, patient and visionary. Blanchard reminds us that these nice people are often running a different race and just cannot be evaluated with common yardsticks!

A visionary leader sets a goal and teaches with utmost patience the method to reach that goal. A leader who pushes his people in his quest for excellence may not be popular among his people but would be definitely respected if he remains firm in his position. So being popular may be easy but earning the respect of the followers is more difficult!

A good leader being a good listener also naturally cultivates the habit of focusing on others. He listens with attention to the problems voiced by employees and tries to help them to solve those problems without losing heart. Blanchard has cited his own experience as an example; how, when he was rejected in all the jobs he had set his heart on, he did not lose hope and went on searching for new opportunities. Though a supporter for empowering employees, he also cautions that earmarking their boundaries is necessary to channelize their energy in the right direction.

We get the impression that true leadership is like a well-oiled machine which makes the presence of the leader unnecessary in the midst of his people but motivates them to work all the time even in his absence. Love for one's work, the sense to quickly change one's strategies when the situation demands, the patience to analyse any problem and reassure the person who caused that problem; these are among the true leadership qualities. But the foremost thing that employees look for in their leader is integrity because that makes it easier for them to trust him. Ken Blanchard and Norman Vincent Peale said "Positive thinkers get positive results because they are not afraid of problems". Confronting problems head-on in a positive frame of mind only brings out positive results. But a gentle reminder is also there that doing everything within limitation and maintaining balance is the magic potion. Over-working and pursuing material success with too much zeal can kill! We are warned that it does not pay to look only at the scoreboard and not the ball!

The servant leader unlike the self-serving leader, accepts that people

are not for him, he is there for the people. He knows that when freedom is given to people with expertise they will certainly touch the pinnacle of their performance. "Eagles flourish when they're free to fly." The author has compared life with golf. His outlook is that life, if taken positively, will give positive rewards just the way it happens in the field of golf. If one does not give up even when playing badly one will definitely recover his game soon.

Interestingly, Blanchard gives an account of Alfred Nobel's life. Alfred Nobel was shocked on seeing his own obituary (a mistake on the part of the newspaper) after his brother's death! He was distressed to find that he was looked upon by the media and public as the harbinger of death and destruction! His decision to change his lifestyle was instantaneous. The result is before everyone. Now everyone knows him only for his Nobel Peace Prize and very few people remember his invention of dynamite! So, the moral of the story for us is that we are the architect of our own lives!

Blanchard, as expected, touches on core values of some of the top companies of the world which make them capable of facing ups and downs and endure. But the secret for continual growth and success lies in identifying, communicating and practising values. Identifying core values proves to be the lifeline of the company. Next in importance is communicating those values to customers, employees, and often the general public. The example of Max Dupree, the retired chairman of Herman Miller is both humorous and meaningful. It was said about Mr Dupree that "...when it came to sharing vision and values, he had to be like a third grade teacher: He had to repeat them over and over again until people got it right, right, right." This repetition forms an image of the organization in the mind of the people and this very image will give an edge to the organization in a crowd of competitors. But the most difficult task is to practice what you preach. But once one starts using values in real life it becomes easy, almost like second nature. A leader who applies these values in his work and practises what he says, is the one who will get his followers to follow him gladly.

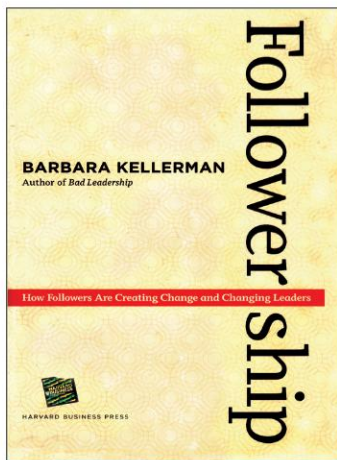
Finally, one can say with confidence that this book has an interesting and innovative approach that grabs our attention. Its light, well-crafted style makes reading a relaxing and entertaining experience. What is perhaps most praiseworthy is that despite the teachings and advice, not once do we feel that the author is pontificating! In fact most readers would like to quickly identify and short list some quotations that they could fruitfully use in the future.

# FOLLOWERSHIP

## HOW FOLLOWERS ARE CREATING CHANGE AND CHANGING LEADERS

BARBARA KELLERMAN

Harvard Business Press, 2008



How is power, influence and authority exercised? In answering this question this book takes not a leader-centric approach but rather focuses on the **followers** and how they may influence the outcome of any situation. This is a departure from the position adopted by most experts in the field who have studied leadership in the military, in the corporate world and in the public and non-profit sectors. For them leadership is the most significant factor of influence. There is also the belief that leadership qualities can be learnt and acquired, that leadership can be taught. There has, therefore, been a tendency to overemphasize the importance of leaders and to underemphasize followers.

Kellerman states that her intention in this book is to show that “followers are important - every bit as important as are leaders.” While making this claim, she clarifies the meaning of followers - defining them by their rank as subordinates with less power, influence and authority than their superiors, and by their behavior, as following the intentions of their superiors. While the two mostly coincide, they don’t necessarily do so completely. That is to say that, for example, sometimes, subordinates may lead and superiors may follow. Thus work on leadership and management, contends Kellerman, must not have a leader-centric approach as followers too occupy a strategic position and are increasingly becoming empowered. But, Kellerman clearly indicates that while this book is about followers, it is ‘for leaders’ as well, and she gives the following reasoning — first, because the line between leader and follower, between superiors and subordinates is nebulous. Sometimes, by their behaviour, the roles of the two may be reversed and many of us

are superiors and subordinates simultaneously. At the same time the author states: “we are all followers first” in infancy and childhood, and it is only later on in life that we follow leaders and lead followers.

While in the past leaders were considered “directive and active” and followers “passive and submissive”, now however, organizational hierarchies are not so strong. This is reflected in changed jargon and usage of words such as ‘empowerment’, ‘teams’ and ‘distributed leadership’. But the author concedes that in most organizations there are still systems and structures in which superiors control their subordinates.

Thus Kellerman points to the “great man” theory of leadership as applied to Hitler, Nazi Germany and the Holocaust which ignores the role played by his followers — those that stood by and watched and those who engaged actively and brought his plans to fruition. Mostly, literature on leadership suggests that “leaders matter and followers do not.” Kellerman, however, wants studies to focus on “followership” as well. She claims “those who lack obvious sources of power, authority and influence are not usually helpless. Many can and do find ways of being heard.” Increasingly, **leaders are no longer in complete control**. This is particularly in the West where the enlightenment, the American and French revolutions and the historic twentieth century struggles for equal rights by various disadvantaged groups have questioned the power and authority of those in superior positions.

According to Kellerman, in more recent times, the information revolution too is leading to the diffusion of power. The internet has been a particularly strong factor in changing the dynamics of power by demystifying leadership and making leaders more accessible and subject to criticism.

In discussing the relationship between leaders and followers, Kellerman points out that the primary reason why followers follow leaders is to fulfill their self-interest. Why have such hierarchical relationships between leaders and followers persisted over time and not been replaced by utopian democracies? The principal reason for this is because they contribute to the maintenance of social order, efficient division of labour and stability of the group/organization. In fact, Kellerman is in tandem with the Darwinian virtues of ranking and writes that “natural selection supports a propensity for hierarchical relationships.”

Kellerman has not only looks into the question of “why followers follow”, she also examines “how they follow.” Here she studies the different ways in

which followers and leaders relate. At the outset, Kellerman points out that leadership experts have generally avoided an explanation of why totalitarian leaderships have been successful. "Why do bad leaders have followers who follow them?" For example, both under Hitler and Stalin there were "willing executioners" who carried out their orders. Even in "everyday life" there are "bully bosses" in the workplace, for instance, who can vitiate the relationship between superiors and subordinates. Kellerman finds it difficult to analyse "how superiors justify abusive behaviour" and "how subordinates... explain their willingness to be so abused." A psychologist, Albert Bandura, whom Kellerman cites, explains this process as one of "moral disengagement."

How leaders and followers interact depends on the context, both spatial and temporal, in which groups are embedded. Kellerman explains this by citing the example of modern day Russia where the relationship between the Russian president Vladimir Putin and the Russian people has to be understood in the context of the history and culture of Russia generally.

Other characteristics that determine how leaders and followers interact are group relations and group size. Group relations here refer to the ways in which followers interact as coherent groups "mirroring each other in their beliefs, attitudes, values and behaviour." For example, members of an adolescent gang may be identified by their distinctive style of dress, hairstyle, tattoos, etc. This mirroring reflects the pressure to conform which the group exerts on its members. Non-conformists therefore, may be marginalized or banished from the group. Kellerman also cites "groupthink" as another "downside to conforming." For example, faulty planning led to the Bay of Pigs fiasco in US foreign policy. The pressure to conform within the small group of decision-makers often masks any voice of dissent. While leaders are blamed for such fiascos, followers too, have a part to play as they choose not to express their opinions.

Finally, the leader-follower relationship is determined by group size – the larger the group, the greater the interpersonal distance between leader and follower and the more asymmetrical the relationship.

In focusing on followers, Kellerman looks at those works on leadership and management that have developed a typology to distinguish between followers. Her own work, from the point of view of a political scientist, focuses on similarities among followers "independent of the situation in which they are embedded."

Kellerman, in presenting her typology, distinguishes between followers by rank and behaviour and points out that her work is “descriptive rather than prescriptive”. In delineating the groups, Kellerman differentiates between followers on the basis of one feature -- their “level of engagement”.

Therefore, followers are distinguished according to where they fall along a continuum into Isolates, Bystanders, Participants, Activists and Diehards. Herein, subordination of rank and common behaviour patterns within each variant is presumed.

Isolates are followers who are completely detached and alienated from their leaders and because of this, they strengthen leaders who already have the upper hand. Bystanders are followers who observe but consciously decide to disengage from the group dynamics. Participants are in some way engaged, either in support of, or in opposition to, the leaders and groups and organizations they are members of. Activists are strongly engaged in support of, or in opposition to, their leaders. Diehards are devoted to their cause so strongly that it defines all that they do.

Kellerman maintains that this typology is not only theoretical, it also serves a practical purpose in that it enables both leaders and followers to “translate what they know into what they do.” Kellerman elaborates upon this typology in detail in Part II of her book with examples from Nazi Germany, Merck (a multinational pharmaceutical company), the American Military and the Catholic Church. The author highlights the fact that to focus only on leaders at the expense of followers is a mistake as the latter are equally important as the former. And just as there are good and bad leaders, there, are good and bad followers and this is significant because sometimes leaders are nearly irrelevant and followers follow each other more than they do their leaders.

We should, therefore, have some sense of what separates good followers from bad ones. Kellersman points to two criteria that are particularly important. The first criterion relates to levels of engagement – some engagement being better than no engagement. The second relates to motivation - being motivated by public interest is better than being motivated by self-interest.

On the whole, followers who are disinterested and inactive are bad — they do not react in any way either to good or bad leadership, nor do they contribute in any way to the group or organization of which they are members. This is particularly problematic in the current scenario where

superiors are encouraging their subordinates to speak up. Then there are followers who are bad because they are engaged with and support bad leaders.

Good followers are the opposite of bad followers. They are engaged with their organization and support leaders who are effective and ethical and/or oppose bad ones. And in some situations, followers can matter more than leaders, particularly in instances when they challenge leaders to do good work, or persuade them to take the right decisions.

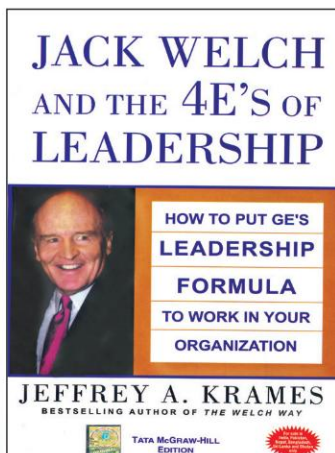
The author insists that her book is not an attempt to negate the significance of leadership but rather to adopt a more expansive approach to include “followership”, to say that leaders cannot be seen without followers both intellectually and practically. But Kellerman insists that for this “synthesis” to take place two things have to happen. Firstly, followers have to be seen as being on the same plane as leaders, as “a force... to be reckoned with in their own right.” Secondly, “followership education” has to be made a part of “leadership education” so that developing good followers is seen as important as developing good leaders. But this is not to be seen as encouraging or empowering followers to become leaders. Kellerman says she is talking about followership “which does not mean changing the rank of followers but changing their response to their rank, their response to their superiors and to the situation at hand.” In fact, Kellerman opines, followers are more important to leaders than leaders are to followers. This is certainly borne out by recent history where leaders have come and gone without a trace in corporate and public life and new dispensations have arisen often ushering in dramatic change.



# JACK WELCH AND THE 4E'S OF LEADERSHIP

JAFFREY A. KRAMES

Tata McGraw Hill, 2005.



At the very outset, the author of this book, Jeffrey Krames, clarifies the reason he wrote this book was not to recount the manner in which Jack Welch, the CEO of General Electric, transformed the company “from a lumbering manufacturing behemoth into one of the world’s most agile enterprises.” Rather, he wanted to elaborate upon Welch’s “4E leadership model” which helped to guide this successful transformation. This model helped Welch find and develop leaders who scored high on the 4Es of leadership, namely, Energy, Energize, Edge and Execute. Welch does recognize that in addition to these there are certain qualities that are intrinsic prerequisites, such as, “integrity, character and work ethic.” But without the 4Es there is little one can build upon. An additional quality for leaders that Welch stressed upon is “passion and enthusiasm for what they do.”

In expanding further on the 4Es, Krames lays out the following sequence:

Energy	Energize	Edge	Execution
Drive	Vision	Strong	Delivers results
Embraces	Sparks	competitor	Consistent
change	others	Makes difficult decisions	performance

The 4Es do intersect and overlap so that they cannot be referred to as a “rigid sequence” but there is a “logical progression” to them. In addition, good leaders must have the ability to motivate and inspire others.

Welch classified three types of executives that a company must identify “Type A live the values (of the company) and make the numbers. Type B

live the values but do not always make the numbers. Type C do not live the values but may make the numbers. "A company must hold on to the A's and fire the C's." This advice is relevant even today. Welch also stressed that good leaders were the opposite of "bureaucrats" who do not "embrace change".

Welch preferred to call his managers "leaders" as he felt that this term was more all-encompassing. He listed 12 characteristics that a leader had to have. These are: integrity, crustiness, acumen, global vision, empathetic communication skills, energy to spark others to perform, infectious enthusiasm, achievement orientation, passion, customer-centric attitudes, change acceptance, effective team building abilities, and a focus on achieving the objectives of the organization. These traits were listed as the "Authentic Leadership Model". The best managers had to have a 'boundaryless' style, that is, an "open and candid approach to leadership". The roots of the 4E leader thus initially lay in this Authentic Leadership Model.

The author in this book discusses the 4Es at length, devoting a chapter to each in Part I of the book. At the end of each chapter he lists qualities of each against which readers are encouraged to evaluate themselves and assess their "E-quotient" on a 1-5 scale. At the same time, Krames also presents the views of other management thinkers to "provide specific recommendations on creating a results-based organizational culture." Welch's leaders are full of energy and are action-oriented with a passion for change. It is this energy that converts good ideas into measurable performances. 'Energy' here refers to not just its physical properties but also an "emotional energy" which enables the leader to work effectively to achieve the goals of the organization. To this end Welch launched his "work-out" initiative which gave his workforce a forum to express themselves. Welch also stressed on a "planned abandonment" which meant giving up those "ideas, tasks and processes" that are no longer functional for the company. The change that this resulted in was to be seen as an opportunity for growth.

Krames describes the 4E leader as an "energizer", as someone who brings the best out of his work force, instills them with confidence, and gives credit when things go right. A good leader should not micro-manage but rather "outline a few general goals and let people run with them". It is, therefore, especially important to have the right organization in place so that the 'E' leader can succeed. The ideal place is a "learning organization", that is, an organization which learns and which "encourages learning in its people". Interestingly, an important aspect of this is the interactive nature of the performance reviews of the workers.

The third chapter describes a '4E' leader as one who has the "edge", or in other words, a "competitive spirit and knows the value of speed". To Welch, "business is about winning". And he insisted that workers who "have the edge" must be "differentiated" and paid the most. Managers therefore have to differentiate workers – the A's were the stars; B's were the nucleus of the company; and the C's were the under-performers. The three categories were to be paid and given differential incentives.

In chapter 4, Krames looks at the fourth quality of a '4E' leader- one who 'Executes', that is, the leader who "consistently delivers". The leaders who made the greatest contributions were those who excelled in six areas: "performance, expertise, ownership, visibility, mentors/role models, global experience/cultural breadth".

It is noteworthy that Welch did not just focus on people who succeeded but also tried to find out why some senior managers failed in GE. Krames attempts to list some of the "failure-inducing factors" that Welch came up with. A few of these included: (1) "The wrong stuff". These leaders do not behave or lead in a manner consistent with the company values and belief system; (2) "Wrong Choices" – Organizations sometimes mistakenly promote the wrong individual; (3) "Poor instincts" – when making deals and other important decisions.

In the second part of the book, Krames describes how Welch's GE became a management development institute par excellence because of the leaders that he trained as well as the "future generation of leaders that Welch's followers spawned" to typify the '4E' leader. Krames goes on to spotlight some of Welch's protégés and in a chapter devoted to each of them he describes briefly the strategies and lessons they implemented in their new positions. Jack Welch himself led by example and members of his team went on to become CEOs at various leading organizations.

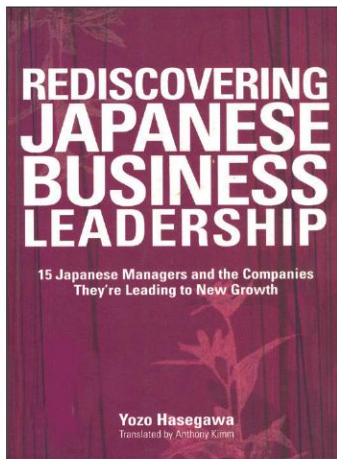
Finally, in the concluding part, Krames devotes a few pages to how this book may be used as a learning tool in training, management workshops and performance reviews. This section is a bonus for practitioners and management teachers. This thought-provoking and action-inducing book is a must-read for all professionals who want to adopt management strategies that lead one to become "authentic", '4E' leaders.

# REDISCOVERING JAPANESE BUSINESS LEADERSHIP

YOZO HASEGAWA

(Translated by Anthony Kimm),

John Wiley & Sons (Asia) Pvt. Ltd., 2010



During Japan's miracle growth years in the decades following World War II, the country produced many top business leaders dedicated to building their country into an economic superpower. In fact, Japan's people were considered the greatest national resource and with their hard work and labour, Japan rose to become the second largest economy in the world. But then, with the oil crises of the 1970's and the financial crises of the 1980's, the age of limitless expansion ended. Competition came from other Asian economies which are emerging as the new drivers of economic growth. With an aging population and saturated demand at home, Japan has been going down the ranking of the world economies. Japanese companies have outgrown their home market and have had to go global, where they are facing stiffer competition from around the world especially the East.

Against this background the author, Yozo Hasegawa has expounded on the "key strategies, philosophies and principles at work" in 15 of the top companies of Japan to show how they are reinventing themselves in the 21st century. He has done this through direct interviews and intensive research to show how the leaders and managers of these companies, moving on from a glorious past, are emerging stronger with advanced technologies and a stronger global presence in an "increasingly borderless world". While some are adopting "Western" business models, others are going back to more

traditional Japanese business values and practices and aligning them with new business realities. Japanese firms have also been affected by the global financial crises of 2008-2009 and it will take them sometime to recover. Hasegawa describes the 15 companies, their establishment, focal principles and policies of their leaders and the hurdles they faced in their history. At the end of each chapter Hasegawa summarizes their success stories. Let us take a look at some of them.

The first company Hasegawa profiles is Secom Company Limited which was established by Makoto Iida to provide people with “personal security” as against public security which was the domain of the police. In fact, he is considered the founding father of the security industry in Japan. This business philosophy is best encapsulated in the following quote, “It’s a good thing a business can fail. Because if I knew someone could come in and save it, I would lose the ability to manage with any suspense at all.” So Iida takes risks as a given in any company and his successor, Kane Masa Haraguchi, the current company president carries forward this philosophy. Providing not just corporate security services, Haraguchi took the company forward to also provide for individual security and usage of telecommunications technology. Haraguchi attests to the fact that Iida never let success make him complacent about the future of his company. Rather, he stressed on the need of the company to constantly re-invent and change as “you must adapt or you will face obsolescence.” So Secom is constantly being called upon to bolster the range and sophistication of its products and services to meet new needs. Secom is also pursuing a concerted “overseas expansion strategy” and a large part of their success here, according to Haraguchi, is due to commitment to “localism” since “it is indispensable that we cooperate with and train local staff who know their home markets better than we do.”

Writing about Shiseido Company, Hasegawa traces its growth from its inception to its current president and CEO, Shinzo Maeda. The company was setup by Arinotu Fukuhara in 1872 as the “country’s first Western-style pharmacy.” Its founder wanted the company to have a high-quality luxury brand image and that is the position its products have in the domestic market. When Shinzo Maeda became Shiseido president and CEO in 2005 he carried out sweeping reforms in the company. He felt that company resources were being wasted on too many brands and products. So he took a “crowbar to 136 years of the Shiseido edifice, pulling up some of the old floorboards and rebuilding from scratch”. So Maeda reduced the number of products

under the Shiseido brand as he felt that the focus should be on “fortifying and nurturing” a few “Mega-lines”. This was unlike the traditional business style in most Japanese consumer product industries that regularly released new product lines into the market. Furthermore, since the population was and remains on the decline in Japan, the importance of the global market becomes significant. Recognizing the need to cater to a competitive world particularly with declining domestic demand, Maeda’s business restructuring effectively anticipated the global recession that was to come.

A common thread running through the business policies of the companies Hasegawa studies is the stress on expanding overseas and the need to see failures and crises as contributing to the growth of the company, particularly in times of economic instability. Yet another common policy is to “grow as locally as possible” a principal idea of Yuzaburo Mogi, Chairman and CEO of Kikkoman Corporation. Mogi was a strong proponent of rational Western business practices, such as de-regularization, risk-taking and incentive-based pay for executives. He also broke away from the conventional practice of creating enclaves of Japanese employees and citizens within larger foreign communities abroad. Rather, focus was on partnering with local citizens.

The founder, President and CEO of Fast Retailing Company Limited, Tadashi Yanai states that “Business is always a sustained process of trial and error, with limitless failures.” This, according to him, is a management style that “cherishes persistence and a never-say-die attitude.” He also put in place long-term global expansion plan as “becoming number 1 in Asia is right now the most direct route to being global number 1.”

Another company Hasegawa studies from its inception to its current avatar is Panasonic Corporation (originally Matsushita Electric Company). Konosuke Matsushita entered the Company as an apprentice and rose to become its president. Although he passed away in 1989, he “continues to be passionately revered, his management philosophy eagerly studied and disseminated by Japanese managers for his success in building up the corporate entity called the Matsushita Electric Company. Under Matsushita Electric, three major brands developed - Matsushita, National and Panasonic. The credit for merging the three under the name Panasonic Corporation goes to its current president, Fumio Ohtsubo, as part of a policy to “continue the process of destruction and creation.”

This idea was critical for the Company to redefine itself even if it meant

destroying past successes (including changing the company name) and creating a company of “greater value”.

In a chapter entitled “Returning to One’s Roots” Hasaegawa writes about the Toyota Motor Corporation, “the world’s largest auto company” from its establishment to its current global position under its president and CEO, Akio Toyoda. Its founder was Kiichiro Toyoda who had, in his youth, wanted to build his own automobile company and he did so in 1937. In 1955, the first people’s car was produced. But their most successful brand has been the Toyota Corolla, and this “people’s car” has set Toyota on its road to global leadership in the auto industry. An important mantra that has brought this about is the belief that “Toyota has become its own worst enemy”. This put in force “a psychology of vigilance” to guard against “arrogance and complacency” when one feels one has achieved all. Akio Toyoda became president in 2009 and has not specified any particular type of management philosophy he intends to employ. He however did say “It is time to return to our roots” to signify the adoption of a “craftsperson-like attitude” towards production. This implies that focus should not simply be on volume of production but rather on quality and attention to detail.

Having studied 15 Japanese companies whose production methods have been admired and emulated around the world, Hasegawa has also studied their CEOs to show how Japanese business leadership “rooted in traditional Japanese values” as well as “subscribing to and well versed in global business realities”, are riding out the current global financial crises to achieve amazing results.

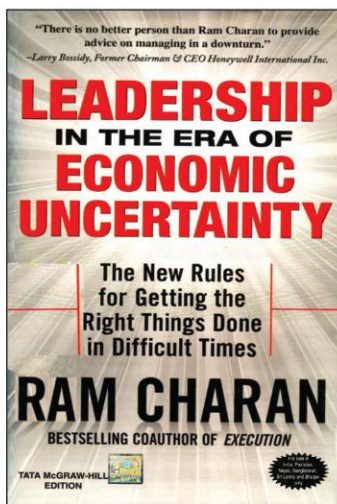
The leaders profiled in this book represent the core of a growing breed of savvy business leaders who are well-rooted in traditional Japanese values yet also subscribe to and are well-versed in global business realities, Japanese business leadership, as this highly readable book indicates, is indeed returning,



# LEADERSHIP IN THE ERA OF ECONOMIC UNCERTAINTY

RAM CHARAN

Tata McGraw - Hill Education Private Ltd, New Delhi, 2010.



The book **Leadership in the Era of Economic Uncertainty** was written towards the end of 2008 as the recent global economic and financial crisis was just starting to make its presence felt in international business. Almost two years down the line the book still remains relevant. It poses a big question to aspiring leaders: do they have in them the dynamic energy and courage to support their people in these days of economic uncertainty?

The whole world plunged into the grip of recession. Most CEOs and directors of different companies worldwide were taken by surprise by the sudden dramatic turn of events in 2009. But some of them have proved themselves equal to the challenges and emerged from the crisis simply stronger. They have made appropriate changes in their world view and business priorities to face this new challenge. These are the people that the writer is interested in.

The book begins with the example of the CEO of Du Pont Chad Holliday as he quickly responded to the snowballing market crisis. A major supplier of car paint to auto makers, the company was for the first time faced with a situation where no auto maker was ready to share its production figures as nothing was certain! As the core group of six top executives reported the extent of the impending predicament, the corporate crisis plan, a contingency plan prepared for such eventualities, was immediately put into action. Emergency core teams came together and decided the way forward beginning first with communications. This was both internal and external.

Employees at all levels, as also customers and other stakeholders, were informed of what was happening. Each employee gave three ideas on what he or she could do to conserve cash and reduce costs! An area which was identified as dispensable in the crisis situation was the use of outside contractors and this was drastically cut. Some internal employees were given the function in some cases. At the same time, a three member top team sat down to study long terms actions that the company could take to tide over the dark period. Chad Holliday came to grips with the crisis in less than six weeks. He took charge, led from the front and took tough decisions while making everyone a part of the process.

The author's advice to the companies is that they will have to cut back their market share to reduce the burden of cost even though they may end up as a company which is much smaller in size. But size does not matter - existence does. As Rich Noll, CEO of Hanesbrands Inc. says correctly, "You have to be more willing to leave a little bit of upside on the table to protect yourself for the downside." The author is steadfast in his assurance that the safest and sanest way out of this mess is to prepare for the worst by adopting new methods whether that means cutting back the market share or cutting down on cost. The cash position must be the factor which influences all the decisions taken in the company in these days. Projects assume importance on the basis of their cash consumption and cash generation capacity. Those projects which would consume lot of time are not worth pursuing even if they would prove profitable in the long run because long time projects have no meaning in these in times of uncertainty. In other words full concentration should be on immediate returns. Those parts of the business which are in reality dead wood should be chopped off; only the core of the business should be preserved carefully since it cannot be lost at any cost. The author feels at the same time that it is the duty of the leader to enable everyone to see the bigger picture so that, instead of dilly dallying, they can take instant decisions, understand the actual condition and safeguard the interests of the company. Gut feeling is important while making painful decisions and cutting staff strength is one of them. The leader would be called forth to take these tough decisions, howsoever unwilling he is! It is appropriate to mention here that certain essential qualities should be the inherent part of the character of a leader of these times. The leader of this period of economic uncertainty should be honest, inspiring, realistic but at the same time optimist, intense and bold.

It is a universally acknowledged fact that CEOs are the people who are tested the most during this critical period. Some CEOs allow their optimism to let them take risks, which though all right in the normal course, may prove to be fatal during these uncertain times. James Cayne, former CEO of Bear Stearns describes the situation as, "a period of not seeing the light at the end of the tunnel...It was not knowing what to do. It's not being able to make a definitive decision one way or the other because I just couldn't tell you what was going to happen." Some deny the whole situation and become unable to take any action that the company needs most at that point of time. It is almost a fear of reality which was described by Franklin D. Roosevelt as "nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance." Others pass the test with flying colours pushing and making their way through this mess with bold aggressive steps.

The author insists that some of the moves might be very offensive but being polite while actually being untruthful is of no help. Communicating the actual condition of the market in clear concise and consistent messages is the need of the hour and it would dispel all doubts from everyone's mind. Only repetition of the same message time and again would bring the realisation to the whole staff the urgency and requirement of the hour. For example they would definitely realise that annual targets sound far-fetched in days of uncertainty, and it is invariably better to set shorter term targets.

The decision to drop certain customers is never an easy decision. The decision would solely depend on how they affect the company. Intelligence gathered by sales people and their observations would help make these decisions eventually. Decisive steps have to be taken. People should be encouraged to set short term realistic goals. Brand image should not be sacrificed at any cost since it takes long time to build and it inspires people with confidence in the company. Right price strategy, cutting cost wisely and giving sales people direct access to senior management are some of the important steps that can be taken in a volatile environment. The author's prescription to cure the malaise that is affecting the world seems to be largely based on pragmatism born of decades of experience and learning.

CFOs assume importance in this scenario since their dealing is with cash. CFOs will have to explain to others what will help generate cash and what will cause a further cash crunch! He can do his job better by redrawing budgets frequently, advising colleagues about which projects to abandon

and which ones to continue, giving opportunities to young teammates to handle the pressure-cooker environment to prepare them better for the future, educate them about the balance sheet so that they understand the economic intricacies well.

The author's idea of sharing information with suppliers and customers is quite unique. That way they also come to know the actual situation and mould their expectations accordingly. If a company manages to give the customer products without making any compromises on quality that they value most with the cooperation of the supplier, then the leader of that company is in a winning position. One has to agree with the author when he says reduction of staff which would cut down costs immediately, should be done quickly, efficiently with minimum fuss, but humanely, since it is a sensitive situation. Equally important is recruiting new people for different positions, if required, from outside the company. Information, being a powerful tool, is next in importance and needs to be collected from all sources. This is true for all decision making levels. It is information only which will give business leaders a clearer picture of the situation and will enable them to respond better.

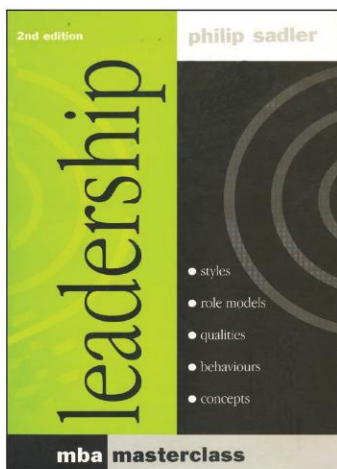
It is true that a volatile atmosphere gives great opportunity to courageous people to prove their mettle. Only very pragmatic and straight thinkers can survive and help others to survive in this chaos. The book has a very serious tone which compels us to think deeply and picture the chaotic times ahead. Despite the analysis and the feel of urgency, on the whole, the prescriptions appear to be largely commonsensical. Most leaders would probably say that common sense is not so common after all and particularly in uncertain times!



# LEADERSHIP

## PHILIP SADLER

Kogan Page, New Delhi, 2005 (Indian edition)



Today, leadership is one of the most significant and the most widely discussed topics in the world of management literature. This literature discusses people of top calibre, including industrialists, great generals and political leaders. Their life history, their careers are minutely studied and analysed thoroughly so to develop better insights into the nature of leadership.

Why is leadership so important in the field of management? As we know, leadership and management are two different but very closely related topics. It is common knowledge that all competent managers are not good leaders and all great leaders are not good managers. The ideal thing, it is felt, should be the combination of leadership quality with the skill of an efficient manager. In this context it is appropriate to mention the excellent book on management and leadership entitled *Leadership* written by Philip Sadler. The book has been included in the MBA Masterclass series to meet the needs of students of management and working managers also. In fact, the good thing is that nowadays leadership development courses actually aim to develop managerial skills in organisational set ups. Hence on-the-job experience is considered as the most useful learning tool. It is generally accepted now that challenging assignments early on in the career help in honing one's leadership skills.

Philip Sadler's book is easy to read. It covers all aspects of leadership such as leadership style, qualities and behaviours; cultural differences and diversity; and finally role models. It emphasizes that good leadership is significant in making an organization successful. It is necessary for the MBA

students to understand that there are no fixed qualities to define an effective leader. We know for a certainty that the demands of different situations need to be met with different qualities. A person who can adapt to those situations and successfully overcome the challenges can be said to have leadership qualities.

For the students of management certain case studies have been given. One of the most important personalities to become a role model in the field of political leadership was Margaret Thatcher. She was a charismatic leader who articulated her vision which gained acceptance of others and their personal loyalties. Her mental power gave her the ability to keep in touch with all the details around her. She had two goals in life – to increase the glory of Britain and to improve the economic condition of England. She was focused in her passion to bring in reforms to open up the economy and was ready to take on the militant trade unions. She succeeded in several of her goals. Her only failure was that she was unable to see when her work was done and that the context had changed. She did not understand that her style was no longer relevant! Field Marshal Lord Slim was a totally different personality. He was very popular in the army. His men loved him and were ready to lay down their lives for him. He raised their morale and managed to change a demoralized 14th Army into a strong fighting force. He treated everyone equally. He was excellent in managing cultural diversity. In effect, what comes out is that we find the most widely varying qualities in some of the most effective leaders such as Thatcher, Lord Slim, Gandhi and John F Kennedy!

The author broadly distinguishes between charismatic leadership and working leadership. The followers of charismatic leaders have an emotional attachment to their leader. Their leader can command unquestioning loyalty from them which they would be too happy to give. The author feels that the charismatic leader could be used most effectively when a crisis confronts the organization. This is largely true as is seen in the case of several “turnaround specialists”. Working leadership is, on the contrary, quiet in nature. Being modest, such a leader always gives credit to his staff. Generally, we focus on the lifestyle of truly great leaders like Mahatma Gandhi, Winston Churchill, Nelson Mandela. But there are thousands of effective and efficient, but quiet and not so famous leaders in different organizations all over the world. They inspire others, help them through difficult times and lead them into new areas. We can learn a lot from studying their working habits and vision. There

is a lesson for management students in their life history. But, unfortunately, there are no studies based on their lives. Sadler's book draws our attention to this side of the picture.

In reality, leadership style could be seen to be varying from person to person. It could be autocratic, persuasive, consultative and democratic. One leader could often combine these qualities in different situations. An autocratic leader gives commands, expecting others to carry them out. A persuasive leader resembles an autocratic leader but he tries to justify his command and get some sort of acceptance for this strategy and direction. Consulting subordinates is the significant feature of a consultative leader. There is always a planned agenda of engagement. A democratic leader manages to coax others to take a united decision. The reader can conclude that a good leader is a visionary who shares his vision with others. He can change his style according to situations and respond exactly the way the situation demands. He can, with the help of his persuasive ways and his actions, inspire others to attain his vision.

A special aspect of the book is the way psychological studies done on the early lives of some great leaders are recapitulated. The author argues that there is a link between early life, lack of attention or love, relationship with parents and leadership. Even "narcissism" is often an element in the growth of a strong charismatic leader. In the case of John Harvey Jones, a lonely childhood compelled him to strive hard and succeed in life and gain recognition from people. It partly compensated him for the negligence he had suffered in his childhood. He became the chairman of ICL, one of the most prestigious jobs in British industry. Winston Churchill suffered from depression as a child and was physically weak, often tolerating banter from his peer group at school. He received very little attention from either of his parents though he adored them. But he had one precious gift, a gift with words. He worked hard on his strong points and developed an aggressive and persevering personality. It contributed a lot to the growth of his brilliant career in politics. But the electorate, after the war, rejected him as they sought a leader who had plans to rebuild and heal the nation! Henry Ford, the great founder of the Ford Company was one of the most difficult bosses to work for partly because of a lonely, unhappy childhood and for the most part of his life he could not relate closely to anyone.

It is obvious that the needs of 21st century demand different types of leaders - leader as steward, servant leader and level 5 leadership. Leader

as steward means those who keep service before self. Servant leader serves the community. Level 5 leadership indicates those who combine humility and shyness with wilfulness and fearlessness. Organizations are always in need of recruiting future leaders and this is done in two different ways. One option is to recruit someone directly from outside the organization. The other, as is customary, is to nurture someone within the organization for the future role of leader. What a difficult task to judge how the future organizations will be and what kind of leadership skill will be required! That is not all; selecting someone with the greatest potential to become that leader is even more difficult in the globalized business context. Researchers, after cross cultural studies, have come to the conclusion that in the U.S., the theory that different styles are suited for different situations, is popular. But in India, Japan, Brazil and Taiwan, a single and strong leadership has proven more effective. Here our experience shows a successful leader gives equal importance to the work and the employees. Also important is the gender issue. Some studies have found that women in this position behave exactly the same as men. Others have found that women encourage participation of others more.

Philip Sadler has maintained a brilliant balance between the need to have a good conceptual framework and the need to be in touch with the reality of organizational life. A well written book; the smooth flow of matter makes the work reader-friendly. Backed by thorough in-depth research, this incisive and yet easy to understand exposition of different perspectives makes the book interesting and eminently readable both for students as well as young practitioners.

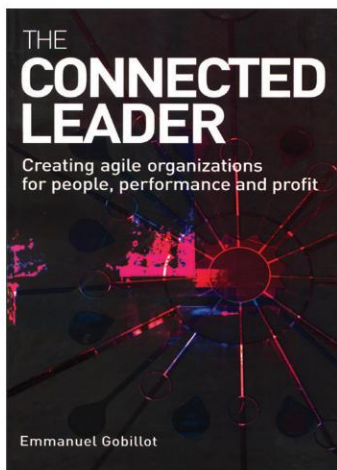


# THE CONNECTED LEADER

CREATING AGILE ORGANIZATIONS FOR PEOPLE,  
PERFORMANCE AND PROFIT

EMMANUEL GOBILLOT

Kogan Page, First South Asian Edition 2007



The author in this book, takes the position that the consumption economy of the past is giving way to a new “people economy” which is not technology driven, but rather meaning driven. In the new scheme of things, people rather than organizations are in charge. And organizations too have to transform themselves to be defined not simply as structures but as networks of relationships that people have within and outside the formal organization. For this to happen, leadership must change.

According to the author, Emanuel Gobillot, most leadership is situational. But in order to succeed, leaders have also to respond to changes in context. As societies are becoming increasingly more complex, leaders need to sense the changes in context and to do so they must rely on people outside the boundaries of their functions, geographies and organizations. The examples of Winston Churchill, General de Gaul and General MacArthur are given as accomplished leaders of the Second World War era, who failed to assess the change in the context and could not retain their popular appeal.

Leaders must make their organizations resilient to context change. The ‘formal’ organization based on roles and rules has to make way for the ‘real’ organization which is made up of the networks of relationships people have within and outside the organization. As a network, this ‘real’ organization is robust and flexible. A leader has to channelize this vitality of the ‘real’ organization towards the goals and objectives of the formal organization. It is this ability that the author refers to as ‘connected leadership’.

The author lists five steps that may be followed to develop a connected leadership. These are: (i) understanding the 'real'; (ii) mapping out the 'formal' / 'real' gap; (iii) evaluating your impact; (iv) developing connected leadership characteristics; and (v) building a supportive context.

The author propounds the thesis that there is a change happening in the way we relate to, and engage with, one another. The goal of engagement of all individuals is to self-actualize - to search for their own identity. And while this need is as old as time, how individuals go about meeting this goal has changed. Earlier, we built our identities through what we did or what we owned. In a society where people lived within their role boundaries, the contractual nature of relationships was clear and ensured an efficient path to a profit-generating transaction. However, as individuals have begun to engage as emotional beings there is a disconnect happening - a new reality is forming with new demands for engagement. The author refers to this emerging new world as the 'people economy'.

This book has four main sections through which the author develops the theme of connected leadership and provides a number of exercises and diagnostic tools for readers to further their understanding and application of the principles enunciated. One of the paradoxes that emerges from the present context is described by the author in some detail. Individuals make new demands for engagement in the following manner:

- They are becoming ever more focused on themselves as individuals, yet they cry out for membership of communities.
- They want to be secure in deeper relationships, yet they do not want to be dependent.

The backbone of the new leadership context lies in resolving these paradoxes. This is the quintessential challenge of the "people economy"

In the 'people economy', organizations and communities become an integral part of self-actualization i.e. the search for meaning; while individualism seems to be the norm, it is accompanied by a high level of demand for engagement in organizational and institutional life. But there is a rejection of the old forms of geographical and role-bound community life. What individuals in the people economy are rejecting is the notion of communities that rely on authority and hierarchy. Instead they favour pluralism, diversity and individual constitutions. These communities differ from earlier ones in that they engage human 'beings' rather than simply fulfilling the needs of

human 'wantings' and 'doings'. So, how do leaders address the challenge in today's people economy: how can they create an organization agile enough to embrace the co-creation needs of self-actualizing customers?

Earlier, organizations based on hierarchical structures which defined rules and roles functioned as instruments of control. The author refers to them as 'formal' organizations. Here a dehumanizing process takes place; rules become the primary driver of performance, and the leader's role is to control the creation process. A primary mechanism to do so is economic incentives. But according to the author, economic incentives and a reliance on rules and roles destroy moral and social obligations. The type of communities in a 'people economy' is based on these obligations rather than the regulatory frameworks of 'formal' organizations. Social and moral obligations are best manifested in reciprocity as individuals engage with a common purpose, being held together by a shared sense of meaning. The 'formal' organization, with its focus on economic incentives to drive transactions rather than on relationships, fails to create reciprocity.

In a 'people economy' community, the role of leaders is to actively engineer organizations that rely on obligations. The author refers to the new type of organization as the 'real' organization because it helps members self-actualize. To talk about 'real' organizations is to talk about the place where relationships happen. Relationships between individuals can be described as networks and connections.

To be successful, leaders must ensure that both the source and the impact of their power is rooted in the 'real'. Today, in the people economy, leadership power is measured by the number and quality of such connections.

The author provides a new set of beliefs or principles that enable connected leaders to be effective. These are:

- Leaders have no power over people but have opportunities afforded by their role to help people grow;
- The job of the leader is to facilitate the co-creation and positioning of a unique purpose;
- People who do not willingly engage are expressing a choice that reflects the lack of flexibility in leadership styles;
- The leader is in charge of ensuring that the right strategic choices are made;

Regardless of why people work, the nature of their contribution is influenced by their understanding of the availability of personal fulfillment opportunities.

The role of the leader is to capitalize on this 'real' organization to ensure that its energy is channeled towards the delivery of the organization's objectives.

For most leaders brought up in the formal organization, good leadership is about getting people to follow. But in a 'people economy' this will never lead to success. Great 'people economy' leaders are connected leaders. In addition to the social dimension, connected leadership must have a moral dimension too to succeed.

The creation of communities of value in the 'people economy' will require strong leadership. The role of a leader "is to be prepared to exercise personal risk in the pursuit of a key goal". This is particularly important in the 'people economy' because letting go of the levers of 'formal' power is difficult to do. Secondly, the role of a leader is to "influence another person towards positive engagement with a goal" as opposed to achieving this by offering economic incentives alone. It is also to "create the perception of support and challenge within another person".

To create communities of value, connected leaders need to have a credible impact on their followers. The first area of impact is integrity. Standards are honestly adhered to. The second area of impact is utility. In a 'people economy' utility is not the same as necessity. Rather it is the merging of organizational goals and personal aims. Skills and knowledge are prerequisites to effective leadership. A third area of impact is warmth. Interactions between a leader and his staff must be imbued with this quality. The fourth area of impact is reciprocity in moral and social obligations with a reliance on a shared sense of direction and identity among members of a community. The fifth area of impact is maintenance of the relationship.

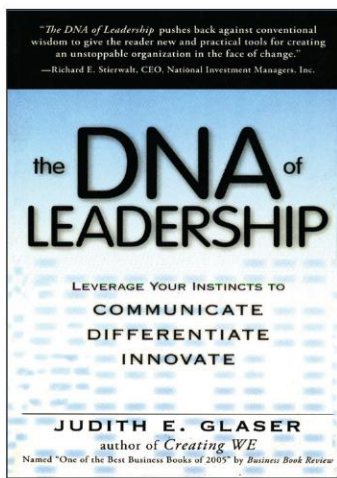
Leadership is all about being followed. The leadership agenda is therefore to create an impact on relationships that are honest, useful, warm, reciprocal and easy to maintain. The author does a good job of simplifying a rather complex conceptual framework and thus makes a sound contribution to modern strategic thought. However, one cannot help feeling that it makes more sense to the western reader in the developed world and would be construed as rather futuristic in terms of leadership studies in the developing countries.

# THE DNA OF LEADERSHIP

LEVERAGE YOUR INSTINCTS TO  
COMMUNICATE, DIFFERENTIATE, INNOVATE

JUDITH E. GLASER

Platinum Press, First south Asian edn., 2009.



Human beings have instincts that lead to patterns of behaviour that enable the evolution of our species. These instincts are hardwired in our DNA and manifest themselves in how we relate to other individuals and to communities. There are a number of studies that show connections between physiological states and specific human behaviours. The author has used this knowledge and information in her study of leadership in organizations to analyse how a leader can realize each person's value and guide and direct the whole organization towards its potential. Using the DNA analogy, she has identified seven dimensions that influence how leadership is expressed in organizations. Though these dimensions have not been validated as "genes" by research, the author describes them as genes while putting forward her analysis on leadership. Organizations have personalities that are reflected in the way the environment is designed.

Leadership DNA is about the psychological environment that is created and how it impacts our ability to grow and expand and contribute to our organization's future. By changing the boundaries of our organization and expanding the space for people to develop, we ensure corporate survival and growth.

Conversations are the basis for interactions between individuals. And language establishes links between the community, culture and the future. Language is not neutral. Words communicate more than simply information.

Language is a vehicle for creating the psychological environment in which people work everyday.

Through conversations, according to the author, you create the culture and set the tone for expressing your leadership DNA. The author looks at leadership practices in several companies, each with its own unique DNA. Each DNA chapter examines leadership from the core words to the behaviours and practices that combine to create an environment for personal and organizational growth.

**The 'C' gene: 'Community'** – Co-creating cultures where the leaders and all other members of the organization are committed to building the organization from its values through to the realization of its deepest aspirations. Here, WE-centric leaders appreciate every individual in their team and value open and honest communication. The author describes three leadership practices that are inclusive: sharing of power and perspective – of ideas and accomplishments; establishment of an equal playing field; encouragement of participation. Such communities benefit from the synergy of the collective.

**The 'H' gene-Humanizing:** These are cultures where leaders foster a spirit of partnership, value diversity and encourage honesty. Such humanizing leaders think 'WE' not 'I'. Humanizing leaders adopt three key practices – share feedback, establish self-awareness, and encourage non-judgmental thinking.

**The 'A' gene-Aspiring:** Aspiration means to breathe. Aspirations are the fuel for growth and change. I-centric leaders fear crises in the face of which they retreat, avoid and convey disappointment. They create an atmosphere of discouragement, low enthusiasm and constricted imagination. For WE-centric leaders, change is seen as an opportunity to create the future. This is seen to happen through three leadership practices — share dreams for the future; establish a new way of thinking wherein mistakes are viewed as lessons learned; and encourage risk-taking as a pathway to building the business. Aspiring leaders reinforce a culture wherein ideas are circulated and

collaborated upon and a proactive approach is adopted towards the future.

**The 'N' gene — Navigating:** Navigating cultures are those where leaders work together with employees to deftly move with changes that occur, with or without warning, within the company or out in the market place. Navigating is the highest level of collaboration and is characterized by mutual support and growth. Navigating leaders need to build a sharing environment for which they need to internalize three leadership practices: share wisdom and breakthrough by creating a collaborative culture; establish broad networks and encourage sharing; encourage cross-pollination by moving people around from one department to another for learning and career building.

**The 'G' gene-Generating:** Generating cultures are those where leaders and all other employees work together to envision and create the future. 'Generativity' is the highest level of collective innovation. The following three leadership practices ensure a constant flow of new ideas: share unconventional thinking so that curiosity is more important than reinforcing traditions; establish an experimental "laboratory"; encourage innovation. WE leadership DNA is expressed by shifting the overall feel of the environment from 'knowing' to 'wondering' and, therefore, generating the future. Risk-taking behaviours must be ritually performed to regenerate thriving organizations.

**The 'E' gene-Expressing:** These are cultures where people have a voice. The primacy leadership step is to elevate dialogue and have healthy conversations. The following three leadership practices should be adopted: keep lines of communication open at all times; share strengths of all individuals; establish an encouraging environment such that informal mentoring takes place; encourage talent development. While not completely ignoring the positional power of leaders, the focus must be on expressing a leadership that removes artificial constraints on individual contributions and instills a

culture of participation. Growing and developing the next generation is a part of leadership DNA.

**The 'S' gene – Spirit of Reinvention:** Spirit exists when people feel connected to each other and to a higher purpose. The following three leadership principles must be adopted — share passion with everyone; establish successful communication; encourage employee and management dialogue. Reinvention is an ongoing process that requires communication to be navigational and motivational. Instilling purpose and passion is a part of leadership DNA.

To conclude, *The DNA of Leadership* is an operating manual for leaders who want to learn how to challenge themselves and transform a work place from an I-centric to a WE-centric environment.

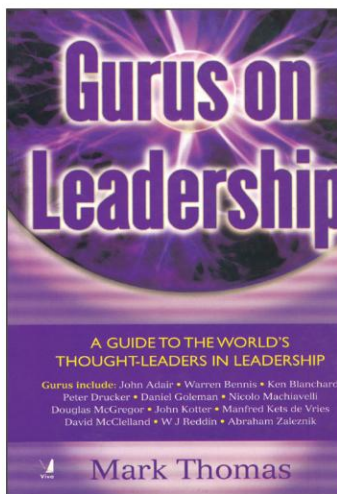


# GURUS ON LEADERSHIP

A GUIDE TO THE WORLD'S THOUGHT  
LEADERS IN LEADERSHIP

## THOMAS MARK

Viva Books Pvt Ltd., 2008.



In the last few years, many high profile companies like Enron, World Com., Lehman Brothers, Goldman Sachs, and a host of others, have been let down by their leaders. These leaders have abused power, resorted to bullying and intimidation and played a distorted and negative role on account of their extreme arrogance and limitless ambition combined with avarice and unbridled greed. The author begins with an introductory chapter that delves into the several such recent scams that have hit the once reputed companies and forced stakeholders of business to revisit the very fundamentals of doing business in a world where “trust” is at its lowest ebb. The author in *Gurus on Leadership* further touches on scandals in public services such as healthcare and in political life. Though the examples are mainly from the UK, it is evident that such incidents are happening anywhere! The author’s anguish is evident as he recounts some of the most unethical of practices by established medical practitioners and the intimidation faced by those who acted as whistle blowers to expose these scandals.

Do the recent corporate and other public scandals signal the emergence of a serious leadership crisis? Is this a malaise of the 21st century that we must confront? “Today the business world is obsessed with leadership”, says the author and this as he points out is reflected in the huge sums companies spend for leadership training. Yet a ready solution remains elusive. But there is no denying the fact that leadership issues affect us all, all the time, whether it’s in the world of business enterprise or the larger society

in general. Interestingly, the first chapter that follows the Introduction is subtitled: "Where Have All the Leaders Gone?" which is also the title of Lee Iacocca's 2007 bestseller that explores many of the same issues of poor leadership in the U.S. and makes a strong pitch to readers to demand better leadership particularly in public life.

In *Gurus on Leadership*, Thomas Mark finally confines himself to examining leadership in the business world and provides a brief overview of past and current leadership thinking. It gives the reader an insight into the personal attributes and strategies that contribute to the making of a great leader. The author stresses the fact that great and path breaking leaders are those who can inspire, motivate and set forth a vision which will broaden the mental horizons and creativity of their followers.

This book follows a very simple format as it tries to encapsulate the main thoughts or principles enunciated by the top twenty leadership Gurus of the world. The thought leaders include, among others, well known names such as Warren Bennis, Peter Drucker, Paul Hersey, John Kotter, Abraham Maslow, David McClelland, Ken Blanchard and Douglas McGregor. In each case, we first get a brief background of the thought leader and this is followed by the section "What is he famous for?" After a discussion of the main principles and thoughts contributed by the thought leader, there is a brief list of essential reading including the main works by the leader or guru.

In almost all cases, Thomas illustrates from the books and articles written by the thought leader. He takes pains to recall the well known thoughts of each leader for us. For example, in the profile of Warren Bennis, the author narrates succinctly the main contributions of Bennis to the modern understanding of Leadership. Bennis believed that a true leader creates an inspiring vision, and being an excellent communicator, can motivate his team to deliver and actualize that vision. Bennis was also the first to differentiate between managers and leaders by stating that while the manager knows how to run things efficiently, the leader is concerned with the long term destination, goal, and mission of the organization. From him we have the oft-quoted famous line: *"Leaders are people who do the right things; managers are people who do things right."* Another equally memorable line from Bennis is quoted: *"I tend to think of the differences between leaders and managers as the differences between those who master the context and those who surrender to it."*

Similarly, John Kotter is presented as the Guru of Change Management. John Kotter believed that leadership is about coping with change that is inevitable in organizations. To achieve that, a leader must effectively communicate his vision to his co-workers and ensure that the vision is delivered. To bring about change, the leader must also inspire and motivate the workers towards a better and higher performance. A change-creating leader encourages the workers to accomplish more by constantly giving them opportunities to achieve results thereby boosting their self esteem. Like Warren Bennis, Kotter also differentiates between managers and leaders and states that most organizations end up being over managed and under led. It is to the author's credit that he is able to cover so much ground in leadership thought in just about 160 pages.

The list of thought leaders taken up by the author would come as no surprise for typical management students. However, one name stands out: Niccolo Machievelli, the 16th century author of *The Prince*. "Machivellian" is not exactly a sobriquet any leader would like to hear for himself. Yet the author includes him for discussion with the firm belief that the 16th century writer is very relevant today, if not as a model for emulation, at least as a writer who looked at the darker aspects of leadership and survival. There is no arguing that these dark aspects have often come out starkly in modern times whether we talk of corporate leaders or those in public office.

In the Third Section, we have in the Leadership Toolbox a very focused chapter that provides useful points on the distinction between Leader and Manager, Leader Competencies, and a checklist of Personal Characteristics among other things. The fourth and final chapter is on "Leadership Quotes" always a favourite with readers.

This is a very useful book not only for students of management but also young practitioners who want to quickly revisit the conceptual framework behind different leadership theories and principles.



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