UNIT 10 IMPLEMENTATION - BEHAVIOURAL DIMENSIONS

Objectives

After reading this unit, you should be able to:

- Understand the concept of strategic change;
- Explain the role of leadership in strategic management;
- Discuss the concept of leadership;
- Acquaint yourself with various functions of leaders;
- Understand different leadership styles; and
- Understand the importance of ethics and values.

Structure

10.1 INTRODUCTION

Successful execution/implementation of strategy depends on the appropriateness of the internal organization which to a large extent is reflected in the structure. Structure represents the network of relationships within an organization over a fairly long period of time. The matching of structure to strategy is important as there are alternative forms of structural designs which an organization can use. A certain organizational form may be more suitable for dealing with certain situation than others. For instance, a functional centralized form may be more suitable for a specialty manufacturing organization but unsuitable for an organization operating in a highly complex environment. Once a structure is established (or gets established), it is not easy to change it, for, it reflects the philosophy, prejudices and ambitions of management or owners and changing it may be perceived by

them as threatening. This defines the behavioural dimensions of the implementation aspect too. In the behavioural dimensions, leadership plays an important role.

Leadership means – to guide or to influence into an action. In today's highly competitive world, it becomes important for organizations to have a good leader. We know instinctively that in every human activity involving a group of people, there is a need for the guiding hand of a leader. The head of a family is the most ubiquitous leader since the dawn of human history. It is well accepted that on the quality and effectiveness of this leader, be it father or the mother, depends the progress and fortunes of the family.

In the modern complex society thousands of individuals are appointed or elected to shoulder roles and responsibilities of leadership in junior, middle and senior levels in factories and farms, schools and colleges, business and financial institutions, dispensaries and hospitals, in civil and military organs of the State's scientific and research institutions and so on. In this unit we present a holistic and practical approach to leadership as the behavioural dimension and how it helps in the successful implementation of the strategy.

10.2 STRATEGIC CHANGE

It is important for the organizations to find out the extent to which the change can be implemented. Each organization has an independent working style, therefore the strategies formulated for these organizations are also different. There can be different levels of strategic change depending on the nature of strategy.

While implementing a strategy, the whole process involves a number of people, tasks, business units and products to move from a stable strategy to organizational redirection. This is not an easy job as moving to organizational redirection means that organization is entering an entirely new industry. This requires lot of efforts and implementation process is quite complex. Therefore it becomes important for management to adapt to the changing times and manage the strategic change.

10.3 MATCHING ORGANIZATION STRUCTURE TO STRATEGY

An important question before the top management in an organization is: how to match the structure to the needs of the strategy? An organization, depending upon its size and objectives, may be pursuing several strategies simultaneously. There are no hard and fast rules to determine what kind of structure would be useful for which type of strategy. Each organization has its own history behind it and its managers have their own value systems and philosophies. The structure, therefore, is a result of these and several other variables. Moreover, each strategy rests on a set of key success factors or critical tasks. It is therefore desirable to design the organizational structure around the key success factors or critical tasks which are implied in the organization's strategy. This requires not only complete clarity on the key success factors (or critical tasks), but also requires making the units connected with the critical tasks or functions the main organizational building blocks. Further, the top management has to determine the degree of authority

that has to be delegated to each unit, bearing in mind the benefits and costs of centralization vs. decentralization. It has to decide how the coordination among different units of the organization would be brought about. We shall now discuss these three aspects briefly.

Strategy-Critical Activities

From the point of view of strategies, there are some activities which are critical to the success of those strategies while a large number of activities are of routine nature. The routine activities may be either maintenance or support type of activities e.g., handling pay rolls, accounting, complying with regulations, managing cash flows, controlling inventories and safe keeping of stores, training of manpower, public relations, market research etc. However, there are some critical tasks and functions which must be done exceedingly well for the strategy to be successful. For example, tight cost control is essential for an organization pursuing the strategy of low-cost leadership. This is particularly true if the margins are low and price cutting is widely used as a competitive weapon. For an organization which has chalked out 'differentiation' as its strategy, distinctiveness or sophistication in the design of its products is necessary. This needs emphasis on quality and excellence in workmanship. Thus, the activities that are critical to the strategy and competitive requirements may differ from organization to organization. Two alternative questions should help to identify strategy—critical activities: (i) what functions have to be performed exceedingly well for the strategy to succeed? or (ii) what are the areas where less than satisfactory performance would seriously endanger the success of strategy?

After the critical tasks or functions for a particular strategy have been identified, the next step is to group the various critical activities, along with routine and support activities associated with the critical activities, into organizational units or blocks. This would require a close look into the relationships that prevail within the organization. The flow of material through the production process, types of customers served, distribution channels used, sequence of operations to be performed, geographic locations are some of the bases for scrutinizing the relationships.

Degree of Authority (or decentralization)

After the grouping of activities has been done and units have been constituted, the next question to tackle with is the degree of decision-making authority that has to be delegated in the various units. Where the organization is engaged in several businesses, two alternative approaches can be followed. One is to centralize the strategic decision-making authority at the corporate level and delegate only operating decisions to the unit managers. The other is to substantially decentralize the strategic decisions to the unit managers, with the corporate staff providing necessary support to them. The corporate office in the latter case may limit its role to certain kinds of strategic decisions only. What should be the degree of authority given to the unit managers or how much autonomy should be given to them is essentially a question of managerial judgment and would depend upon a number of factors. The merits and demerits of decentralization in each situation must be properly weighed, after taking into consideration the principal decision the business unit managers make and how the corporate management perceives the importance of the various units in the overall strategy of the organization.

Providing for Coordination

Coordination among several units of the organization can be accomplished in several ways. The principal way is to position the various activities in the vertical hierarchy of authority. Managers higher up in the hierarchy generally have broader authority over several organizational units and this enables them to have more power to coordinate, integrate or arrange for the coordination of the units under their supervision. As far as business units are concerned, general managers are the central points in coordination because of their position of authority over the whole unit. Apart from positioning organizational units along vertical scale of managerial authority, a general manager can also achieve coordination of strategic efforts through informal meetings, special task forces, standing committees, and six monthly or quarterly strategic planning, budgeting and review meetings. Further, while formulating the strategic plan itself, a general manager can solicit the cooperation/association of other general managers in the planning process and this would provide for inbuilt coordination bridges right from the very beginning.

10.4 LEADERSHIP

Some researchers have shown that if the executives have good leadership qualities, the productivity of the nation can increase to a large extent without additional finance or new technology. It is important to note that the theoretical approach of leadership taught in classrooms is less effective than the practical approach. The only way is to find a method of improving the leadership potential of those already shouldering responsibilities and of those who are getting ready to enter the field of leadership in any walk of life. This is the basic philosophy of the practical and holistic approach to leadership -'**it is perfectly possible to improve myself; I can hope to improve others only by personal example**' is its message.

Consequently the key to effective Strategic Management is to ensure that leadership runs like a uniform thread through all functions of management to integrate them into a culture of excellence. One of the primary needs for effective strategic management is to understand, in practical terms, the meaning of leadership, its functions; and, finally to ensure that effective leaders are groomed and developed at every level in an organization. Only then will strategic managers be able to conceive strategic plans and translate these plans into reality.

Activity 1

Has there been any change in the top leadership of the organization with which you are associated? If the answer is yes, explain in what ways it has affected the quality of strategic decisions and overall productivity.

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Concept of leadership

However, when it comes to evolving a definition or a theory of leadership we run into difficulties. "If we know too much about our leaders, we know far too little about leadership—is it essentially inspiration? Is the leader a definer of values? How do leaders lead followers without being wholly led by followers?"

Leadership is one of the most observed and least understood phenomenons on earth. However, despite Maslow's perceptive diagnosis, an integrated view on this vital and age-old function in human society has not yet crystallized. Commenting on group dynamics laboratories Maslow (1965) observed: "What I smell here is again some of the democratic dogma and pity in which all people are equal and in which the conception of a factually strong person or natural leader or dominant person or superior intellect or superior decisiveness or whatever is bypassed, because it makes everybody uncomfortable, and because it seems to contradict the democratic philosophy (of course, it does not really contradict it)" .Maslow made the above remarks as he was fully aware that there were serious reservations among intellectuals and scholars to the very concept of leadership. Potential for leadership has no relation to parental stations in society. Many of the outstanding leaders in history had a non-affluent background.

The fact that the literature on leadership has number of definitions of the word indicates that it is a complex process. However, it is essential nature is the ability to get the best out of people. The definition which has the touch of practical common sense is the one evolved by a medical doctor-Lord Moran. He was the medical officer of a British Infantry Battalion during World War I. For two long years he served the Battalion in France and saw how young officers inspired their fellow citizens to fight the Germans with enthusiasm and courage, knowing well that many among them would get killed or maimed. He wondered how one individual could exercise such a decisive influence over others. It was not just the military law or discipline, because despite these there were examples of demeaning cowardice and inability to lead. About two decades later he rose to become the Chairman of the British Medical Council and later, during World War II, he was the personal physician to Sir Winston Churchill, the war time Prime Minister of Great Britain. In that unique capacity he had a ring- side seat to observe the top leaders of the world in every human activity—politics, industry, military, labour and so on. Given below is a definition which is based on what he evolved:

"Leadership is the capacity to frame plans which will succeed and the faculty to persuade others to carry them out in the face of all difficulties." (Moran, 1984).

The definition has two parts. The first deals with the capacity to frame plans (programmes, projects or whatever) that have a high probability of success. This implies that a plan should reflect a leader's grasp and feel of the quality of his/ her resources and the environments in which the plan has to be implemented. The second part of the definition deals with the implementation of the plan by persuading others to do what is really expected of them, despite difficulties, discouragement and obstacles.

Leadership deals with the top line. What things I want to accomplish? In the words of both Peter Drucker and Warren Dennis 'Management is doing things

right; leadership is doing the right things'. Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall".

Let us now look at the functions of leadership.

10.5 FUNCTIONS OF LEADERSHIP

In practical terms a leader has to achieve the task (mission, objective or goal). For doing so, s/he has to build his/her team as a cohesive group and develop every individual in the team to give his/her very best. Consequently, s/he has to harmonize and integrate the needs related to the accomplishment of the task with those of the group he leads and individuals in the group. This is best explained diagrammatically by depicting these needs in three linked circles, as shown in Figure 10.1.

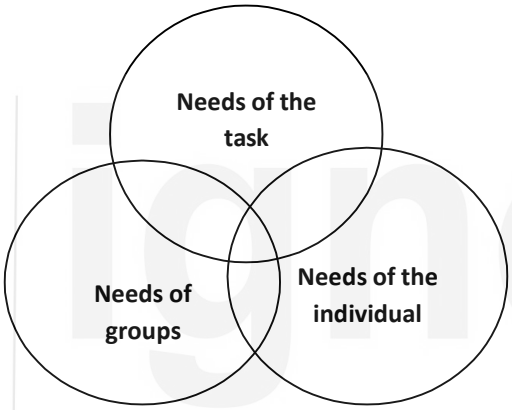

Figure 10.1: Functions of Leadership

Source: Adapted from Adair (1973)

1) Functions for needs of the task

- Defining the task
- Making the plan
- Allocating work and resources
- Controlling quality and tempo of work
- Checking performance against plan

2) Functions for needs of the individuals

- Attending to personal problems
- Praising of individuals
- Knowing individuals personally
- Recognizing and using individual abilities
- Training individuals

3) Functions of needs of the groups

- Setting standards

- Maintaining discipline
- Building team spirit
- Encouraging, motivating, giving a sense of purpose
- Appointing sub-leaders
- Ensuring communication within the group
- Training the group

The functions related to the needs of the three areas have been listed separately for easy understanding. In actual practice, however, most of these are integrated in the following steps:

- Planning to achieve the task by using the available resources and people;
- Initiating work by allocating tasks and resources;
- Controlling by monitoring the work; modifying plan;
- Supporting by encouragement and by motivating and training;
- Evaluating.

Activity 2

What functions do you think are the most important for a leader from strategic management point of view and why?

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10.6 LEADERSHIP STYLES

The statement that a 'good leader varies his/her style between authoritarian to participative (autocratic to democratic) depending on the task, the changing situation s/he encounters and changing group that s/he has to lead' sums up rather briefly, the way an effective leader has to function. However, no effective leader ever consciously adopts a specific style. It comes naturally from within. Style invariably is the reflection of the substance.

In practical terms any change in style is merely an intuitive variation in the mix of personal example, persuasion and compulsion. Personal example is the most potent factor in the technique to inspire people to do what they are expected to do. If a leader can work 12 to 14 hours a day then the message gets across. Personal example in punctuality, integrity, honesty, frugality, courage, persistence, initiative unselfish love of people, or whatever is infectious with the Indian people. They try and live up to the standards of a leader. To do yourself what you expect your people to do is the secret of leading people.

There are people and there are times when persuasion is necessary to motivate people to do what has to be done. When they understand the circumstances, people do rise to the occasion and go through the most irksome tasks. The long-term persuasion lies in the organizational culture (*esprit de corps*) in which people take pride in doing anything to uphold the honour and good name of the organization.

Leadership in Indian Context

More and more organizations in the country are reflecting the diversity of Indian people. Executives and workers in organizations often hail from different parts of the country, speak different languages, have different customs and traditions, profess different religions and have different ethnic origin. For a leader to be able to handle such groups of people, s/he must be able to rise above his/her own narrow regional, religious, linguistic and ethnic origin, and project, by convictions and actions, a true all-India personality to be able to command, respect and loyalty of his team. There are two essential requirements for succeeding in this goal.

First, a leader should have a good grasp and pride in the long history and cultural ethos of India. Second, a leader should have rudimentary knowledge of all religions of India and s/he should genuinely respect all faiths.

Table 10.1 shows some attributes of successful leaders.

Table 10.1: Attributes of Successful Leaders

• Ambition	• Ability to administer efficiently
• Willingness to work hard	• Enthusiasm
• Enterprise	• Capacity to speak lucidly
• Astuteness	• Single mindedness
• Ability to 'stick to it'	• Willing to take risks
• Capacity for lucid writing	• Leadership
• Imagination	• Ability to take decisions
• Ability to spot opportunities	• Analytical ability
• Willingness to work long hours	• Ability to meet unpleasant situations
• Curiosity	• Open mindedness
• Understanding of others	• Ability to adopt quickly to change
• Skill with numbers	

Activity 3

Ponder over the leadership style of your immediate supervisor in the organization you are working with and answer the following:

a) How do you describe his/her leadership style?

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Is his/her leadership style consistent (or does it vary frequently)?

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Developing appropriate leadership is one of the most important elements in the implementation of a strategy. This is important because leaders are key organic elements who help an organization cope with changes. Appropriate leadership is necessary, though not a sufficient condition, for mobilizing people, and for developing effective structure and systems for the success of strategy. Failure of leadership may lead to difficulties in achieving goal congruence, communication breakdown, ambiguity with regard to roles of sub-units, and difficulty in obtaining commitment to a plan, e.g., staff conflicts and lack of strategic thinking. Leadership is the key factor for developing and maintaining the right culture and climate.

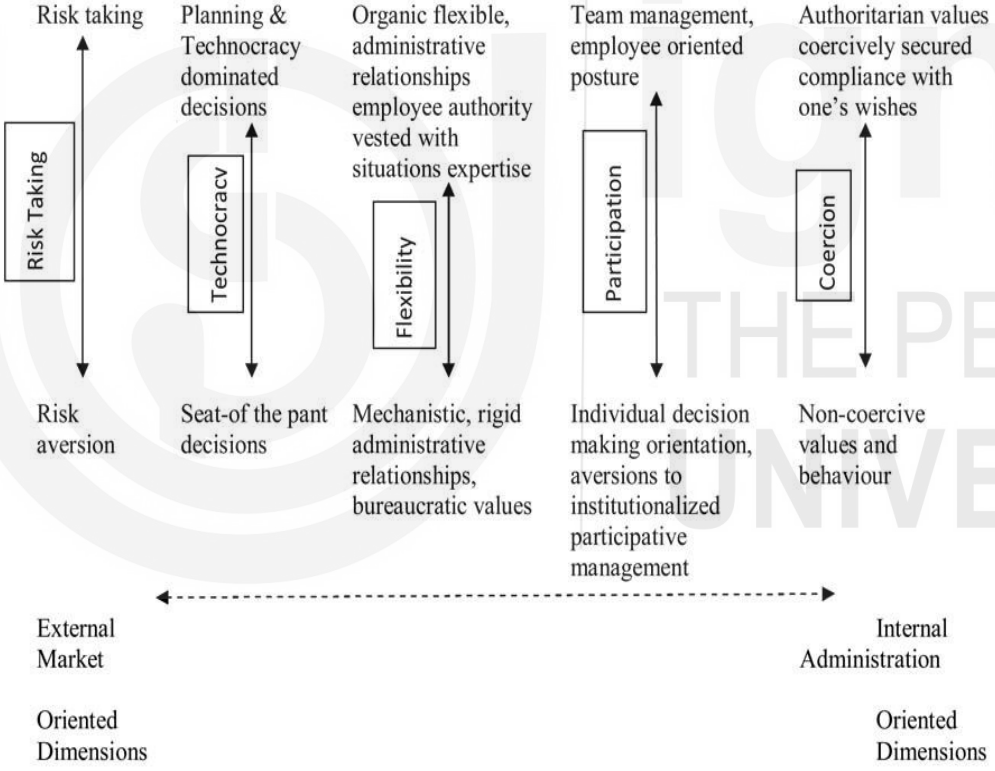

Figure 10.2: Dimensions of Leadership Styles

Source: Khandwalla, (1977)

There are several aspects of leadership styles and skills, some of them are more appropriate to the context/content of a strategy, while others are desirable attributes in general for the success of an organization.Leadership styles are manifested through the orientations.Khandwalla has identified five orientations (dimensions of style) namely, the risk taking (willingness to make high risk, high return decisions), optimization (degree of commitment to the use of planning, and management science techniques in decision making by technically qualified people vis-a-vis seat-or-the pant decisions), flexibility (degree of looseness and flexibility in organization structuring), participation (of those other than the ones

holding key positions) and coercion (use of fear and domination) as shown in figure 10.2.

For superior performance on key organization goals s/he proposes that if the:

- Orientation of top management is risk taking, then it should be at least moderately organic and coercive in proportion to internal resistance to change;
- Orientation is risk aversive, then it should be moderately mechanistic and non-coercive;
- Orientation is of highly optimization type, then it should be strongly participative;
- Orientation is highly seat-or-the-pant and non-technocratic, then it should be at least moderately risk taking and non-participative.

Different leadership styles have "good fit" with different environments. Since the strategy determines the product/market scope, and also the environment in which the organization is going to operate in future, it has a bearing on leadership style. Khandwalla has further categorized leadership styles into seven types to relate them to environment, each reflecting different mix of the five orientations, as shown in the table 10.2.

Table 10.2: Seven Styles of Top Management

Leadership Style	*Risk Taking*	*Technocracy (Optimization)*	*Flexibility Organicity*	*Participation*	*Coercion*
Entrepreneurial	High	Moderate to low	Moderate to high	Moderate to low	Variable
Neo-scientific	Variable	High	Moderate tolow	High	Moderate to low
Quasi-scientific	Variable	High	Moderate tolow	Moderate to low	Moderate to high
Muddling through	Moderate to low	Low	Moderate to high	Moderate to low	Moderate to high
Conservative	Low	Moderate to low	Moderate tolow	Moderate To low	Variable
Democratic	Moderate to low	Moderate to low	Moderate tohigh	High	Variable
Middle of the Road	Moderate	Moderate	Moderate	Moderate to low	Moderate to low

Source: Khandwalla, (1977)

Like leadership, there are several dimensions of environment also, namely, the degree of turbulence/volatility (high degree of changeability/unpredictability), hostility (hostile environment are highly risky and overwhelming), heterogeneity (diversity of markets/consumers), restrictiveness (economic, social, legal and political constraints) and the degree of technological sophistication. The leadership styles which are more appropriate to different types of environment are shown in Table 10.3.

Table 10.3: Environment-Style Fit

Environment	*Level*	*Styles*
Turbulence	High	Entrepreneurial, neo scientific
	Medium	Neo scientific, middle of the road
	Low	Conservative
Hostility	High	Entrepreneurial
	Medium	Neo scientific
	Low	Neo scientific, Conservative
Diversity	High	Entrepreneurial, Neo scientific
	Medium	Muddling through, middle of the road
	Low	Neo scientific, conservative, entrepreneurial, quasi-scientific
Restrictiveness	High	Neo scientific, entrepreneurial
	Medium	Entrepreneurial, conservative
	Low	
Technological Complexity	High	Entrepreneurial, Neo scientific
	Medium	Quasi-scientific
	Low	Democratic

It should be noted that while the above discussion gives a good idea of orientations and the styles of leadership to respond effectively to the environmental demands, it does not cover the leadership skills required for "revitalization" or "transformation" of the "organization". The above discussion gives the attributes of a manager who is a "transactional" leader, and not a "transformational" leader. The task of a "transformation" or "revitalization" leader is to take the organization to a dominant position. This involves managing change or transition. It has three distinctive phases.

- Recognizing the need for revitalization
- Creating a new vision
- Institutionalizing change.

The leadership task in the first phase requires the ability to sense the need for change (often there is a low threshold to catch trigger events in the environment). The second phase requires communication skills to create a vision for future that excites people to move, and also the interpersonal skills and creativity to mobilize commitment of at least at critical mass in the organization. To perform the task in the third phase of the transformation process the leader should have the ability to understand and manage powerful conflicting forces in people. The negative emotions and threats to power and authority have to be transformed into positive emotions and reconciliation. New ways of working, new styles, new culture, and new norms have to be developed. The shock of change has to be reduced.

The challenges of leadership in implementation are grave as leadership is the scarcest resource. Organizations cope with it in several ways, by changing the

current leadership and by developing appropriate leadership styles. The change of current leadership may not be easy to achieve even though it might be inevitable for effecting "transformation" in the situation. The existing leadership might have been cast in a particular mold which may be inappropriate to the demands of the organization. The "casting" effect can be overcome if changes are introduced gradually in the leadership styles and skills, to avoid accumulated lags or mismatches between existing leadership styles/skills and organization's changed requirements. This would require a blueprint to indicate the kinds of styles and skills, and the number of persons of different styles and skills required in future, current talent available and a plan of recruitment and grooming. The task of human resources development is thus very closely related and determined by strategy of the organization.

Activity 4

Describe basic features of the top management styles in your organization. Compare them with the styles necessary to match the demands of your organization.

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10.7 CORPORATE CULTURE

Each organization has its own way of dealing with corporate problems and do have their own organizational structure. The culture of the organization very much depends on the behaviour of the employees. If the employees have a strong commitment towards their organizations, the organization is said to have a strong culture and vice versa. It is not easy to have a strong culture in the organization. Lot of it depends on how the leaders of the organization handle their employees. Looking at this discussion, we can infer that 'corporate culture' is the values and beliefs accepted and practiced by all the employees of the organization. To have an appropriate corporate culture, the strategy of the organization should match with it. In this section we would stress more on the role of leaders in shaping the culture of the organization and will discuss the role of leaders in handling the employees.

When it comes to handling people, the total personality of a leader comes into play. Managerial effectiveness is the management terminology for leadership. It is well to remember that this truth is applicable at all the levels of management-Junior, Middle and Senior. The 'Katz Model', shown in Figure 10.3 shows the relevant value of management skills at various levels. Although there have been some minor changes in the original design, it clearly shows that Human Relation Skill is consistently the biggest component at all the levels of management.

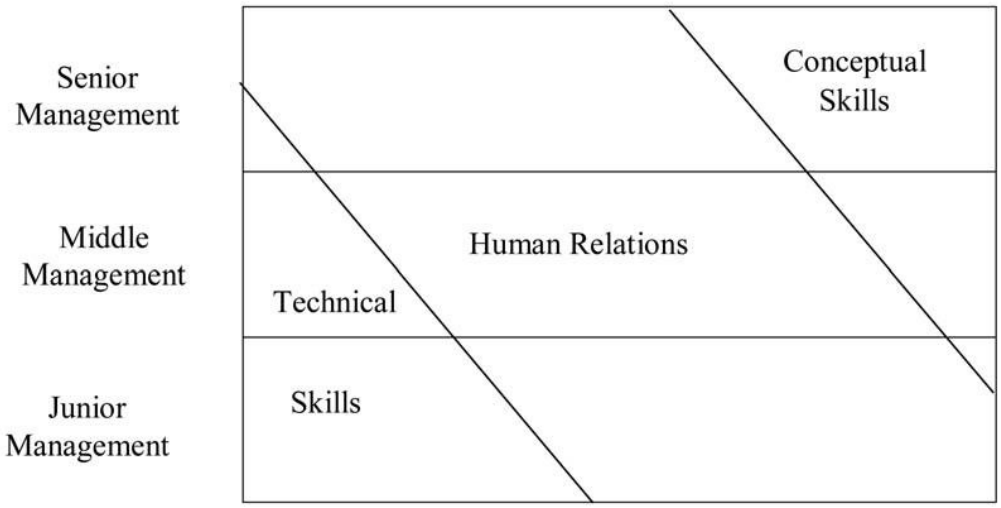

Figure 10.3: Katz Model-Skills of an Effective Manager

A leader in any organization has to handle people in the following three directions:

a) The first is downwards-his/her own team which s/he has to build as an effective and cohesive group motivated to achieve the goals of the organization.

b) The second is lateral, which involves winning the support and cooperation of colleagues over whom the leader has no control, but who have an important functional relationship with the group/organization headed by the leader.

c) The third is a purposeful, constructive and harmonious relation with the higher authority under whom a leader functions-the boss.

Human nature: In order to handle people effectively it is useful for a leader to understand human nature. There are a large number of theories about it. For developing leadership potential it is useful to focus our attention on two concepts which have a lasting and practical value for learners.

Once people are convinced that s/he is a person who knows them well and s/he truly cares about them then they would do anything for the leader. However, it requires a very major effort to know people and know them better than even their own mothers - effort in terms of time, attention and genuine interest in people.

Communication: To know people: The ability to know people is the starting point to handle them and communication skill plays an important role in this ability. These help a leader TO TELL what s/he wants done. However, some essential features of this skill relevant to knowing and handling, people need discussion.

Most of the strained and fractured relations can be traced to the mutual break-down of communications between individuals in a family, group, community, countries and even among the community of nations. The ability to communicate puts human relations on an even level by removing misperceptions and misunderstandings. The ability has two sides:

- The skill of expression; and
- The skill of listening.

The Skill of Expression

The skill of expression does not merely mean gift of the gab or cleverness with words. For a leader the skill of expression is a vehicle to generate trust. Verbal expression counts for only 30 per cent in this skill, the balance 70 per cent is the body language-expression in the eyes, conviction in the tone, the sincerity in the posture, and generally, the vibrations that a person conveys. Body language communicates the total personality of a leader, and its effectiveness depends, entirely on the strength and balance of the "Universal Inner Structure of Effective Leaders". In genuine expression there can be no pretension. Spontaneity, straight- forwardness and sincerity are far more effective than sheer command over the language.

The Skill of Listening

The skill of listening means understanding and knowing the other person. It has been found that this part of communication skill is even more important, but, unfortunately less prevalent. Listen with ears and observe body language with eyes. Even nature has a design in the listen talk ratio. Listening has three ingredients. The first, of course, is the physical process of hearing what the other person is saying; this involves attention. Comprehending what the person is saying is the second ingredient, and demands undivided attention. Looking out of the window, or attending to routine papers while listening are signs of inattentiveness. Remembering what you listen is the third ingredient of this skill and, naturally, comes about only if a leader hears and comprehends what is said. The ability to listen attentively and with sympathy, in which a leader shows signs of warmth, makes the other person feel that s/he is an individual and not merely a faceless part of the machine. It helps generate trust in the team.

Experience shows that effective communication means:

50 per cent listening;

25 per cent speaking;

15 per cent reading;

10 per cent writing.

Handling people working for a leader

Self-control: No team captain can hope to control and inspire his/her team unless s/he learns to control and discipline himself. This is a difficult task, but without it there is little chance for a man to become a successful leader. It requires a certain amount of philosophical outlook and frugality which is often associated with aristocrats and saints. Self-control does not only add to the leadership potential, it also is a source of great happiness.

Success and Failure: It is a basic trait of human nature that an individual ascribes successes of an organization to the part played by him/her, and blames failures on the system. On the other hand, a good leader gives credit

to his/her employees for successes and takes responsibility for failures. This approach binds men together in a collective effort to work for the organization.

Setting Targets: It is useful to let individuals themselves set targets for work. In this event not only are they likely to meet these targets, but even surpass them.

Correcting Mistakes: A leader often corrects the people who falter or show traces of weakness or fail. It is better to say "This is not what is expected of a person of your caliber and ability" rather than words to the effect "what else one could expect from a clot like you". The first approach enhances a man's self-respect even in failure. The second approach makes him your enemy.

We and not you: A good leader always projects him/her as a part of the team and invariably talks in terms of "We" and not "You".

Accessibility: It is a leader's responsibility to ensure that s/he is accessible. S/he should institutionalize the time and place for meeting the members of his team.

Tragedies and illnesses are a frequent occurrence in human life. A good leader makes it a point to find time for seeing men who are afflicted to who have difficult problems to tackle. Visiting them, in case they are hospitalized, should also be a matter of priority time allocation. You win lasting commitment from people thus handled.

Anger**:** A good leader does not lose his/her temper. However, righteous anger is very different from uncontrolled rage and should not be suppressed. However, special care should be taken to uphold the honour and dignity of an individual in the presence of his colleagues and family members.

Recognition: Good and effective leaders have used the human urge for recognition with telling effect to foster interpersonal bonds with their people and to motivate them. They have scrupulously used the principle of 'praise in public and reprimand in private' to create an organizational culture in which people work 'much beyond call of duty' to maintain excellence in their organization. The real basis of making individuals feel like heroes is, of course, genuine care and unselfish love by the leader for his people.

In the ultimate analysis, handling people is a matter of attitude. It is expecting the utmost from them while caring for them completely. It is possible only if a leader can create an atmosphere in which there is free communication. Tolerating shirkers and parasites in the name of "being human" does a great deal of damage. Fortunately, such people are few and far between, and must be dealt with strictly.

10.8 ETHICS AND VALUES

It is not easy to build a strong corporate culture in any organization. A strong culture is based on strong ethics and values. This is very important for the success of the organization in the long-run. It is very easy to adopt short-cut methods to reach the top but the downfall also comes at the same rate. Ethics and values ensure that the organization does not adopt short-cut methods to achieve success; instead it stresses on the concept of sustained success. Every organization has its own code of ethics and standards in a written form.

The code of ethics normally contains the following points:

- Honesty
- Fairness in practices of the organization-Disclosing the inside information;
- Acquiring and using outside information-Disclosure of outside activities by the employer to the employee;
- Using organization assets; etc.

The value statements normally include

- Value of customers;
- Commitment towards the business practices like quality etc.;
- Duty towards shareholders, suppliers etc.;
- Following the environmental protection norms etc.

These were the few areas which were covered. There can be more such points, which can be discussed under the head value statements and code of ethics. Each organization has its own set of value statements and code of ethics.

Activity 5

Take the case of the organization of your choice and write the code of ethics and value statements of that organization.

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For the strategy to be implemented effectively, it is important to have a set of formal value statements and code of ethics. These should not be merely in a written form but must be followed by each employee of the organization so as to create a strong corporate culture, which in turn would result in the success of the organization.

10.9 SUMMARY

In this unit we have discussed different aspects of behavioural issues, which are important for the implementation of a strategy in an organization. In this unit, the stress is more on the concept of leadership and the role of leaders in handling the people. The key to effective strategic management lies in ensuring the integration of the functions of management into a culture of excellence. This in itself is a great challenge for leadership.

Whether a leader should change his/her style in according with the demands of the situation is rather controversial. It is considered better for a leader 'to be him/her '. The role of leader is important for maintaining the corporate culture of the organization. S/he should set examples to guide his employees to follow a path of sound values and ethical principles so as to build a strong corporate culture.

10.10 KEYWORDS

Corporate Culture is the values and beliefs accepted and practiced by all the employees of an organization.

Ethics is the moral philosophy of the organization.

Leadership is the capacity to frame plans which will succeed and the faculty to persuade others carries them out in the face of all difficulties.

Values are the moral principles of the organization.

10.11 SELF-ASSESSMENT QUESTIONS

1) "12 per cent of effective management strategy is knowledge and 88 per cent is dealing appropriately with people". Do you agree with the statement? Discuss.
2) Discuss the role of leadership in
   a) Strategic Management
   b) Improving Productivity
3) Discuss the different functions of leadership.
4) Should a leader change his/her style or continue with his/her style, which is in consonance with his/her basic personality? Discuss.
5) What do you understand by corporate culture? Should the organization have a corporate culture of its own? Discuss.
6) Briefly explain the importance of values and ethics in an organization.

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