

Editorial

With this issue, 'Management Today' completes two-years of its existence and enters into the third year. Thanks to the authors and the readers of this journal for their patronage. So far it has survived only due to philanthropic outlook of the college management in running the journal. They are committed to the cause of spreading the knowledge. Without their support we could not have got an opportunity to serve this noble cause. During these two years we would have taken considerable time in resolving the dilemma of deciding eligibility of the articles thereby delaying publication, we would have inconvenienced the authors by asking them to revise again and again and we would have disappointed the authors by deciding not to publish their articles. We regret for the delays, inconveniences and disappointments caused to the contributors of the articles and to subscribers of the journal.

During these two years' time of infancy, we have taken all the measures to maintain the standards and we do not know how far we are successful in this onerous academic endeavor. Readers are the better judges. We thought that it is the right time for looking back, to introspect, to review and to revise. We would like to bring in certain changes to serve better the 'management' community. We hope that the prospective authors of the articles will appreciate and extend their wholehearted cooperation to us.

In addition to already existing traditional print form, 'Management Today' is also published online (internet) from this issue onwards. We have decided to make it an open access journal initially for two years; to get the articles indexed by the **CrossRef** for easy worldwide viewership, readership and cross reference; not to charge any money for publication and to get a separate ISSN for online version. In this age of internet going online increases viewership and readership and spreads the knowledge faster and wider. Hereinafter for sending the articles the authors have to use online submission system. Online submission designed for the journal is user friendly.

Layout of the articles also has been changed slightly. A separate logo has been designed for the journal and imprinted on the first page of every article for ensuring better look and authenticity. The first page of the article also consists of 'doi' number. Printed copy will be sent by post to our honoured subscribers without fail. Contributors of the articles are requested to take note of this. For further information please visit our website www.mgmt2day.griet.ac.in. Suggestions are invited from the management academia and professionals for improving the quality, attractiveness and popularity of the journal.

For publication in this issue, six articles covering a cross section of management activities have been selected after a careful scrutiny. The first article is on spirituality at work; the second article is on motivation, emotions and leadership; the third article is on leadership styles and emotional intelligence among hospital managers; the fourth article is on impact of recent changes in foreign direct investment on the demand for retail skill set, the fifth article is on corporate social responsibility and the last is a case study on 'poor public relations'. I hope that these articles will provide a food for thought to the readers.

Babujee Apparao Punaty
Chief Editor

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INSTRUMENT DEVELOPMENT FOR USING TRIKARANASUDDHI (PURITY AND UNITY OF THOUGHT, WORD AND DEED) AS ETHICAL GUIDEPOSTS IN ELICITING WORKPLACE FEEDBACK

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ABSTRACT

The Global Countries have been divided into broadly as developed and developing on the basis of their economic growth and development, which is largely contributed by the 'marketing activities' of the respective countries. Earlier marketing has defined in narrow sense as 'it is a mere activity of selling the goods and services to the customer'. But marketing activity will give the expected results, only when its definition and practice identify the extent of its scope. From this the marketing can be defined as "a process of identifying the customer (need), producing the required and continue until to seeking their utmost satisfaction". For this the whole activities of marketing are broadly divided in to FOUR major groups, which are also known as the basic components.

Introduction

Recent literatures have suggested spirituality as the emerging context for business leadership (Miller & Miller 2008, Pruzan 2011). The summary of spirituality being a context of leadership is as follows (Miller & Miller, 2008):

Purpose of Business	Spiritual fulfillment and service to society, that is derived from and motivated by a Transcendent consciousness
Measures of Success	Purity and unity of thought, word, and deed (reflected in external measures)
Leadership Metaphors	Watering the spiritual roots
Leadership Style	"Radiating" spiritual nature
Nature of Man	Same energy/ consciousness as the Transcendent

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Motivation	Fulfilling one's spiritual purpose and operating from one's spiritual character
Managing People	People are spiritual in nature; enable them to follow their dharma and express their spiritual purpose

The above literature indicates that while tapping spirituality as the context of leadership, the measure of success would be 'Purity and Unity of Thought, Word and Deed' and its reflection in external measures. In India, 'Purity and Unity of Thought, Word and Deed' has been referred to as *TrikaranaSuddhi* (Tri stands for three, and Suddhi stands for Purity/ Cleansing). The traditional lore in India is, *Manas Ekam, Vachas Ekam, Karmanyekam Mahaatmanam*, indicating that: In a Mahatma, the *Manas* (mind), *Vachas* (word/ speech) and *Karm/a* (physical actions) are always in co-ordination. In the spiritual tradition of Bharat, saints and sages focused on developing *TrikaranaSuddhi* as part of the process of spiritual awakening. The researcher inferred that if the objective is to evoke spiritual values in the workplace, the process should also involve the practice of *TrikaranaSuddhi* in the workplace.

Swami Yatiswarananda,¹ a monk from Ramakrishna Math, says, “Before you can become a spiritual man or woman, you must become a gentleman or a gentlewoman, in the real sense of the term.” Taittiriya Upanishad (1.11) states, “Sathyam Vada, Dharmam Chara”, which in English could mean, “Speak the true, Practice righteousness”. *Athato Brahma Jijnasa* – “Then thereafter seek to know the Brahman (Supreme Truth)”, says the Brahma Sutra (1.1.1)², one of the important texts of Vedantic school of philosophy. The seers say that one can seek the knowledge of *Brahman* (Supreme Truth) after one acquires the knowledge of *Karma* and *Dharma* (action and righteousness). Thus, *TrikaranaSuddhi* or “Purity and Unity of Thought, Word and Deed” is considered an important qualification in the process of knowing the True Reality/ Supreme Truth and also to elevate work to a sacred act. Work, when thus performed from the context of ‘Purity and Unity of Thought, Word and Deed’ becomes Yoga itself and actions thus performed become a noble sacrifice (*Yagnayacharatah karma; Bhagavad Gita, 4-23*).

Research studies have linked corporate performance to strong ethical leadership (Berrone et al 2007, Collins 2001). However, in many organizations, a gap exists between the espoused values (values that are professed, but not necessarily put into practice) and the integrated values (values that are demonstrated and expressed in daily routine). A Mission Statement, a Vision Statement or an Organisational Credo is an expression of thought, in the form of words. It is up to the leader to ensure the unity between espoused values and integrated values. Spiritual values could play a role in this integration. This is also the context where there is a need for *Trikarana Suddhi* or ‘Purity and Unity of Thought, Word and Deed’.

There have been a number of research studies related to the application of spirituality at work / workplace. There have also been discussions about *TrikaranaSuddhi* in the contemporary literatures (Nath 1998, Rao 2004, Iyengar 2004, Aditya 2003, Rama 2008, Patel 1995, Rao 2012). However, the researcher was generally unable to find research papers, studies or academic mentions that linked *TrikaranaSuddhi* to a leadership or managerial context, barring a few (Nandagopal and Sankar, 2010). The researcher, thus felt a need, to engage in a research study, done quantitatively, that interlink ‘*TrikaranaSuddhi*’ with ‘Spirituality as the Context of Leadership’.

Research Questions

1. Does ‘Tapping Spirituality as a Context of Leadership’ results in *TrikaranaSuddhi* (‘Purity and Unity of Thought, Word and Deed’) at workplace’ or vice versa?
2. What is the connection between these two variables?

Research Hypotheses

Hypothesis 1

Null Hypothesis: H_0

1. For me, customer service is based on “Respecting people for who they are and not for what they can do for us.”
2. I give my best efforts in my work, even if no one was watching.
3. I nurture organizational and employee values that contributes to universal well-being.
4. **Tapping Spirituality as a Context for Leadership**
5. I am aware that people are spiritual in nature.
6. I have experienced/ experience a sense of sacred/sacredness in the work that I do.
7. I am motivated to fulfill my spiritual purpose.
8. I believe that the mission of a business organization is to serve the society, an intention to engage at the highest levels of selflessness.
9. I have experienced the direct and precise intervention of the “unseen hand” in my work related endeavors.
10. I've visioned the unity that underlies the diversity.
11. I experience the strength and equanimity to be true to my spiritual values.
12. I know when my conscience is speaking to me.
13. I listen to my inner voice of knowing.
14. My definition of success is derived from my spiritual view/ vision of life.
15. I am recognizing the unchanging, essential nature of Divinity in myself and all creation.
16. My work/ career is in accordance with my spiritual purpose and values.
17. I am able to remain rooted in my spiritual nature even in moments of turbulence.
18. I know that all resources needed for my well-being have been provided in abundance.

Eliciting Expert Opinion

Once the researcher designed the questionnaire, which had 34 questions (9 questions in Purity of Word, 11 questions in Purity of Deed and 14 questions in Tapping Spirituality as the Context of Leadership), it was sent for eliciting expert opinion. Eliciting expert opinion included two aspects.

1. Ascertaining content validity
2. Ascertaining whether the questions are communicating the ideas properly, including structure and grammar.

Wikipedia refers to content validity as the extent to which a measure represents all facets of a given social construct. Content Validity can be established through literature reviews and discussion with experts (Straub 1989). A measure is said to have content validity if there is a consensus among researchers that the instrument include items that cover all aspects of the variable being measured (Bohrnstedt 1983). The questionnaire was sent to 37 experts who are researchers and practitioners in the theme of Spirituality at Work – these included monks, spiritual teachers, academicians interested on the theme of

spirituality at work, and practitioners in for-profit and non-profit organisations. They were requested to respond on whether each of the questions in the questionnaire were

- a) "Essential"
- b) "Useful, but not essential".

Of the 37 experts, 11 responded to the questionnaire, while a few experts shared informal feedback and suggestions. Those questions that received more than 50% of the responses as 'Essential' were kept and those questions that received 50% or less than 50% were removed. As part of this process, two questions were removed, which were as follows (the percentage of respondents who considered it "Essential" are mentioned in the brackets)

- a) I am aware that there is no such thing as "brutal truth" (27.3%).
- b) I know that all resources needed for my well-being have been provided in abundance (45.5%).

Also, the researcher requested the respondents' opinion on whether they would like to add any new questions. Out of the 11 respondents, two of them gave response to this query by suggesting three questions. The researcher initiated discussions with the respondents on these questions for further clarifications, when needed. Based on these discussions, two questions were chosen for a second phase of content validity testing with the same earlier 11 respondents. However, the respondent number came down to 6 this time. Of the two questions, one came under 'Purity of Word' and the other under 'Tapping Spirituality as a Context of Leadership'. Based on the responses, one question statement was finally added to the questionnaire and the statement was as follows (percentage of respondents who considered the question to be "Essential is included in the brackets)

While my spirituality is critical, I do not expect the same characteristic to be present in my peers. If present, however, I do seek to nurture it (83.3%).

The questionnaire followed the Likert five-point scale format, with responses ranging from "Strongly Agree" (assigned a value of 5) to "Strongly Disagree" (assigned a value of 1). When the questionnaire was administered to the respondents, the questions were not listed under headings like 'Purity of Word and Deed' and 'Spirituality as the Context of Leadership'. It was administered as a single questionnaire without any headings.

Sampling Design

Target Population

The following two points were considered to be necessary conditions for the target population:

1. Individuals who are working full-time at least for a minimum period of two years or have worked full-time for a minimum period of two years.
2. Individuals who lead their life, guided by spiritual values OR individual who attempt to lead their life, guided by spiritual values.

Sampling Population

In addition to meeting the criterion for target population, the sampling population has to meet one of the following necessary conditions:

1. Individuals who can communicate in English and are part of an e-group related to spirituality/ social networking site related to spirituality/ themed site related to spirituality.

(OR)

2. Individuals who can communicate in English, and leads a life driven by spiritual values, in the perception of the researcher or a survey respondent.

(OR)

3. Individuals who can communicate in English and are self-convinced that they lead a life/ attempt to lead a life driven by spiritual values.

Type of Sampling

- Non-probability sampling was done, and was of two types – Purposive Sampling and Snowball Sampling.
- Purposive Sampling
- Judgment Sampling (as the researcher arbitrarily selected sample units that confirmed to certain criterion)
- Snowball Sampling (as the respondent was asked to refer subsequent participants by suggesting an email id of an individual who the respondent feel may be a good respondent to the survey.
- Notes: (a) Response to this question was not compulsory. (b) Also, the respondent was restricted with the space to accommodate only one email recommendation. This was done to ensure that the respondent gives only a relevant answer.

Sources of Data

As the objective of the survey was to collect responses that have a global outlook, the researcher needed to collect responses from around the globe and thus the researcher opted for an online survey. The researcher became a member of various spiritual e-groups affiliated to Yahoo Groups and Google Groups, spiritual networking sites like SpeakingTree.in and ItakeTheVow.ning.com and social networking sites like Care2.com that has groups related to spirituality. The selection of the groups in Yahoo and Google were based on the list of spirituality related groups that the websites provided. From a large number of e-groups to which the researcher sought membership to, the researcher was approved to be a member of 103 Yahoo e-groups and 33 Google e-groups. The researcher also joined e-groups related to saints, sages and self-realized people. In addition, the researcher also collected responses from another 11 Yahoo e-groups that the researcher was already a member of.

'The Speaking Tree' (<http://www.speakingtree.in>), a spiritual networking site from the Times of India group, posted the survey in the homepage of their Facebook. 'I Take The Vow' (<http://itakethevow.ning.com/>), a social networking site related to Dr Deepak Chopra, also featured the survey prominently in their homepage. Project Greenhands, a respected green initiative of Isha Foundation, also featured the survey prominently in their

Facebook page.

For pilot testing phase, a survey website <http://www.surveygizmo.com> was used to collect responses. 131 complete responses were collected from the pilot study survey. After the pilot testing, the research furthered the data collection. In total, 296 samples were collected. During this phase, the researcher took the help of the survey website <http://obsurvey.com>.

Research Design Classification

- Based on the degree to which the research question has been crystallized, the study is a Formal Study. Though the study has exploratory elements, however, it is a formal study as it has a research question, hypothesis and involves precise procedures and data source specifications.
- Based on the method of data collection, the study is a Communication Study. The researcher has questioned the respondent and collected responses through an online study.
- Based on time-dimension, it is a Cross-sectional study. Study is conducted within a limited time period and responses represent the idea of that period only.
- Based on the topical scope, it is a statistical study. The hypotheses are tested quantitatively. The researcher attempted to capture a population's characteristics by making inferences from a sample's characteristics. Generalizations about finding are presented based on the representativeness of the sample and validity of the design.
- Based on research environment, the study is done on Field Conditions. Study is conducted under actual environmental conditions.
- Based on the purpose of the study, the study can be termed as both Causal and Descriptive.
- Based on the power of the researcher to produce effects in the variables under study, the study could be termed as 'ex post facto design'.

Note: The above explanations are derived from the theoretical basis provided by Cooper and Schindler (2006).

Pilot-Testing and Ascertaining Reliability and Validity of the Instrument

The final questionnaire administered for the pilot test study is given in Appendix. The instrument has already undergone content validity through expert review. Pilot Study elicited a response rate of 131 responses. With the help of 131 responses, the instrument was tested for Reliability, and Construct Validity (through Convergent Validity and Discriminant Validity).

Construct	Composite Reliability	AVE	Cronbach Alpha
TSCL	0.895394	0.385797	0.868753
PWD	0.911497	0.354804	0.89244

Using Visual PLS software, it was found that the constructs, as a whole, have strong reliability, indicated by Cronbach Alpha. However, AVE values, which are an indication of validity, were less. This made the researcher to explore possibilities on why the AVE is less. Theoretically, the questionnaire had questions falling

under two parts: (a) Purity of Word and Deed and (b) Tapping Spirituality as the context of Leadership. Within each of these two sections, there were questions that specifically related to work-related aspects and there were questions that were not limited to work-related aspects but went beyond workplace also. In the questionnaire, the researcher has mentioned, "You may find that some questions may go beyond just workplace practices. If you feel so, feel free to answer those questions from your most expansive perspective". Thus, the researcher started looking into two constructs and within each of these constructs, there were two constructs each.

1. Questions related to 'Purity of Word and Deed' (PWD)
 - a. Questions specifically pertaining to workplace (PWDswp)
 - b. Questions that goes beyond workplace (PWDbwp)
2. Questions related to 'Tapping Spirituality as the Context of Leadership' (TSCL)
 - a. Questions specifically pertaining to workplace (TSswp)
 - b. Questions that goes beyond the workplace. (TSbwp)

Ascertaining Reliability

Cooper and Schindler (2006) stated that a measure is reliable to the degree that it supplies consistent results. Reliability was tested using Corrected Item Total Correlation (CITC) and Cronbach Alpha.

Reliability analysis results in purification of items in the questionnaire and this is done by examining the CITC score, which is a pointer to how well each item contributes to the internal consistency of a particular construct as measured by Cronbach Alpha (Cronbach 1951). Items are generally deleted if the CITC scores are below 0.5. However, they may be kept if there are sufficient reasons for keeping them despite low item correlation. Items with scores above 0.5 may also be removed if such a deletion is significantly improving the overall reliability, which is indicated in the Cronbach's Alpha Coefficient. A score, higher than 0.70 in Cronbach's Alpha Coefficient is generally considered to be acceptable (Nunnally 1978). These scores are guidelines.

Tapping Spirituality as the Context of Leadership - Specific to Workplace (TSswp)

Item Code	Item Description	Corrected Item-Total Correlation (CITC)	Cronbach's Alpha if Item Deleted
TS4	I have experienced/ experience a sense of sacred/sacredness in the work that I do.	.572	.588
TS5	I believe that the mission of a business organization is to serve the society, an intention to engage at the highest levels of selflessness.	.381	.673
TS9	My work/ career is in accordance with my spiritual purpose and values.	.481	.630

TS10	I have experienced the direct and precise intervention of the "unseen hand" in my work related endeavors.	.492	.625
TS14	While my spirituality is critical, I do not expect the same characteristic to be present in my peers. If present, however, I do seek to nurture it.	.323	.690
Cronbach's Alpha Coefficient		0.693	

The thumb-rule is that Cronbach's Alpha Coefficient value is higher than 0.7. The result almost reaches that number, at 0.693. In the above set, we find two items that has a CITC value that is perceivably lower than 0.5 and they are TS14 and TS5.

However, the researcher has chosen not to eliminate, but keep TS5 due to the reasons given below:

1. There will not be any increase in the value of Cronbach alpha even if the question/ item is deleted (Refer the column 'Cronbach's Alpha if Item Deleted').
2. 73% of experts suggested inclusion of this question as part of content validity testing.
3. The questionnaire is being developed new and the researcher believes that the question contributes to the efficiency of the questionnaire.

The researcher has chosen not to eliminate, but keep TS14 due to the reasons given below:

1. There will not be any increase in the value of Cronbach alpha even if the question/ item is deleted (Refer the column 'Cronbach's Alpha if Item Deleted').
2. The inclusion of this question in the questionnaire was suggested by an external expert to this section and later recommended by more than half of the experts to whom the question was sent for content validity (with 83% of the respondents recommending the inclusion of this question).
3. The questionnaire is being developed new and the researcher believes that the question contributes to the efficiency of the questionnaire.

Tapping Spirituality as the Context of Leadership - Beyond workplace (TSbwp)

Item Code	Item Description	Corrected Item-Total Correlation (CITC)	Cronbach's Alpha if Item Deleted
TS1	I am aware that people are spiritual in nature.	.416	.822
TS2	I know when my conscience is speaking to me.	.437	.817
TS3	I've visioned the unity that underlies the diversity.	.471	.814
TS6	I listen to my inner voice of knowing.	.583	.803
TS7	I am able to remain rooted	.477	.814

	in my spiritual nature even in moments of turbulence.		
TS8	I experience the strength and equanimity to be true to my spiritual values.	.662	.792
TS11	My definition of success is derived from my spiritual view/vision of life.	.676	.791
TS12	I am recognizing the unchanging, essential nature of Divinity in myself and all creation.	.494	.815
TS13	I am motivated to fulfill my spiritual purpose.	.603	.799
Cronbach's Alpha Coefficient		0.825	

In the above set, the CITC values of all the items are above 0.5 or close to 0.5. We find that the Cronbach's Alpha Coefficient is more than 0.7 (at 0.825). The Cronbach alphas of those items that are less than 0.5 are not showing a significant increase even if they are deleted (Refer the column 'Cronbach's Alpha if Item Deleted'). Hence all the items are kept.

Purity of Word and Deed - Specific to Workplace

Item Code	Item Description	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PW1	I would honestly communicate any errors or delays, even if it meant a temporary reprimand from my seniors/ colleagues.	.419	.835
PW4	I choose to disassociate when there are gossips and harsh criticism about my colleagues.	.520	.829
PD4	For me, customer service is based on "Respecting people for who they are and not for what they can do for us."	.481	.832
PD1	I enable my colleagues to follow their dharma and express their spiritual purpose.	.519	.828
PD2	At the workplace, I practice not just the technical requirements of a governmental law, but the spirit of the law too.	.558	.826
PD5	I nurture organizational and employee values that contributes to universal well-being.	.537	.828
PD7	At the workplace, I respect not just the technical requirements of an organizational guideline/ code, but the spirit of the guideline/ code too.	.477	.831
PD11	I role model what I may communicate to my colleagues, juniors and	.506	.829

	seniors.		
PD6	I look forward to opportunities where I can mentor, guide and train my juniors, though it may not be an organizational priority.	.615	.824
PD3	I contribute to the strengthening of the character of my workplace.	.447	.834
PD8	I actively participate in social and environmental outreach activities of my organization.	.392	.840
PD9	I work pro-actively towards the good of all the stakeholders.	.569	.825
PD10	I give my best efforts in my work, even if no one was watching.	.465	.832
Cronbach's Alpha Coefficient		0.841	

In the above set, the CITC values of all the items (except PD8) are above 0.5 or close to 0.5. We find that the Cronbach's Alpha Coefficient is more than 0.7 (at 0.841). The Cronbach alphas of those items that are less than 0.5 are not showing a significant increase even if they are deleted (Refer the column 'Cronbach's Alpha if Item Deleted'). Hence all the items are kept.

Purity of Word and Deed – Beyond Workplace

Item Code	Item Description	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PW5	I do not criticize anything unless I have a determined will to transform the movements I criticize.	.568	.732
PW7	I believe and practice the guideline, "May my speech be established in my mind and my mind be established in my speech". I speak with due reflection.	.598	.727
PW8	I state only that I wish to see happen.	.530	.741
PW2	I do not allow the impulse of speech to assert itself too much.	.461	.757
PW6	My communications are authentic, sincere and truthful.	.517	.744
PW3	I do not engage in false or wrong encouragements.	.487	.751
Cronbach's Alpha Coefficient		0.776	

In the above set, the CITC values of all the items are above 0.5 or close to 0.5. We find that the Cronbach's Alpha Coefficient is more than 0.7 (at 0.776). The Cronbach alphas of those items that are less than 0.5 are not showing a significant increase even if they are deleted (Refer the column 'Cronbach's Alpha if Item Deleted'). Hence all the items are kept.

Ascertaining Convergent Validity

Convergent Validity is the degree to which scores on one scale correlate with scores on other scales designed to assess the same

construct (Cooper and Schindler 2006). Convergent Validity was tested through ascertaining 'Average Variance Extracted' (AVE) and Composite Reliability.

Construct	Composite Reliability	AVE	Cronbach Alpha
TSCLswp	0.801933	0.452153	0.690094
TSCLbwp	0.870056	0.43095	0.830664
PWDswp	0.877569	0.357713	0.848379
PWDbwp	0.845458	0.477928	0.780201
TSCL	0.930993	0.870898	0.847403
PWD	0.936072	0.87985	0.873964

A latent construct is deemed to have acceptable convergent validity if it has an AVE value greater than 0.5 and composite reliability greater than 0.7 (Fornell & Larcker 1981, Chin 1988, Diamantopoulos & Winklhofer 2001, Rossiter 2002).

All the constructs and sub constructs are sufficiently reliable because they display a reliability quotient greater than 0.5 (Nunnally 1978). The sub-constructs demonstrate a less than 0.5 AVE. This is an area of concern. However, as these values are close to 0.5, since these scales have been generated for the first time, and these sub-constructs are created logically, we may accept their presence. Though the individual sub-constructs are not sufficiently uni-dimensional, the second order constructs demonstrate very good uni-dimensionality. In the larger picture, when the sub constructs are paired together into the parent constructs they are found to demonstrate very good uni-dimensionality (AVE greater than 0.5). This could be because the smaller picture (sub-constructs) are not sufficiently valid, while the bigger picture (second order constructs) are valid.

Ascertaining Discriminant Validity

Discriminant Validity is the degree to which scores on a scale do not correlate with scores from scales designed to measure different constructs (Cooper & Schindler 2006). Discriminant Validity was tested through AVE and Squared Correlation. For discriminant validity, the AVE values of the constructs should be greater than the squared correlation of those constructs (Fornell & Larcker 1981).

Construct Codes	AVE 1	AVE 2	Squared Correlation	Discrimination
TSCL and PWD	0.870898	0.87985	0.605284	Yes

The results indicate that AVE values of the constructs are greater than the squared correlation of those constructs.

Confirmatory Factor Analysis

Following the tests for reliability and validity, a Confirmatory Factor Analysis (CFA) was undertaken. This was done to prove the instrument's dimensionality and confirming the construct validity. Factor loading indicates the correlation between the original variables and the factors. CFA is done to check if the items have loaded highly on their respective constructs and not on other constructs, which is what is expected (Gefen et al 2000). The factor score matrix obtained from Visual PLS software is shown in the below table. PLS is used for theory confirmation.

Scale Items	TSswp	TSbwp	PWDswp	PWDbwp
-------------	-------	-------	--------	--------

TS4	0.79	0.5923	0.5117	0.3866
TS5	0.599	0.3648	0.3817	0.3092
TS9	0.72	0.5495	0.618	0.4901
TS10	0.716	0.5336	0.4802	0.396
TS14	0.531	0.4218	0.4583	0.4535
TS1	0.285	0.5339	0.3533	0.2016
TS2	0.375	0.5592	0.4859	0.3017
TS3	0.43	0.5829	0.5169	0.3102
TS6	0.495	0.7119	0.5589	0.542
TS7	0.377	0.617	0.4486	0.4518
TS8	0.632	0.7808	0.6525	0.5893
TS11	0.596	0.7791	0.5429	0.4278
TS12	0.513	0.6226	0.4686	0.3745
TS13	0.591	0.714	0.5348	0.3429
PD1	0.465	0.59	0.6079	0.4356
PD2	0.407	0.4799	0.642	0.4833
PW1	0.276	0.3554	0.5175	0.3416
PD3	0.457	0.4359	0.5491	0.3597
PD4	0.407	0.3996	0.5751	0.4009
PW4	0.345	0.4652	0.6295	0.5518
PD5	0.498	0.4921	0.6505	0.5193
PD6	0.516	0.5488	0.7187	0.6156
PD7	0.51	0.5516	0.5699	0.488
PD8	0.34	0.239	0.4915	0.3547
PD9	0.588	0.5085	0.6644	0.5053
PD10	0.44	0.5524	0.5699	0.5066
PD11	0.398	0.3865	0.6102	0.4608
PW2	0.363	0.301	0.4141	0.6255
PW3	0.368	0.3832	0.5406	0.6627
PW5	0.411	0.3828	0.502	0.7264
PW6	0.398	0.4485	0.5875	0.6967
PW7	0.473	0.5582	0.6375	0.764
PW8	0.47	0.4453	0.5485	0.6963

In the confirmatory factor analysis, the factor loadings of the indicator variables (indicated by TS4, TS5 etc.) are higher for the respective parent construct than the factor loadings of the other constructs. Since factor loadings are greater than cross loadings, it is confirmed that the given indicator variables which are grouped earlier having high correlation with the respective constructs. It is thereby indicated that the constructs measured using the instrument possess the required dimensionality. The results indicate that factor structure is ensured.

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MOTIVATION, EMOTIONS, AND LEADERSHIP: THE SILENT SIDE OF MANAGEMENT

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ABSTRACT

The article argues for considering bodily and emotional dimensions into an extended understanding of demotivation in organization. Based on phenomenal indicators and signs and motivational barriers, demotivation is described as a multidimensional phenomenon. Following an experiential "demotivation-syndrome", a phenomenology of embodiment and emotions will be outlined, allowing a more comprehensive understanding of demotivation. Finally, some practical implications for preventing and overcoming demotivation are presented. By concluding, some research perspectives of further phenomenological investigations of demotivation will be discussed.

Introduction

Current organizations and their members are situated in a constantly changing and challenging context, in which various influences contribute to altering realities of work-places (Noon & Blyton 1997). Restructuring strategies, changing employment patterns, on-going downsizing and layering or "layoff" strategies, outsourcing and job insecurity among others become a feature of many of today's organizations. These and further strategic transformation endeavors and practices of reconstruction impact the organization's design, its work processes, corporate culture, values and attitudes. Within this context, more and more affected employees' find less and less meaning and satisfaction, but frustratingly are losing their motivational energies at work. Thus, a growing demotivated work force of disenchanted workers marks a pervasive problem for companies today. As a factual influence, demotivation leads to serious consequences for the person affected, her relations and the entire organization (Meyer 1978; Spitzer 1997; Wunderer & Küpers 2003). However, there is no agreed understanding or

comprehensive definition of the phenomenon 'demotivation' or well-developed studies and instruments for mapping and measuring its causes, developments and effects. This is astonishing as the relationship between people and their work has been researched for a long time. It has attracted psychologists, behavioral scientists and organization researchers to pursue various approaches to understand, predict and manage human behaviour. A plethora of studies of motivation as part of extended investigations have addressed these issues in question (Ambrose/Kulik 1999; Latham/Pinder 2005). There are hundreds of motivational concepts and thousands of studies dealing with the forces that give work behaviour its direction, strength and persistence, offering a bewildering diversity and often contradictory evidence in motivational research and practice (Pinder 1998).

However, many motivational theories and concepts appear to ignore the very real constraints under which most organizations operate, severely limiting the motivational energy (Lindy & Becker 1987; Maddock & Fulton 1998). Following often a cognitive bias, many research and practice approaches ignore or just instrumentalize the concrete bodily and emotional dimensions, which cause also demotivational processes. But, to devalue the very physicality and influences of situated bodily and emotional influences on motivation and demotivation is to miss essential experiential dimensions (George & Brief, 1996; Brief & Weiss 2002; Suo et al. 2004). Therefore, there is an urgent need

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to consider systematically the embodied and emotional dimensions into theorizing and empirically investigating motivational and demotivational process. Accordingly, this paper will critically explore these deeper undercurrents.

First, some ideas for a basic understanding of demotivation, including possible phenomenal indicators and signs of demotivation will be suggested and results of an empirical study on motivational barriers presented, and condensed to a demotivation syndrome “with specific effects. For gaining a more comprehensive understanding then a phenomenology of embodiment and emotions will be outlined and applied to organization and demotivation. Afterwards some practical implications for preventing and overcoming demotivation are and finally, some research perspectives of further phenomenological research will be discussed.

Understanding Demotivation

For the common sense, “demotivation” is a reduced driving force for thinking, feeling or acting. Someone is demotivated, who is neither initiatory nor active. However, demotivation refers to more than just non-acting or unmotivated behaviour. It can also refer to an engagement into “unacceptable” directions, for example, non-role- or goal-consonant orientation or ‘counterproductive work behaviours’ including aggression, violence, and theft or incivility (Andersson & Pearson, 1999). Thus, demotivation is not just only the lack of motivators or reversal of motivation (Ng et al. 2004). As a particular experience demotivation represents a distinct state of dissatisfaction, in which motivational energies of those affected are hindered, have been discouraged or are directed to counterproductive orientations. With this demotivation confines and reduces the form, direction, duration and intensity of engagement, commitment, or identification with the work itself, other people at work or the entire organization. For example workers who are inadequately motivated tend to make only a minimal effort, therefore reducing overall productivity potential (Ng et al. 2004) or generate problematic practices in organization (Wunderer & Kippers 2003).

Indicators and Signs of Demotivation

Following phenomenology—as a study of appearances of phenomena as they are given in experience—allows revealing how organizational issues in general (Sanders 1982; Küpers 2008) and demotivation in particular show themselves. For approaching how demotivation appears and for finding a description of demotivational phenomena, the following lists some possible phenomenal indicators and signs that conspire to demotivation or manifest a lack of motivation, as proved by empirical research (Wunderer & Küpers 2003):

- Manner of reception and welcoming by employees (e.g. way of speaking and manners in contact situation at the telephone and at the reception)
- Equipment, artifacts and design of floors and rooms (e.g. in which way is there space for personal shaping?)
- emotional climate of distance, coldness and pseudo-harmony, characterized by lack of trust, not being listened to, apathy and indifference, social isolation
- style of non-verbal communication (e.g. body-behaviour, movement, gesture, mimic as expression of the state of

soul) and lack of humour in the organization @design and contents of internal information brochures or informal graffiti what employees tell third parties (e.g. family, friends and others) about the company, colleagues and managers and how they evaluate their and the enterprise future

- lack of ownership of problems, and sinking personal morale, poor time-keeping and poor performance
- boredom or stress e.g. caused by quantitative and qualitative under- or over-workload respectively invariability of work
- non-co-operative attitudes and unwillingness to change
- bullying and generic harassment, that is all repeated behaviour that aim to torment, wear down, or frustrate, or provoke, humiliate, frighten, intimidate, and bring discomfort to the recipient (Einarsen 1999) or condoning this behaviour by either ignoring or denying hostile/misbehaviour at workplaces (Ackroyd & Thompson 1999) e.g. aggressive teasing and joking at another’s expense and scapegoating, prejudicial talk, emotional abuse and trading of insults or mobbing (Leymann 1996)

Furthermore, statistical figures can be seen as additional indirect indicators of demotivation and a corresponding climate. These may imply for example performance achievements, absenteeism numbers and fluctuation rate, failure-quote, productivity figures or processing time. Moreover, also the quality and quantity of complaints by customers, internal complaints and critique (from bottom up) as well as quality and quantity of suggestions for improvement (e.g. in quality circles) or of contributions in meetings or extensions of self-initiatives (e.g. participation in further education, social life) manifest the level of possible demotivation indirectly. However, it is difficult to attribute these indirect signs to demotivation, as they often are also caused by other influences. As demotivation is a multidimensional and context-related process, it is not easy to determine linear causal links. Being a systemic phenomenon, demotivation can often not be assessed by direct approaches or grasped in simple cause-effect linearity’s only. Mostly it is embedded in mutually interconnected influences and systemic patterns. Thus, demotivation develops within a complex interplay of determinants and a host of different influencing and context-bounded processes.

Motivational Barriers

For understanding the causes of complex phenomena of demotivation in a comprehensive way it can be helpful to differentiate between potential and actual motivation barriers. *Potential motivation barriers* are those factors that would be highly relevant in case they are disturbed or insufficiently satisfied. According to an empirical study (Wunderer & Küpers 2003) these have concerned before all by the following categories: “work-contents”, “relation to direct manager” and “relation to direct team-colleagues” and “influences on private life”, followed by “recognition” and “organization culture”. *Actual motivation barriers* refer to those factors that are factually demotivating the affected persons. Empirically the following barriers proved to be very influential (Wunderer & Kippers 2003): “coordination of work”, “organizational culture”, “influences of private life”, “resources” As other studies confirmed (e.g., Longenecker et al. 1999; Ng et al. 2004), motivation and performance barriers are caused not only by

insufficient equipment or resources, but also by ineffective operating procedures, bureaucratic conditions and control practices, bad personnel policies or development measurements, unresolved quality problems and lack of effective correcting action systems. Furthermore, poor management particularly the lack of full attention, respect and sensitivity to individual needs, preferences or ideas and non-recognition for work done as well as aggressive management style are generating demotivation (Smithers & Walker 2000). All of these different causes and influences can be conceptually approached as a “Demotivation-Syndrome”.

Demotivation-Syndrome

In general, a syndrome can be defined as a group of symptoms or signs that appear together and that tend to indicate, with some consistency, the presence of a certain functional or dysfunctional behavioural state or constraining system condition. According to the focus of this paper, the following focus on embodied and emotional aspects. As demotivation affects the person and her interpersonal relations, corresponding relevant embodied and emotional dimension cover the entire scope of human perception and action. Accordingly the syndrome may comprise of various bodily sentience and emotions. These may comprise emotional states like dissatisfaction, frustration, anxieties, fears, anger, sadness, betrayal (Ciulla 2005), and even contempt (Pelzer 2005) or cynicism (Dean et al. 1998) and further inter-related emotions. All of them are always embodied in temporal, inter-personal spheres respectively situated contexts and are expressed in non-verbally or sometimes language ways. With this, a demonization syndrome can be characterized by:

- Embodied suffering and indisposition and ill health or diseases,
- experienced states of stress and alienation (e.g. bodily stress, loss of power, significance, autonomy, locus of control),
- lack or reduction of social or emotional reciprocities and isolation of the affected,
- cognitive and emotional dissonances and other incongruities,
- decreasing relevance of emotionally perceived shared values and common identification,
- lowered internal and external emotional appreciation of effort, which was and will be invested for past or future realization of goals,
- reduced emotional awareness for one's own capacities for achievement and self-esteem,
- less trust in colleagues and confidence in direct managers and top-management, and
- increased feelings of insecurity about the job and declining hope for or belief in a better future.

Direct and Indirect Effects of the Demotivation Syndrome

Wunderer and Küpers (2003) found in their empirical study that demotivation caused an average loss of fun and work joy as on average Ø 26.5% and the average loss of productivity and job performance as Ø 22.7%. In their empirical investigation Ng et al. (2004) showed that time losses due to demotivation

were found to be as much as 13.6 man-hours/week, with material availability, overcrowded work areas and rework being the most significant demotivators involved.

The occurrence of some demotivational influences may also reinforce further demotivational processes and may lead to “internal resignation” and “withdrawal” behaviour or forms of ‘organizational misbehavior’ or ‘organization violations’ (Hearn & Parkin 2001). This may lead to ‘oppositional practices’ (Collinson, 1994), ‘organizational retaliatory’ or ‘anti-citizenship’ behaviours, including those labelled ‘deviant’, ‘dysfunctional’ and ‘antisocial’ (Folger & Cropanzano, 1998); and ‘recalcitrant’, demonstrated by sabotage, absenteeism, disobedience and decreased productivity (Ackroyd & Thompson, 1999; Robinson & Bennett, 1995). Moreover, escalating demotivation can even be seen as an indicator of internal perturbation or unrest at the work-place (Meyer 1978). Collectively, this all adds up to decreased performance, a climate of distrust, stifled innovation and reduced creativity etc. by which the organization becomes passive and debilitated, undermining the best intentions or change initiatives.

The demonization syndrome reflects in a way an endemic ‘malady’ or ‘sicknesses’ not only of the affected members, but of the entire organization. Although, labelling demotivation of employees as ‘dysfunctional’, or ‘pathological’, easily underestimates that this syndrome is part of continuing structural imbalances of power (Ackroyd & Thompson 1999, p.164) and manifests partly a way of contesting meaning and negotiating the ‘work selves/identities’ with the organization. Thus dealing with the syndrome and developing a sustainable “cure” requires that a thorough “diagnosis” and specific “therapeutic” understanding and “treatment” are applied appropriately (Randell 1999). A fragmental approach instead, which treats only the symptoms, rarely inquires into the deeper causes and ramifications of demotivation. Therefore, what is needed is a more philosophical (Ruona & Lynham 2004), in this case phenomenological investigation concerning the underlying, but oft neglected dimensions of embodiment and emotion in organization.

Phenomenology of the Body and Embodiment

For conventional economic and motivational reasoning human actors are defined in disembodied terms as rational agents who make choices through means/ends formulae, based on ‘utility’ criteria or ‘general value’ orientations (Turner 1991) independent of the external body. Such disembodied, abstracted assumption - based upon a ‘scientific’ worldview and Cartesian legacy - marginalizes lived, embodied experience as merely ‘subjective’ or irrational. Accordingly, the body and embodiment have been ignored as media for organizational practices (Hassard et al. 2000; Casey 2000). Facing the prevailing separation of body and consciousness (Burrell & Dale 2000; Dale 2000) and considering the ‘absent presence’ of the body (Shilling 1993; Leder 1990), there is a need for a ‘re-membling’ between body, embodiment and organization (Styhre 2004). Even more, demotivation represents a phenomenon related to ‘incorporated’ or embodied dimensions of organizational realities, that are always already related to perceptual and bodily engaged experiences. With an extended phenomenological understanding of embodiment and the role of ‘body-subjects’ (Crossley 1996) a deeper understanding of the ‘phenomenological presence’ of

demotivation in organization as embodied life-world can be reached.

Organizations as Embodied "Life-Worlds"

This incarnate status of the body-subject opens the way to a phenomenological description of the "living present" in organizations. It is through their perceptual selves that the subjects of organization are situated in their environment in a tactile, visual, olfactory or auditory way. Whatever they think, feel or do, they are exposed to a synchronized field of inter-related senses (Merleau-Ponty 1962, p. 207), in the midst of a world of sight, sound and touch. Even at virtual work-places all those involved in the organization process always encounter perceived realities through some bodily organs, from a specific point and horizon of seeing, hearing or touching. These sensual perceptions and experiences co-determine the quality of (working) life with its communication and meaning. A phenomenological understanding of demotivation takes these sense-related contacts systematically into consideration. It is through the body and embodied experiences that organizational members process their perceived and handled "objects" of work and respond to contextual demands, problems or claims of their every-day practices. Thus, the original intentionality of the "bodily consciousness" of the demotivated person does not experience an "we think", but an "we can or cannot", respectively "we relate (not) to". It is, for example, the embodied perception of dissatisfying action or unfair treatment that causes a demotivational experiences and corresponding realities. In other words, the situated atmosphere from which demotivation emerges is primarily not only what people think about it, but what they live or suffer through within their often non-fulfilling "operative intentionality" (Merleau-Ponty 1962, p. xviii). Furthermore, both the embodied situation and its demotivating contexts are inseparably related to implicit and explicit dimensions of emotions.

Phenomenology of Emotions

Being more than processed information, bio-chemical mechanisms or affective (behavioural) reactions, emotions are basic processes and varied structures of ongoing lived experiences and persons day-to-day functioning? One central attribute of emotions is that they are directed toward or engaged with the world including one-self and others in a 'moving' way. The very term 'emotion' is derived from the Latin, "e-movere", "e-motum", (e, = out, + movere = to move). Thus, emotion essentially means 'to move out'. This etymological kinaesthetic understanding already refers to the fact that to experience an emotion is to realize or to 'enact' an intentional relation to the world (Denzin 1984), which encompasses sensation and intention at the level of the body (Mazis 1993). Thus emotions can be considered as dynamical dispositions for and realization of intentions, expressions and actions, rather than only some inner state of being or set of beliefs about the world. That emotion emerges as 'potential movement' implies not only a particular bodily, but also a reflexive, relational and directing orientation to the world and to others. With this emotional experiences are part of the social life, and imply evaluative activities. With all this, emotions are not simply occurrences or expressions of inner states, but are multi-dimensional 'complexes' of on-going processes, which are both embodied and

cultural, arising in social relationships of power and interdependence (Burkitt 1999; Bendelow & Williams 1998), which are highly relevant for demotivation in organization.

Organisations as an Emotional Arena

For a long time emotions and feelings have been seen as unwanted influenced that deflect objectivity and rational functioning in organizations. Despite the fact that in organizational research and practice feelings have been consistently ignored, devalued and marginalized while rationality is privileged (Putnam & Mumby 1993), emotions are an essential and immutable part of everyday organizational life. Emotional intelligence is a convenient phrase with which to focus attention on human talent. Even though it is simple as a phrase, it incorporates the complexity of a person's capability. While the earliest psychologist to explore this arena of "social intelligence" (Thorndike in the 20's and 30's, cf. Goleman, 1995) offered the idea as a single concept, more recent psychologists have appreciated its complexity and described it in terms of multiple capabilities (Bar-On, 1992, 1997; Goleman, 1998; Sarnia, 1988). Gardner (1983) conceptualized this arena as constituting intrapersonal and interpersonal intelligence. Salvoes and Mayer (1990) first used the expression "emotional intelligence" and described it in terms of four domains: knowing and handling one's own and others' emotions. Other conceptualizations have used labels such as "practical intelligence" and "successful intelligence" (Sternberg, 1996), which often blend the capabilities described by the other psychologists with cognitive abilities and anchor the concepts around the consequence of the person's behavior, notably success or effectiveness.

A closely related stream of research focused on explaining and predicting the outcome of effectiveness in various occupations, often with a primary emphasis on managers and leaders (McClelland et. al. 1958; McClelland, 1973; Bray, Campbell, and Grant, 1974; Boyatzis, 1982; Lufthansa et al, 1988; Katter, 1982; Thornton and Byham, 1982; Spencer and Spencer, 1993). In this "competency" approach, specific capabilities were identified and validated against effectiveness measures, or often inductively discovered and then articulated as competencies.

An integrated concept of emotional intelligence offers more than a convenient framework for describing human dispositions- it offers a theoretical structure for the organization of personality and linking it to a theory of action and job performance (Goleman, 1995). Goleman (1998) defined an "emotional competence" as a "learned capability based on emotional intelligence those results in outstanding performance at work." Integrating the work of Goleman (1995 and 1998) and Boyatzis (1982), we offer the following descriptive definition: emotional intelligence is observed when a person demonstrates the competencies that constitute self-awareness, self-management, social awareness, and social skills at appropriate times and ways in sufficient frequency to be effective in the situation.

If defined as a single construct, emotional intelligence might be deceptive and suggest an association with cognitive capability (i.e., traditionally defined "intelligence" or what

psychologists often call "g" referring to general cognitive ability) (Davies and Stankov, 1998; Ackerman and Heggestad, 1997). Although this has not been substantiated when empirically studied, the tendency to believe that more effective people have the vital ingredients for success invites the attribution of a halo effect. For example, person A is effective, therefore she has all of the right stuff, such as brains, savvy, and style. Like the issue of finding the best "focal point" with which to look at something, the dilemma of finding the best level of detail in defining constructs with which to build a personality theory maybe an issue of which focal point is chosen. Photographers appreciate the difficulty and complexity of choosing appropriate focal point, because there are many ways to view something- each with its own perspectives and detriments to understanding the scene. With regard to emotional intelligence, we believe the most helpful focal point allows for the description and study of a variety specific competencies, or capabilities that can be empirically, causally related to effectiveness and describe the clusters within which these competencies are organized. But we must start with the competencies.

Generally, emotions are a constituent of meanings in organizational life (Fineman 2000). That is to say, emotions do not just have an 'impact' on social life in organizations, but constitute the organizational life itself. Furthermore, emotions both not only determine, but are also determined by organizational order and culture (van Maanen & Kunda 1989; Kippers & Weibler 2005). With this, emotions influence the way that members of organizations perceive, interpret, control, evaluate and resist their organizational actions (Waldron 1994) or non-action, thus also their demotivational experiences. For example, employees experience a frustrating anger and disappointment in case they face the failure to get a promotion, which in turn shape their various work relations. Thus, organizations are an 'emotional arena' that is they vibrate with intense processes of lived emotions. As feelings, moods and an emotional atmosphere permeate almost all-social transactions within the organizing process, they inform, shape and reflect the aforementioned embodied life-world of organizations. The possibility to express or the pressure to suppress, sympathy, joy, satisfaction, or anger, embarrassment etc. influence the quality of organizing and managerial processes, hence levels of demotivation in an essential way.

Development of the EI Model and the Emotional Competence Inventory

Building upon and integrating a great deal of research, Goleman (1998) presented a model of emotional intelligence with twenty-five competencies arrayed in five clusters Boyatzis, 1982; Spencer and Spencer, 1993; Rosier, 1994-1997; Jacobs, 1997). They were:

- a) The Self-awareness Cluster included Emotional Awareness; Accurate Self-assessment; and Self-confidence;
- b) The Self-regulation Cluster included Self-control, Trustworthiness, Conscientiousness, Adaptability, and Innovation;
- c) The Motivation Cluster included Achievement Drive, Commitment, Initiative, and Optimism;
- d) The Empathy Cluster included Understanding Others, Developing Others, Service Orientation,

- e) Leveraging Diversity, and Political Awareness; The Social Skills Cluster included Influence, Communication, Conflict Management, Leadership, Change Catalyst, Building Bonds, Collaboration and Cooperation, and Team Capabilities.

Although numerous methods were available to assess these competencies behaviorally through behavioral event interviews (Boyatzis, 1982; Spencer and Spencer, 1993), simulations and assessment centers (Thornton and Byham, 1982), a questionnaire form was desirable for ease of use (i.e., amenable to a 3600 applications), comprehensiveness (i.e., to insure that all of the competencies in this theory could be measured within one instrument) and validity (i.e., capturing others' views of a person's behavior easily). Starting with a competency assessment questionnaire developed by Boyatzis in 1991 (Boyatzis, 1994; Boyatzis, Cowen, and Kolb, 1995; Boyatzis et al., 1996 and 1997) called the Self-Assessment Questionnaire, Boyatzis and Goleman rewrote items for the non-cognitive competencies. Additional items were created for competencies not addressed in Boyatzis' model (i.e., it focused on managers, executives, and leaders and there was a desire to develop an instrument with broader applicability across all occupations and life settings). About 40% of the new instrument, the ECI (Emotional Competence Inventory) was from the earlier questionnaire. The earlier instrument was a useful starting point because it had been developed from competencies validated against performance in hundreds of competency studies of managers, executives, and leaders in North America (Boyatzis, 1982; Spencer and Spencer, 1993). The specific questionnaire had also been validated against performance for a variety of job families in dozens of industrial organizations in Italy and one large financial institution in Brazil (Boyatzis and Berliner, 1992; Valencia, 1996; Boyatzis et al, in press; Vitale, 1998). Reliability and construct validation had been established against other questionnaire measures as well as behavioral measures coded from videotapes and audiotapes, and numerous longitudinal studies of competency development (Boyatzis, Wheeler, and Wright, in press).

In summer and fall of 1998, data were collected with the ECI from 596 people composed of samples of managers and salespeople from several industrial corporations, and graduate students in masters programs in management, engineering, and social work. Based on analysis of the reliabilities and inter-correlation of items, the scales of the ECI were revised in December of 1998. In January and February, 1999, the ECI was rewritten again with Ruth Jacobs, Ron Garonzik, Patricia Marshall, and Signe Spencer (i.e., several of the research staff of McBer and Company, a unit of the Hay/McBer Group) using their database of competency assessment information from hundreds of companies. At this time, the items were arranged and constructed to reflect the developmental scaling characteristic of the current McBer instruments (see Spencer and Spencer, 1993 and McClelland, 1998 for a description of the developmental scaling and some of its implications). Although the developmental scaling will be empirically determined, for the early applications of the ECI the developmental scaling assumptions were based on expert opinion from previous studies (Spencer and Spencer, 1993; McClelland, 1998).

A preliminary sample was collected with the revised ECI from the managers and professionals in several industrial and

professional service companies. Scale reliabilities are shown in Tables 1 and 2 for the earlier instrument, both versions of the ECI, the average item score method of composing the scales and the developmental weighting method of composing the scales (Boyatzis and Burckle, 1999). The reliabilities of the earlier SAQ were based on a sample of 180 MBAs (average age 27, 32% female, 19% non-native English speakers). This earlier instrument included scales assessing a number of cognitive competencies or abilities: Use of Concepts, $\alpha = .896$; Systems Thinking, $\alpha = .857$; Pattern Recognition, $\alpha = .838$; Theory Building, $\alpha = .881$; Use of Technology, $\alpha = .882$; Quantitative Analysis, $\alpha = .891$; and Written Communication, $\alpha = .881$.

The SAQ and its 3600 version, the EAQ, as well as both versions of the ECI have similar response categories based on frequency of demonstration or observation. An optional answer of "I don't know" or "I have not had the opportunity to observe the person in an appropriate setting" is read into the data as blank. The current version of the ECI asks the respondent to describe themselves or another person on each item on a scale of 1 to 6. Each step is progressively labeled starting from "the behavior is only slightly characteristic of the individual (i.e., he/she behaves this way only sporadically)" to the highest response indicating "...the behavior is very characteristic of this individual (i.e., he/she behaves this way in most or all situations where it is appropriate)."

Table: 1
Scale Reliabilities in Terms of Cronbach's alpha's for
Average Item Scores**

Competency	Self-Assessment Quest. (180)	CI: 1	ECI:2	
			Self-Assessment	Others' Assessment
Emotional Self-Awareness	not avail.	761 (585)	629 (668)	798 (427)
Accurate Self-Assessment	na	706 (584)	715 (663)	886 (427)
Self-Confidence	825	684 (595)	825 (660)	909 (428)
Self-Control	735	710 (575)	808 (668)	906 (427)
Trustworthiness	na	543 (584)	667 (667)	814 (427)
Conscientiousness*	774	751 (596)	816 (664)	911 (428)
Adaptability*				

bility*	819	721 (561)	618 (664)	834 (428)
Achievement Orientation*	700	751 (553)	835 (660)	921 (428)
Initiative	769	789 (571)	754 (663)	897 (427)
Empathy	838	715 (567)	837 (657)	948 (425)
Organizational Awareness	na	721 (558)	786 (660)	913 (426)
Developing Others	904	769 (523)	818 (653)	927 (426)
Service Orientation	na	707 (509)	854 (628)	938 (426)
Leadership*	824	801 (521)	658 (649)	824 (427)
Influence*	824	739 (541)	767 (637)	881 (425)
Communication*	848	695 (557)	789 (654)	910 (427)
Change Catalyst	na	799 (535)	866 (637)	935 (426)
Conflict Management*	902	773 (529)	778 (660)	894 (426)
Building Bonds*	822	600 (565)	773 (670)	882 (427)
Teamwork & Collaboration*	909	785 (522)	842 (645)	943 (426)

Note: The number of subjects is shown in parentheses following the instrument; for the ECI II, due to missing item and scale data the "n" is shown for each scale separately.

* In the Self-Assessment Questionnaire: Conscientiousness = Attention to Detail; Adaptability = Flexibility; Achievement Orientation = Efficiency Orientation;

Leadership = Persuasiveness; Influence = Persuasiveness; Communication = Oral Communication; Conflict Management = Negotiation; Building Bonds = Networking; Teamwork & Collaboration = Group Management.

** From Boyatzis and Burckle (1999) "Psychometric Properties of the ECI," Technical Note, Boston, MA: Hay/McBer Group.

On the basis of factor, cluster, and reliability analyses of the data on the first version of the ECI, a number of competency scales were reconsidered and reclassified from Goldman's (1998) earlier model. Innovation behaviors were integrated into the Initiative scale. The Optimism Scale was highly correlated with the Achievement Drive scale, so they were integrated into the newly named Achievement Orientation scale. The Leveraging Diversity items were highly correlated with the Understanding Others scale, so they were integrated into the newly named Empathy scale. A number of the original Leveraging Diversity items formed the highest developmental levels of the Empathy scale consistent with other empirical evidence from the McBer database and the Boyatzis SAQ scale relationships. The Commitment items were highly correlated with the Leadership scale; they all addressed commitment to "group" goals, values, and vision which was a set of the themes in the Leadership scale. So they were integrated into the Leadership scale. The Collaboration items were highly correlated with the Team Capabilities scale, so they were integrated into the newly named Teamwork and Collaboration scale. Two other minor name changes were changing Political Awareness to Organizational Awareness and Emotional Awareness to Emotional Self-Awareness.

Table: 2
Scale Reliabilities in Terms of Cronbach's alpha's for Developmental Scores (sample size is shown in parentheses following each coefficient alpha).

Competency	Self Assessment	Com posite Others' Assessment
Emotional Self-Awareness	.609 (668)	.732 (427)
Accurate Self-Assessment	.677 (663)	.847 (427)
Self-Confidence	.778 (660)	.870 (428)
Self-Control	.780 (668)	.866 (427)
Trustworthiness	.587 (667)	.743 (427)
Conscientiousness	.817 (664)	.878 (428)
Adaptability	.546 (664)	.779 (428)
Achievement Orientation	.761 (660)	.864 (428)
Initiative	.721 (663)	.858 (427)
Empathy	.774 (657)	.905 (425)
Organizational Awareness	.743 (660)	.856 (426)

Developing Others	.750 (653)	.870 (426)
Service Orientation	.811 (628)	.896 (426)
Leadership	.660 (649)	.795 (427)
Influence	.761 (637)	.856 (425)
Communication	.747 (654)	.873 (427)
Change Catalyst	.807 (637)	.890 (426)
Conflict Management	.747 (660)	.856 (426)
Building Bonds	.705 (670)	.822 (427)
Teamwork & Collaboration	.760 (645)	.892 (426)

Ambivalence of Emotions in Organizations

A further overarching characteristic of emotions refer to its ambivalence in organizational settings, generating positive or negative effects (Pratt & Doucette 2000). As Weiss and Cropanzano (1996) argued, workplace experiences comprise a succession of work events that can be pleasing and invigorating, or stressful and frustrating. These events affect the way employees feel and behave at work (Kippers & Weibler 2005). Studies have shown that emotions experienced at work affect motivation, organization members' sense of organizational citizenship, and their consequent behaviour, performance, and negotiation outcomes (Briner 1999). The ambivalent role of emotions is particularly evident in "work-feelings" (Mumby & Putnam 1992) and regulated emotional labour (Hochschild 1983; Morris & Feldman 1996).

Emotions can support a sense of belonging or solidarity (Collins 1990), but also be powerful means of social control (Lewis, 1993; Scheff, 1997) and in (micro-) political action (Clark 1997). As a kind of productive power emotions and its management can become a key medium used either to 'energise' or 'de-energise' (Downing, 1997). Emotional problems affect the mental and physical health of employees, leading to distress and burnout (Maslach & Leiter 1997). Negative affectivity and dysfunctional emotional behaviours can result in poor work performance and disturbed relations with colleagues (Watson/Clark 1984). The decreased performance, climate of distrust, stifled innovation, and reduced creativity render the organization passive and debilitated, incurring significant costs (Ostell 1996) and with all this various forms of demotivation. Often demotivation can be portrayed as "an emotion-based response to stressful organizational conditions" (Fox et al. 2001, p. 291). Furthermore, organizational processes that restrict or suppress emotional energies can in turn trigger reinforced Demotivation.

Clustering of Competencies

The clustering, or organizing, of several of the competencies into larger categories for the purpose of analysis or application offers two choices: 1) Do we organize the

characteristics theoretically (i.e., using a priori framework) or empirically? And 2) Do we organize them in the context of the other competencies which may affect each other most closely, independently (i.e., treating each as if the human organism has it independent of the other characteristics), or developmentally (i.e., arranged in framework of inferred causality)?

Clusters are behavioral groups of the desired competencies. They are often linked conceptually and defined by a "theory" as a convenient way to describe which competencies are associated with others. It provides parsimony. The competencies within such a cluster may be linked empirically. That is, statistical analysis may allow us to discover how the human organism demonstrates these desired competencies in various settings, answering the question, "Which of the desired competencies are demonstrated together or associated with each other?"

Within a cluster, various competencies may have one of four types of relationships. First, they may be parts of a whole and complement each other in functional behavior (e.g., Adaptability and Conscientiousness). A person can demonstrate flexibility in adapting to situations. His/her demonstration of reliability and consistency (i.e., Conscientiousness) would not interfere with the demonstration of Adaptability, but if the person can use both competencies their effectiveness would increase in many situations. For example, if the situation changed but a reliable response was still needed, the use of Adaptability and Conscientiousness would allow for continued appropriate behavior even in the new situation.

Second, they may be alternate manifestations. The specific competency used would vary by setting or stimulus. This often depends on the degree of micro or macro definition of the competencies in the study. Alternate manifestations are often found in competency models with highly behaviorally specific definitions of the competencies. If the competencies are defined as more of a broad capability, the behavioral indicators of the competency are alternate manifestations. This reduces the likelihood that the cluster may have competencies within it that have this relationship.

Third, the competencies within the cluster may be compensatory. That is, using one competency makes up for using less of another (e.g., Achievement Orientation and Initiative). A person can demonstrate a great deal of concern about doing better, contemplating and acting on cost-benefit utility analysis and so forth (i.e., Achievement Orientation). This may drive a degree of innovation and discovery of new and better ways to accomplish things. At the same time, someone else in the same situation may find new and better ways to accomplish things because they are starting things before anyone has thought of them, seeking information in distinctive ways, and so forth (i.e., demonstrating Initiative). While the outcomes are the same, the specific behavior used and the intention underlying the behavior are different.

Fourth, the competencies within the cluster may be antagonistic. Frequent use of one "crowds" out the ease or possible use of another (e.g., Self-control vs. Initiative). If someone demonstrates a great deal of Self-control and inhibits their impulses and actions, they would have an increasingly difficult time demonstrating Initiative and starting things before anyone asks.

Clusters within a Model

Clusters within a competency model should be related in some way, and not be just a list. They maybe related as being parts of a whole. In other words, the clusters might complement each other (e.g., Goal and Action Management and Social Skills or People Management). Demonstrating the competencies in one of these clusters does not preclude nor arouse the competencies in the other cluster, but when both are demonstrated the person is typically more effective in professional and management positions.

The clusters within a model may have a developmental relationship. For example, the Self-Awareness Cluster of competencies is needed for sustainable Self-Management or more specifically for the competencies in the Self-Management cluster to be demonstrated in sustained ways. Another example is that the Social Awareness Cluster is needed for sustainable demonstration and use of the Social Skills Cluster.

The clusters within a model may have compensatory relationships. For example, the Analytic Reasoning Cluster and the Goal and Action Management or Self-Management Cluster can occasionally compensate for the demonstration of the other. Using more Initiative, Achievement Orientation, and Adaptability competencies may compensate for System Thinking-- or vice versa. In other words, using the competencies in the Self-Management Cluster may allow a person to want to think about and organize what is needed to solve a problem. Using the competencies in the Analytic Reasoning Cluster, in particular Systems Thinking and Pattern Recognition could also result in a framework or model being constructed that organizes the issues and needs in the situation. Competencies in either cluster, in such a situation, could provide ideas for what to do next to solve the problem.

The dilemma facing the scholar or researcher is that the a priori clustering seems to make more sense - it comes out of our mental and theoretical models. On the other hand, the actual appearance of the competencies and clusters may be different, suggesting the importance of an empirical method of determining the clusters. There are dramatic differences. The clustering shown in table 3 reflects both theoretical and empirical clustering from two sets of studies reported in Boyatzis' *The Competent Manager* (1982) and Boyatzis, Cowen, and Kolb's *Innovation in Professional Education* (1995) regarding generic competency models of management and leadership.

Table: 3
Theoretical and Empirical Clustering of Generic Models of Management and Leadership from Boyatzis (1982)

Theoretical Cluster	Empirical Clustering (via cluster analysis)
Entrepreneurial Cluster	Goal and Action Management Cluster:
Efficiency Orientation	Efficiency Orientation
Initiative	Initiative (i.e. Proactivity)
Interpersonal	Diagnostic Use of

Cluster:	Concepts
Concern with Impact	Concern with Impact
Use of Unilateral Power	Directing Subordinates Cluster:
Developing Others	Developing Others
Managing Group Process	Use of Unilateral Power
Use of Socialized Power	Spontaneity
Oral Presentations	Human Resource Management Cluster:
Intellectual Reasoning Cluster:	Managing Group Process
Diagnostic Use of Concepts	Use of Socialized Power
Logical Thought	Accurate Self-Assessment
Conceptualization	Logical Thought
Socio-Emotional Maturity Cluster:	Focus on Others Cluster:
Stamina/Adaptability	Stamina/Adaptability (i.e., Flexibility)
Accurate Self-Assessment	Perceptual Objectivity
Perceptual Objectivity	Self-Control
Spontaneity	Leadership Cluster:
Self-Control	Self-Confidence
	Conceptualization
	Oral Presentations
From Boyatzis, Cowen, and Kolb (1995)	
Theoretical Clusters	Empirical Clustering (via factor analysis)**
Goal and Action Management Cluster:	Goal and Action Management Cluster:
Efficiency Orientation	Efficiency Orientation
Planning	Planning
Initiative	Initiative
Self-Control	Self-Confidence
Attention to Detail	Persuasiveness
Flexibility	Written Communication
People Management Cluster:	Oral Communication
Empathy	Flexibility
Persuasiveness	People Management Cluster:
Networking	Empathy
Negotiating	Networking
Self-Confidence	Negotiating
Group Management	Group Management
Developing Others	Developing Others
Oral Communication	Social Objectivity
Analytic Reasoning Cluster:	Self-Control
Use of Concepts	Analytic Reasoning Cluster:

Systems Thinking	Use of Concepts
Pattern Recognition	Systems Thinking
Theory Building	Pattern Recognition
Use of Technology	Use of Technology
Quantitative Analysis	Quantitative Analysis
Social Objectivity	
Written Communication	

* Cluster analysis of 253 managers; predominantly male. Alverno College study of 103 female managers revealed similar empirical structure with the exception of: Accurate Self-Assessment associated with the Goal and Action Management Cluster instead of Concern with Impact; Stamina/Adaptability clustered with Concern with Impact and Use of Socialized Power; Positive Regard clustered with Developing Others and Managing Group Process.

** Integration of four factor analyses via Learning Skills Profile (self-report card sort, n=724), Self-Assessment Questionnaire (self-report, n=454), behaviorally coded critical incident interview (audiotaped, n=497), behaviorally coded Group Exercise (videotaped, n=482); all master's in business administration students, average age 27, about one-third female.

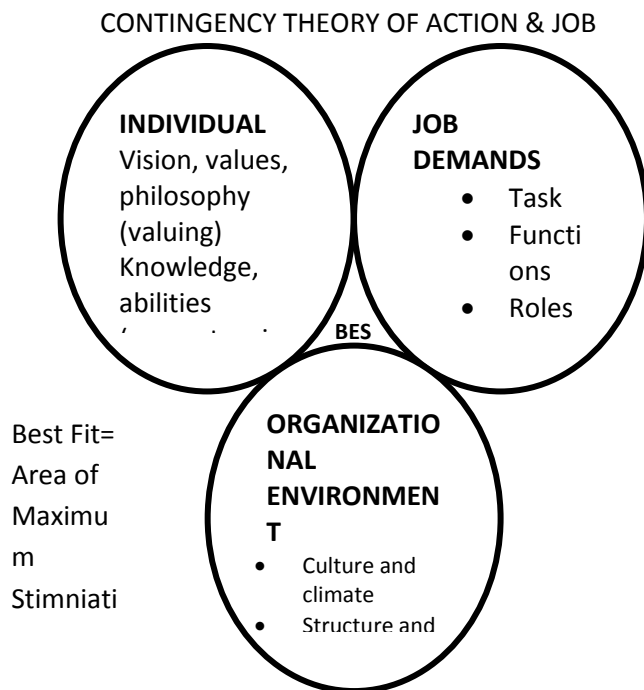
Although the a priori clusters appear conceptually meaningful, and the empirical clusters seem to be a confused assortment, the empirically determined clusters showed greater validity (Boyatzis, 1982) against performance data. They also "made sense" to executives and human resource professionals when presented and discussed at various professional meetings. For example, the Goal and Action Management Cluster does not include only entrepreneurial competencies, it appears to reflect a person's orientation to their environment. The empirical cluster could be said to represent how the person asserts himself/herself in various settings. The finding from the research conducted at Alverno College (Mentkowski et. al., 1982) on an exclusively female managerial sample showed the fascinating substitution of Accurate Self-Assessment for the Concern with Impact competency in this cluster as noted in the footnote to Table 1. The researchers' interpretation was that women in middle-level management positions had to be far more self-monitoring than their male counterparts to "make it" in the private sector in 1982.

Other shifts shown in Figure 1 include the observation that cognitive abilities or competencies do not cluster together for this management sample. The analytic or cognitive competencies sort themselves into clusters of functional behavior with other competencies that are often used along with the specific cognitive ones. For example, Conceptualization, which was later, renamed Pattern Recognition, loaded with the Leadership Cluster. In studies of executives and CEOs, it has often been found that Pattern Recognition, the ability to see themes and patterns in seemingly unrelated data, is crucial in "reading" the internal organizational climate, trends in the market, and concerns of customers, stakeholders, and such (Dalziel, 1998; Goleman, 1998). The competency would be expected to fit more closely with Self-Confidence and within the Leadership Cluster than to be clustered with other cognitive abilities.

In the 1995 and later samples (Boyatzis et. al. 1995; Boyatzis, Leonard, Rhee, and Wheeler, 1996; Boyatzis, Wheeler and Wright, 1997), the clustering appears different. The Analytic reasoning or cognitive competencies cluster with each other. This is probably a function of the samples; the 1995 and later samples were from MBA students who come from and seek a wide variety of occupations from sales, financial analyst, human resource professionals, and manager. In this sample, the assertiveness on the environment aspect of the Goal and Action Management Cluster appears even stronger. Persuasiveness and the Oral and Written Communication competencies load within this cluster, as well as Self-Confidence. It appears closely related to the Self-Management Cluster within the Emotional Intelligence Model from the ECI analysis, as shown in Table 4.

On the basis of preliminary factor analysis and cluster analysis of the ECI with the 596 subjects' responses, three clusters emerged: 1) Self-Awareness, which included Emotional Self-awareness, Accurate self-assessment, and Conscientiousness; 2) Self-Management, which included Self-confidence, Adaptability, Achievement Orientation, Initiative, Change Catalyst, and Self-control; and 3) Social Skills: Empathy, Service Orientation, Developing Others, Communication, Organizational Awareness, Building Bonds, Collaboration, Trustworthiness, Leadership, Influence, and Team Capability. The comparison is shown in Table 4.

Figure 1 Contingency Theory of Action & Job Performance (Boyatzis, 1982)



To assess the differential impact of demonstration of the competencies in each of these clusters, recent findings from Boyatzis (1999) will illustrate. He found that experienced partners at a large consulting firm contributed significantly more

profit to the firm from their accounts if they had demonstrated a significant number of the competencies from that cluster above the tipping point. The tipping point analysis determined the frequency of demonstration which appears sufficient to "tip" a person into effectiveness and superior performance (McClelland, 1998) or in complexity theory terms the "trigger" point precipitating the discontinuous break into effectiveness. In his study, McClelland (1998) found that this tipping point could be identified where the line describing the frequency of demonstration of a competency by "superior" performers crosses the line describing the frequency of demonstration of that competency by "average" performers. He showed that these significantly differentiated bonuses paid to divisional top executives at a food and beverage company; the bonuses paid to the executives were a function of the division's financial performance. The results comparing the four clusters in this firm's competency model of partners are shown in Table 5a and 5b.

Table: 4
Theoretical and Empirical Clustering of the Competencies in the EI Model

From Goleman (1998)	ECI Original Version	ECI Current Version
Theoretical Clustering	Empirical Clustering	Current Clustering
Self-Awareness Cluster:	Self-Awareness Cluster:	Self-Awareness Cluster:
Emotional Self-Awareness	Emotional Self-Awareness	Emotional Self-Awareness
Accurate Self-Assessment	Accurate Self-Assessment	Accurate Self-Assessment
Self-Confidence	Conscientiousness	Self-confidence
Self-Regulation Cluster:	Self-Management Cluster:	Self-Management Cluster:
Self-Control	Self-Control	
Trustworthiness	Trustworthiness	Self-Control
Conscientiousness	Self-confidence	Conscientiousness
Adaptability	Adaptability	Adaptability
Innovation	Change Catalyst	
Self-Motivation Cluster:		
Achievement Orientation	Achievement Orientation	Achievement Orientation
Commitment		
Initiative	Initiative	Initiative
Optimism		
Empathy Cluster:	Social Skills Cluster:	Social Awareness Cluster:
Empathy	Empathy	Empathy

Organizational Awareness	Organizational Awareness	Organizational Awareness
Service Orientation	Service Orientation	Service Orientation
Developing Others	Developing Others	
Leveraging Diversity		
Social Skills:		Social Skills:
Leadership	Leadership	Leadership
Communication	Communication	Communication
Influence	Influence	Influence
Change Catalyst	Trustworthiness	Change Catalyst
Conflict Management	Conflict Management	Conflict Management
Building Bonds	Building Bonds	Building Bonds
Collaboration & cooperation	Teamwork & Collaboration	Teamwork & Collaboration
Team capabilities		Developing Others

Table: 5a
From Boyatzis (1999b) a Comparison of the Impact of the Number of Competencies Above/ Below the Tipping Point by Cluster (000's)

Cluster	Above TP Acct. Rev.	Below TP Acct. Rev.	Above TP Acct. Margin	Below TP Acct. Marg.
Self-Management	2,942	1,803	9%	4%
Self-Regulation	,969	96	2%	2%
Social Skills	,819	,797	3%	7%
Analytic Reasoning	,545	,164	0%	7%

Table: 5b
From Boyatzis (1999b) a Profit Contribution Comparison of the Impact of the Number of Competencies Above/ Below the Tipping Point by Cluster

Cluster	Incremental Profit per Year per Partner
Self-Management	\$762,000 per year = 78% more/experienced partner
Self-Regulation	\$1,465,000 per year = 390% more/experienced partner
Social Skills	\$931,000 per year = 110% more/experienced

	partner
Analytic Reasoning	\$510,000 per year = 50% more/experienced partner

It shows that experienced partners demonstrating a significant number of the competencies within the Self-Regulation Cluster above the tipping point contributed the highest differential profit to the firm per year than those demonstrating the competencies below the tipping point. The Social Skills and Self-Management Clusters followed in size of contribution. It is worth noting that frequently demonstrating the competencies in all of the clusters was linked to substantial increased profit contribution to the firm. Using the same type of tipping point analysis, Boyatzis (1999) showed that demonstrating three or four of the clusters with the sufficient number of competencies in each shown above the tipping point was sufficient to trigger effectiveness.

Implications for a Theory of Action and Personality Theory

Clusters Help in Building a Theory of Action

Boyatzis (1982) used a contingency model of management effectiveness which postulated that the degree of overlap, or "best fit" between the individual, his/her job demands, and the organizational environment would predict effectiveness, as shown in Figure 3. He claimed that seeking one-to-one correspondence between the competencies and job functions or tasks was a futile exercise. Similarly, the search for connections between specific competencies and element of the organizational climate, culture, structure, systems, or strategy would be a reductionistic nightmare. To try and link elements of specific job demands or the organizational environment to one of the competencies such as Building Bonds forces you to stretch your connections. For example, if you examine the function of "championing a specific change project" would require Building Bonds, but you could not use it alone. You would have to use it with other competencies such as Change Catalyst, Conflict Management, Teamwork and Collaboration. To see the connections easily, you expand the competency to a cluster of competencies, such as Social Skills. Similarly, connecting a component of the organizational culture to a competency cluster seems easier than to a single competency. To ask that a person "fit into" an entrepreneurial culture in a fast growing company is asking for a person to frequently demonstrate Achievement Orientation and Initiative and Adaptability, to name a few competencies in the Goal and Action Management or Self-Management Cluster. Merely showing Achievement Orientation frequently could lead to a fascination with cost-cutting and risk moderation which might work against the cultural norms of taking advantage of opportunities, if not making your own opportunities.

This confusion between searching for links at the competency or cluster level has often been the source of mistakes in linking competencies needed from individuals to be effective and the "core competence" of the organization. If engineering excellence is the core competence of an company, we would predict that the Goal and Action Management Cluster (or the Self-Management Cluster in the EI Model) would need to be the most frequently observed cluster to create and sustain this culture and

strategy. If an increasing number of the executives had this as their third most frequent competency, we would predict increasingly confusing messages within the organization as to priorities and a shift from utilizing their core engineering excellence as a distinguishing feature in their strategy, customer service, and product innovation.

Clusters Offer Hope in Building a Theory of Personality

One of the major benefits of the conceptualization of Emotional Intelligence is the potential for establishing causal connections among the various levels of a person's psyche. Boyatzis (1982) followed an often described causal link between the unconscious motive and trait level of personality to the social role and self-image level to the behavioral level, as evident in competencies. The effort resulted in attempts to make the links for each competency. The result was intriguing to some, but had the conceptual elegance of a hardware manual.

The clusters of competency, on the other hand, offer an appropriate "focal point" from which to identify, predict, and establish the multiple levels of causal connections, as suggested in Figure 2. Neurological and hormonal characteristics predispose or arouse certain motives or traits, which in turn predispose, arouse, or drive competencies within the context of certain philosophical orientations (Goleman, 1995, 1998; Boyatzis, 1982). Our contention is that these connections or causal paths are easier to identify for clusters of competencies than separate competencies. For example, research has begun to establish a link between high resting levels of epinephrine secretion and high Need for Power motives (McClelland, 1985) and other such links among hormonal levels and unconscious motives (Schulte's, 1999). We also know that high Need for Power predicts frequency of demonstration of influence behaviors, such as those evident in the competencies of the Social Skills Cluster.

The links between unconscious motives and traits and behaviorally observed competencies are the most clearly established of these links in the literature. Need for Power drives Teamwork and Collaboration, Influence, Building Bonds, Leadership, and so forth (McClelland, 1985; Winter, 1975; McClelland and Boyatzis, 1982). Need for Affiliation drives Empathy (Boyatzis and Burruss, 1977; Burruss and Boyatzis, 1981). Need for Achievement drives Achievement Orientation (McClelland, 1961, 1985). A Sense of Self-Efficacy and Self-definition drives Initiative (Stewart, 1978; Boyatzis, 1982). In a similar way, cognitive complexity drives Systems Thinking and Pattern Recognition, as analytic competencies.

We can also conjecture relationships among the "big five" traits and competencies (McCrea and Costa, 1990). For example, extroversion probably drives Building Bonds, Influence, Leadership, Communication, and so forth-- the Social Skills Cluster. Openness and Conscientiousness probably both drive the Goal and Action Management or Self-Management Cluster, although they probably have different sets of competencies within the cluster. Agreeableness probably drives the Social Awareness Cluster. There appears no direct link to the Self-Awareness Cluster of competencies. Philosophical orientations,

such as Pragmatism, Rationalism, and Humanism, offer a conceptualization which provides a closer link to the underlying traits, such as learning style, while at the same time a closer link to the frequency of demonstrated behaviors of specific competencies (Boyatzis, Murphy, and Wheeler, 1996). Boyatzis et al. (1996) reported evidence from multiple samples showing a stronger association between a person's operating philosophy (i.e., philosophical orientation) and clusters of the competencies, than specific competencies.

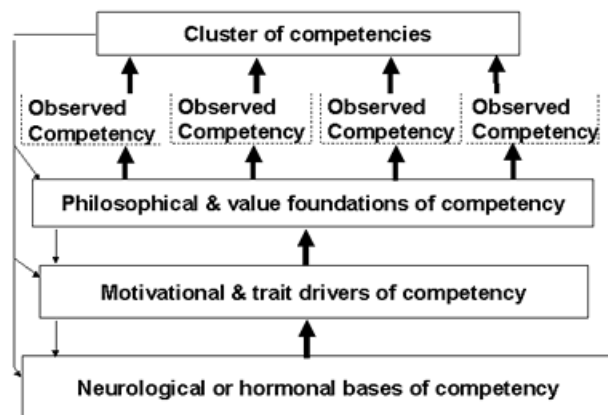


Figure 2: Levels within the personality structure.

These causal links do not imply determinism but forms of association and disposition. For more specific causality, we must conduct further research with comprehensive multi-method, multi-trait, multi-level designs. Complexity theory suggests that fractals do exist. We predict they exist within the structure of human personality and that competency clusters are a necessary level of variable needed to find and see the fractals. At the same time, prior research suggests that arousal or activation of any of the motive, trait, philosophical, and/or behavioral level through competencies affects and arouses the hormonal, motive, trait, and other levels within the personality, as suggested by the feedback loops indicated in Figure 2.

Practical Implications

As proposed, demotivation is a complex inter-relational process and therefore cannot be simply 'managed'. The often deep-rooted conflicts of interests and identity found in the demotivating workplace do not lend themselves to simplistic solutions or direct managerial intervention. This implies that decreasing or overcoming demotivation 'therapeutically' and enhancing remotivation can only be designed for considering antecedent and supportive conditions and facilitating processes. Already removing certain demotivators will increase motivation without necessitating the addition of motivators (Ng et al. 2004). Thus reducing demotivational factors and motivational barriers appears to be the major effort required to improve employee productivity, rather than focusing on increasing the presence of motivational factors (Smithers & Walker 2000). With this conventional incentive orientations are often limited for tackling demotivation problems. Particularly those interventions that are bound to a carrot-and-stick perspective trying to manipulate and

control demotivated employees' by reward and punishment can cause crowding effects for intrinsic potentials of motivation (Frey & Jorgen 2001). As demotivation is an interrelated phenomenon, there is a need for an integral orientation, covering personal and interpersonal levels as well as structural-functional dimensions of the organization. Each dimension requires targeted measurements, tasks and intervention on a situation-specific, appropriate and equitable base (Wunderer & Kippers 2003), in particular related to embodied and emotional dimensions of demotivation. For the *personal* dimension, for example, training in self-observation, reflective and contemplative practices for enhancing self-awareness and personal development are important. Practically, a personal training may imply cultivating heightened awareness and mindfulness, by deep relaxation, focusing and ways of authentic self-expression. For enhancing an integration of bodily and emotional dimensions it will be imperative to take care of well-being (Kippers 2005) and optimizing body-mind-spirit connection, for example, through forms of experiential learning (Naquin & Holton 2003). Furthermore techniques of self- and stress-management and coping (Lazarus & Volkman 1984; Newton et al. 1995) may help dealing with and reducing strains of demotivation. For understanding, dealing and expressing feelings of demotivation, personal forms of emotion management (e.g. Lively 2000) and emotional intelligence competencies (Goleman 1998; Caruso & Salovey 2004) can become relevant. These competencies may allow assessing and dealing with demotivational feelings. Moreover, competencies like empathy enable reading other demotivated people and groups, which may help to keep emotional relation open preventing a gradual 'bottling-up' of negative feelings that often cause demotivation. However, the realization of emotion management might fall short of employee capacities and responses or tends to commodify emotion (Linden 2003).

With regard to *interpersonal dimensions*, cultivating an emotional competent culture characterized by corresponding values, trust and cooperation becomes important. In addition to leeway for communal cooperation, possible applications comprise team-development and team-learning (e.g., Edmondson 1999). Furthermore for preventing poor management, an appropriate management and leadership development and training will be crucial, including communication and feedback training, conflict-management skills (McCauley & Van Velsco 2004). Concerning emotional labour, a re-contextualization of emotions and changes in the implicit and explicit feeling rules (Tolich 1993) can re-frame emotional experiences and alter organization's emotional sub-cultures. Permitting shifts from secrecy to openness and from confrontation to collaboration, supporting a self-organized prevention or overcoming of demotivation. Particularly, 'communities of practice' (Brown & Dugger 1991) are conducive environments for sharing of demotivational conflicts, social support and constructive emotional flow for overcoming demotivation. Moreover, experiencing trust, pride and joy concerning shared success during performing, prevent demotivation or facilitate process of remotivation.

Finally, the structural-functional dimensions refer to all outer resources, conditions, functions and infrastructures concerning experiential embodied and emotional processes related to demotivation. This domain is related to especially to developments and restructuring of the organization as a system

and organization-wide demotivation. Constructively, practices here refer to the improvement of organizational design, individualized goal setting strategies and appropriate working conditions, for example, flex-time, supportive information- and communication-technologies, and a cautious usage of compensation or rewarding systems. Furthermore proactive modifications and changes in organizational structure and policies can lessen the likelihood of people experiencing demotivation or buffer them against the impacts of demanding job situations. Providing further education, coaching, trainings and empowerment or creating 'back-stage- areas' and sufficient slack resources may contribute to avoid demotivating consequences and promote positive effects, enhancing also remotivation. Furthermore, counseling and employee-assistance-centre or programs (Oher 1999) may be supportive for dealing with actual demotivation. All the outlined practical approaches take effort, time, investments, and require support, and sustained practice, for delivering real long-term outcome benefits. But, by being strategically proactive HRD practices can substantially contribute for creating favorable circumstances and a fulfilling working culture that prevents or reduces demotivation and enhance remotivation in the every-day working life.

Conclusion

The aim of this paper was to open up for a more profound understanding of demotivation in relation to the bodily and emotional dimension involved. The need for more research into the construction of personality and determinants and consequences of our behavior is more than a perpetual plea of scholars- it is an expression of our commitment to the benefits that accrue from our drive to satisfy our curiosity about being human. We seek to understand characteristics that predict better performance because we wish to be more effective. We seek to understand characteristics that predict more fulfilling lives because we see injustice, suffering, and know that many of our lives are "out of balance." Although cynics can point to hundreds or even thousands of irrelevant if not misleading studies that have been published during the past one hundred years, few would contradict the observation that our understanding of individual personality and behavior has advanced tremendously during this century. Research has contributed to this advancement. More research is needed to understand how our emotions and capability affect our lives and work. In this paper, we have offered a number of observations and emerging theoretical frameworks that we hope will stimulate curiosity and more research. What became evident is that demotivated employees are not one-dimensional figures, but complex human beings involved in various embodied and emotional interrelations. Therefore HRM and HRD needs to embrace a perspective that demotivational problems are systemic and require systemic approaches and solutions. Taking the embodiment and emotionality as cause and medium, which constitute realities of demotivation, phenomenology provides a corresponding descriptive and systemic approach for further investigations. Thus, the phenomenological approach of this paper represents a framework for further analysis and provides a bedrock for more rigorous theory building and empirical testing. Future research can specifically investigate demotivation in relation, for example, to workforce diversity, older workers, cross-cultural issues, or influences of technology, and informal learning, always situated within an embodied and emotional

embedment.

More generally, what is needed is a way of thinking of HRD, which values the complexity of the employees as embodied and emotional human beings. Thus, the future theory and practice of HRD (Vince 2003, Ruona et al 2003) needs to pay attention to the power-based and differentiated roles of embodiment and emotion as well as people's authenticity particularly in organizational change (Dooryard & Benschop 2003). As differentiated reminder of the life-world's multifaceted wholeness and tremendous multi-dimensionality, a further developed phenomenology and 'phenol-practice' (Kippers 2008) of Demotivation is likely to serve as a helpful antidote to part-views and one-sided approaches. As by taking into account the bodily and emotional dimensions phenomenological, a more holistic understanding of the causes, developments, ambiguities and effects of demotivation in organization and ways for dealing with them can be attained.

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LEADERSHIP STYLES AND EMOTIONAL INTELLIGENCE AMONG HOSPITAL MANAGERS

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ABSTRACT

Hospital environment is most complex unlike other workplaces owing to the critical care, wide spread of specialists – medical and non-medical, intensively working for saving the patients battling between life and death. Such environment demands emotionally intelligent workforce and also leadership on the part of them. Despite such prominence of the theme, studies are sparse on addressing leadership and emotional intelligence among hospital managers in the literature, leaving a serious gap in understanding the nature of such managers' work lives. Encouraged by such thought, this study is initiated in two large public and private hospitals in the twin cities of Hyderabad and Secunderabad in which 200 hospital managers participated. When analysed, the data suggest that people centered styles of leadership among managers, predominated both public and private hospitals, besides managers from private hospitals were more emotionally intelligent than their counterparts. Implications are drawn for practice and future research directions.

Introduction

Health care institutions are known for their complexity since quite a large number of professionals including medical, clinical, paramedical, administrative and supportive specialists, all working for the preventive, palliative and promotive health services to a wide constituent of people from the general community. All of them are either perform lead roles or roles led by seniors. These roles are integrated in order to provide better quality services to the patient community, often challenging the hospital managers for designing and redesigning an effective leadership function (Riggio & Reichard, 2008).

Besides, leadership in hospitals is a shared phenomenon since a group of diverse professionals cater to the

healthcare needs of the patient community geared towards becoming patient-centered, patient-focused, and patient-driven, rather than doctor-driven. Such leaders are emotionally intelligent since hospital jobs. Such leadership is of cardinal concern to the effectiveness of hospitals in general and effective treatment outcomes in specific (Bass, 1985). This calls for understanding the prevalence of leadership.

On the other hand, working in a hospital not only calls for designing and implementing leadership roles but it is also essential for such leadership to possess emotional intelligence. Such leadership operates with a well understood emotional state of self and also that of the people around it. Besides, managing emotions of self and regulating social relationships which influence treatment outcomes. Thus, emotional intelligence can differentiate between good and poor leaders (Carmeli, 2003). But, despite the high interest regarding the influence of emotional intelligence in effective leadership, there is still paucity of research works which examined such relationship (Palmer, Walls, Burgess, & Stough, 2001). To that effect, the present study addresses two of these serious issues namely leadership, emotional intelligence and their relationships.

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Emotional Intelligence and Leadership

The research is compelling that emotional intelligence is a powerful enabler for enhanced leadership effectiveness. Salovey and Mayer (1990) had generated sufficient ground for accepting the term “emotional intelligence”(EI). They defined it as a set of skills: relevant to the accurate appraisal and expression of emotion in oneself and in others, the effective regulation of emotion in self and others, and the use of feeling to motivate, plan, and achieve in one’s life (Salovey and Mayer, 1990, p. 185).

Leadership is a process of social interaction where the leader’s ability to influence the behaviour of their followers can strongly influence performance outcomes (Humphrey, 2002; Pirola-Merlo et al., 2002).Humphrey (2002) also suggests that leadership process is essentially an emotional process and process of recognizing and evoking emotional states in the followers and their consequent management for realization of business purpose.

Despite the popularity of the concept, most of the research works published investigated EI and performance outcomes in laboratory settings, using student sample populations (Lopes et al., 2004).

Shankman and Allen (2008) suggest that leaders must be conscious of three fundamental facets of leadership: context, self, and others. Further they state that leaders should develop competencies in all these areas while paying attention, including group savvy, optimism, initiative, and teamwork. Being one of the most important leadership abilities or traits, emotional intelligence appears to be an important construct. The underlying theme suggests that people who are more sensitive to their emotions and the impact of their emotions on others will be most effective leaders distinguished from the less effective ones.

Weinberger’s (2002) found that the relationship between EI and transformational leadership have no significant correlations within a sample group of 138 managers. Rosete and Ciarrochi (2005) studied public service managers to explore the relationship between ability based EI, personality, cognitive intelligence and leadership effectiveness. He found that higher EI scores were associated with higher leadership effectiveness. However, such results, being scanty, are not sufficient to warrant the relationships particular to the dichotomy of emotional intelligence and the leadership effectiveness which is a combination of task centered style and the people centered style.

Present Study

Hospital jobs require performing leadership roles in various services offered to the patient community. Besides, in every healthcare situation in hospitals, employee in such roles deals with wide ranges of emotions in handling various patients and their attendants. When all efforts result in positive outcomes, there is always stability in relationships. However, there will be instability of the treatment outcomes are adverse. Many People will employ wide range of emotions. Therefore, leadership not only calls for addressing the situations where there is stability, but much more in situations where there is instability.

Thus, all of these situations are characteristics by people who bring in various kinds of healthy and unhealthy emotions. Research themes on leadership suggest that leaders and the followers operate in situations. Therefore, these three elements of leadership namely leaders, followed and the situation are wrapped up in a frame called emotional intelligence. Emotionally intelligent managers in hospitals are equipped to understand the needs of their subordinates in general and patients in specific and the opposite is probable in case they are not emotionally intelligence which is acquired through consciously designed training (Bass, & Avolio, 2000).

This study has three fold purposes. Firstly, the leadership styles among hospital managers are studied to know the particular emerging style among them. Secondly, their emotional intelligence is assessed to know how intelligent they are in understanding and managing emotions at work place. Lastly, relationships among emotional intelligence and leadership are examined.

Objectives

- i) To assess leadership styles among hospital managers from select hospitals and analyses it according to type of hospital, age, and experience of the hospital managers.
- ii) To assess emotional intelligence among hospital managers from select hospitals.
- iii) To assess the relationships between leadership styles and emotional intelligence.

Hypotheses

- It is hypothesized that,
- i) Hospital managers do not vary in their leadership styles according to type of hospitals.
 - ii) Hospital managers do not vary in their leadership styles according to their personal background variables
 - iii) There is no relationship between hospital manager’s emotional intelligence and their leadership styles.

The Method

200 hospital managers from largest public and large private hospitals from the twin cities of Hyderabad and Secunderabad have participated in this study. They were administered with a structured questionnaire which included three sections namely profile, standardized scale for assessment of leadership styles and another standardized scale to measure emotional intelligence. For assessing leadership styles, a standardized 20-item scale developed by Northouse (2012) was adopted. For measuring emotional intelligence, a 20-item scale developed by Northouse (2012) was adopted. Coefficients of alpha of the scales is 0.92 and 0.87 respectively, indicating that both the scales internally consistent.

Results and Discussion

The results are presented according to the testing of the hypotheses. To begin with, firstly, the results pertaining to the leadership are presented, followed by results pertaining to

emotional intelligence. Lastly, the relationships between leadership styles and emotional intelligence are presented.

Leadership Styles and Type of Hospital

It was hypothesized that “the leadership styles do not vary among hospital managers according to the type of hospitals in which they are employed”. In order to test this hypothesis, means, SDs and f-values are computed. Results in this regard are presented in table 1.

Table 1: Leadership Styles and Type of Hospital

Leadership Styles	Type of Hospital	Mean	Std. Dev.	F-value	d.f	sig.
Task Centered Style	Public Hospital	33.02	3.75	6.616	1, 199	.011
	Private Hospital	33.91	3.10			
People Centered	Public Hospital	39.76	3.07	7.492	1, 199	.007
	Private Hospital	41.46	3.69			

Table 1 presents that the managers from private hospital scored more (33.91) than the managers of public hospital is (33.02) interesting. The mean variation is statistically significant as evident from the F value (6.61), d.f (1; 199), p (0.011).

Similarly, with regard to the people-centered style of leadership, the managers of private hospital scored more (41.46) than the managers of public hospital (39.76). Interestingly, the mean variation is statistically significant as evident from the F value (7.492), d.f (1; 199), p (0.007). This indicates that on both task and people centered styles of leadership, hospital managers from private hospitals are very high on the styles than the managers of public hospitals.

Thus, the null hypothesis that “the leadership styles do not vary among hospital managers according to the type of hospitals in which they are employed” stands rejected and the alternative hypothesis stands accepted. In other words, hospital managers from private hospitals are expected to be higher on both task centeredness and people centeredness in their hospitals as opposed to their counterparts in public hospitals.

Leadership Styles by Personal Characteristics

It was hypothesized that “hospital managers do not vary in their leadership styles according to their personal background variables. Results relating to the testing of the hypothesis are presented in the following sections.

Table 2: Leadership Style by Age Group

Leadership styles	Age group (in years)	Mean	Std. Dev.	F-value	d.f	sig.
Task Centered Style	29-44	35.88	3.39			
	45-49	32.97	3.76	4.329	2, 199	.014
	50+	34.31	3.78			
People Centered	29-44	34.00	3.06			
	45-49	30.15	3.05	5.085	2, 199	.007
	50+	31.13	3.02			

Table 2 presents the data pertaining to leadership style of hospital managers by age whose mean scores for task centered type and people centered type have been obtained and further presented to analyse the styles. It can be observed from the mean scores that older hospital managers (mean=34.30), have obtained higher mean scores than the others. Interestingly, the mean variation is statistically significant as evident from the table (F value=4.32, df 2,199, p=0.014).

With regard to people-centered leadership style, it can be observed from the means that older and the younger hospital managers have equal mean scores of 41.00 each, which is higher than the middle age managers. Interestingly, such mean variation is statistically significant as evident from the F value (5.085), d.f (2; 199), p (0.007). This means that on both the Task centered style and the people-centered style of leadership hospital managers differ according to the age groups. More specifically, the older managers are balancing both task-centered and people centered styles of leadership.

Table 3: Leadership Style by Experience

Leadership styles	Experience (in years)	Mean	Std. Dev.	F-value	d.f	sig.
Task Centered Style	1-9	36.60	3.81			
	9-17	32.97	3.03	4.258	2, 199	.015
	18-59	34.17	3.85			
People Centered	1-9	35.52	3.22			
	9-17	39.67	3.98	4.263	2, 199	.015
	18-59	34.44	3.17			

Table 3 presents the data pertaining to leadership style of Hospital managers according to their experience. It is clear

from the table that those managers who worked for more than 18 years are known for using task center style than the less experienced (33.66) and moderately experienced managers (32.96). Further, the mean variation is also statistically significant as evident from the F value (4.25), d.f (2,199), p (0.015).

As regards people-centered style of leadership a similar trend is observed. That is, Hospital managers who have worked for more than 18 years, scored higher mean scores on people centered type (41.44) than others. Further, the mean variation is statistically significant as evident from the F value (4.26), d.f (2, 199), p (0.015). This means more experienced managers are known for balancing both task centered and people-centered leadership styles.

Table 4: Leadership Styles and Type of Function

Leadership Styles	Type of Function					F value	df	Sig.
		Mean	Std. Dev.					
Task Centered Style	Medical	34.11	.28			.476	,199	.020
	Non-Medical	32.82	.48					
	Total	34.47	.94					
People Centered	Medical	41.15	.78			.676	,199	.002
	Non-Medical	40.07	.08					
	Total	40.61	.46					

Table 4 shows the data pertaining to leadership style of Hospital managers according to the type of hospital to which they belong. It can be observed from the table that the hospital managers in Medical function have obtained higher mean score (34.11), than the Non-Medical managers (32.82). Interestingly, mean variation is statistically significant as evident from the F value (5.47), d.f (1; 199), p (0.020).

Further, with regard to people centered it is found that Medical managers (41.15) scored more than the Non-Medical managers (40.07) interestingly, such mean variation is statistically significant as evident from the F value (2.957), d.f (1; 199), p (0.002). This indicates that on both task centered and people centered styles of leadership medical managers are doing better than the non-medical managers.

From the preceding sections, it is noticed that the null hypothesis that "the leadership styles do not vary among hospital managers according to their personal background variables" stands rejected and the alternative hypothesis stands accepted.

Emotional Intelligence and Leadership Effectiveness

It was hypothesized that "there is no relationship

between emotional intelligence and leadership effectiveness". In order to test this null hypothesis, Pearson's correlation coefficients were computed, followed by regression analysis. Results in this regard are presented in table 5.

Table 5: Regression Analysis

Model		Unstandardized Coefficients			Standardized Coefficients		
				t. Error	eta		ig.
	(Constant)		3.117	.989		.302	.000
	Personal Competence	.491**	.327	.154	.180	.126	.035
	Social Competence	.560**	.688	.136	.430	.072	.000
Model	R	Adjusted Square		Delta R	- value	.f	=
	.574 ^a	.329	.2	.32	8.332	.99	.000

It is quite clear from the table that both the styles of leadership namely task centered and people centered are positively and significantly correlated with emotional intelligence of the hospital managers which are evident from the R values presented. Since, both the variables are significantly correlated, regression analysis has been carried. Results reveal that social competence emerged as a strongest correlate of emotional intelligence among hospital managers (beta = .43, t-value=5.07, p=.000). In other words, social competence will improve .43 units of change in emotional intelligence; similarly, personal competence will only improve around .18 units which are quite meager. The coefficient of determination yielded a value of 0.32 which is statistically significant. This indicates that around 32 percent of variance in leadership effectiveness is explained by both the personal and social competence. The remaining 68 percent of emotional intelligence might be accounted for by many other extraneous variables like socialization, personality traits, and organizational processes like, communication, influence, decision making and the like.

Thus, the null hypothesis that "there is no relationship between leadership styles and emotional intelligence", stands rejected and the alternative hypothesis is accepted.

Discussions

This study brought to light an important finding pertaining to the leadership styles in hospitals today. Most interesting issue is that the hospital managers from private hospitals are more task-centered and more people-centered in

their leadership styles. Blake and Mouton (1985) in their managerial grid theory suggested that such combination of both leadership styles on a higher plane is characterized by team leadership. Managers in private hospitals in general operate in a highly interdependent fashion since accountability is more owing to the patients who normally pay for their treatment more than their counterparts in public hospitals. Besides, the managers are more conscious of protecting the image of the private hospitals as a matter of their future survival. Therefore, they are increasingly focused on their team members who cater to the needs of the patient community.

Another interesting finding is that the older and more experienced hospital managers also were found higher on task-centered and people-centered styles of leadership. In other words, such combination is called team-leadership. By and large, the older people are known for providing direction to the younger ones. Similarly, the employees in hospitals are supervised by the managers who are older and more experienced. This may also be due to the fact that as managers grow older and more experienced, they might have realized that they as individuals alone cannot influence treatment outcomes. Therefore, they need to build the teams which provide constant support to the patients. As such they are more task-centered and people-centered as well (Bureau of Health Professions, 2000).

Another interesting outcome of this study is that the medical hospital managers were found more on task and people-centered styles than the non-medical managers. This may be due to the fact that managers who are responsible for medical management involving direct dealing with the patients on one hand and mobilizing the energies of their team of subordinates, who support all the treatment outcomes, need to be more on task centered and people centered styles. On the other hand, non-medical managers are more administrative in nature, involving more in day-to-day activities like planning, billing, purchasing, financing, HR and other supportive activities which are not life-threatening to the patients as such services are only supportive in nature, to the medical managers.

Lastly, this study highlighted the fact that emotional intelligence contributes to the emotional intelligence of hospital managers. More so, social competence was more impacting leadership effectiveness of the managers. But, both styles put together contributed one third of improvement in the leadership effectiveness. Thus, such finding is also in harmony with the theories of emotional intelligence. Golman suggests that leaders who are more people focused are also known for managing social relationships more effectively. In other words, leaders who are aware of emotions played by the people around are also more effective in understanding people and also managing relationships convenient to both people themselves and also to the effectiveness of the organizations in which they work (Bozell, 2001). Thus, hospital managers exactly resemble such leaders who are known for understanding employees and patients more empathetically.

Implications

The results are quite encouraging from the context of development of leadership and emotional intelligence in hospitals. Firstly, there is a need for improving upon emotional

intelligence of the managers, followed by improving leadership effectiveness among them. Hospitals need to have learning and development division which takes care of continuous training of their employees throughout the year. These programmes could cover leadership development, emotional intelligence and quite other programmes which improve the competencies of the managers. Such competences will help in delivering effective services to the patient community. Therefore, to improve such competences of managing self and relationships in their work places; hospital managers need emotional intelligence workshops wherein they will have hands-on experiential learning about their leadership styles and also their emotional competences.

Further, their leadership styles need to be improved more towards team-based leadership orientation as hospital jobs involve more team-based work systems wherein people from diverse specializations come together and work towards patients' recovery in a more tight and interdependent fashion. In sum, understanding emotions and managing emotions may well be that, as Matthews et al.(2002) propose, the ability to understand emotions and the ability to act effectually on this understanding may only be marginally related. Future research should attempt to understand more in-depth issues of leadership effectiveness in relation to the dimensions of emotional intelligence particularly making comparisons across specializations in hospitals since such understanding will pave a great path towards excellence in healthcare services.

Conclusion

This study addressed three important aspects of hospital managers' work lives. Firstly, the emotional intelligence among hospital managers has been addressed particularly in relating to the managers personal background variables and type of hospitals under study. Secondly, leadership effectiveness among hospital managers has been assessed. Thirdly, the relationships between emotional intelligence and leadership effectiveness have been analyzed and reported in this study. Thus, all the null hypotheses have been rejected and alternative hypotheses have been accepted. Further, implications were drawn for improving upon leadership styles and emotional intelligence among hospital managers for effective services to the patient community.

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ANALYSIS OF STRUCTURAL CHANGES IN FDI ON INDIAN RETAIL AND ITS IMPACT ON THE DEMAND FOR RETAIL PROFESSIONAL SKILL SETS

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ABSTRACT

The retail landscape in India has witnessed many landmark changes in the last decade and this is not denying the fact that it is regarded as one of the pillars of the Indian economy accounting to about 14 to 15% of its GDP and employing about 40 million people. Add on to this is the much sought after policy reformations announced by the Indian government in single brand and multi brand retailing amidst the uproar across various segments of our population. As it is being argued that the organised and the unorganised sector is bound to co-exist and bring about sustainable development to our country -this paper tries to bring to fore the manpower requirements for this sector if it is to change the destiny of our country in the years ahead.

Introduction

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP and employs about 40 million Indians (3.3% of Indian population). The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India's retailing industry is essentially unorganized retail market. Traditionally it is a family's livelihood, with their shop in the front and house at the back, while they run the retail business. More than 99% retailer's function is in less than 500 square feet of shopping space. Although the retail space in India is traditionally owner manned small shops, in large urban centres - larger format convenience stores and supermarkets account for about 4 percent of the industry in 2006-07 [1]. This grew at 45-50 per cent per annum and attained a 16 per cent share of total retail in 2011-12 while the unorganised retail sector grew by 10 per cent share of the total retail in 2011-12. In short, both unorganized

and organized retail are bound not only to coexist but also achieve rapid and sustained growth in the coming years [5].

Over the years a number of large corporate houses Tata, Birla, Future group, Piramal, Goenka have already made their foray into this arena, with beauty and health stores, supermarkets, self-service music stores, newage book stores, every-day-low-price stores, computers and peripherals stores, office equipment stores and home/building construction stores. Today the organized players have attacked every retail category. The Indian retail scene has witnessed too many players in too short a time, crowding several categories without looking at their core competencies, or having a well thought out branding strategy. Also the purchasing power of Indian urban consumer is growing [4].

No wonder the Indian retail is booming which further gained impetus on November 2011 when Indian central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple competing to enter India. Though the announcement sparked intense activism, both

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in opposition and in support of the reforms in January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership and 51% in the case of multi brand retail later, but imposed the requirement that the single brand retailer source 30 percent of its goods from India [4]. Immediately in June 2012, IKEA announced it had applied for permission to invest \$1.9 billion in India and set up 25 retail stores.

Hence as competition in the retail space widens the emphasis is on retail as a brand rather than retailers selling brands. The focus is on branding the retail business itself. In their preparation to face fierce competitive pressure, retailers must come to recognize the value of building their own stores as brands to reinforce their marketing positioning, to communicate quality as well as value for money. Sustainable competitive advantage will be dependent on translating core values combining products, image and reputation into a coherent retail brand strategy.

Retailing has seen such a transformation over the past decade that its very definition has undergone a sea change. No longer can a manufacturer rely on sales to take place by ensuring mere availability of his product. Today, retailing is about so much more than mere merchandising. It's about casting customers in a story, reflecting their desires and aspirations, and forging long-lasting relationships [2]. As the Indian consumer evolves they expect more and more at each and every time when they step into a store. Retail today has changed from selling a product or a service to selling a hope, an aspiration and above all an experience that a consumer would like to repeat.

1.1 Definition of Retailing

Retailing includes all activities involved in selling goods or services directly to final consumers for personal and non-business use. A retailer or retail store is any business, whose sales volume comes primarily from retailing.

1.3. Major Retail Formats

- **Hyper marts/supermarkets:** large self-servicing outlets offering products from a variety of categories.
- **Mom-and-pop stores:** they are family owned business catering to small sections; they are individually handled retail outlets and have a personal touch.
- **Departmental stores:** are general retail merchandisers offering quality products and services.
- **Convenience stores:** are located in residential areas with slightly higher priced goods due to the convenience offered.
- **Shopping malls:** Shopping malls are the biggest form of retail in India. Malls offer customers a mix of all types of products and services including entertainment and food under a single roof.
- **E-tailers:** are retailers providing online buying and selling of products and services.
- **Discount stores:** these are factory outlets that give discount on the MRP.
- **Vending:** it is a relatively new entry, in the retail sector. Here beverages, snacks and other small items can be

bought via vending machine.

- **Category killers:** small specialty stores that offer a variety of categories. They are known as category killers as they focus on specific categories, such as electronics and sporting goods. This is also known as Multi Brand Outlets or MBO's.
- **Specialty stores:** are retail chains dealing in specific categories and provide deep assortment. Mumbai's Crossword Book Store and RPG's Music World are couple of examples.

1.4. Challenges facing Indian retail industry

- The tax structure in India favors small retail business
- Lack of adequate infrastructure facilities
- High cost of real estate
- Dissimilarity in consumer groups
- Restrictions in Foreign Direct Investment
- Shortage of retail study options
- Shortage of trained manpower
- Low retail management skill

2. Literature Review

Ever since influential articles on retail marketing were researched upon and published, most of these studies have focused upon the fact that retail marketing is the biggest private industry in any country and it is seen to serve as barometer of the country's economy around the world. Rajeev Banerjee [1] presents the two major issues in retailing as shortage of talent is a threat to mom and pop stores that modern trade presents. His studies also reveal that retail experience and skill sets will be in demand as new players turn to the streets and shop floors of the existing modes of retail as they will provide some diverse profiles that will help the fledgling industry take off. Further as the media reports, news articles and various literary sources bring to fore that the retail sector in India is the new sunrise industry of our nation [3]. The boom in organized retail is likely to create a greater demand for professionals with skills relevant to the retailing industry like visual merchandising, retailing strategies, below the line marketing initiatives and consumer understanding. The last of these is especially critical since marketing is at the forefront of championing customers internally. Beyond advertising and making strategic plans, a marketing job is to guide all interactions with the consumer. Consequently, more and more retail organizations are driving market insights and market research. These investments are likely to have spin-off effects on areas like data analytics in retail, which are still at a very nascent stage in India. It is here that this study tries to gain an insight on the retail skill demand required by this fast growing industry else sustainability of the industry in the long run would be at crossroads.

3. Scope of the Study

This paper aims to look into the varied skill sets required to groom the right talent for this industry amidst the growing number of large format stores both in urban and semi urban areas of our country. Further the paper would also try to bring to fore the demand for retail skill sets across the fast growing varied product categories.

4. Objectives of the Study

The objectives of the study are to determine the opinion of the retail professionals in major south Indian cities regarding the need for skilled manpower in this sector, the type of skilled manpower required and also the industry's level of interest in recruiting skilled manpower trained by educational institutions.

5. Research Methodology

The study followed a convenience sampling method. About 20 retail professionals at the top management levels in various established and fast growing retail houses were contacted through telephonic interview as well as through direct interview and focus group discussions. The professionals were picked up from cities like Bangalore, Chennai & Puducherry. Some of the retail houses contacted were Future group's Big Bazaar, Kumaran Silks, Reliance Fresh, Megamart, Nilgiris, Pothys Hypermarket etc...

6. Findings & Discussions

The revelations of the study are discussed as below:

6.1 Impact of Indian government's policy reformations in retail on demand for skilled manpower

It was observed that our governments' policy reformations through FDI in single and multi-brand retailing will surely have an enormous demand for skilled retail professionals. This in turn would also be influenced by the size and scope of the operations. However it is seen that demand for front end sales and customer service and stores/stock executives would be large in comparison to the demand for administrative/clerical staff, elementary staff at the low levels and demand for managers and retail professionals at the top levels of a retail organization.

6.2 Major skill sets required for retail professionals at the entry level

The study shows that about 80 per cent of the respondents were in agreement that generic skill comprising of customer handling, sales skills, math skills, problem solving, team working, logic & reasoning, sales skills, technical skills and accounting skills were the major skills the retail professionals at entry level are required to be conversant with or to be trained in. While management skills like leadership, strategic planning and achievement drive are expected only at higher levels of the industry.

6.3 Entry level qualifications in retail sector

The respondents across categories have found that entry level qualifications are mostly X Std. to XII Std. students while degree holders also join the entry level jobs of customer service associate / sales executives at the front end of the retail. This involves the activities of stock keeping, shelf arrangement, customer handling, billing etc. These jobs however are very demanding on the job holder in terms of long work hours, working on holidays, reporting on time etc. Further a career growth is also possible in this industry moving from customer

service associate to customer support supervisor to Assistant Store manager to store manager to cluster manager to state head and the like. This demands a UG and sometimes even a PG degree holder. The discussion also shows that in the past many had moved from lower levels to higher positions with experience being the criteria. But now with the entry of foreign retail and the increasing organised nature of this industry would surely demand necessary training in retail management among the potential job incumbents.

6.4 Nature of training that can be provided by Educational Institutions

The opinion of the industry in this regard has been largely welcome in the sense that the respondents felt that some amount of training given to students in this regard will help to develop a more committed and a loyal work force. The productivity levels would also be good. Further it is seen that most of the retail industries do provide initial level as well as continuous training to their employees so as to induct them into the system and then to help them grow in their career. Hence training provided by institutes will motivate students to look for a serious career in this sector. A good example of this can be the evolution of the IT industry today.

6.5 Retail categories requiring skilled professionals

Across the various retail categories like fashion & accessories to electrical retailing etc, there is presumed to be demand but large demand is expected in the case of food & convenience, automobiles, financial services and telecom sector.

6.6 Lead Time required for training at entry level

Where the industry provides in-house training an initial training period ranges from 1 week to about 2 weeks depending on the nature and size of retail. This is generally followed by follow up training once in 6 months. In the case of institutes providing trained manpower in this sector a minimum training period ranging from six months to one year would be required for entry level professionals with basic minimum qualifications like 10th standard / 10 + 2.

6.7 Industries interest level in recruiting trained professionals

An overwhelming 75 per cent said they are very much interested in recruiting trained manpower. Further many industries are ready to forge a tie up with institutes to provide in plant training to the incumbents of these courses floated by educational institutions so as to obtain a steady supply of skilled manpower as well as provide support for industry-institute interface.

7. Suggestions

Increasing challenge to retailers and new employment opportunities: In the line of the policy reformations being passed by our Indian government there lies ahead a huge challenge to retail not only in terms of sourcing and warehousing and merchandising but the demand for well trained and equipped line of connect at the front end and also in the back end of the operations.

Need for manpower with retail skills: It becomes inevitable to groom the necessary retail skills among the work force of our country as only then they will be able to contribute their best to their job. This will also increase loyalty and productivity as this is a major problem retail employers are facing today. For example unmanned counters, frequently reporting late to duties, leave without notifications etc. can be avoided with right skill sets.

Orientation of training on mental agility: Mental prowess of the employees in this sector must be agile and hence requires some special training in the areas of handling customers of different types, understanding and explaining the price schemes, ability to sell anything to the customers etc.

Establish Industry-Institute tie ups for training: The industry should also be more ready to forge tie ups with educational institutions in terms of promoting retail courses, in plant trainings, project works and the like.

Role of Educational institutions in retail courses: Universities and colleges can offer retail management degrees like B.A. / B.B.A. degree in retail management and they may also plan to offer short term certificate and diploma courses offering vertical entry and lateral exit at different levels of the course so as to enable the students to complete the course at a more convenient pace and help the potential employees in the sector to mould their career apart from training young students.

Stress on spoken English and sales skills in educational institutions: Some of the generic skills of the retail sector and any other sector also depend on these skills. Hence focus on developing these qualities at levels of education is a must today.

Innovation in delivering better valued service – key to retail success: For manufacturers and service providers the emerging opportunities in urban markets seem to lie in capturing and delivering better value to the customers through retail. For instance, in Chennai Cavin Kare's Green trends, Marico's Kaya Skin Clinic and Apollo Hospital's Apollo Pharmacies are examples, to name a few, where manufacturers/service providers combine their own manufactured products and services with those of others to generate value hitherto unknown. The last mile connect seems to be increasingly lively and experiential. Also, manufacturers and service providers face an exploding rural market yet only marginally tapped due to difficulties in rural retailing. Only innovative concepts and models may survive the test of time and investments.

8. Conclusion

There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. It is also the second largest industry in US in terms of numbers of employees and establishments. In India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them.

Further depending upon the size and scope of operations, retail managers are responsible for the entire retail operations including buying, marketing, operations, inventory

control, personnel and finance. Therefore, skill sets like conceptual understanding of retail operations, understanding customers, observation skills, merchandising skills, project management and operating skills are critical enablers to enter in the retail sector. Hence it is very much the need of the hour to develop a trained work force with the relevant retail skill sets.

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CORPORATE SOCIAL RESPONSIBILITY: A KEY COMPONENT IN COMPANY'S GROWTH

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ABSTRACT

Corporate social responsibility is also known as corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship etc. Corporate social responsibility has captured centre stage in the 21st century. Antagonists have asserted that the business should focus on their core activities, that is, earning profits, on the contrary, protagonists are of the view that it is the responsibility of the firm to maintain an equitable and working balance among the claims of the various directly interested groups, such as, shareholders, employees, customers and the society. It is now a widely accepted fact that corporate governance and its CSR element has walked away from the profit centric model to the socially responsible model, a concept referring to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. As most of the business organizations have expanded their wings, either by foraying into new markets to sell their products and services or by working with new overseas suppliers, which has resulted in the upward movement of compliance costs. Failure on the part of organizations to adhere local and global regulations can deface business reputations and brands. Thus with the growing awareness of CSR, today numerous corporate houses have started recognizing corporate social responsibility as a platform for growth and differentiation.

Introduction

One of the core beliefs of the European Baha'i Business Forum is that business has a social responsibility as well as an economic mission. Peter Drucker argued that companies have a social dimension as well as an economic purpose in his second book, 'The Future of Industrial Man' in 1942. It was during the late 1960s and 1970s that corporate social responsibility gained importance among the top management people in both the United States and Europe. However the concept shrivelled during the 1980s. But today CSR is topping the chart of many CEOs. The

probable reasons behind gaining of steam for CSR can be attributed to:

- a) **Globalization:** Globalization of markets, consumer preferences, supply chains and financial flows;
- b) **Increasing intensity of competition:** In this regard, Peter Veill used the expression 'managing in white paper' to express and explain the challenge of meeting the disturbance and instability which global competition has created. He further stated that it might be impossible to return back to the comfortable days of 1970.
- c) **Rapid Technological Changes:** Rapid technological changes have transformed the markets, alleviated burdensome tasks, enabled higher customization of production, and contributed to high labour displacement;
- d) **Environmental Challenges:** Environmental challenges caused by pollution and resource depletion and the

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sustainability of our planet earth. In this regard, business leaders are expected to play a crucial role in addressing these challenges.

- e) **Changing Value Systems:** Changing value systems are finding expression in different life styles and expectations on the part of employees, customers, and communities as a whole.

Thus as the world of business underwent a sea change, so do the requirements for success and competitiveness. Because of the above mentioned reasons, constructing deeper and more long-term relationships with customers, suppliers, employees, communities and other stakeholders are a must.

Review of Literature

Corporate social responsibility creates direct and indirect business benefits and advantages to the organization that adopts it (Bueble, 2009). In synthesis, the benefits and advantages that corporations, adopting corporate social responsibility initiatives, may obtain are the following (Campbell, 2007):

- Increased employee loyalty and retention;
- Gaining legitimacy and access to markets;
- Less litigation;
- Increased quality of products and services; and
- Strengthening of goodwill for the business.

The roots of CSR definitely extended before World War II. It should be noted, however that, Dean Donald K. David's comments to the incoming MBA class at the Harvard Business School in 1946 are especially appropriate to recall. Dean David exhorted the future business executives to take attention of the responsibilities that had to rest on the shoulders of business leaders (Spector 2008). In this connection, Bert Spector has argued that the roots of the current social responsibility movement can be traced to the period 1945-1960, the early years of the Cold War. He has argued Dean David and other supporters of expanded notions of CSR used this as a means of aligning business interests with the defence of free market capitalism against what was then viewed as the danger of Soviet Communism (Spector 2008).

In the 1950s, there was some limited discourse about CSR. Frank Abrams, a former executive with Standard Oil Company, New Jersey introduced concerns about management's broader responsibilities in a complex world (Abrams, 1951). Abrams argued that, as management was professionalizing, companies had to pay attention not only towards profits but also about their human capital, customers and the society at large.

Huge organizations invest their best of efforts in creating trust with their stakeholders and clients with the growing cases of scandals. Trusts play a crucial role in building and maintaining a sound rapport with business clients and customers. Corporate social responsibility plays an important role in winning the customer confidence that will assist in increasing the sphere of business. CSR deals with the motivation and encouragement to take up socially responsible activities that will improve the economic and ethical standards. Companies should ensure that environment is no way affected by executing

their business activities. Another angle for CSR is to go beyond everyone's expectation in giving back to society. This approach will display the commitment made by the company to serve its workforce and society.

Bowen (1953) sets the scene in this field by suggesting that the concept of specifically corporate social responsibility emphasizes that:

- businesses exist at the pleasure of society and that their behaviour and methods should fall within the framework of guidelines set by the society; and
- businesses act as moral agents within the society.

Wood (1991) expanded these ideas, encapsulating them into three driving principles of social responsibility, which are:

- a) Business is a social institution and thus obliged to use its power responsibly;
- b) Businesses are accountable for the results relating to their fields of engagement with society; and
- c) Individual managers are moral agents who are thankful to exercise discretion in their decision making.

In general, the social responsibilities of a firm seem to emerge from the intersection and compatibility of the political and cultural systems with the economic system (Jones, 1983). However, Friedman (1970) argued that the successful functioning of our society depends on the role of specialization of its institutions (or systems). According to him the corporation is an economic institution and thus should specialize in the economic sphere; socially responsible behaviour will be rectified by the market through profits. In Friedman's (1970) view business has only one social responsibility and that is to minimize the profits of its owners (to preserve their property rights). Organizations are considered purely as legal entities incapable of value decisions. A manager who utilizes a firm's resources for non-profit social purposes is thought to be diverting economic efficiency and levying an illegal tax on the organization. Opponents (Frederick et al., 1992) of this view, challenge the very foundations of Friedman's thesis- the economic model. They claim that the economic model and role specialization of institution or systems are not working as suggested.

This comes as a result of the rise of oligopolies in certain sectors; the separation of ownership and management; government's involvement in the economy and involvement in the political process through lobbying. In addition, if corporations do not adopt "social responsibility", government with its potential for inefficiency and insensitive bureaucratic methods may be forced to step in. With respect to Friedman's argument that the legal conception of corporations' articles and memorandums of associations limits a firm's involvement solely to economic roles, it can be claimed that they are broad enough to allow departures from this narrow path.

Objectives of the Study

- a) To observe the impact of corporate social responsibility on organizational growth

- b) To understand the importance given to corporate social responsibility in corporate governance bill 2009
- c) To observe the various types of corporate social responsibility activities taken by various organizations, namely; Tata, NTPC, Ambuja Cements, Infosys & ITC.

Methodology

- a) F-test (ANNOVA One Factor Model).
- b) Correlation Analysis

Limitations of the Study

- a) The study is based on the secondary data.
- b) Due to technical constraints substantial number of companies could not be studied.

CSR Activities of Companies

In a recent news item pertaining to corporate social responsibility published in The Economic Times (20th of December, 2012), it was mentioned that listed profit earning organizations could spend up to Rs. 8,000 crore on corporate social responsibility (CSR) activities if they are able to touch a target of 2% of net profits as stipulated in the new Companies Act approved by the Lok Sabha. The bill, which has to be passed by the Rajya Sabha before it assumes the shape of law, states that corporate, ought to incur 2% of net profits on CSR activities. However, this is not compulsory but the company's board will need to provide explanation for the shortfall in a particular year. A close monitoring of annual reports revealed that while most companies discuss CSR initiatives at length only a handful companies have mentioned the amount spent corporate social responsibility activities, either in absolute terms or as a percentage of sales or profit. Thirty eight companies of the Nifty companies mentioned CSR initiatives in their annual reports or exclusively sustainable reports, but there was no information on the amount spent.

Impact of CSR Activities on Organization's Growth

A growing body of evidence displays the fact that companies can do well by doing good. Renowned companies have already proven that they can differentiate their brands and reputations as well as their products and services if they take responsibility for the well-being of the societies and environments in which they function. Corporate Social Responsibility is the way organizations manage their businesses to create an overall positive impact on society through economic, environmental and social actions.

Realizing the positive impact of CSR on company's growth, a rapidly increasing number of the organizations around the globe practice some kind of CSR. At last count, more than 3,500 companies were part of the Global Reporting Initiative, and had issued more than eight thousand environmental and social sustainability reports. Two year earlier this number was less than 1,400. In a 2008 Economist online survey of 1,192 global executives, an estimated 55 percent of them reported that their

organizations gave preference to corporate social responsibility. The number was forecasted to go up to 70 percent by 2010, explaining that substantial number of companies across the globe is committed to CSR practice, and many more are joining the process.

In Western Europe, Japan, and North America, a growing number of corporations are finding that it makes good business sense to completely integrate the interests of customers, employees, suppliers, communities, and our planet as well as those of shareholders into corporate strategies. If properly adopted by the companies, corporate social responsibilities based activities can assist them to earn gigantic profits and attain high growth rate. Thus what is needed by the management is to achieve an optimum balance in responding to diverse needs of the different interest groups and constituents, affected by its decisions that are by those that have a stake in the business.

Therefore the following groups need to be focussed by an organization in order to attain fast growth, i.e., customers (direct & indirect), managers, employees and other stakeholders.

In this article we are going to discuss the impact of corporate social responsibility activities on the profits of the following organizations: Tata Steel, ITC, NTPC and Infosys. These companies represent various key sectors of the Indian economy and they are mammoths in Indian industrial space. As per recent news published in Economic Times, it was mentioned that the above mentioned companies incurred 4%, 2.1%, 0.5% and 1% of their net profits on corporate social responsibilities respectively. Assuming these companies have been spending the above mentioned percentages of their net profits for the past few years and they are going to spend the same percentages of their net profits on corporate social responsibility related activities, it is important to find out whether there exists a correlation between expected profits and amount to be spent on corporate social responsibility activities. In this Karl Pearson's correlation coefficient method is used. With the help of parabolic equation trend the forecasting of profits till 2020 is carried out for the above mentioned companies.

Table: 1
Tata Steel's reported Net Profit after Tax (Rs. in Crores)

.No.	Years	Reported Net Profit After Tax (Rs. in Crore) (Y)	Y	2Y	2	3	4
	008	,687.03	2	9374	8,748	8	6
	009	,201.74	1	5202	202	1	
	010	,046.80					
	011	,865.69		866	866		

	012	,696.42	6	3,393	6,786		6
	total	8,497.68	2	683	7,602	0	4

Parabolic Trend Equation

$$Y_c = a + b\sum X + c\sum X^2$$

The values of a, b and c can be obtained by solving the following equations

$$a = 28498 - 10c/5$$

$$5a + 10c = 28498 \quad (1)$$

$$b = 5683/10 = 568 \quad (2)$$

$$c = 57602 - 10a/34$$

$$10a + 34c = 57602 \quad (3)$$

Solving equations (1) and (3) and multiplying equation

(1) by 2 we get

$$10a + 20c = 56996$$

$$10a + 34c = 57602$$

$$-----$$

$$-14c = -606$$

$$c = 43$$

Now substituting the value of c in equation (1) the value

of a is

$$5a + 10(43) = 28498$$

$$a = 5614$$

Therefore the parabolic trend equation is

$$Y_c = 5614 + 568X + 43X^2$$

Therefore the estimated amount of reported net profit after tax and amount to be spent on corporate social responsibilities based activities till 2020 are as follows:

Table: 2

Forecasted Reported Net Profit after Tax & Estimated Expenditure on CSR Activities (Rs. in Crores)

Years	Forecasted Reported Net Profit After Tax (Rs. in Crore)	Estimated Expenditure on Corporate Social Responsibilities based Activities (Rs. in Crore)
013	7705	77
014	8574	86
015	9529	95
016	10570	106
017	11697	117
018	12910	129
019	14209	142
020	15594	156

Table: 3

Correlation Analysis between Forecasted Reported Net Profit After Tax and Estimated Expenditure on Corporate Social Responsibilities Based Activities

Years	Forecasted Reported Net Profit After Tax (X)	Estimated Expenditure on Corporate Social Responsibilities based activities (Y)	$\sum X$	$\sum Y$	$\sum X^2$	$\sum Y^2$	$\sum XY$
013	705	77	7	93,285	5	9,367,025	,929
014	574	86	8	37,364	7	3,513,476	,396
015	529	95	9	05,255	9	0,801,841	,025
016	0570	106	1	,120,420	1	11,724,900	1,236
017	1697	117	1	,368,549	1	36,819,809	3,689
018	2910	129	1	,665,390	1	66,668,100	6,641
019	4209	142	1	,017,678	2	01,895,681	0,164
020	5594	156	1	,432,664	2	43,172,836	4,336
total	0788	08	9	0,840,605	1	,083,963,668	08,416

$$r = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{N\sum X^2 - (\sum X)^2} \sqrt{N\sum Y^2 - (\sum Y)^2}}$$

$$r = \frac{8 \times 10,840,605 - (90788)(908)}{\sqrt{8 \times 1,083,963,668 - 8,242,460,944} \sqrt{8 \times 108,416 - 824,464}}$$

$$r = \frac{86,724,840 - 82,435,504}{\sqrt{429,248,400} \sqrt{42,864}}$$

$$r = \frac{4,289,336}{20,718 \times 207}$$

$$r = \frac{4,289,336}{4,288,626} = 1$$

Table: 4

Reported Net Profit After Tax (of ITC)

Years	$\sum Y$	$\sum Y^2$	$\sum X$	$\sum X^2$	$\sum XY$	$\sum X^3$	$\sum Y^3$
008	,966.01	2	5932.02	1	1,864.04	8	6
009	,182.63	3	3182.63	3	182.63	1	
010	,964.17	3		0			
011	,825.15	4	825.15	4	825.15		
012	,011.25	6	2022.5	1	2022.50		6
total	0,949.21	2	733	3	1,894.32	0	4

Applying Parabolic Trend Equation

$$Y_c = a + bX + cX^2$$

To obtain the values of a, b and c we use the following equations

$$a = \frac{\sum Y - c \sum X^2 / N}{\sum XY / \sum X^2}$$

$$b = \frac{\sum XY - a \sum X^2 / \sum X^4}{\sum X^2 Y - a \sum X^2 / \sum X^4}$$

$$a = 20,949 - 10c/5$$

$$5a + 10c = 20,949 - (1)$$

$$b = 7733/10 = 773 - (2)$$

$$c = 31894.32/34 = 938$$

Now by substituting the value of c in equation (1)

$$5a + 10(938) = 20,949$$

$$a = 2314$$

Substituting the values of a, b and c the parabolic trend equation is

$$Y_c = 2314 + 773X + 938X^2$$

Therefore the estimated amounts of profits and CSR related activities till 2020 for ITC Limited.

Table: 5
Estimated Amount of Profits and CSR Related Activities Expenditure till 2020 for ITC Limited

Years	Estimated Reported Net Profit After Tax (Rs in crore)	Estimated expenditure on CSR activities (Rs in crore)
2013	13075	275
2014	20414	429
2015	29629	622
2016	40720	855
2017	53687	1127
2018	68530	1439
2019	85249	1790
2020	103844	2181

Table: 6
Reported Net Profit after Tax of NTPC (Rs. in Crores)

Years	Y	Y ²	Y ³	Y ⁴
2008	414.80	172,065.6	71,571,360	29,711,136
2009	414.80	172,065.6	71,571,360	29,711,136
2010	728.20	530,295.2	385,141,136	279,441,136
2011	102.59	10,524.6	1,079,136	110,648,136
2012	223.73	50,056.6	11,191,136	2,494,136
Total	1,884.12	305	3072	0

$$a = \frac{\sum Y - c \sum X^2 / N}{\sum XY / \sum X^2}$$

$$b = \frac{\sum XY - a \sum X^2 / \sum X^4}{\sum X^2 Y - a \sum X^2 / \sum X^4}$$

$$c = \frac{\sum X^2 Y - a \sum X^2 / \sum X^4}{\sum X^2 Y - a \sum X^2 / \sum X^4}$$

$$a = 41884.12 - 10c/5$$

$$5a + 10c = 41884.12 (1)$$

$$b = 5305/10 = 531$$

$$c = 83072 - 10a/34$$

$$34c + 10a = 83072 (2)$$

Considering equations (1) and (2), and multiplying equation (1) we get

$$10a + 20c = 83768$$

$$10a + 34c = 83072$$

$$-14c = 696$$

$$c = -50$$

Therefore substituting the value of c in equation (1) we

get

$$5a + 10c = 41884$$

$$5a + 10(-50) = 41884$$

$$5a - 500 = 41884$$

$$a = 8477$$

Therefore the parabolic trend equation will be

$$Y_c = a + bX + cX^2$$

$$Y_c = 8477 + 531X - 50X^2$$

Table: 7
Estimated Amount of Reported Net Profit after Tax and Amount to be Spent on CSR Activities Relating to Corporate Social Responsibilities

Years	Estimated Reported Net Profit After Tax (Rs in crore)	Estimated amount to be spent on CSR activities (Rs in crore)
2013	9620	48.10
2014	9801	49.0
2015	9882	49.41
2016	9863	49.32
2017	9744	48.72
2018	9525	47.63
2019	9206	46.03
2020	8787	43.94

Table: 8
Reported Net Profit after Tax of Infosys (Rs. in Crore)

Years	Reported Net Profit After Tax (Rs in Crore) (Y)	X	XY	X ²	X ³	X ⁴	Y ²
2008	470.00	2	8940		8	6	7,880
2009	819.00	1	5819		1		819
2010	803.00						

011	6, 443.00		443			443
012	8, 470.00		6,940		6	3,880
otal	3 1,005		624	0	4	4,022

$$Y_c = a + bX + cX^2$$

$$a = \frac{\sum(Y) - c\sum(X^2)}{N}$$

$$b = \frac{\sum XY}{\sum X^2}$$

$$c = \frac{\sum X^2 Y - a\sum(X)^2}{\sum X^4}$$

$$a = 31005 - 10c/5$$

$$5a + 10c = 31005 \quad (1)$$

$$b = 8624/10 = 862 \quad (2)$$

$$c = 64022 - 10a/34$$

$$10a + 34c = 64022 \quad (3)$$

Solving equations (1) and (3) and multiplying equation

(1) by 2 we get

$$10a + 20c = 62010$$

$$10a + 34c = 64022$$

$$\text{-----}$$

$$-14c = -2012$$

$$c = 144$$

Now substituting the value of c in equation (1)

$$5a + 10(144) = 31005$$

$$a = 5913$$

Therefore the parabolic trend equation will be

$$Y_c = 5913 + 862X + 144X^2$$

Table: 9

Estimated Amount Of Reported Net Profit After Tax And Amount To Be Incurred On Corporate Social Responsibilities Related Activities Till 2020

Years	Projected Reported Net Profit After Tax (Rs in crore)	Projected Expenditure on Corporate Social Responsibilities related activities (Rs in crore)
013	9795	98
014	11665	117
015	13823	138
016	16269	163
017	19003	190
018	22025	220
019	25335	253
020	25485	255

ANNOVA (One- Factor Model)

With the help of ANNOVA (One-Factor Model), an effort has been made to ascertain that whether there is a significant impact on the profits of private and public sector companies due to their engagement in corporate social responsibilities based activities. The companies considered for this analysis are also same as regression analysis. In this analysis there are three private sector companies, i.e. Tata Steel, ITC and Infosys and one

public sector company, i.e. NTPC.

Sample 1- Tata Steel

Sample 2 – ITC Hypothesis

Sample 3 – Infosys

Sample 4 – NTPC

Null Hypothesis (H0): There is no significant on the profits of public and private sector companies due to corporate social responsibilities related activities.

Alternative Hypothesis (H1): There is a significant impact on the profits of public and private sector companies due to corporate social responsibilities related activities.

Table: 13

Calculation of Sum of Squares within the Samples (SSE)

ple 1	Sam (X1- X̄1) ²	ple 2	Sam (X2- X̄2) ²	ple 3	Sam (X3- X̄3) ²	ple 4	Sam (X4- X̄4) ²
1	X1- X̄1) ²	2	X2- X̄2) ²	3	X3- X̄3) ²	4	X4- X̄4) ²
,687. 03	,026, 169	,120. 10	,437, 601	,470. 00	,996, 361	,414. 80	,252, 161
,201. 74	48,00 4	,263. 59	,113, 025	,819. 00	45,92 4	,201. 30	10,88 9
,046. 80	26,40 9	,061. 00	6,564	,803. 00	58,40 4	,728. 20	7,636
,865. 69	,359, 556	,987. 61	47,56 1	,443. 00	8,564	,102. 59	23,76 1
,696. 42	92,01 6	,162. 37	,396, 649	,470. 00	,148, 361	,223. 73	76,10 0
8,497 .68	,052, 154	1,594 .67	,461, 400	1,005 .00	,507, 614	2,670 .62	,200, 547

Total sum of squares within the samples (SSE)

= 21,221,715

Sum of all the items of various samples = 123,768

Table: 14

Variance between the Samples (SSC)

ple 1	Sam (X̄1- Grand Mean) ²	ple 2	Sam (X̄2- Grand Mean) ²	ple 3	Sam (X̄3- Grand Mean) ²	ple 4	Sam (X̄4- Grand Mean) ²
238, 144	3,49 3,161	169	5,50 3,716	5,50 3,716	5,50 3,716	5,50 3,716	2,75, 18,580
238, 144	3,49 3,161	169	5,50 3,716	5,50 3,716	5,50 3,716	5,50 3,716	2,75, 18,580
238, 144	3,49 3,161	169	5,50 3,716	5,50 3,716	5,50 3,716	5,50 3,716	2,75, 18,580
238, 144	3,49 3,161	169	5,50 3,716	5,50 3,716	5,50 3,716	5,50 3,716	2,75, 18,580
238, 144	3,49 3,161	169	5,50 3,716	5,50 3,716	5,50 3,716	5,50 3,716	2,75, 18,580
11,9 0,720	1,74, 65,805	845	2,75, 18,580	2,75, 18,580	2,75, 18,580	2,75, 18,580	2,75, 18,580

SSC = 46,175,950

Grand Mean = 6188
 Total sum of squares
 $SST = SSC + SSE = 46,175,950 + 21,221,715 = 67,397,665$

Table: 15
Calculation of F-Ratio-ANOVA Table

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Squares	F-Ratio
Between samples	6,175,950	4	1,539,187.5	$\frac{15,391,983}{83/1,326,357} = 11.60$
Within samples	1,221,715	26	46,989.04	
Total	7,397,665	30		

Decision

For 3 degrees of freedom between the samples (or greater variance) and 16 degrees of freedom within the samples (smaller variance) the critical value of F at 5% level of significance is 3.24. The calculated value being more than this, the difference is significant. The null hypothesis is rejected. Therefore there is a significant impact on the profits of public and private sector companies due to their spending on corporate social responsibilities based activities.

Conclusion

In the future a substantial number of companies will be convinced that it's in their strategic interest to embrace CSR in a big way. As it can be observed that industrial capitalism is going through the crisis marked by lack of trust and social responsibility, which will result into a rethinking of the role that companies need to play in the society. However, CSR is at a crossroads, in a time of real discontinuity, largely in instability. We are in the very initial stages of transition with fissures in the foundation of business like Enron, World.com, WTO protests, sustainable forestry campaign, 9-11. These can be considered as light tremors before we witness a bigger earthquake, consequently it will result into bigger cracks; there will be more shocks similar to 9-11 environmentally and socially which will drive CSR in substantial and unpredictable ways in future.

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KOODANKULAM NUCLEAR POWER PROJECT (KKNPP) VS PUBLIC – A CASE OF POOR PUBLIC RELATIONS

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Case Study

Introduction

Power is the very basic infrastructure for economic growth. Nuclear power is one of the several energy sources and it forms an important part in our energy mix. But, intellectuals, social activists and public are skeptical about the safety of the nuclear reactors. The recent Fukushima disaster has caused loud hue and cry around the world and many demand that reactor orders must be scrapped or abandoned. In fact, thick clouds have been gathering against nuclear power reactors.

The nuclear power enthusiasts around the globe have upset, but they have realized the need to address the safety issues raised by the protesters and the public. Many experts and intellectuals emphasize that the nuclear power enthusiasts need to remember the words of the International Atomic Energy Agency (IAEA) that “Nuclear designers and operators should appropriately evaluate measures for protection against the risks of all natural hazards and should periodically update these assessments”.

In India, the nuclear power enthusiasts claim the advantage of nuclear power in terms of cost, particularly in comparison with solar and wind energy. Wind energy costs about Rs 10/kWh, but it is available only when wind blows (seasonal). Whereas, solar energy costs about Rs.20/kWh. In comparison,

the nuclear power cost is dirt cheap. The nuclear power plants in the country offer energy at a maximum cost of Rs.3/kWh. It is expected that the cost of energy from the Koodankulam power plant, Tamilnadu, would be less than Rs.3/kWh. Further, they claim that there is no case of any major nuclear accident in the twenty number of nuclear power reactors in the country and the personnel involved in the operation and maintenance of the reactors are fully trained and competent to face any eventuality.

Many industrial associates like ASSOCHAM have come out openly in favor of government's nuclear energy initiatives as they face higher tariffs from the private owned power project developers. In fact, the private power producers charge tariffs higher than they have quoted in bidding and the reason they cite is the increasing costs of imported coal and the costs they bear due to inadequate evacuation infrastructure. Further many industrialists in the country feel that the nuclear power would reduce the burden on railways, which transport millions of tonnes of coal to the power generating plants. The research by ASSOCHAM reveals that just a forty tonnes of uranium could run a 220 megawatt nuclear plant for a period of one year without any problem.

At this backdrop, the protest against Koodankulam Nuclear Power Project (KKNPP) in Tamil Nadu, India, has assumed greater significance and it has received not only the attention of the government agencies – Department of Atomic Energy (DAE), Nuclear Power Corporation of India (NPCI), Atomic Energy Regulatory Board (AERB) etc., but also has emerged as a big PR challenge to the central and State governments.

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Koodankulam Nuclear Power Project:

In the year 1988, the then congress government headed by Mr. Rajiv Gandhi signed an agreement with the now defunct Union of Soviet Socialist Republic (USSR) for setting up a nuclear power plant at Koodankulam, in the State of Tamil Nadu, India. Intellectuals, some political parties and social activists protested the agreement right from the beginning. They organized a high pitched campaigns against the agreement and cited the Chernobyl nuclear accident occurred in Soviet Russia as a classic example at the time.

When the campaign got a wider support from public, the Department of Atomic Energy (DAE), Govt. of India, stepped in to allay the fear of the people by a counter campaign. The DAE scientists held several meetings and conferences in the region comprising Tirunelveli, Thoothukudi and Kanyakumari, where the proposed Nuclear power plant was to be set up. They arranged free visits of the protesters to the Kalpakkam Nuclear Plant, near Chennai (Madras) for showing the facilities existing for safer use of nuclear energy. As a result, the protestors convinced to some extent and there was no sign of further problem for setting up the plant.

So, the work for setting up the nuclear plant began about twelve years later after the agreement. The agitation subsided and the agitators watched the construction activity over the years. An whopping amount of Rs.13,000 crores have been spent on the project and it is expected that the first 1000 MW plant would go on stream within a few months. Tamil Nadu, which is now struggling with terrible power shortages, would get close to fifty per cent of power from this first plant.

But, people around the region, social activists and some political parties have all of sudden again renewed their protests against the nuclear plant and they want that the project must be abandoned forthwith. This time, it is said that a mock drill on disaster management has caused panic among the people in the region. Further, people are much panicked by the Fukushima nuclear tragedy in March 2011 and the nuclear blast at an nuclear plant in Marcoule, France in September, 2011.

Experts, Social Activists and Political Leaders' Views:

Whatever has triggered for the latest agitation, it is viewed by many experts in the industry that the government has failed in PR campaigns. For instance, the former director of Nuclear Power Corporation has said that people have genuine concerns about the safety of nuclear power reactors and it is the duty of the scientists, technical experts and policy makers to explain the complex issues in layman's language to keep them on board. He added that scientists and our technical experts are poor communicators, which is why they have failed to allay people's fear about the safety of the Koodankulam Nuclear Power Plant. They need to understand that using simple and plain local language would alleviate the fear psychosis of the people. In otherwords, nuclear scientists and experts must understand the need for an inclusive plain language that the common man could understand the safety measures.

The Atomic Energy Commission claims that the Nuclear Power Corporation of India and the Atomic Energy Regulatory

Board have set up a number of task forces to review the safety features of the reactors in the context of earthquakes, tsunamis and flooding due to rain etc. It adds further that the Koodankulam power reactors belong to the third generation of design evolution while comparing with the Fukushima reactors which belonged to the first generation. According to the energy commission, the special feature of Koodankulam power unit design is the provision of a Passive Cooling System for the nuclear reactor core. This feature is incorporated in the Koodankulam power reactor designs at the specific instance of India.

A former chief secretary of north eastern region (Tripura) has said that Nuclear industry should take into account the fear of the people instead of simply dismissing it as narrowly motivated and vested interests of some people. Likewise, the former director of Bhabha Atomic Research Centre (BARC) has said that nuclear energy is key for our economic growth, but safety must be assured by the nuclear experts.

The Chief Minister of the state of Tamilnadu has expressed that the fear psychosis of the people of Kudankulam and the people residing in the proximate area is quite natural and urged the central government and its nuclear power agencies to address the safety issues of the reactor. Medha Patkar, a well known social activist too supported the protesters and said that she would take steps to spread the message of the protest outside of Tamilnadu. She went on slamming that the Koodankulam nuclear power project was not built as per regulations and no public hearing was conducted on the project. So, she said that there was nothing wrong on the people's demand for the closure of the plant.

However, many political leaders, experts and intellectuals feel that the need of the hour is an understanding and collaborative agreement between the stakeholders including the public living at the proximate of the nuclear plant, taking specifically the power crisis in to account in the state. The governments both the central and state must design media and face-to-face campaigns with the protestors with the sole object of defusing the fear psychosis. Nuclear scientists and experts can play significant role in allaying the fear of the public by emphasizing the safety use of nuclear power.

Questions for Discussion:

1. Critically analyze the experts' views on the nuclear power.
2. Whether the agitation is politically motivated/vested interest of some for selfish end?
3. Whether Govt. agencies have failed in their public relations exercise? Is it a failure of Government PR?
4. Provide a detail PR strategy and campaign message, assuming you are as the PR consultant for government agencies viz DAE, NPCI Corporation etc



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