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EDITORIAL
Leadership Development

Able, effective and efficient management is necessary for success of an organization. Ability, effectiveness and efficiency of management depends on availability of leadership in the organisation. All the leaders need not be good managers but all the managers, for to be successful, should possess leadership qualities.

Then the question arises "what is leadership", which is a very difficult question to answer though it appears to be easy. There are a number of definitions on the term 'leadership'. However, exhaustive definition is not available. In spite of existence of a number of definitions on leadership, something remains uncovered, unexplored and unexplained.

The essence of the definitions is that leadership is an art, a capability, a quality, a human action and a process by which an executive directs, guides and influences the work of others and stimulates people to strive willingly to attain organizational objectives. Leadership is identified by the qualities, traits, talents and skills possessed by a person. 'Leadership' is a concept whereas 'leader' is a person. The person who exhibits leadership qualities is a leader. Leader envisions, encapsulates and establishes direction. Leader gains commitment of, organizes, motivates and leads the followers. Leaders strive to accomplish goals of the organization. In business and industry leaders play a vital role.

Some say leaders are born but some others believe that leaders can be made. "Are the leaders born or made" is a controversy that remains unresolved. Lot of research has been done and many discussed this question but there is not much agreement over this. Existing research gleanings provide some information useful to trace the roots of leadership.

In a majority of cases, genetics and early family experiences play a significant role in the development of the personality, intelligence, qualities, skills and character necessary to lead others. But a great majority of the researchers today believe that the origins of leadership go beyond the in born qualities and family background. Other factors like work experiences, hardship, opportunity, education, role models and mentors go a long way in making a leader.

Current research suggests that experience on the job plays an important role in making a leader. Challenging work assignments; training and development to acquire skills and to broaden knowledge base; provision for useful work experiences; working with visible role models; mentoring and/or coaching by seniors; early recognition of the talent, availability of opportunity, encouragement, recognition and incentive will certainly contribute for the development of leadership. Challenging work assignments develop self-confidence, training and development or learning systems in the organization broaden the knowledge base, experience makes man perfect, early recognition of the talent enthuses the individual, recognition and incentive motivates and one tries to prove himself if an opportunity is given.

Organizations which are poised for growth recognized the need for leadership development and started organizing leadership development programmes. Leadership must be understood as a product of birth, early environment, experience and opportunity. Birth and environmental factors remaining constant leadership can be developed by giving effective and real time training. Training must be designed to develop leadership traits, qualities and skills; to improve the conceptual capabilities; and to arouse and awake the leader within. Hence there is need to carefully design and organize the leadership development programmes in the business and industrial organizations for the purpose of ensuring success. If organizations develop leaders, leaders in turn will develop the organizations.

Editor

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Leadership - Explore, Empower and Excel

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Abstract: *Leadership is the art of accomplishing more than what the management says. So the excellence of management gets reflected in leadership. Human beings are born leaders. Every individual is endowed with certain leadership traits and talents. The first trait of a leader is to recognize his own or her own talents and recognize the talents of his followers/subordinates. Leadership is also an organizational function. As an organizational function, it must strive for the achievement of the goals of the organization. Leadership is a capability, a quality and a process by which an executive directs, guides and influences the work of others and stimulates people to strive willingly to attain organizational objectives. All kinds of people can be leaders just as all kinds of people can be led. The second point is that all the work performed by leaders is not management work. A good manager must be an effective leader but an outstanding leader need not be a good manager. People and purpose are the basic aspects of leadership. Hence leadership is leading people with a purpose to achieve a determined goal. The key to effective leadership is human relations. Hence a leader should be conversant with the basic principles, concepts and techniques of human relations. The first step to understand human relations is to understand one's own self. In this article, definition of the term leadership; basic steps required to be performed by the leader; behavioural patterns of a leader; theories of leadership learned from epics; leadership traits, skills and styles have been discussed. Leadership quotes of Peter F Drucker, some of the definitions of leadership, advice on leadership by Bhishma to Pandavas, Colin Powell's 18 leadership principles, profiles of some of the great leader are given in appendix.*

Key Words : *Craftsmanship, Entrepreneurship, Leader, Leadership, traits, positive perception, persistence, endurance, communication, accessibility*

Introduction

In common usage we come across many words such as –Workmanship, Craftsmanship, Sportsmanship, Salesmanship, Statesmanship, Entrepreneurship, Scholarship, Leadership, etc. The last four letters in all these words-'ship' is common. This enthused us to explore further on why it is used. We have been told by a friend that whenever you refer to excellence, the word 'ship' is used as last part. Peter F. Drucker felt that 'Leadership is the art of accomplishing more than the science of management says is possible'. So the excellence of management gets reflected in

leadership. The ideas of Drucker on leadership are presented in Appendix 1.

Is leadership a personal quality or an organizational function? To me, it is both. Every person is a leader by birth. The biological process tells us that the conception takes place after a big race among the millions of spermatozoa and the winner sperm fusing with the ovum. Therefore, human beings are born leaders. It is a tragedy that many learn later to lose. Every individual is endowed with certain leadership traits. No individual is devoid of talents. It is not an exaggeration to say that a human being is a store house of talents. Some talents are recognized by one's own self and some others are recognized by the people around. The first trait of a leader is to recognize his own or her own talents and recognize the talents of his followers/subordinates. Many a leader fail in this very first step. All people

at the top must realize that they have to explore first their talents of leadership, empower their followers and lead to excellence in whatever they do. Leadership is also an organizational function. There are many instances of good personal leadership and bad organizational leadership. Leadership, as an organizational function, must strive for the achievement of the goals of the organization.

What is Leadership?

Simply stated, leadership is the capability to motivate the followers/people to perform their best to achieve the chosen goals. Leadership is lifting of a man's sights to a higher vision, the raising of man's standard to a higher performance, the building of a man's performance beyond its normal limitations. Chester Bernard viewed leadership as the quality of behaviour of individuals, whereby they guide people or their activities in organized efforts. Theo Haimann defined leadership "as the process by which an executive imaginatively directs, guides and influences the work of others in choosing and attaining specified goals by mediating between the individuals and the organization in such a manner that both will obtain maximum satisfaction". James Cribbin stated

"Leadership is a process of influence on a group in a particular situation at a given point of time and in a specific set of circumstances that stimulates people to strive willingly to attain organizational objectives, giving them the experience of helping attain the common objectives and satisfaction with the type of leadership provided". Like these, there are innumerable definitions of leadership; some of them are presented in Appendix 2.

Leadership is the process and the person is the leader. Louis A Allen, in his popular book entitled 'Management & Organisation' states, "A leader is one who guides and directs other people". Because he has other subordinates to him and subject to his command, the leader must give their effort, direction and purpose.

How does the leader provide direction?

Here we must establish two points. First, leadership is a kind of work. It is not the exudation of special psychic quality or the exercise of a unique combination of personality traits. All kinds of people can be leaders just as all kinds of people can be led. The second point is that all the work performed by leaders is not management work. This explains why, although a good manager must be an effective leader, many outstanding leaders have, in fact, been exceedingly poor managers." Countries which neglect management and leadership lag behind in development according to Peter F Drucker. Stanford Research Institute of USA investigated in 1980s as to why the Japanese are forging ahead of the Americans inspite of the fact that Japan does not have many business schools than in America. It was found that USA ignored good leadership. It even indicated that 12 per cent of effective management is knowledge and 88 per cent is dealing appropriately with people. People and purpose are the basic aspects of leadership. A leader must have people to lead. He must always be conscious that he is leading people but not a herd or a physical mass or a cluster of inanimate objects. He must also understand the composition of his followers, their ambitions, aspirations and anxieties. At the same time, the leader must be fully aware of the purpose of the organization and the goals to be achieved. Hence leadership is leading people with a purpose to achieve a determined goal. The other aspects of leadership are money, machines, maintenance, materials, methods, modernization and markets.

What a Leader Should Know?

The key to effective leadership is human relation. As such, a leader must be conversant with the basic principles, concepts and techniques of human relations. The principles include physical composition, psychological structure, phases of growth, influences, experiences, etc. The interpersonal relations, individual behaviour, group dynamics, etc. are some of the techniques of human relations. A leader can perceive these principles, concepts and techniques through training, observation, experience, interpretation, interpolation, etc. The first step to understand human relations is to understand one's own self as taught by Lord Krishna to Arjuna on the Kurukshetra battle front. People are people wherever they are and whatever they are. Human

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behaviour is so delicate that it is highly sensitive to physical and psychological environment.

What a Leader Should Do?

A leader has to collect and collate the efforts of his followers to achieve a common goal. The leader has to first of all strongly believe that there are talents in others. He must realize and recognize the talents in others. Some are obvious talents and some others are hidden. It is very easy to extract the best out of a machine but it is very difficult to get the best out of a man. The subordinates have to be motivated to give their best efforts. This motivation depends on many a factor such as structure of the organization, policies, procedures, nature of the job, interpersonal relations, etc. There are instances of expert personnel achieving no result in certain organizations, mainly because of lack of team work. Proper communication is the one important factor in motivation. Motivation is the inner drive, impulse or intention that causes a person to do something or act in a certain way. The key subjects of motivation are to make the job itself so interesting that it becomes its own reward and to create an environment in which employees find opportunities for personal growth and satisfaction. Communication at the basic level means passing information but at the complex level, it means motivating and influencing communication spans all the managerial functions. It is a means of securing integration and coordination. It is common knowledge that a leader spends 90 per cent of his time sending or receiving information. There are many communication barriers such as the complexity of organizational structure, status and position, language, resistance to change, emotional reactions, deep rooted feelings and prejudices, physical conditions, etc. An effective leader has to overcome all these barriers through proper means such as feedback, empathy, patient listening, etc.

The leader is responsible for the growth and development of his subordinates. Training is an important input at all levels and in all spheres to be given to all. The leader has to identify the training needs and design the training programmes accordingly. The basic steps required to be performed by leader are as follows:

Establish who is in charge
- people must trust you and accept you as authority figure.
- Gain credibility.

Know what you want to accomplish
- Define your own goals and the organization's.
- Plan

Know what you want each person in the team to accomplish
- Set realistic goals and not targets.
- Measure achievement.

Let people know what you expect
- Communicate with the group.
- Never assume people know or don't want to know.

Find out what your employee wants for himself
- What needs does he have?
- What motivates him?
- Listen to what he says.

Find out what your employee expects of you
- Listen
- Listen

Take being a role model seriously
- Never undermine authority
- Act as you require others to act.

Expect others to be self-motivated but don't count on it
- Major part of your responsibility is to motivate the employees

Understand that the quality of your leadership is determined by the methods you choose to motivate others
- Think before you react.

Behavioural Patterns of Leader

An effective leader has to behave in the following definite nine ways, all at the same time.

Leading is a job for the calm and level headed who can care others.

1. Initiation—the leader initiates and facilitates new ideas and practices.

2. Membership—the leader mixes with the group, stresses informal interaction between him and members or interchanges personal services with members.

3. Representation—the leader defends the group against attack, advances the interests of the group and acts on behalf of the group.

4. Integration—the leader subordinates individual behaviour, encourages a pleasant group atmosphere, reduces conflict between members and promotes individual adjustment to the group.

5. Organisation—the leader defines or structures his own work, the work of others and the relationships among members in the performance of their work.

6. Domination—the leader restricts the behaviour of individuals or the group in action, makes decisions and expresses opinions.

7. Communication—the leader provides information to members, seeks information from them, facilitates the exchange of information and shows awareness of any matter relating to the group.

8. Recognition—the leader behaves in such a way that either expresses approval or disapproval of the behaviour of group members.

9. Achievement—the leader sets levels of effort or achievement, or prods members for greater effort or achievement.

The ideal leader has the support of the members of his group in every dimension of his activity.

Theories of Leadership

Modern research on leadership in the West and the East has led to formation of many theories on leadership. Most of them originated from USA.

A glance through our Indian epics reveals that there have many such theories, not named as such theories, but lessons of leadership. Advice on leadership was given almost more than 5000 years ago by Bhishma to Pandavas from his Bed of Arrows (See Appendix 3). Kautilya's Arthasastra has many facets of leadership for the benefit of rulers. However leadership theories as such stated are from the modern research studies of the western universities during the last 75 years. I only make a mention of those theories very briefly for want of time to deal them at length.

1) Great Man Theories

   • Capacity for leadership is inherent Great leaders are born, not made.

   • Portray great leaders as heroic, mythic, and destined to rise to leadership when needed.

   • The term 'man' was used, initially leadership was thought primarily as a male quality, especially in terms military leadership.

2) Trait Theories

   • People inherit certain qualities and traits that make them better suited to leadership.

   • Often identify particular personality or behaviour characteristics shared by leaders.

   • Fail to explain how some people possessing these traits are not leaders.

3) Contingency Theories

   • Prominent of them are Fiedler's Least Preferred Co-worker(LFC) Theory, Cognitive Resource Theory, and Strategic Contingencies Theory,

   • Focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation.

   • No leadership style is best in all situations.

   • Success depends upon a number of variables including the leadership style,

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qualities of followers and aspects of the situation.

4) Situational Theories

- Prominent among them are –Hersey and Blanchard's Situational Leadership, Vroom and Yelton's Normative Model, and House's Path-Goal Theory of Leadership.

- Leaders choose the best cause of action based upon situational variable.

- Different styles of leadership may be more appropriate for certain types of decision making.

5) Behavioural Theories

- They are the Managerial Grid Theory of Robert Blake and Jane Mounton and the Role Theory.

- Based on the belief that great leaders are made, not born.

- Rooted in behaviourism, focuses on the actions of leaders, not on mental qualities or internal states.

- People can learn to become leaders through teaching and observation.

6) Participative Theories

- Prominent of them are Lewin's Leadership styles and Likert's Leadership styles.

- Suggest that ideal leadership is one that takes the inputs of others into account.

- Leaders encourage participation and contribution from group members.

- Help group members feel more committed to the decision making process.

- The leader however retains the right to allow the input of others.

7) Transactional Theories

- The basic such theory is Leader-Member Exchange(LMX) theory

- Focus on the role of supervision, organization and group performance.

- Base leadership on a system of reward and punishment

8) Transformational Theories / Relationship Theories

- These theories include Boss Transformational Leadership theory, James, MacGregor Burn's Transformation Leadership Theory, and Kouzes and Posner's Leadership Participative theory.

- Focus upon the connections formed between leaders and followers.

- Leaders motivate and inspire group members making them to feel the importance of higher good of the task.

- Leaders have high ethical and moral standards.

- Focus on group performance, at the same time, each person in the group to fulfill his or her potential.

9) Charismatic Leadership Theory

- People become leaders because of their personal abilities and charisma they possess in the eyes of the public. This particularly holds good in politics and religion.

10) Social Learning Theory

- People become leaders after being trained by the external and internal forces.

- Relevant theories are Theory 'X' and Theory 'Y' stated by Douglus Mc Gregor. Theory 'X' states "The average human being has inherent dislike of work and will avoid it if he can… and prefers to be directed, wishes to avoid responsibility, has little ambition and wants security above all. Most people must be coerced, directed, and threatened with punishment". Theory 'Y' states "Physical and mental effort in work is as natural as play or rest. External control or threat of punishment are not the only means for bringing about effort towards organizational

objectives. The average human being learns, under proper conditions, not only to accept but to seek responsibility".

Leadership Traits and Skills

In 1936, two researchers by name G W Allport and Odburt in their study on "Trait Names- A Psychological study" gave 17000 list of words to describe personality. In 1940, Professor C.Bird of the University of Minnesota, USA, after conducting 20 leadership investigations said that only five per cent of traits appear in three or more of the lists. In 1970's, Fortune Business Survey of 75 top business executives listed 15 executive leadership qualities-Judgment, Initiative, Foresight, Energy, Drive, Human relations skill, Decisiveness, Dependability, Emotional Stability, Fairness, Ambition, Dedication, Objectivity, Integrity and Cooperation. According to Ordway Tead, there are ten qualities that are essential for effective leadership. They are-Physical and Nervous Energy, A sense of purpose and direction, Enthusiasm, Friendliness and Affection, Integrity, Technical mastery, Decisiveness, Teaching skills, and Faith. Chester Barnard has listed nine traits as very important leadership qualities. They are-Physique, Skill, Technology, Positive perception, Knowledge, Determination, Persistence, Endurance, and Courage. A leadership expert coined an acronym-CERTIFICATE- describing the important leadership qualities which include Confidence, Enthusiasm, Reliability, Timeliness, Information, Friendliness, Inspiration, Communication, Accessibility, Team Work, and Encouragement.

Based on the studies made by many experts, we have listed the following 50 leadership attributes as the essential qualities required by an ideal leader:

1. Ambition.
2. Integrity.
3. Enthusiasm.
4. Imagination.
5. Willingness to work hard.
6. Willingness to work long hours.
7. Analytical ability.
8. Understanding the needs of the followers.
9. Ability to spot opportunities.
10. Ability to meet unpleasant situations.
11. Adaptability for change..
12. Audacity (willingness to take risks).
13. Communication abilities-verbal, oral, body language, inside and upside.
14. Aiming maximum with minimum.
15. Openness,
16. Consistency.
17. Decision making –Right and Timely.
18. Impartiality.
19. Curiosity.
20. Reasonable span of management capability.
21. Capacity for abstract thought.
22. Physical and Nervous energy.
23. Sense of purpose and direction.
24. Friendliness and affection.
25. Self confidence.
26. Positive perception.
27. Punctuality.
28. Accessibility.
29. Acknowledgement and Encouragement.
30. Intelligence.
31. Vision and Foresight.
32. Maturity (High frustration tolerance).
33. Clarifying ability.
34. Simplifying ability.
35. Responsibility.
36. Loyalty to the organization.
37. Character (role model to be emulated).
38. Humility.
39. Willingness to sacrifice.
40. Willingness to admit mistakes.

41. Passion for growth.

42. Compassion for the needy.

43. Versatility.

44. Technical mastery.

45. Realism.

46. Optimism.

47. Speed of reaction.

48. Team work.

49. Humour.

50. Tact.

These are only suggestive list of leadership qualities which need to be expanded with reference to situations.

Henry Mintzberg in his book 'The nature of Managerial Work, classified the leadership skills into eight major categories as follows:

• Peer skills-the ability to establish and maintain a network of contacts with equals.

• Leadership proper skills-the ability to deal with subordinates and the kind of complications that are created by power, authority and dependence.

• Conflict-resolution skills-the ability to mediate conflict, to handle disturbances under psychological stress.

• Information- processing skills- the ability to build networks, extract and validate information, and disseminate information effectively.

• Skills in unstructured decision making- the ability to find problems and solutions when alternatives, information, and objectives are ambiguous.

• Resource-allocation skills-the ability to decide among alternative uses of time and other scarce organizational resources.

• Entrepreneurial skills-the ability to take sensible risks and implement innovations.

• Skills of introspection-the ability to understand the position of a leader and his impact on the organization

In one of the seminars on leadership I attended , a participant said 'if you are active, inspire others to dream more, learn more, do more and become more, you are a leader'.

Leadership Styles

There are many styles of leadership. Rensis Likert of University of Michigan categorized the leadership styles as Exploitative Authoritative (highly Aristocratic), Benevolent Authoritative (Carrot and stick), Consultative, and Participative (Democratic). Several classifications emerged in course of time. Leaders have been classified as Bureaucratic, Dictatorial, Autocratic, Task oriented, People oriented, Laissez-faire, Democratic, Meritocratic, Servant, Transactional, Transformational, etc. Every type of leadership has got its own advantages and disadvantages. Leadership varies from situation to situation. In one situation, the leader may be a dictator and in another the same leader may be a democrat. Each situation may warrant a particular type of trait and a style of leadership. Therefore it cannot be said that there is one single best type of leadership. It is ever changing phenomenon. It changes from place to place, group to group, situation to situation, and organization to organization. Leadership is a great mission. Leadership depends upon many variables like the leader's characteristics, the followers' attitudes, the organisation's characteristics such as its basic purpose, habits, customs, traditions, structure, nature of task performed, etc. and finally the social, economic and political milieu.

The bureaucracy of an organization sets a great limit to leadership, the procedures, policies, programmes, etc., of the organization have an influence on the leadership. There may be clash between personal traits and organizational needs. Organisations, at times, demand conservatism while leadership may opt for liberalism. The power struggle impedes the leadership qualities. The complexity of goal such as organizational goals, group goals, followers' personal goals and leader's personal goals may lead often to conflicts and clashes.

General Colin Powell as the Chairman of the Army Forces of USA gave many worthwhile

leadership principles, briefly presented in Appendix 4. For the benefit of students, brief sketches of Buddha as a noble leader and Mahatma Gandhi as a leader of the masses are given in Appendix 5 and 6. Lord Vinayaka also known as Ganapathi portrays many leadership qualities in his physical structure presented in Appendix 7.

Conclusion

Leader is one who leads, therefore, initiative is the basic trait. Leader has people to lead and hence he has to understand the basic psychology of the human beings. Leader has a purpose and hence his actions must be goal oriented. Leadership is an ever changing phenomenon and therefore the leader must keep abreast of changing concepts and conditions. The type of leader required depends upon the stage of the life cycle of the organization. At the inception stage, you need an inventor. During growth, you need a catalyst. For future, you need a developer. During prime stage, you need a performer. At maturity stage of the organization, you need a protector. For renewal, you need a challenger who serves as an organizational harbinger announcing trends, looking at evolving circumstances or examining ramifications to prepare for the future.

APPENDIX 1

Leadership Quotes By Peter F Drucker

- Management is doing things right-Leadership is doing the right things.

- Effective leadership is not about making speeches or being liked; leadership is defined by results and not attributes.

- Leadership is not magnetic personality-that can just as well be a glib tongue. It is not 'making friends and influencing people'- that is flattery. Leadership is Lifting a person's vision to higher sights, the raising of a person's performance to a higher standard, the building of a personality beyond its normal limitations.

- The leaders who work most effectively, it seems to me, never say 'I'. And that is not because they have trained themselves not to say 'I'. They think 'We'; they think 'team'. They understand their job to be to make the team function. They accept responsibility and don't sidestep it, but 'we' gets the credit…This is what creates trust, what enables you to get the task done.

- No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings.

- Never try to be an expert if you are not. Build on your strengths and find strong people to do the other necessary tasks.

- Learn to say 'no' when you need to say 'no'.

- Use Technology-it is cheaper than traveling.

- Do not always be a prisoner in your organization. Have a secret office elsewhere to do more work of your organization.

- Do not be happy with EDPs. Have Character Development Programmes(CDPs).

- Too many leaders try to do a little bit of 25 things and get nothing done. They are very popular because they always say 'yes', but they get nothing done.

- I tell my clients that it is absolutely imperative that they spend a few weeks each year outside their own business and actively working in the market place, or in a university lab in the case of technical people. The best way is for the CEO to take the place of a salesman twice a year for two weeks.

- A critical question for leaders is "when do you stop pouring resources into things that have achieved their purpose?"

- Great leaders find out whether they picked the truly important things to do. I have seen many people who are exceedingly good at execution, but exceedingly poor at picking the important things. They are magnificent at getting the unimportant things done. They have an impressive record of achievements on trivial matters.

- Effective leaders check their performance. They write down, 'What do I hope to achieve

if I take on this assignment?' They put away their goals for six months and then come back and check their performance against goals. This way, they find out what they do well and what they do poorly.

• Successful leaders make sure that they succeed. They are not afraid of strength in others.

APPENDIX 2

Some Definitions of Leadership

• Leadership is a relation between those who aspire to lead and those who choose to follow.-Kouzes & Posner

• Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.-Northouse

• Leadership is the influencing process of leaders and followers to achieve organizational objectives through changes.-Lessier &Achua

• Leadership is the behaviour of an individual directing the activities of a group to –word a shared goal.-Hemphill & Coons

• Leadership is the influencial increment over and above mechanical compliance with the routine directives of the organization.-D.Katz & Kahn

• Leadership is the process of influencing the activities of an organized group toward goal achievement.—Pauch & Behling

• Leadership is a process of giving purpose to collective effort and causing willing effort to be expanded to achieve purpose.-Jacobs &Jacques

• Leadership is the ability to step outside in the culture to start evolutionary change processes that are more adaptive.-E.H.Schein

• Leadership is process of making sense of what people are doing together so that people will understand and be committed.-Drath & Pauls

• Leadership is about articulating visions, embodying values, and creating the environment within which things can be accomplished.-Richards & Engle

• Leadership is the ability of an individual to influence, motivate, and enable others to contribute toward the success of the organization.-House et all.

• Leadership is the ability of developing and communicating a vision to a group of people that will make that vision true.-Kenneth Valenzuela

• Leadership does not involve changing the mindset of the group, but the cultivation of an environment that brings out the best and inspires the individuals in that group to do what needs to be done.-Arthur F Carmazzi

• Leadership is ultimately about creating a way for people to contribute to making something extra-ordinary happen.-Alan Keith

• Leadership is the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task.-Unknown

• The only safe ship in a storm is leadership.-Faye Wattleton

• Instant with the premise that the function of leadership is to produce more leaders, not more followers.-Ralph Nader

• Inventories can be managed, but people must be led.-H Ross Perot

• A community is like ship; everyone ought to be prepared to take the helm.-Henrik Ibsen

• Leadership involves finding a parade and getting in front of it.-John Naisbitt

• The key to successful leadership is influence, not authority.-Kenneth Blanchard

• You do not lead by hitting people over the head-that is the assault, not leadership.-D Wright D Eisenhower

• The art of leadership is saying no, not yes. It is very easy to say yes.-Tony Blair

• The finest test of a leader is that he leaves behind him in other men the conviction and the will to carry on.-Walter Lippman

APPENDIX 3

Advice on Leadership by Bhishma to Pandavas almost 5000 years ago

The earliest recorded treatise on good leadership is more than 5000 years old. When we read it carefully, we realize that it may well have been articulated for leadership in today's world. It is relevant to note this famous advice on how to be a good and effective leader at the outset.

Well before 3000 B C, a fierce battle depicted in Mahabharatha epic was fought in India on the battlefield of Kurukshetra, not too far from the modern capital of India-Delhi. It was a bloody conflict, fought between cousins-Pandavas and Kauravas, in which Pandavas won a total victory. In this battle lasting for 14 days, the Commander-in Chief of the Kauravas was the grand old man named Bhishma who, at the age of 116 years, was loved, respected and revered by the ruling elite of both the warring sides-such was the stature of this great leader. He was severely wounded in the battle and after his defeat he was lying on the Bed of Arrows (Ampasayya) created by Arjuna. Bhishma was waiting to die at his will in Uttarayana Punyakala.

Krishna, the divine guide and strategic adviser of Pandavas, took them to pay homage to Bhishma. Abandoning their chariots some distance away, they silently walked to Bhishma. Krishna then spoke to him at length praising his great valour and sacrifice. He finally requested Bhishma to teach Yudhistara, the eldest of the Pandavas, the art of leadership to rule the vast kingdom he had won in the battle. In slow, but firm whispers, the grand old bhishma spoke thus:

- You want to learn the art of being a leader to rule your kingdom well. I will tell you everything my child. It was taught to me by my great masters, and I will impart it to you.

- It is not easy to rule well, and a king's one worldly duty is to rule well. It is action which shapes destiny, and not the other way around..

- A king's highest duty is to the Gods; next of equal importance is Truth; Truth is the highest refuge; all the world rests on Truth.

- A king's conduct should be above reproach. Self restraint, humility, righteousness and strait-forwardness are essential for his success. He should have his passions under perfect control.

- There is a danger in mildness. The king should not be too mild, or he will then be disregarded. The people will not have enough respect for him, and his word. He must also avoid the other extreme, being too stringent, for then the people will be afraid of him, which is not a happy state affairs.

- Compassion must be part of his mental make-up, but he must guard against displaying a too-forgiving nature, for then he will be considered weak by low men who will take advantage of him.

- Alertness is essential. He must study his friends and foes all the time.

- His first duty is to help his people. He should take care of them with no thoughts of pleasing himself, subordinating his own wishes and desires to those people. He should guard them as a mother guards her children.

- The king needs to be careful not to place implicit confidence in anyone. He should keep his innermost thoughts concealed from even his nearest and dearest.

- You need to know when to seek protection in your fort when your position is weak. And you should be ready to make peace with a foe who is stronger.

- Be pleasant in speech.

- Surround yourself with people of like nature, who have qualities that are noble. The only difference between you and your officers is the white umbrella signifying your higher office.

- The people should live in freedom and happiness, as they do in their father's house. The very essence of your role is to protect the people and their happiness. It is not easy to secure people's happiness. You need to use diverse methods. Skill, nimbleness and truth, all three are important.

- Pay attention to the state of kingdom. Old and shabby surroundings are symbols of disregard. Renovate, to win good opinion.

- Know how to use the powers of punishment, and do not hesitate to use them on miscreants. People are often led by chastisement. Know, then, the science of chastisement.

- Self-interest is the most powerful factor in the life of everyone. No one is dear to another unless there is some gain involved.

- The treasury should always be full.

- Supervise the work of all your officers yourself.

- Never trust the guardians of the city or fort implicitly.

- Do things in secret from your enemies. You can never protect the kingdom by candour or simplicity. You should be both candid and wily.

- A king who is honoured by his subjects will naturally be respected by his foes, and will be feared by them also.

- Nothing, not even the smallest act, can be accomplished by a single man. He has to have assistance.

- The king should be very careful. Wicked people may appear honest; honest ones may appear dishonest. The honest person can become dishonest, for no one can always be of the same mind.

- No one should be trusted completely. And yet, a want of trust is also wrong. The policy is, trust but verify.

- Harbour no malice, absolutely none, in your heart.

- Dharma (right conduct) is the watchword of a king. Nothing more is powerful. To the extent you yield or diminish dharma, to that degree disintegration sets in.

- Death is nearing every creature every moment. What you have planned to do tomorrow must be done today forenoon.

Having said all that he had to say, Bhishma smiled faintly and closed his eyes; a signal for Pandavas to leave.

(Source: 'Sai Baba's Mahavakya on Leadership' by Lieut Gen (Retd.) Dr. M.L. Chibber, published by Satya Sai Books & Publications Trust, 1993.)

APPENDIX 4

Colin Powell's 18 Leadership Principles

1. Real leaders make themselves accessible and available.

2. Keep looking below surface appearances. Don't shrink from doing so just because you might not like what you find.

3. By treating everyone equally 'nicely' regardless of their contributions, you will simply ensure that the only people you will wind up angering are the most creative and productive people in the organization.

4. Don't be afraid to challenge the pros, even in their own backyard. If you have a yes man working for you, one of you is redundant.

5. Never neglect details. When everyone's mind is dulled or distracted, the leader must be doubly vigilant. Good leaders delegate and empower others liberally, but they pay attention to details, every day. The job of the leader is not to be the chief organizer, but the chief disorganizer.

6. You don't know what you can get away with until you try. Good leaders don't wait for official blessing to try out. If you ask enough people for permission, you inevitably come up against someone who believes his job is to say 'no'. So the moral is don't ask.

7. Leaders honour their core values, but they are flexible in how they execute them.

8. Organisation does not really accomplish anything. Plans do not accomplish anything, either. Theories of management do not match matter. Endeavours succeed or fail because of the people involved. Only by attracting the best people, you will accomplish great deeds.

9. Organisation charts and fancy titles count for next to nothing. In well-run organizations, titles are also pretty meaningless. But titles mean little in terms of real power , which is the capacity to influence and inspire.

10. The most important question in performance evaluation becomes not "How well did you perform your job since the last time we met?" but "How much did you change?"

11. Experts often possess more data than judgement. Policies that emanate from ivory towers often have an adverse impact on the people out in the field who are fighting the wars or bringing in the revenues. Real leaders are vigilant – and combative- in the face of these trends.

12. Perpetual optimism is a force of multiplier. Leaders who whine and and blame engender those same behaviours among their colleagues.

13. You can train a bright, willing novice in the fundamentals of your business fairly readily, but it is a lot harder to train someone to have integrity, judgment, energy, balance and the drive to get things done. Good leaders stack the deck in their favour right in the recruitment phase.

14. Great leaders are almost always great simplifiers, who can cut through argument, debate and doubt, to offer a solution everybody can understand. The result? Clarity of purpose, credibility of leadership, and integrity of organization.

15. Once the information is in the 40 to 70 range, go with your gut. Don't wait until you have enough facts to be 100% sure, because by then it is almost always too late.

16. Shift the power and the financial accountability to the folks who are bringing in the beans, not the ones who are counting or analyzing them.

17. Surround yourself with people who take their work seriously, but not themselves, those who work hard and play hard.

18. Command is lonely. You can encourage participative management and bottom-up employee involvement but ultimately, the essence of leadership is the willingness to make the tough, unambiguous choices that will have an impact of the fate of the organization.

APPENDIX 5

Buddha as a Noble Leader

Like the captain of a ship, a leader should have a definite goal. Then he can chart his course and steer his ship in the right direction. Buddha (earlier Prince Siddhartha) after lot of sacrifice and hardship gained Enlightenment. With vision and mission to lead all human beings out of the samsaric cycle of suffering, during his forty-five years of teaching, he always behaved with compassion and love for all sentient beings, regardless of race, creed, or status. He was virtuous, extraordinary and righteous in every thought, word and deed. As a leader, the Buddha led by example.

He had humble life-style. He advised the rulers of his time (Himself was a prince earlier), highlighting ten principles :

1. Dana-alms giving;
2. Sila-morality;
3. Parricage- unselfishness;
4. Ajjava- integrity;
5. Maddava- gentleness;
6. Tapo- self-restraint;
7. Akkhoda- non-anger;
8. Avihimsa- non-violence;
9. Khanti- patience;
10. Avirodhana- agreeability.

As a leader, Buddha demonstrated skills of mediation and impartiality in judgement. He was a great human resource manager. Taking into consideration the strengths and weaknesses of his followers, he delegated duties in accordance with their abilities and temperament. He categorized people into six types;

1. Those lustful and passionate;
2. Those with hatred and anger;
3. Those with delusion;
4. Those with faith and confidence;
5. Those with wisdom and intelligence;
6. Those with hesitation and doubt.

He showed his appreciation by conferring upon them due respect and recognition. Managerial leaders could learn much from Buddha to develop an effective workforce. Many followers became enlightened after listening to his teachings. 2500 years later i.e. now, Buddha continues to inspire millions of people around the world to follow his path.

APPENDIX 6

Mahatma Gandhi as a Leader of the Masses

John Canning in his book '100 Great Lives' stated-"Many leaders have moved across the modern world stage with much more spectacular flourish and greater aplomb than Mahatma Gandhi. Few have wielded an influence so momentous and so revolutionary on the history of our times." He galvanized the Indian people to wage a war without violence (satyagraha) to win their independence.. Indian independence was the beginning of the end of imperialism and colonialism in the whole world. Gandhi's struggle and success contributed to accelerate the movement of mankind to a new age -'An age of Unity of Man, Global Economy, and the Earth Citizenship'. Gandhi was said to have the wisdom of Socrates, humility of St. Francis, humanity of Buddha, saintliness of the ancient sages, and mass appeal of Lenin. He believed that man is fundamentally a moral and spiritual being. He had profound reverence to all religions. He stated several times that

'Truth is God' and 'God is Truth'. Intolerance, Fanaticism and dogmatism are repugnant to the Gandhian way. He believed in voluntary organization on co-operative lines. He stood for village autonomy and self-sufficiency. He always advocated simple and noble life and dignity of labour. He hated everything that degraded man, for example, untouchability, inferior status of women, child marriage, etc. Neither capitalist nor socialist, he considered that the rich class was the trustees of the national wealth. He never impeded his mind with 'stop' signs. He always propagated the following as seven sins:-Wealth without work; Pleasure without conscience; Business without morality; Science without humanity; Religion without sacrifice; Politics without principles; and

Knowledge without character. He never allowed himself to use wrong means to attain the right ends.

Throughout his life, Gandhi resisted the temptation of power and his goal was 'to be' and not 'to have'. Gandhi enriched politics with principles and ethics. Anyone who wants to become a real leader should read Gandhi's auto-biography-'My Experiments With Truth'.Babu Rajendra Prasad, the then President of India, in his 'Collected Works of Mahatma Gandhi' stated-"No one who takes a dip into Gandhiji's stream of life as represented in this series will emerge disappointed, for there lies in it buried a hidden treasure out of which everyone can carry as much as he likes according to his own capacity and faith". Gurudev Rabindranath Tagore, though differed with him on certain issues, wrote to him after Gandhiji's visit to his house, that he found God's footsteps at his doorstep. Albert Einstein remarked that for generations to come people will wonder whether such a man as this in flesh and blood walked on the earth planet. Jawaharlal Nehru considered him ' a perfect artist' who looked 'kingly' in loin cloth and bare body.

Rajagopalachari, popularly called as Rajaji, found a similarity in the death of Lord Krishna and Gandhiji. Many philosophers world over thought that only Gandhiji's India would show the world a way out of darkness. Let us emulate his ideals of leadership.

APPENDIX 7

Vinayaka – The Supreme Leader

"Suklambaradharam Vishnum; Sasivarnam Chathurbhujam; Prasannavadanam Dhyayeth; Sarva Vighnopa Santhaye".

One of the important characters of our spiritual wealth is Vinayaka-also called Vighneswara, Ganesha, Ganapathi and also known by 108 names and 1000 names. Literally means A SUPREME LEADER. He is without a parallel in prowess, intellectual eminence, philosophical prudence and attainment of perfection. In India, hardly there is a town or village or lane or by-lane without the image of Vinayaka installed in a point of vantage. He is

worshipped at the beginning of any auspious or inauspious rite or occasion like marriage, house warming ceremony, naming ceremony, conferences, seminars, workshops, Akshara bhyasam, and even when performing last rites at the time of cremation of dead bodies. Vinayaka is also worshipped in several other countries and by people of different religions. Vinayaka is the first to be worshipped in Hindu Dharma as a precedence over every other god or Goddess. He is said to be incarnation of Krishna, Shiva and Shakthi. He is Akasa (Ether), subtlest of five premordial tatvas. His physical structure is a combination of an elephant and human trunk.

Vinayaka's physical structure portrays a number of leadership qualities. In fact, the very name Vinayaka means that He is the Supreme Leader i.e., there is no leader above Him. The name 'Ganapathi' means- He is the leader (Pathi) of Ganas (Hosts union of Angels). While many Gods or Goddesses have mostly human form of body, Vinayaka portrays the combination of animal and human, indicating that there are many things that we have to learn from both animals and human beings. His elephantine head reflects many leadership qualities. Elephant is said to be one of the highest state of evolution among the animals as per the Darwin's Theory of Evolution. Elephant is known for dynamism, power, freedom, knowledge, gratefulness, excellent memory, emotional balance, and foresight. The elephant's power and strength are such that it can carry and remove big stones, trees and removes any type of obstacles. The elephant is said to be thick skinned and is not worried to face any problems. As far as loyalty is concerned, no animal can surpass that of an elephant. Dr.S.Radhakrishnan, the great philosopher President of India wrote that an elephant is a path layer, path finder and path leader. Elephantine head represents the following leadership qualities:

Huge Skull : Think Big

Supports Trunk & Tusks

Filled with air spaces& sinuses to lighten it

Cavities allow it to make a low growl (to utter a deep sound) that goes to many kilometers

Broad Forehead : Pleasant appearance, Store house of knowledge, intellect and Wisdom

Big Brain : 5 kilograms-largest weight among living & extinct animals (Human brain considered intelligent weighs 1.4 kilograms)

IMPLIES

• Information storage capacity five time higher than man

• Higher memory power

• Can remember for decades the voices & smells of men

• Can take revenge against those who have done harm to them even after decades

• Can distinguish people hunting them or for other purposes

• Can recognize bones of any animal

• Can know how their physical structure is

• Can recognize their reflections in a mirror

Big Ears : Listen patiently to new ideas and suggestions-

Networked with blood vessels to regulate temperature

Blood is cooled as it flaps its ears

Small Mouth : Speak less and Eat less

Narrow Eyes : Deep concentration for task completion Foresight

Big Nose(Trunk) : Able to poke around inquisitively to grasp different things

: Accessible to followers

	:	Capability of sensing even minute things even from a long distance
	:	Can uproot trees and carry big loads
	:	Small triangular finger at the end enables easy grasping
	:	Can hold six litres of water, often used as a flexible shower hose
Ekadanta + one	:	Reflect pain and gain/ pleasure and sorrow
broken Tusk	:	Crativity of writing Mahabharatha from Sage Vyasa
	:	Using it as a weapon to kill Mushikasura
	:	Tusks grow although life while inner teeth stop growing after a point of time

The human trunk of Vinayaka too represents many leadership qualities. Briefly they are as follows:

Lambodara	:	Denotes patience, excellent digestive power and capacity to absorb
(Big Belly)	:	Digest properly the voluminous food of information by Listening more, keep the desirable and leave the undesirable
Four Arms	:	Denotes Creativity and ability to solve any problem by means of 'Saam'(peaceful approach), 'Daam (by offering money), 'Danda' (by inflicting punishments), and 'Bheda' (by creating differences)
Book in one Hand	:	Knowledge
Weapon	:	Defensive strength
Lotus	:	Selfless flower with its character qualities
Modaks	:	Best food material made up Rice flour, jaggery, Gingili seeds, steam cooked without oil
	:	Prasadam distributed to followers indicating fair distribution of accumulated prosperity
Serpents–Sacred Thread	:	Reflects Creative Knowledge
Ornaments around shoulders and belly	:	implies dangerous followers be controlled and be made ornaments
Small Legs	:	Firm, balanced and steady progress towards goal
Mouse	:	One of the smallest creatures-big or small does not matter to leader
		Achieving gigantic tasks with limited means
		An instrument in IT serving as a window to the world
Wooden Square	:	Bringing Globe into your home
		One has to be a global oriented leader
Wives-Siddhi & Buddhi	:	Not fleshy human wives
		Siddhi as Fulfilling capability
		Buddhi as wisdom
Childern-2 sons	:	Lakshyam(Goal)
1 daughter		Labham(Profit)
	:	Santhoshi Matha (Happiness)
A Common Man	:	Icon made up of clay or turmeric
God	:	Prayed with widely available herbal leaves and unripe fruits

O LORD VINAYAKA! BLESS ALL OF US WITH YOUR LEADERSHIP TRAITS

Parent Brand Effect on the Success of the Brand Extension-A Case Study of Nestlé's Maggie

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Abstract : *Brands are competing in the market to occupy the right space in the minds of the consumers and in the race an extended brand draws heavily from the parent for its success. There have been several instances, across the world, of both failure and success of brand extensions. This paper attempts to document the case of Nestlé's extension from its parent brand Maggie to other brands such as sauces, soups, pasta and masalas. The focus generically is on analysing the various dimensions related to the parent brand that have an impact on the success of the extended brand and also to analyse the appeal that the extension has considering different age groups. Empirical evidences are presented in the light of the objectives set.*

Key Words : *Branding, Brand Extension, Transfer, Innovation, Consistency, Parent Brand, Brand Appeal*

Introduction

Brand management is an essential ingredient in the marketing management of any company. Companies have been leveraging on the success of their existing brands for promoting their extended brands. Brand extension happens when a firm markets its products in a way that it used a well-developed image of an existing brand to promote this product. Product extensions happen when different versions of the same product are released and there is an increase in the variety of the offering. Brands that are successful can easily enter new product categories. Successful brands already existing in the market use their strengths to increase the acceptance of the extensions and these extended brands leverage on the equity of the existing brands.

Need for the Study

Companies, whose existing brands are successful, can capitalise on these well-known brands and the cost and/or risk in launching the new brands can be drastically reduced. By extending brands, a firm hopes to capitalize on one of its most important assets, specifically, its brand name (Aaker 1991). A brand extension strategy uses an existing brand name as part of a brand for a new product. There are several benefits that accrue from brand extensions, some of them are as follows:

- Brand extensions allow a marketer take a brand with well-known quality perceptions and associations and put it on a brand in a new category. Apart from gaining from the brand awareness, marketers can also control the situations consumers know about the parent brand.

- Secondly, the existing consumers who have used the parent brand and who evaluated the parent brand favourably, are likely to adopt the extension rather than relying on an unfamiliar brand.

- The identity of a product lies in its brand strength and hence the extended brands can be easily understood by the consumers

Apart from the above mentioned benefits that come with brand extension, there are multiple dangers associated with the same. Firms that benefit from the parent brand need to safeguard against the dilution of the parent brand equity when the extension relies on the power of the parent brand. Any misunderstanding about the brand in the minds of the consumers can be eliminated by moving the brand into a sector that the consumers view as appropriate and when the parent brand is available in another sector, it can help build the level of equity and trust with the consumers. And marketers can then use the credentials of the parent brand to secure these credentials for the extended brand in the target market. New products have great chances of failing in the market and this risk can be reduced by leveraging the existing brand names to new product categories.

A brand extension into same product and new product category enhances and improves their market share and brand equity in the long run (Lane and Jacobson, 1995). The likelihood of new products being acceptance by the target audience is high due to good brand associations.

Review of Literature

Abhishek Dwivedi, Bill Merrilees and Arthur Sweeney, *"Brand extension feedback effects: A holistic framework",* Journal of Brand Management (2010) 17, 328–342; doi:10.1057/bm.2009.26; published online 20 November 2009, this study models the impact of brand extensions on parent brand attitudes. The article is positioned around a holistic framework, enabling four major new contributions. First, it explains inter-relationships among major determinants of feedback. Second, it presents a rank-order of major determinants of feedback. Third, it presents a fresh perspective on the integrating role of fit. Fourth, it models the effect specifically on the *change* in parent brand attitude. A further contribution is a first-of-its-kind application to India. Results indicate that the two strongest effects on brand extension feedback were perceived fit and parent brand image. The article outlines four principles for effective brand extension design and communication strategy. A precondition for launching a brand extension is a strong parent brand. Once this condition is met, the design as well as the communication strategy of the brand extension should emphasize the fit with the parent using appropriate brand elements. Positive attitudes towards the extension *per se* should be developed to create added value perceptions for consumers.

Humayun Kabir Chowdhary, **"***An Investigation of Consumer Evaluation of Brand Extensions",* International Journal of Consumer Studies, Vol. 31, No. 4, pp. 377-384, July 2007**,** This paper deals with the effects of perceived quality, perceived fit and perceived difficulty, and interaction between perceived quality and fit on consumer evaluations of brand extension. We used multi-item scales to measure these constructs. Data were analysed via structural equation models. Results show that both perceived quality and perceived fit have direct positive effects on consumer evaluation of extensions. We find support for the chance of transferring the positive values of a brand to an extension is greater when consumers see the extension as a good fit with the original brand and the original brand is considered as of high quality.

Ingrid. M. Martin, David. W. Stewart and Shahsi Matta,(2005) *"Branding Strategies, Marketing Communication, and Perceived Brand Meaning: The Transfer of Purposive, Goal–Oriented Brand Meaning to Brand Extensions"*, *Journal of the Academy of Marketing Science,* Vol. 33 (3), 275-294.* This article develops and tests a conceptual model of the transfer process whereby perceived similarity organized around shared goals facilitates the transfer of knowledge and affect from a parent brand to an extension of that brand. Empirical results, based on two well-known brands and two hypothetical product extensions for each brand, demonstrate that the availability of well-formed, goal-derived categories associated with a parent brand establishes an organizing framework for consumers' assessments of similarity that facilitates the transfer of consumer knowledge and attitude from the parent brand to a brand extension in another product category. This facilitating effect of similarity does not occur in the absence of goal-derived categories. The results also reveal how marketing communication can be used to facilitate the transfer process by

framing similarity in terms of common goals. Implications are discussed for the organization of consumer knowledge and affect across product categories and for understanding prior research findings on brand extension.

Isabel Buil, Leslie de Chernatony, Leif E. Hem, (2009) "*Brand extension strategies: perceived fit, brand type, and culture influences*", European Journal of Marketing, Vol. 43 Iss: 11/12, pp.1300 – 1324, The aim of this paper is to examine the impact of perceived fit, brand type and country's culture on the consumers' attitude towards brand extensions and on the parent brand equity. Data were collected in three European countries: Spain, UK, and Norway. A series of analyses of variance (ANOVA) were conducted to test the hypotheses. It was concluded by the authors that brand extensions with high fit receive more favourable consumer evaluations and decrease the negative feedback effects of extensions on parent brand equity. Results also reveal that parent brand equity dilution is higher when the brand used to launch the extension has high equity. Finally, findings indicate different consumers' responses to extensions and effects on parent brand equity across countries. The authors conclude that the managers should launch extensions with high perceived fit. In addition, greater effort is needed to extend high equity brands, due to their greater dilution. Finally, managers need to understand that consumer evaluations and feedback effects of the same brand extensions can vary due to cultural differences between consumers. Therefore, standardised brand extension strategies should be carefully considered.

Jaiswal Anand .K., Consumer evaluations of brand extensions: evidence from India., Journal of Academy of Business and Economics, Aaker & Keller's (1990) article is a seminal study in the area of systematic brand extension research. More than eight replications of original study have been conducted in the developed countries. We replicate and extend the original study in India to examine the generalizability and robustness of the Aaker & Keller's model in the context of developing economies. Our study provides support for three out of four hypotheses of Aaker and Keller's model. *Quality* of original brand and

three fit variables*, transfer, complement and substitute*, have strong positive effect on consumers' attitude towards the brand extension. Only the interaction of *quality and transfer* is positive and significant and hence hypothesis 2 is partially supported. The relationship of difficulty in making the extension with customers' attitude towards the brand extension could not be supported. We find support that consumers' attitudes towards brand extensions are driven primarily by the main effects.

Rajeev Batra, Peter Lenk, and Michel Wedel, "*Brand Extension Strategy Planning: Empirical Estimation of Brand–Category Personality Fit and Atypicality* , Journal of Marketing Research, volume 47, number 2, April 2010, The majority of brand extensions reportedly fail, suggesting the need for methodologies that allow for better strategic prediction of categories a brand should extend or license into. The prior literature suggests that brand extensions are likely to be more successful if a brand extends into another category into which its existing brand associations and imagery "fit" better and that it may help as well if the extending brand is "atypical" (possessing associations and imagery that are broad and abstract rather than tied too closely to the brand's original product category). The authors develop, illustrate, and validate a methodology in this study to estimate brand and category personality structures using a Bayesian factor model that separates the two with brand-level and category-level random effects. This methodology leads to measures of a brand's fit and atypicality. The authors illustrate and validate the model on two nationally representative data sets on brand personalities in three categories (jeans, magazines, and cars) and investigate the brand extension and licensing implications of the results obtained with the model.

Sarwat Afzal and Syed Akif Hassan, "*To Analyze The Factors Influencing The Acceptability Of Brand Extension Into Related And Un-Related Product Categories*" The 2011 Maui International Academic Conference Maui, Hawaii, USA 2011, This thesis describes the study that analyzes the factors influencing successful brand extension. Specifically the thesis analyze the impact of similarity, brand

reputation, perceived risk and consumer innovativeness on the success of brand extension into related or unrelated categories of FMCG products. A set of hypotheses were developed and tested by regression analysis. It investigated the effect of factors such as brand reputation, perceived risk, perceived similarity and consumer innovativeness on successful brand extension in FMCG. This study provides support for two out of the four hypotheses of Hem & Charnatony's model. Parent brand reputations, and consumer innovativeness, have powerful positive effect on consumers' mind-set towards the brand extension in related and unrelated product category. The third hypothesis i.e. interaction of perceived similarity is positive and significant in related FMCG product category and hence hypothesis 1 is partially supported. However the fourth hypothesis i.e. perceived risk in preparing the extension with customers' attitude regarding brand extension could not be supported. The result of this study suggests a number of implications for product extensions in our country. Implications have been discussed for the organization of consumer information and effect across related and unrelated product class and for understanding earlier research results on brand extension.

Srivastava, K., & Sharma, N. K *Consumer attitude towards brand extension incongruity: The moderating role of need for cognition and need for change.* Journal of Marketing Management, this paper integrates two contradictory predictions from the schema incongruity theory: a linear versus an inverted-U relationship between brand-extension incongruity and evaluation. It suggests two personality variables, namely, need for cognition and need for change that moderate the relationship. The major proposition that the relationship would be linear for individuals low in both personality dimensions and inverted-U for those high on both was supported by the data obtained through a questionnaire study. The highest evaluation was obtained for the moderately incongruent extension compared to the congruent and extremely incongruent brand extensions of an established brand for individuals high on both personality dimensions. Four innovative behaviour types identified on the basis

of a combination of high and low categories of participants on the two personality dimensions also provided similar results. Theoretical and practical implications of the findings, limitations of the present study, and future possibilities are discussed.

Thamaraiselvan, N, "How Do Consumers Evaluate Brand Extensions **-** Research Findings from India, Journal of Services Research › Vol. 8. 1, April 2008**,** In today's intense competitive environment, companies launch new products to satisfy constantly changing consumers' preferences. The new products are prone to failures due to many factors. Companies take efforts to reduce new product failure rates to maximize their returns for their stakeholders. A brand extension, leveraging existing brand names to new product categories is one such strategy to reduce the risk of new product failures. Despite two decades of research in branding, many vagaries are yet to be explored and understood. This study primarily focuses on how consumers evaluate brand extensions for FMCG (Fast Moving Consumer Goods) and service product categories in Indian market conditions. It explores how exactly the consumers evaluate different product categories based on factors like, similarity fit, perceived quality, brand reputation and perceived risk. It brings out the impact of brand reputation of the core brand and perceived service quality on the brand extensions evaluations. It highlights the role of perceived risk involved in the extended product category in brand extensions evaluations. Most importantly, this study establishes the relationships among similarity fit, brand reputation, perceived service quality and perceived risk in extended product categories through appropriate multivariate analysis.

The above review has given useful insights for exploring the uncovered areas as are being presented in the paper.

Study Design

This study is exploratory in nature. Data is collected from both primary and secondary sources in consonance with the objectives framed and the hypotheses set. Primary data is collected from 100 consumers of Nestlé's Maggie noodles

and soups and sauces. Secondary sources of data include books, journals, magazines, website articles, reports and other relevant sources. Data has been analysed using SPSS. Tools such as Chi-Square test and ANOVA are being used for testing the hypothesis. A sample of 100 customers is selected for the purpose of the study. The sample consists of customers who have used the parent brand for 3 years and more and the extended brand has been used for at least two uses.

Objectives

1. To examine the whether the various dimensions related to the parent brand has an impact on the success of the extended brand.
2. To examine the impact that the reputation of the original brand has in supporting the entry and growth of the extended brand in the market.

Hypotheses

1. *Hypothesis 1:* High degree of knowledge about the parent brand results in more favorable attitude towards the extended brand.
2. *Hypothesis 2:* Good reputation of parent brand results in acceptance of the extended brand.
3. *Hypothesis 3:* The extension appeals equally to all age groups.

Scope of the Study

The study deals only with examining the impact of parent brand on the successful implementation of brand extension. The study highlights how extension appeals to all age groups, and examines how good reputation of the original brand contributes to the easy acceptance of the extended brand and the paper also examines as to how the three dimensions (i.e. innovation, transfer and consistency) of the original brand fits into the extended brand. The study does not focus on all the dimensions of brand management and extension. It only examines in relation to Nestlé's Maggie, how the success of Maggie as noodles has an impact on the extensions such as soups, sauces, masalas and pasta in Indian market.

The analysis reveals the following results:

Hypothesis 1: High degree of knowledge about the parent brand results in more favorable attitude towards the extended brand.

The above hypothesis is analysed in the light of three dimensions of the original brand fitting into the extended brand i.e. innovation, transfer and consistency. Innovation in terms of the extended brand being modern and introduces variety of tastes and flavors. Transfer in terms of the competencies of the original brand being incorporated in extended brands. Consistency dimension is analysed in terms of extension fitting in with association of the consumer with the original brand. ANOVA test is being applied to test the above hypothesis for each one of the dimensions. F Statistic is calculated for all dimensions i.e. innovation, transfer and consistency separately, the results of the same are as follows:

Fit in terms of Innovation

F- Statistic

Model	R	RSquare	Adjusted R Square	Standard Error
1	0.577	0.333	0.312	1.736

ANOVA

Model	Sum of Squares	df	Mean Square	F	Significance
Regression	144.513	3	48.171	15.991	0.000
Residual	289.197	96	3.012		
Total	433.710	99			

The table value of F- Statistic df=3 at 95% level of significance is 14.88. As the calculated value (15.991) is greater than the table value (14.88), the null hypothesis is rejected for this dimension and it is conclude that knowledge about innovation in the original brand results in gaining a favorable attitude towards innovation in the extended brand. Therefore, Nestlé's innovation in Maggie noodles, in the opinion of the consumers finds a fit in the innovation of sauces, soups and pastas.

Fit in terms of Innovation

F- Statistic

Model	R	RSquare	Adjusted R Square	Standard Error
1	0.388	0.151	0.124	1.790

ANOVA

Model	Sum of Squares	df	Mean Square	F	Significance
Regression	54.64	3	18.188	5.677	0.001
Residual	307.546	96	3.204		
Total	362.110	99			

The table value of F-statistic df=3 at 95% level of significance is 14.88. As the calculated value ((5.677) is less than the table value (14.88), the null hypothesis is accepted and it is concluded that the core values of Nestlé i.e. health, nutrition, wellness and taste are not successfully transferred to the extended brand of Maggie.

A similar analysis has been done for the third dimension *consistency*. The results are as follows:

Fit in terms of Innovation

F- Statistic

Model	R	RSquare	Adjusted R Square	Standard Error
1	.293	.086	0.057	1.587

ANOVA

Model	Sum of Squares	df	Mean Square	F	Significance
Regression	22.66	3	7.555	2.998	0.034
Residual	241.924	96	2.520		
Total	264.590	99			

The table value of F-statistic df=3 at 95% level of significance is 14.88. As the calculated value (2.998) is less than the table value (14.88), the null hypothesis is accepted and it is concluded that in terms of consistency, the extended brands of Nestlé's Maggie do not fit into the original brand's consistency in their entire market offer.

Hypothesis 2   Good reputation of parent brand results in acceptance of the extended brand.

Manufacturers and marketers of companies generally feel that the reputation that the original brand enjoys makes it easy for the extended brand to be accepted by the market at large. This assumption of the companies is framed as the above hypothesis and is tested using chi square test. The analysis is carried out for all the extended products i.e. sauces, soups, masalas and pastas. The results of the same are as follows:

Chi-Square Statistics

	X²	df	Asymp.Sig
Sauces	10.856	5	0.054
Soups	3.008	5	0.699
Masalas	8.981	5	0.110
Pasta	5.975	5	0.309

The calculated value of x^2 for the extended products of Nestlé's Maggie is presented in the above table. The table value of x^2 df=5 at 95% level of significance is 1.145. As the calculated value of x^2 is greater than the table value for all extended brands of Maggie, the null hypothesis that good reputation of parent brand does not result in acceptance of the extended brand is rejected. Therefore, it can be said that the good reputation of the original brand contributes to the easy acceptance of the extended brands. Hence, the good reputation of Nestlé's Maggie noodles has helped consumers to accept the extended brands easily.

Hypothesis 3: The extension appeals equally to all age groups

Nestle Maggie has extended itself into other products like sauces, soups, masalas and pastas. This article forays into testing the hypothesis if these brand extensions appeal equally to all age groups. The following result is generated after analysis of the data.

Chi square value	0.413
Degrees of freedom	3
Asymp. Sig	0.938

The calculated value of chi-square at df=3 at 95% level of significance is 0.413 and the table value of chi-square value at df= 3 at 95% level of significance is 0.352. As the calculated value is more than the table value, the null hypothesis is rejected and it is concluded that brand extension of Nestlé's Maggie as Maggie sauces appeal s equally to all age groups. A similar analysis as above has been done for extension into soups, Masalas and pastas which can be presented as follows.

Chi-Square Statistic

Extended product	X²	df	Asymp.sig
Soups	2.117	3	.549
Masalas	0.292	3	.961
Pasta	5.107	3	.164

The calculated value of chi-square for all the extended products of Nestlé's Maggie is presented above. The table value of X^2, df=3 at 95% level of significance is 0.352. It can be seen from the above table that the calculated value of soups and pasta is greater than the table value and hence it can be concluded that for soups and pasta, the extension appeals equally to all age groups. While, the calculated value of chi-square for masalas is less than the table value of chi-square wherein the null hypothesis is accepted and it can be said that the extension of Maggie noodles as Maggie Masala has not appealed equally to all age groups. Therefore, it can be concluded that the extension of Maggie noodles as soups, sauces and pastas appeals equally to all age groups but extension as Masala does not appeal to all age groups.

Conclusion

The paper is an attempt to bring forth small dimensions in a parent brand that has a significant impact on the success of the extended brand. The main conclusion that can be drawn from the analysis is that the dimensions of the parent brand in terms of innovation, transfer and consistency do have an impact on the success of the extended brand but in case of Nestlé's Maggie dimensions, consumers felt that it is only innovation that is successfully imbibed in the extended brands while transfer and consistency do not find a place in the extension. It can also be concluded that good reputation of the original brand contributes to the easy acceptance of the extended brands. Hence, the good reputation of Nestlé's Maggie noodles has helped consumers accept the extended brands easily.

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Role of Bonding in Relationship Marketing - A Study on Laptop Users

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Abstract : Information Technology (IT) Industry in India poised for innovation led manufacturing and technology evolutions resulting in rapid convergence, giving rise to products that have a host of technologies – computing, video, audio, communications and others (Vinie Mehta- 2003). Building and properly managing relationship with customers has become essential for any business organization and bonding being one of the essential elements in IT companies today. These organizations are facing a fundamental challenge of building strong relationships with customers to win over the competition. In today's competitive global market place, customer loyalty has become a major challenge faced by marketers. Research revealed that Relationship Marketing is an important strategic tool resulting in customer loyalty (Alrubaiee et al, 2010) which in turn facilitates survival in the competitive era and enhances customer satisfaction through bonding. Any complacency on the part of a business enterprise in establishing a sustainable relationship results in losing a customer to the competitor, in an environment where customer has ample choice which will have detrimental impact on survival of the organization.

Purpose of this study is to investigate the role of bonding in Relationship Marketing orientation which is one of the essential elements of RM. Study has been carried out to find the components of bonding and their effect on retention of customers with reference to laptop users (a sample size of 100 users). The data was analysed by using factor analysis to find out the key dimensions of bonding resulting into Relationship Marketing.

Key Words : Customer Loyalty; Relationship Marketing; Factor analysis; Chisquare test

1. Introduction

The fundamental idea of marketing emerged in 1940s and progressed in 60s and 70s. The central marketing principles viz., segmentation, application of marketing instruments facilitated marketing to achieve a breakthrough to create market driven corporations. The markets and competitive environment witnessed radical changes in the recent past. Marketing established itself as market driven corporate management nit only for consumer goods but also increasingly in the services sector. liberalization of Indian economy forced business houses to give a fresh

look at marketing which lead to the emergence of practice of "Relationship Marketing" (RM).

Relationship marketing has now become an accepted term in marketing though it is not clear what it contains and what is hands-on action. The concept of RM spread like wild fire during the 1990s. Relationships require at least two parties who are in contact with each other. The basic relationship of marketing is that, between a supplier and a customer.

All firms have a range of relationships with their customers and other stakeholders, that RM has been discovered, not invented, and what varies between firms is the manner in which they operationalize 'Relationship Management'. This is perhaps a critical area to debate in view of many authors, concepts such as loyalty marketing and

customer relationship management introduced under the guise of relational strategy appeared to be largely transactional in nature.

2. Review of Literature

The concept of Relationship Marketing began to emerge in the literature in the mid 1980's (Rosenburg and Czepiel, 1984). Relationship marketing found its roots within the fields of services marketing and industrial marketing (Christopher et al., 1991; Gummesson, 1991; Lindgreen et al., 2004). Relationship marketing was termed as a strategy (Gummesson, 1993) and its aim was to establish, maintain and enhance relationships with customers and other partners at a profit. There exists a positive relationships betweenrelationship marketing, enterprises performance and increasing its market share in the target industry as an organizational Outcomes(Shaker T. Ismail, 2009).

Relationship Marketing concept has found its place in marketing theory and has become an integral part of standard textbooks on marketing (e.g., Kotler 1997) and consumer behavior (e.g.Sheth, Mittal, and Newman 1999). According to Berry (1995) the concept of relationship marketing is approaching its maturity stage. Gummesson (1997) notes that measuring of returns on relationship marketing is still in its infancy.

Gummesson (1994) identified 30 different types of relationships in a given market, including relationships with customers, competitors, government, investors, employees, media, supply chain etc.,Gronroos (2004) highlighted the importance of Customer Perceived Value on the core outcome of a successful relationship strategy. Crosby et al (1990) not only looked at the quality and antecedents of relationship marketing but also at the consequences of marketing of complex services where customer perceived value is viewed as the core of relationship marketing practice. Thus customer's perspective was emphasized as the focal point of relationship building activities (Ganguly et al, 2009).

Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra &Liy, 2008). After a comprehensive review of 26 definitions of relationship marketing, Harker (1999) proposes the following description: An organization engaged in proactively creating, developing, and maintaining committed, interactive, and profitable exchanges with selected customers (partners) over time is engaged in relationship marketing" (Sin et al.,2005). Gronroos (1990), states that the purpose of relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met" and that this is done by a mutual exchange and fulfillment of promises" Relationship marketing theory suggests that successful relationship marketing results from certain aspects of cooperative relationships that characterize successful relational exchanges (Hunt, Arnett, and Madhavaram 2005).Arnett and Badrinarayanan(2005) conceptualize a relationship marketing competence as a firm's ability to identify, develop, and manage cooperative relationships with key customers characterized by trust, relationship commitment, and communication.

A number of empirical studies have provided evidence on the impact of relationship marketing on behavioural loyalty which affects customer retention (Bolton, et al., 2000; De Wulf et al., 2001; Verhoef, 2003). Loyal customer relationships have been found to increase profitability for a firm over time (Reichheld, 2001; Mishra & Li, 2008). Some scholars have highlighted the importance of RMO for firms to compete effectively (Perrien, Filiatrault, and Richard, 1992). Sin and colleagues (2005) find that relationship marketing orientation yields a significant impact on the determination of the firms' performance. Successful relationship marketing efforts improve customer loyalty and firm performance through stronger relational bonds (e.g., De Wulf, Odekerken-Schröder, and Iacobucci, 2001; Sirdeshmukh, Singh, and Sabol, 2002).

3. Bonding

Bonding is defined as the dimension of business relationship that results in two parties (buyer and seller) acting in a unified manner

toward a desired goal (Callaghan et al., 1995). According to Wilson (1995), bonding can be classified into two categories: social bond and structural bond. Social bond has a number of dimensions including social interaction, closeness, and friendship and performance satisfaction. The dimension of bonding as it applies to relationship marketing consists of developing and enhancing customer loyalty, which results directly in feelings of affection, a sense of belonging to the relationship, and indirectly in a sense of belonging to the organization (Sin et al., 2002). Wilson and Mummalaneni (1986) found that stronger personal bonds among buyers and sellers lead to a greater commitment to maintain the relationship (Yim et al., 2008).

A key goal of relationship marketing theory is the identification of key drivers that influence important outcomes for the firm and a better understanding of the causal relations between these drivers and outcomes. In the marketing literature, several different approaches have been used to identify these variables and to learn about their impact on relational outcomes. Most of the existing approaches focus on a single predictor variable (e.g., customer satisfaction) and investigate its connection with relational outcomes, rather than developing multivariate models and theories. However, a review of the existing work on the determinants of relationship marketing outcomes reveals some promising conceptual models that might explain a significant amount of the success (or failure) of relationships between service providers and their customers. Two of the most promising conceptual approaches are (a) the relational benefits approach (e.g., Bendapudi and Berry 1997; Gwinner, Gremler, and Bitner 1998; Reynolds and Beatty 1999a) and (b) the relationship quality approach (e.g., Crosby 1991; Crosby, Evans, and Cowles 1990; Dorsch, Swanson, and Kelley 1998; Smith 1998). The relational benefits approach argues that categories of relationship- oriented customer benefits exist, the fulfillment of which can predict the future development of existing relationships. The relationship quality approach is based on the assumption that customer loyalty is largely determined by a limited number of constructs reflecting "the degree of appropriateness of a relationship" (Hennig-Thurau and Klee 1997)

from the customer's perspective. Thus, although relationship quality focuses on the nature of the relationship and relational benefits focus on the receipt of utilitarian-oriented benefits, both concepts view the fulfillment of customer needs as central for relationship success.

4.   Need for the Study

In the early stages of growth of marketing, the emphasis was on immediate sales and marketing was governed by 4Ps.This focus was based on economics research that also looked at the market place as transaction based. Towards the late 1980s and early 90s marketing research began to highlight the importance of developing relationships for effective marketing. Scholars suggested that marketing was undergoing a paradigm shift from a transaction based marketing perspective to a RM based marketing perspective (Sheth&Parvathiar, 2002;Pillai& Sharma2003). The case for RM was made stronger by introduction of both theoretical and empirical research that demonstrated the efficacy of this strategy.

Due to the more and more fierce competition in today's business, many companies are required to build long-term profitable relationship with customers and to achieve customer loyalty. Therefore, relationship marketing has become more and more important since last decade of 20th century. There are many different relationship marketing tactics implemented for retaining customer. However, some of those tactics did not affect customer loyalty effectively, and switching behaviors frequently occur among most of targeted customers. Therefore, this study is aimed to investigate the impact of relationship marketing tactics on customer satisfaction and trust, which in turn increase customer loyalty. Relationship marketing strategy might be one of the best ways to retain customers and building customer loyalty.

Customer loyalty and customer retention are the most important challenges faced by the laptop manufacturers. At the same time it is found that effective RM strategy helps the organization to understand the customer needs which would enable the laptop manufacturers to serve their customers better than their competitors. Hence,

the present study is focused to find the factors of RM practices effecting the customer loyalty.

5. Research Methodology

This study is exploratory quantitative in nature, focused to develop a better understanding of laptop users expectations from a manufacturer with reference to bonding an essential element in relationship marketing.

6. Selection of sample and respondents demographics

The study is empirical, based on the primary data collected from laptop users in business schools located in Hyderabad. This study focused on the recent owners' perception on the RM practices of laptop manufacturers covering a sample of 100 respondents, through distribution of structured questionnaire. A total of 100 usable questionnaires were collected out of 125 distributed which is giving response rate of 80% (Al-Nazer et al, 2009) a rate that is regarded as good.

The questionnaire was compiled in such a way that extensive information was collected on the demographic characteristics of the respondents, and also contained abundant information regarding customer contact of laptop users. Major factors leading to Bonding with the customer, which is one of essential elements of Relationship Marketing (Morgan& Hunt), have been investigated in this study. Questionnaires were filled out through personal interviews.

7. Data analysis

The statistical package SPSS was used for data analysis. The study contains two stages. In the first stage factor analysis was performed to extract the underlying factors for Bonding. In the second stage significant association between the demographic factors with respect to factors of bonding was investigated.

8. Scale and Measurement

We have identified various aspects related to bonding to build relationship marketing orientation. Each of the components was measured reliably with a multi-item scale. To measure relationship marketing orientation and factors of bonding a five point Likert scale (1 = strongly disagree" and 5 = strongly agree") was used for the 9 statement/ items.

We identified 9 items based on focus group discussions related to bonding. These items were pre tested for relevance, face validity, interpretation and readability with marketing academics. Therefore some modifications and slight changes in wording were made to fit laptop manufacturers' context.

9. Measure reliability

The first stage focused on the specification of dimensions for the verification of the 9-items scale, its reliability and validity, analyzing the elements and dimensions which determine the relationship marketing orientation construct with regard to laptop manufacturers. Anderson and Gerbing's (1988) two-step procedure was followed. First, different analyses of the correlations between the initial scale items were carried out for this purpose, as well as examinations of scale reliability.

10. Data Analysis and Interpretation

Factor analysis is used to analyses the respondents information towards various statements describing various factors influencing the bonding with customers by a manufacturing company especially a laptop producers. Factor analysis is a statistical method that is based on the correlation analysis of multi variables.

Table: 1
Correlation Matrix of all variables

	Mails	Respect	Standards	Complaints	Interest	Needs	VFM	Best	CIK
Mails	1.000	-.085	-.096	-.011	-.110	-.022	.020	-.023	.075
Respect	-.085	1.000	.472	.173	.043	.112	.195	.157	-.028
Standards	-.096	.472	1.000	.220	.294	.126	-.035	.018	.056
Complaints	-.011	.173	.220	1.000	.396	.243	.160	.377	.480
Interest	-.110	.043	.294	.396	1.000	.395	.143	.258	.366
Needs	-.022	.112	.126	.243	.395	1.000	.481	.193	.131
VFM	.020	.195	-.035	.160	.143	.481	1.000	.362	.198
Best	-.023	.157	.018	.377	.258	.193	.362	1.000	.509
CIK	.075	-.028	.056	.480	.366	.131	.198	.509	1.000

A correlation matrix is shown in the table-1 which is generated for all the variables influences the bonding. A correlation matrix is a rectangular array of the correlation coefficients of the variables with each other. Factors are extracted from the correlation matrix based on the correlation coefficients of the variables.

Table: 2
KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	240.927
	Df	36
	Sig.	.000

The above table-2 of Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was 0.729 (comfortability above the 0.60 benchmark) and the Bartlett's test of sphericity was significant at $p<0.001$ (Pallant, 2005).

Table: 3
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.771	.776	9

A reliability analysis was conducted on 9 items scale to construct using reliability coefficients. The internal consistency was assessed by means of the Cronbach's alpha coefficient. Above Table-3 report the reliability of the multi-item scale which using Cronbach's coefficient alpha. The overall coefficient alpha for the scale is 0.771 which is greater than the recommended cut-off level of 0.70 (Nunnally, 1994) and of 0.60 according to Sekaran (1996) and Melewar and Saunders (1999). As can be seen in above Table, these Cronbach's alpha indicate that the scale used in the questionnaire satisfactorily measured the construct.

a) Factor Analysis

A factor analysis was carried out on the data generated. The emphasis was to identify the dimensions to facilitate bonding which is an essential element of relationship marketing strategy.

Table: 4
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.350	37.227	37.227	3.350	37.227	37.227	2.840	31.556	31.556
2	1.279	14.206	51.433	1.279	14.206	51.433	1.726	19.173	50.729
3	1.030	11.447	62.880	1.030	11.447	62.880	1.094	12.151	62.880
dim 4	.879	9.770	72.650						
ensi 5	.811	9.009	81.659						
on 6	.578	6.422	88.081						
7	.401	4.459	92.539						
8	.364	4.049	96.588						
9	.307	3.412	100.000						

Extraction Method: Principal Component Analysis.

The nine components shown in Table 4 relate to elements of bonding. They are 1) Customer Contact 2) Respect to customer 3) Customer Contact Standards 4) Complaint handling 5) Interest to solve problems 6) Empathy 7) Cost-effectiveness 8) Providing best services 9) Faith. Factor analysis explored three (3) factors only as these retained factors account for 62.88 percent of the total variance in the nine variables.

Based on the items loading on each factor, the factors were, respectively, labeled as "Customer Connect". Nine items loading on this factor relate directly to bonding dimension of relationship marketing. The respondents felt that 'Customer Connect' facilitates building bonds, include social bonds, special treatment, interaction and cooperation are important aspects of relationship marketing. This factor accounted for 37.22% of variance and its reliability was 0.771.

b) Test of Association between demographics and factors of bonding

Table: 5

Relationship between Gender and Opinion of the Laptop users on Getting mails occasionally from the manufacturers

Gender	I get mails from the manufacturer occasionally					Total	χ^2	d.f	Sig Value
	1	2	3	4	5				
Male	34	13	9	11	0	67			
Female	18	6	5	3	1	33	3.314	4	0.507
Total	52	19	14	15	1	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on getting mails from the manufacturers occasionally

As per $\div^2$ – test it can be concluded that there is significant association between the gender and the opinion of the Laptop users on getting mails occasionally from the manufacturers at 5% level of significance.

Table: 6

Relationship between the Gender and opinion of the Laptop users on Customers respect in the manufacturer's organization

Gender	1	2	3	4	5	Total	χ^2	df	Sig Value
Male	4	10	29	19	5	67			
Female	6	2	16	8	1	33	5.696	4	0.223
Total	10	12	45	27	6	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on customers respect in the manufacturers organization

According to $\div^2$ – test it can be concluded that there is significant association between the gender and the opinion of the Laptop users on "**Customers Respect in the manufacturer's organization at 5% level of significance".**

Table: 7

Relationship between the Gender and opinion of the Laptop users on Customer contact procedures are well defined by the manufacturer

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	6	10	32	9	10	67			
Female	2	7	15	7	2	33	3.107	4	0.540
Total	8	17	47	16	12	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Customer contact procedures are well defined by the manufacturer"**

As per $\div^2$ – test it can be concluded that there is significant association between the gender and the opinion of the Laptop users on "**Customer contact procedures are well defined by the manufacturer"** at 5% level of significance.

Table: 8

Relationship between the Gender and opinion of the Laptop users on Manufacturer encourages customer complaints

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	3	4	25	25	10	67			
Female	1	8	14	7	3	33	8.750	4	0.038
Total	4	12	39	32	13	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Customer contact procedures are well defined by the manufacturer"**

As per $\div^2$ – test it can be concluded that there is no significant association between the gender and the opinion of the Laptop users on "**Manufacturer encourages customer complaints"** at 5% level of significance

Table: 9

Relationship between the Gender and opinion of the Laptop users on Customer complaints solved on time

Gender	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	9	23	25	10	67			
Female	10	10	11	2	33	5.068	3	0.167**
Total	19	33	36	12	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Customer complaints solved on time**"

As per $\div^2$ – test it can be concluded that there is significant association between the gender and the opinion of the Laptop users on "**Customer complaints solved on time**" at 5% level of significance

Table: 10

Relationship between the Gender and opinion of the Laptop users on Customer's needs are constantly well understood

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	3	3	28	27	6	67			
Female	0	10	9	11	3	33	14.555	4	0.006
Total	3	13	37	38	9	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Relationship between the Gender and opinion of the Laptop users on Customer's needs are constantly well understood by the manufacturer**"

As per $\div^2$ – test it can be concluded that there is no significant association between the gender and the opinion of the Laptop users on "**Customer complaints solved on time**" at 5% level of significance.

Table: 11

Relationship between the Gender and opinion of the Laptop users on Customers are offered most reasonably priced solutions

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	2	9	20	28	8	67			
Female	4	4	13	10	2	33	5.455	4	0.243**
Total	6	13	33	38	10	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Customers are offered most reasonably priced solutions**"

As per $\div^2$ – test it can be concluded that there is significant association between the gender and the opinion of the Laptop users on "**Customers are offered most reasonably priced solutions**" at 5% level of significance

Table: 12

Relationship between the Gender and opinion of the Laptop users on Manufacturer will search for best solutions services

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	2	9	30	21	5	67			
Female	4	8	6	14	1	33	10.275	4	0.036
Total	6	17	36	35	6	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**Manufacturer will search for best solutions services**"

As per $\div^2$ – test it can be concluded that there is no significant association between the gender and the opinion of the Laptop users on "**Manufacturer will search for best solutions services**" at 5% level of significance.

Table: 13

Relationship between the Gender and opinion of the Laptop users on The company has customers interest at heart

Gender	1	2	3	4	5	Total	χ^2	d.f	Sig Value
Male	2	8	18	29	10	67			
Female	8	5	11	7	2	33	15.324	4	0.004
Total	10	13	29	36	12	100			

H_0: There is no significant relation between the Gender and the Opinion of the Laptop users on "**The company has customers interest at heart**"

As per $\div^2$ – test it can be concluded that there is no significant association between the gender and the opinion of the Laptop users on "**The company has customers interest at heart**" at 5% level of significance

Conclusions and implications

This study provided initial empirical evidence that 'Customer Connect' plays vital role to establish bonding which is an essential dimension of relationship marketing strategy. Therefore, laptop manufacturers, while designing relationship marketing strategies should aim to ensure 'Customer Connect' for building bondage with the customers. Companies should pay close attention to relationship marketing variables especially bonding. Relationship marketing orientation is one of key strategic issues for managers of laptop manufacturers for establishing and maintaining long-term relationships with their clients. Customer demographics play key role in bonding viz., Respect towards customer, Communication, customer contact procedure, timely response and reasonably priced solutions.

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Professional Women at Work: The Challenges and Opportunities in India

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Abstract : *In this study an attempt is made to investigate the problems and opportunities that professional women experience in India. The present research findings suggest that there is a difference of opinion about the 'emotional and job drifter' concept about women among the working population. They are not treated at par with men and have to overachieve to come into the limelight in organizations. They are also found to be loyal and committed to their work and as keen as men to hold their jobs.*

1. Introduction

The labour market in India is divided into organized and unorganized sectors. The proportion of employment in the organized sector is less in comparison to the unorganized sector. The majority of the workers in the unorganized sector are women where wages and working conditions are less conducive, largely unsecured and mostly devoid of social security benefits (Venkata and Jain, 2002). The present research focuses on women working in the organized sector only. In the year 2000, women made up only 20.5 percent of the professional and technical workforce (Patel and Parmentier, 2005). Globalization and rapid growth of information technology have led to more women working in professional jobs. Indian women hold approximately 2 percent of the managerial positions in organizations (Saini, 2006). Throughout the recorded history of India, a patriarchal social system, where the male has power and authority over the female, has prevailed. Women's presence in top management positions of an organization violates that century old norm of men's higher status and superiority

in society. From the time of our independence, the Indian Constitution has guaranteed women equal rights. But women in our country are mostly unaware of their rights because of illiteracy and oppressive traditions. Women were given 33 percent reservation in Panchayats and Municipalities by the 73rd and 74th Amendment Acts passed in 1986. Over the years a number of other social legislations have been passed to uplift the status of women in our society but the desired results are yet to be achieved.

2. Literature survey

Today women are coming into the work force in large numbers from all walks of life but are still underrepresented in roles traditionally considered to be male especially those highest in authority, responsibility and prestige (Lyness, 2002, Powell, 1999). They still largely remain in middle management. Even in America only 7 percent of top executives are women (Catalyst, 2007). The question remains: Why are there so few women in top management? Social scientists frequently mention the 'gender stereotype' as the main culprit (Dodge, Gilory & Fenzell, 1995; Heilman, Block, Martell & Simon 1989; Schein, 2001) which puts women in a disadvantageous position (Carli & Eagly, 1999). The gender stereotype plays a big role in biased selection

(Olian, Schwab & Haberfeld, 1988) and performance appraisal processes (Davison & Burke, 2000). The stereotype describes women as caring and relationship oriented but not forceful and achievement oriented (Eagly & Karau, 2002; Heilman, 2001) which is thought to be necessary for a successful executive (Mainero & Sullivan, 2005). Thus, women are perceived lacking the attributes needed for success at male sex-typed jobs (Heilman, 1983, 2001, Heilman & Haynes, 2005; Lyness & Heilman, 2006). Even in team-work, a woman gets less credit for high quality work outcomes as compared to men (Heilman & Haynes, 2005). The belief of 'think manager-think male' seems to be a global phenomenon, especially among males (Schein & Muller, 1992; Schein et al, 1996).

No business organization works in isolation. They are influenced by the prevailing social system, culture and traditions of a country. In Indian culture and tradition, a woman's main responsibility lies in giving birth to a son (*Manusmriti, 2010).* It strengthens her role in the family and society at large. Most of the women welcome motherhood as a confirmation of their sexual and social identities. They compromise with their career for childbearing and family responsibilities (Saha, 2011). Indian society considers taking care of the family as women's principle responsibility regardless of their employment status (Budhwar, Saini & Bhattnagar, 2005). Sometimes women deliberately choose a position with less responsibilities and lower compensation than they are qualified for in order to fulfill domestic responsibilities. Some organizations consider women managers as a liability because they will neglect their work at the expense of their family at every possible opportunity. Women were found to be easily distracted by family while at work (Parasuraman, Greenhaus & Granrose, 1992). 70 per cent of US adults agree that family responsibilities prevent women putting as much time and effort into their jobs as men (National opinion research Centre, 1994-96).

3. Objectives of the Study

After globalization Indian women are coming in large number into the workforce. They are pursuing their career in all fields of science and arts. Now-a-days it is difficult to differentiate job for men and women. The present study intends to analyze:

- The challenge professional women generally face in working situation.

- Whether some selected demographic variables have any relation with the components derived out from Factor analysis.

4. Methods

The data were collected from working people in different areas of profession. Some of the data were collected from our colleagues, associates as well as from our neighborhoods. Five point Likert scale was used with anchors using strongly agree (5), fairly agree (4), do not know (3), fairly disagree (2), and strongly disagree (1). The questionnaire also included respondent's socio-biographical variables such as gender, age, marital status and profession. The sample consists of 140 male and 120 female, working in different fields of life.

The statistical package SPSS (version 17) was used to analyze the data. Factor analysis was used to explore which variables are significantly responsible for women advancing in working situation. One-way ANOVA was carried out to assess whether there was any influence of age, gender and marital status on the components, found by Factor analysis in her working situation.

5. Results and Discussion

The social demographic characteristics of the respondents were presented in table 1. The sample consists of 140 (53.85%) male and 120 (46.15 percent) female. The majority of the sample (82.31 percent) is very young and their age group lies between 25 to 45 years of age. More than fifty per cent of our sample (58.46 percent) is married and 67.69 per cent of them work in private sectors.

6. Factor Analysis

There were twelve statements (Table-II) on a five point Likert scale ranging from strongly

Table: 1

Respondents' Background Characteristics

Biographical Variables	Respondent	Frequency	Per Cent
Sex	Male	140	53.85
	Female	120	46.15
Age	Less than 25	31	11.92
	25-35	125	48.08
	35-45	58	22.31
	45-55	25	9.62
	Over 55	21	8.07
Marital Status	single	108	41.54
	Married	152	58.46
Employment Status	Private	176	67.69
	Self-employed	45	17.31
	Government	39	15.0

agree to strongly disagree. The respondents were solicited to check where their opinions were more appropriate. To find out which factors influenced them more, Factor analysis was carried out. It produces four factors from a large number of variables (12) which are capable of explaining the observed variance (Table II). Barlett's test was significant (chi-square = 336.095, P < 0.000) and Kaiser-olkin (KMO) was 0.597 which justified the Factor Analysis.

Table: 2

Rotated Component Matrix

S.No.	Variables	Component 1	Component 2	Component 3	Component 4
1	Women earn much less than men for doing the same job		0.680		
2	Sexual harassment at workplace is rampant in our country		0.569		
3	Poor working conditions affect women psychologically				0.564
4	A woman has to always overachieve for to be on par with a man		0.657		
5	Women switch jobs more frequently than men				0.667
6	Women fall apart in a crisis	0.654			
7	Women are not willing to travel extensively for the organization	0.691			

8	They put their heart above their head, so at time they become over emotional	0.704			
9	Women would not work if economic reasons did not force them into labour market	-0.587			
10	Lack of awareness in organization politics prevent women from advancing to corporate leadership				-0.588
11	Work interruption due to maternity leave discourage some employers to hire women employees			0.644	
12	Women are more disciplined, loyal & committed to their work than men			0.783	
	Eigen values	2.298	1.667	1.157	1.122
	Percentage of variance	19.148	13.888	9.642	9.346
	Cumulative percentage	19.148	33.036	42.678	52.024
	*Component 1: Emotional * Component 3: Committed & disciplined		* Component 2: Not fairly treated * Component 4: Job drifters		

Note: Extraction Method: Principle Component Analysis; Rotation Method: Varimax with Kaiser Normalization.

The Eigen values of all the components, the variance explained by each component and the cumulative variance were calculated. To determine how many components to retain several procedures have been suggested such as use of Eigen values, Scree plot, and percentage of variance (Malholtra, 2007). The Eigen value approach suggests components with Eigen values greater than 1 should be retained. The present study indicates that only four components have Eigen values greater than 1. The first component accounts for 19.148 percent of variance, while the second, third and fourth components interpret 13.888 percent, 9.642 percent and 9.346 percent respectively. They together contribute 52.024 percent of total variance. An important output from Factor Analysis is the component matrix which contains the co-efficient that express the standardized variables in terms of the components. A co-efficient with a large absolute value indicates that the component and the variables are closely related. The co-efficient of the component matrix

can be used to interpret the components. We have used rotation method (Variance with Kaiser Normalization) to identify the variable that have a large loading on the same component.

In our study, variables 6, 7, 8 and 9 co-relate and combine with component 1 after rotation because of their common nature. The component may be labeled as 'emotional'. Some other research findings suggest that women are less ambitious, more emotional, dependent, conforming and passive than men (Broverman, et al, 1972). In India, working women cannot quit their job unless their spouses earn considerable incomes. Now-a-days it is hard to run a family by one income. The cost of education, health insurance, transport etc. has increased many folds. Even in America, women (24 percent) mention that spouse's income is no longer sufficient for family needs (Hewlett & Luce, 2005). Component 2 is related with variables 1, 2 and 4 and may be labeled as 'not fairly treated'. Women are dissatisfied with workplace culture and

discrimination; they receive lower pay and benefits and are far more likely to experience sexual harassment. Though, Indian Constitution recognized the principle of 'Equal pay for Equal work' for both men and women but women are paid lesser than men for the same work (Times of India, March, 2011; Valk & Srinivasan, 2011). Even in America, discrimination is present in workplace and may be greater as one rises in the workplace hierarchy (Hoobler, Wayne & Lemon, 2009). Frequently, women earn less money than men and consistently receive less promotion than men and this occurs independent of occupation (Blau & Devaro, 2007). In India, discrimination against women lingers in work practices and cultural norms. Every day in news paper and television, we have stories of sexual harassment against women. There is no national legislation or laws for women to deal with sexual harassment. The Supreme Court has laid down a set of norms and guidelines that are to be observed at all work places. It has to be treated as law declared by the Supreme Court (Under Article 141 of the Constitution of India) and to be enforced until an apt legislation against sexual harassment is passed by the Indian Parliament (Indian laws for Women, 2011). Component 3 is highly related with variables 11 and 12 and may be labeled as 'disciplined and committed'. At work, women may be viewed as less committed than men to their careers, but our research proving that women value their career as much as men. In India where job opportunities are limited, everybody takes the job very seriously. But, women are in back foot in male environment where professional commitment is demonstrated by working long hours and making personal sacrifice. Women with primary care responsibilities for children are doubly disadvantaged in male environments where they are assumed to be less committed to their work than their male colleagues. In one study of 162 managers in India it was found that 74 per cent women and 80 per cent men perceive pregnancy makes women less desirable employees than men (Gupta, Koshal and Koshal, 1998). When women start their career around the age of 22 to 25 after their graduation and post graduation, it is also the appropriate time for them to launch a family as well. So, they compromise their promising career with child bearing responsibilities with broken heart (Saha, 2011). Even in America, many women with children leave the job voluntarily (43 percent) at some point on their career highway (Hewlett & Luce, 2005). Finally, component 4 is highly related with variables 3, 5 and 10 and may be labeled as 'job drifter'. In India, men remain the main bread winner in a family even when wives have a job. In our society women's income is considered as subsidiary income. After having a child she would be persuaded to leave the job by her family members. If she does not get the support from her husband it would be difficult for her to keep the job. Very few women from Indian elite families take job to make a career. They may be highly qualified but working in an organization for money considered disgrace for the family.

Effect of Social-Demographic Variables on Factors: ANOVA Analysis

A series of analyses of variance (one way ANOVAs) were performed to investigate the relationship between the demographic variables and the components derived out from Factor analysis. Demographic variables such as age, marital status and gender were considered as independent variables and the components such as 'emotional', 'not fairly treated', 'disciplined' and 'job drifter' were considered as dependent variables. The entire null hypotheses were accepted except the hypothesis of age with 'emotion' and 'job-drifter'. It means that different age group of people do not believe women are emotional and job drifter. Now-a-days women are coming in large number in working situation than before. They have realized that if they want to stay in working environment they shall have to control their emotion. They have also realized that economic independence is the real independence for them. However, that the old concept of 'women are job drifter' is fading away very quickly.

Table: 3

Demographic Variables & its Relationship with Four Components

ANOVA analysis

Independent Variables	Emotional		Not fairly treated		Committed & disciplined		Job drifters		
	Mean p	F	Mean P	F	Mean p	F	Mean	F	p
Gender: Male Female	12.554 0.840 12.621	0.041	9.784 0.333 10.101	0.940	7.173 0.071 7.588	3.270	9.561 0.436 9.361	0.609	
Marital status Married Single	12.629 0.756 12.523	0.097	9.861 0.674 10.0	0.177	7.424 0.540 7.280	0.376	9.372 0.431 9.579	0.622	
Age: Less than 25 25-35 35-45 45-55 Above 55	13.567 0.030 12.145 12.754 12.667 13.60	2.718*	10.20 0.707 9.855 9.667 10.50 10.05	0.539	7.60 0.291 7.137 7.737 7.542 7.350	1.247	10.067 0.043 9.185 9.263 10.167 9.80	2.244*	

*Significant at the 0.05 level

7. Conclusion

After globalization, women in India have made great effort in gaining entrance to corporate sector and cracking the glass ceiling. Despite these advances women still largely remain struck in middle management. Indian organization is not gender neutral even in the 21st century. The stereotype concept about men and women still prevail. 'Think leader, think male' still dominate the show. Traditionally managerial jobs have been linked with male characteristics which are synonymous with organizational authority, responsibility and status.

In recent years economic development has shifted from a manufacturing based to information and service based economy and it has helped considerably women's employment in industry. In an economy where increasingly values 'brain power' over muscle power, highly educated workers are in greater demand. This advantage helped women tremendously with their enhanced levels of educational attainment.

There are several obstacles to women's advancement to senior levels such as commitment to family responsibilities, long working hours, work place discrimination and conservativeness of Indian organization (Saha, 2011). The present research finding suggests that they are no longer emotional and job drifter, they are committed and disciplined and like to hold their job.

To be successful in to-days diverse and competitive society, organization need to give emphasis on feminine characteristics associated with women such as caring, compassionate, understanding and collaborating. To do that, organization's natural choice would be female managerial candidate and groom them for higher position.

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Declaration:

I hereby declare that this paper is our original work and has not been published elsewhere.

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Return of Labour Unrest: A Case of Maruti Suzuki India Ltd.

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Case Overview : *Labour unrest has been slowly brewing again in the Indian industry. From the year 2005, there were series of confrontations between labour and management noticed mostly in auto industry. Most of these problems were due to employee's demand of permanent jobs, followed by demand for recognition by management of their proposed new union. These issues led the workers to go on strike in companies. Even the companies of best brands, where landing in jobs means are a jump in social status are not spared. Maruti Suzuki, the leading car manufacturer in India also faced the similar problem of labour unrest on account of employee's demand for permanent job and recognition of their new union. This case explores to see as how workers demand are shifting from hefty pay, a promise to a better working life to a demand of job security and management recognition of their new union.*

Key Words : *Labour, Unrest, Union, Management, Recognition*

1. Introduction

Strikes and protests are common phenomena in India or abroad. The surge of sudden trade activism in certain sector comes at a moment when strikes in general have actually been in decline with less numbers of workers affected. From a whooping 0.45 million workers affected due to strikes and lockout in the year 2008, the number came down to 90,000 in 2010 (http://timesofindia.indiatimes.com/business/india-business). This can be interpreted as a result of employee satisfaction in manufacturing industries during above period. However, does not mean that the strained relation between management and union is over. Now the situation is back to the year 2005, as any tough action from management to discipline workers on any issue may lead to workers non-cooperation and strike.

Looking at the history of recent major labour unrests in India, one can see how in 2005, protesting workers of Honda Motor Cycle plant

were brutally beaten up by the police for demanding the reinstatement of their colleagues dismissed for forming a trade union. In 2008, dismissed employees of Oerlicon-Graziano, India, lynched their chief executive, L.K.Chowdhury. In 2009, Vice-President, human resources (HR) of Pricol, J George allegedly killed by striking workers. In 2009/10 automobile company Hyundai faced four strikes in single year on account of employees demand for recognition of new union. In 2010, Bosch, manufacturer of automobile equipments declared lock out of their factory at Hosur due to intimidation and threat from workers (Rohit, T.K. The Times of India (TOI), 26th June 2010).

Then on 4th June 2011, workers of Maruti Suzuki (Maruti), the Japanese Multinational and the largest car manufacturer in India went on strike at Maruti's Manesar plant, on account of demand by employees for permanent jobs and recognition of their new union. On the third day as the workers were unwilling to go back to their workplaces, management sacked 11 employees on account of instigating other workers to join illegal strike.

On the fourth day, media reported that Maruti management may agree to strikers demand on

condition that the new union does not align with any political outfit. The continued strike led the company to a daily loss of Rs 40 crore (US$8.89 million). RC.Bhargava, Chairman said in an interview with The Economic Times (ET) that 'Maruti will not compromise on any basic principle'. Even for the fifth day production was shut at Manesar plant as the key models like Swift hatchback, Swift Dezire sedan and SX4 could not roll out resulting into total losses of Rs 200 crore (US$ 44.5 million). This is at a time when the auto industry was facing problems due to rising fuel cost, interest rate and competition in the industry.

With the continuation of unrests, Maruti workers got support from other unions in auto component industry which had spread like wild fire. On 10th June 2011, Haryana state government imposed a ban on the week-long workers strike at Manesar plant by passing prohibitary orders, seeking a solution through legal re-course to the issue which are likely to serious flare up labour problem in India's auto hub. By 15th June 2010, close to 65 unions from different other companies that do not have unions decided to join striking Maruti workers (TOI, 13th June 2011).

By 12th June 2011, some left trade union leaders asked for Prime Minister's intervention, to resolve the crisis at Maruti. Finally on 13th June 2011, Maruti agreed to take back five sacked workers. However, strike continued resulting in production loss of around 9,000 units and revenue loss of Rs. 450 crore (US$ 100 million). Even on the 11th day there was no headway in talks and strike continued at Manesar plant.

Finally on 14th June 2011, Maruti management agreed for a separate union at Manesar plant and took a liberal view on 11 sacked workers whose jobs were terminated for alleged indiscipline. On 16th June 2011, the 13th day Maruti strike ended as both union and management, in the presence of Haryana government agreed for a truce that could end the stalemate (Doval, Pankaj. TOI, 15th June 2011).

Maruti strike seems to be following a pattern of other strikes during past five years in auto industry. The truce may be there at Maruti, but the others in auto industry were feeling uneasy as many feel that contract labour a ticking time bomb could trigger many more explosions in future in the industry. The strike at Maruti may be over, but minor labour scuffle continued to be there at Maruti on issues like union election and on disciplinary actions taken against errant employees. This labour unrest could further deteriorate Maruti's last year's financial result shown in Exhibit I.

2. Background of Maruti Suzuki

Maruti was established in February 1981 in the name of Maruti Udyog Limited (Maruti). But the actual production of manufacturing cars started in the year 1983 with the model Maruti 800, based on Suzuki's Alto kei car, which was then one of the most modern cars in the country. Other major players in the passenger car industry were Hindustan Motors Ltd, Premier Automobiles Ltd. In the beginning Maruti was a joint venture of Government of India and Suzuki Motor Corporation (Suzuki), Japan, with share participation of 50:50 percent each. Suzuki is a global leader in compact and mini cars for more than three decades. Suzuki's strength lied on its technical superiority followed by its ability to pack power and performance into a lightweight compact engine that resulted into fuel efficient and clean technology cars.

In the year 2004, Maruti produced more than 5 million vehicles and became the leader and sold more than 50 percent of the cars manufactured in India. Maruti also sold cars in various other countries depending upon their export orders. However models similar to Suzuki's design (not manufactured by Maruti) were sold by Suzuki in Pakistan and other South Asian countries. During May 2007 the government of India disinvested its holding in Maruti. Suzuki became a majority shareholder with 54.2 per cent stocks and rest went to public and financial institutions. On 17th September 2007, the name of the company was changed to Maruti Suzuki India Ltd.

The manufacturing facilities of Suzuki are located at Gurgaon and Manesar. The Gurgaon facility has an installed capacity of 350,000 units per annum. While the Manesar plant launched in February 2007 comprises a vehicle assembly plant with capacity of 100,000 units per annum and a

Diesel Engine plant with annual capacity of 100,000 engines and transmissions. During 2007-08, Suzuki sold 764,842 cars, of which 53,024 were exported. Today, more than six million Maruti Suzuki cars ply on India roads since the first car rolled out on 14th December 1983.

Suzuki offers as good as 14 car models to the market, that include, Maruti800, Alto, WagonR, Zen Estilo, Ritz, Swift, Swift Dezire, Omni, Eeco, Gypsy, manufactured at Gurgaon plant and A-star and SX4 manufactured at Manesar plant. While, top end products like, Grand Vitara and Kizashis are imported from Japan as completely built units (CBUs). Nearly 75,000 people are directly employed by Suzuki and its partners. According to JD Power Asia Pacific, Suzuki has been rated first in customer satisfaction among all car makers in India from the year 1999 to 2009. (http://en.wikipedia.org/wiki/Maruti_Suzuki).

3. History of Industrial Relation at Maruti Suzuki

Maruti had few problems with its labour force, as it emphasised a Japanese work culture and modern manufacturing process (instituted in Japan in 70s) which was accepted by the work force in the company. However, with the change of management in 1997, it became prominently government controlled for a while, and the conflict between the United Front Government and Suzuki caused some labour unrest at Maruti. A major row broke out in September 2000 when employees of Maruti went for an indefinite strike, demanding implementation of pension scheme and revision of incentive scheme. Employees again struck work for six hours in October 2000, irked over suspension of nine employees, demanding revision of incentive payment and threatened to go on fast unto death if suspended employees were not reinstated.

About this time, National Democratic Alliance (NDA) Government, following a disinvestment policy and proposed a part of its holding to the public offering. The staff union of Maruti opposed this move on grounds that the company will lose a major business advantage of being subsidised by government. This standoff between employees and the Government continued in December 2000, with a proposal from management to end two month long agitation rejected with a demand of reinstatement of 92 dismissed workers.

In December 2000, the company's shareholders met in New Delhi at an annual general body meeting lasted for 30 minutes. At this same time, around 1500 workers from Maruti's Gurgaon plant were agitating outside the company's corporate office demanding commencement of productivity linked incentive scheme and implementation of pension scheme. The management refused to pass these benefits to workers and citing increased competition and declined margins as reasons.

Then on 4th June 2011, almost after 10 years, new labour unrest emerged in the company which lasted for 13 days and was ended on 16th June 2011 after a settlement in the presence of Haryana Government officials. However, this settlement was without the management's agreeing to recognise the newly formed Maruti Suzuki Employees Union (MSEU). In this agreement, Maruti Suzuki management also took a lenient view and reinstated all the 11 sacked employees (ET, 18th June 2011)

However, the minor issues related to industrial relation continued at Maruti Suzuki. On 10th July 2011, fresh trouble brewed in the plant as the MSEU decided to boycott the union election which was slated on July 16th 2011 (Daval, Pankaj. 11th July 2011). Then, again on 28th July 2011, Maruti Suzuki workers went for one hour tool-down strike at Suzuki's Manesar plant to protest against the disciplinary action initiated against four workers. According to a company spokesperson, "one of the supervisor was assaulted by workers yesterday (Wednesday, 27th July 2011), and disciplinary action was taken by way of suspension, they struck work at the plant" (ET, 29th July 2011).

4. Reasons Behind Labour Unrest

On 13th June 2010, the Economic Times (ET) commented in its editorial, that recent industrial unrest at Maruti Suzuki needs to be looked in

proper perspective as a productive, prosperous workforce is good for the carmakers and the country. The unrest was due to large number of contract workers, employed by Maruti Suzuki, which is a leading car maker, one of the better employers in the country, but denies the majority of its workers - mostly contract labourers – right to form an independent union. The contract workers do not get perks enjoyed by regular workers in companies. Almost 85% of the workers in this region are contract workers where Maruti Suzuki operates.

Therefore Maruti Suzuki should allow these contract workers to form new union. Some assumptions that union will disrupt work and create troubles are not correct. The industrial power houses like that of Germany and South Korea have strong unions. These countries have created a working class that is prosperous, earns enough to drive the economic consumption engine. The distinction between the regular workers and contract workers must go; as people cannot be paid differently for the same work. One reason for contract employment by companies, that India has strict rules that regulate the condition of regular employees. And it is near –impossible for any company to lay off regular employees during the period of economic downturn. Hence, ET further suggested that to break down the distinction between contract and regular workers, government must modify these rules to make it possible for companies to lay off people during bad times (ET, 13th June 2011).

The truce between Maruti Suzuki employees and management seems to be working for short duration. The strike at Maruti Suzuki is only following a pattern of some past industrial unrest in auto sector companies like Hero-Honda, Honda Motor-cycles, Hyundai, Ashok Leyland, MRF, Apollo Tyres, and Sona Koyo. The $73 billion industry employing close to 13 million people wants to double its revenues by 2016. This industry will need a workforce of 25 million to reach the destination. However, complex laws that govern company's ability to hire and fire employees to cope with the fluctuation on demand of cars, trucks and bikes will only cool this tension. Archaic labour laws seek to protect job security of workers. While on other side the same law forces the companies to hire contact workers. According to Yezdi Nagporewalla, Executive Director, KPMG, "Indian labour laws could do the flexibility given the current environment. Stronger industrial relations can have a positive impact on productivity as well" (Team ET, 29th June 2011).

5. Process of Recruitment of Contract Employees

Auto companies do not recruit contract employees directly; instead they hire these employees through labour contractors and like to play in the book. These labour contractors often rise because of their political connections. According to G.S.Ramesh, Chairman, Layam Group, a consultancy firm that advises companies like Toyota, Renault, Hyundai, General Motors and Ashok Leyland, labour contractors tap migrant labourers from all states that includes Uttar Pradesh, Punjab, Haryana, Orissa, Kerala and large section from Bihar. The business model of these labour contractors makes the workers vulnerable to exploitation. Even a senior executive of Maruti Suzuki admits that "Malpractices in the supply of labour cannot be ruled out. We pay a standard wage to a skilled worker even if they are on contract, but they are given in hand could be much lower" (ET, 29th June 2011).

This admission was endorsed by D.L.Sachdev, the general secretary of All India Trade Union Congress (AITUC). He adds that most of the contract labour work with the permanent worker closely. Often they could be performing the same task as regular employees but paid almost 30 to 70 percent less than their permanent colleagues. They are also not entitled to any incentives either. For example a regular employee at Maruti's Manesar plant would draw around Rs 16,000 to Rs 24,000 depending upon his experience along with productivity incentives; while a contract worker doing similar work may get Rs 5,500 to 8,500 from the contractor who employs them on behalf of the company.

6. The Road Ahead

These labour unrests have now led to think some Japanese automobile companies like Honda,

Suzuki and Toyota to rethink their labour strategy in India to better communicate and deal with a young and volatile workforce. As the companies that have earlier faced labour unrest in their Indian operation they are now trying to understand psyche of a workforce different from other parts of the world. On this issue, Shinzo, Nakanishi, Managing Director of Maruti said that "Suzuki has a lot of experience handing strikes in Japan and elsewhere. If a market is growing, these problems are not possible to avoid and every company will face this kind of situation". Similarly the vice-chairman of Toyota Kirloskar Motors Ltd. Vikram Kirloskar also said, "We are trying to improve communication with team members and instil ownership in the company. When we started out, we ended up with fresh hand and failed to understand their demographic and personal requirements. That's why we had labour problems in the first plant but the second plant has been going smooth. We have promoted career development and ensured a mix of experienced and new people" (Sengupta. Nandini, 2012).

The problem of industrial unrest is going to stay in the automotive and other sectors of the industry and it is the time that central and state governments pay heed to reform the labour laws in the country. Automotive companies from their part claim that they have been increasing compensation as per the law. For instance, the minimum wage in the state of Haryana is around Rs 4,800 per month (US$100) and companies claim that they pay more than the minimum wage fixed by the government. As long as the disparity in pay, job security, job satisfaction between permanent employees and contract employees doing the same work continues the labour unrest would continue to remain.

For the time being labour unrest in Maruti may have gone for hibernation but it is not over. Contract employees are asking for the recognition of their new union where they feel that the existing unions are of no use to represent their problems. The continuation of labour problem could impact the growth prospect of Suzuki Motors in India. Analysts feel continuance of labour unrest could even force the customers to change brands which Maruti established after long years of distinguished

work. Hence, the company needs to relook at its labour policy and keep a balanced sustainable approach under the present labour laws.

7. Questions for Discussion

1. What do you think are the reasons for which labour unrests resurfaced again in Indian industry?

2. Do you feel that governments both state and union need to relook at the labour laws in the country?

3. Do companies also need to modify their labour strategies considering the growth opportunities in emergent economies and understand the psyche of young educated work force?

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Exhibit – 1

Financial Results of Maruti Suzuki India Ltd.

(*Rs. In Million)

Particulars	2010-11*	2009-10*
Total Gross Income	375,224	301,232
Profit after Tax	31,088	35,925
Tax Expense	8,202	10,949
Profit after Tax	22,866	24,976
Balance brought forward	100,499	80,042
Appropriations: General Reserve	2,289	2,489
Proposed Dividend	2,167	1,733
Corporate Dividend Tax	351	288
Balance carries forward to balance sheet	118,578	100,499

Source: http://www.mppneycontrol.com/annual-report/maritisuzukiindia

The Company's performance during the year ended 31st March 2011.

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