EXECUTIVE SUMMARY

All corporates aspire to become role models through good Governance. It becomes apparent then that such beliefs are backed up by strong and holistic ways of management based on ethical percepts. Indian Ethos emerges as a strong contender of Modern Management for the simple reason that it is receptive, systematic and takes into consideration this 'whole' MAN. Indian Ethos for management means application of principles of Governance as enshrined in ancient Indian wisdom described in Upanishad and Bhagawat Gita. Ethos per say is the habitual character and values disposition in individual, group or race. Indian Ethos is essentially based on Vedanta Philosophy which symbolizes the 'oneness of whole universe'. What are the Indian Insights of Good Governess and what essentially are the fundamentals of organizational turn around? The researcher has tried to catch the essence in following paragraphs.

A. GOOD GOVERNANCE- INDIAN INSIGHTS

As per Indian Ethos, each organizations / management is considered as a living entity having heart and soul format of Dharma representing courage, self discipline, goodness, righteousness and all other essential human and ethical values which constitute the character. Each individual has different behavioural characteristics, attributed to inherent tendencies called 'Vasanas'. Human thoughts and desires arise from these tendencies which get reflected in our individuality and personality. All these get controlled by 'Pure Consciousness' which is the 'life spark' and is 'omni present'. Effective control of these tendencies can bring about trust, understanding, love and care amongst all employees and generate positive vibrations for each other. This naturally brings out the best in the group and neutralizes all hostile feelings which verily are the greatest stumbling blocks to progress. Mutual regard generates a good state of cooperation and synergy for improved organizational effectiveness. Stephan covey an eminent author on Management has graphically described this as "inter-dependencies" in his book "Seven Habits

of Highly Effective People" focusing on humility and readiness to help and be helped over arrogance and desire for independence. The power of synergy and cooperation has its roots in 'satsangati' in Indian Parlance which helps in removing laziness and indifference of mind and shows the path to upliftment and progress.

India is a highly spiritual country. People of all religions have deep faith in God. When the kings (today's politicians) and the clergy have not misused religion for political power, people of India have lived in harmony and the country has emerged as a great nation. Even science is becoming inter-linked with spirituality which is the hall mark of Indian Ethos. Professor David Bohm of quantum mechanics (a junior colleague of Einstein) has written a seminal book 'Wholeness and the implicit order'. In it, he discusses the 'totality of existence, including matter and consciousness as an unbroken whole'. The following words from this book reiterate the findings of the sages and mystics down the ages:

"Empty space contains an immense background of ultra high energy ('zero point' energy) and matter as we know it, is a small, 'quantized' wave-like a excitation on top of this background, rather like a ripple on a vast sea. One cubic centimeter of this 'zero point' energy is very far beyond the total energy of all matter in the known universe. What we perceive through senses as empty space, is actually the plenum (universe), which is the ground for the existence of every thing including ourselves. The things that appear to our senses are derivative forms and their meaning can be seen only when we consider the plenum, (universe) in which they are generated and sustained and into which they must ultimately vanish."

Spiritual growth essentially means our becoming persons of character. That is so, because the basic "purpose of all the spiritual literature is to discuss the ways and the vagaries of character and inform us how to reshape it", so that we become worthy of experiencing our 'reality'. As character is also the foundation of leadership, this capability is a by-product of spiritual growth.

The primary technique, to reshape our character, is contained in the following famous Upanishad verse:

"NA KARMANA, NA PRAJAYA, DHANENA, THYAGENAIKE AMRU-TATWA MANSHU".

(Not by action, not by progeny, not by wealth but by sacrifice alone can immortal goal be achieved)

As per ancient Indian wisdom and insight, the following basic principles of management help in excellent reshaping of once character.

1. **Each Soul is Potential Divine**

   Every human being has immense potential, power or energy for self development for organizational development, development of society and the world.

2. **Holistic Approach in Management**

   This approach based on unity of the divine, individual self and the universe is closely linked to spiritual principle of unity and oneness of humanity. This has to a recognized in terms of oneness of Humanity in order to follow wholesome management and leadership.

3. **Value based Management**

   Here divine virtues are to be considered inner resources and all external resources like capital, materials, plant and machinery, information update at as external frames deriving power from inner resources. Holistic and value based leadership based on India wisdom can secure managerial effectiveness and quality of work life leading to Total Quality Management. The goal of life is to manifest the divinity within, through work or worship, meditation or physical control to a spirit of 'Thyaga' reflected in above verse. It is not easy to translate this Sanskrit word into English. Its sense is contained in sacrifice, detachment, selflessness and renunciation of self-interest. It is this virtue which enables a leader to achieve the impossible.

'Thyaga' meaning sacrifice in short, has been a much misunderstood word. Many have used it to give up worldly duties and responsibilities and go in search of God. Of course, there are many genuine seekers, but some people make a gross misuse of the word, to lend halo to laziness, sloth, inertia and running away from their obligations!

'Thyaga' in fact, is the formula for achieving excellence in work. It is the main message of Gita. What has to be sacrificed is the hankering for reward and fear of failure. This is best explained, it we consider an example of a batsman playing in a crucial cricket match. If his eyes are constantly running to the score board, the chances are that he will start missing the ball and get out. Similarly, if at the back of his mind is the fear about adverse impact on his reputation and standing as a batsman, if he does not score at least half a century, his concentration on the ball will suffer. On the other hand, if he plays with complete detachment from hankering for score or fear of failure, then he will play with perfect and undivided concentration up to the top level of his capability. 'Thyaga', consequently, is the formula for perfection and excellence in whatever work we have in hand.

By all this, one veers round the view that **Indian Ethos can be applied for peace and prosperity of organizations** and the best results can be achieved by remaining in GIVER mode in respect of ones thoughts, feelings, gestures, knowledge and even gifts. Organizations which promote such thought processes amongst all its employees lay a strong foundation for turnaround based on good governance.

B. FUNDAMENTALS OF ORGANIZATIONAL TURNAROUND

Turnarounds are organizational recoveries from declines which may be the result of several factors like low employee morale, industrial unrest, poor man-management, outdated technology, lack of funds, etc. General concept about turnaround has been boosting the share value of a company. This matches with the earlier belief that financial markets accurately reflect underlying value of a company. But lately, it is seen that investors can change

the situation through emotive, irrational and sometimes illegal behaviours. This makes management task difficult as they are posed with the question as to how often such deviations occur and whether these are so frequent and significant that financial decision making process can get affected. Managers must therefore have the knowledge to respond to a situation through implementation of strategic decisions about companies share capital. Some of the common and possible actions generally followed in such cases can be :-

- Repurchasing when shares are under priced
- Acquisition of shares when overpriced
- Diversity when trading is high
- Use of Technology for sustaining rather than being arbitrary
- Mergers and acquisitions particularly when market share value is higher as compared to intrinsic value.

Not withstanding all this, biggest unknown factor in actual practice remains the human mind. Managers find it difficult to <u>fathom</u> it and to know how to manage the human dynamics. To illustrate this, there is the case of a huge global company which acquired a small local company because the company was good and that there were things to learn. The minute the deal was through, they started systematically firing people from the acquired enterprise because of 'we bought you' approach. As a result they destroyed the very qualities in that company that made it work. This illustrates the importance of every manager's personal confidence in decision making which can help him to become part of company's winning team. In fact:

- Confidence cannot be described as a character trait but as a stimulated response to circumstances. By character, there are some people who have good approach and a more positive outlook. That develops confidence and job success boosts it further.
- Confidence gives the will to continue the effort when things are difficult

- What separates the winners from loser is how they handle the problem.
- In organizational turnarounds, people are given chance to take small steps. Success in these helps in building confidence.
- If a company develops a grand strategy and long term goal, it needs to be divided into small incremental work steps. This makes employees feel that they tried it and it can work. That prompts them to try something bigger next time. In the process they gain mutual respect by listening to each other's ideas and Success stories at workplace. A collaborative approach thus gets born in the organization.

Companies try different ways to improve collaboration among different sectors of the organization such as Cross unit incentive systems, organizational restructure, teamwork and training. These initiatives may or may not produce success stories. Most of the times, however, these have a limited impact on dismantling organizational apathy and fostering collaboration. That is because most companies focus on the symptoms rather than the root cause of failure-conflict. No company can improve collaboration till it addresses the main issue of conflict. In fact, companies should devise and implement a sounder method for resolving conflict. For example, escalation of conflict itself can be used as an opportunity for coaching, thereby helping managers resolve escalated conflicts directly with their counterparts. This ensures escalated Conflict- resolution process fully transparent. By focusing on the points of conflict and on escalation of conflict up the management chain, a frame work for managing dicord can emerge which then integrates conflict resolution into day to day decision making process. Some tips of Problem solving techniques used by confident managers are:

- Listing of problems – prioritizing
- Listing of resources
- Deeper analysis of the selected problem
- Faith that there is always a win-win solution
- Trust on Experience, maturity and preference
- Meditation and exercise

Civility, honesty and good manners exhibited by employees can go a long way in gaining the customers confidence for assured turnaround. There can be no conflict between commitment to the standards as laid by the company and human kindness while dealing with consumers. In other words, a spiritual manger can be a close link between company management and consumer and can help greatly in organizational turnarounds. As the turnaround action is compressed in respect of time (say a few years), it become necessary to examine organizational dynamics in terms of phasing, starting from initial crisis management phase to later growth, stabilization and institutional building phase. In fact, organizational learning's are important consequences of turnaround action which in term help in skill acquisition thereby stimulating the turnaround.

In this context one can also discuss about the teachings that one receives in Modern day schools of Management. Almost everything that one does in the corporate world is not taught in B-schools. They provide a map of the routes one can take but one has to walk the path on ones own. Management education can be compared to holy texts. B-schools take you out of the frog-in-the well mentality but they can't stop you from going back there. For instance, if a company wants to go global, the company must have demonstrated common strengths to globalize its business while not losing sight of local markets. It is said that Inspiration begins only when perspiration is through. One has to see **value and growth as two different things, growth being a subset or a part of value.** In a growing economy like India, one finds several companies which can deliver outsized growth for a fairly long time or period. The ideal scenario is to build business with enduring power to grow its earnings to generate superior capital productivity at cheaper price so that growth comes for free. One can easily convert these earnings into present value that depend on the size of opportunity, the character of the business and the ability of the company to harness that growth while enjoying its fruit in terms of capital oriented Investment decisions In short nature of business along with the quality of management are two prime considerations for organizational turnarounds.

Basic elements in turnaround management start with Personnel changes in top management as one of the initial phase action to help in diagnosing and trouble shooting and setting up of problem solving task forces. These task forces work towards credibility building actions for generating stake holders support, listing of management vision and goals and establishing sound communication methods with staff and middle / lower level managers to help in proper disciplining and better organizational integration via participative management while emphasizing on core values. Simultaneously improvements in operations management by way of plant modernization, cost reduction measures, improved productivity and better training are also initiated for establishing good management systems. Due attention is also required towards better financial management while reviewing assets and liabilities, borrowings and raising equity. All this measures can facilitate easy implementation of strategic management elements such as diversification plans, product line improvisation, development of new products etc.

Turnarounds are thus hectic organizational learning's of cycles of querying, contracting, experiencing, grouping, testing, reflecting, conceptualizing, choosing and ultimately implementing something new. Initially, this learning may remain confined to the top but later it must percolate to many at lower levels in order to stabilize cognitive and behavioral changes among many members at most levels. In turnaround context, these competencies once internalized, transform the organization as also its performance. However, much depends on the type of turnaround strategy adopted as to whether western concepts of harsher techniques are employed by way of large scale manpower retrenchment or a more adaptable and participative technique based on Indian ethos and values which invariably best the so called surgical turnarounds so popular in the west.

C. METHODOLOGY ADOPTED BY THE RESEARCHER

The researcher has made an elaborate effort by the way of gathering relevant backup material both in the form of theoretical content and also in the form of survey data to substantiate the proposition that Indian Ethos can be very effective tool to bring a lasting turnaround of a sick organisation.

Theoretical Content

The theoretical content was collected from various sources, review of many books, point of views of both Indian as well as western philosophers and renowned personality. Also, the researcher used his own long professional experience and learning's of his life and the society around him to make and practically apply the ideology that management by Indian Ethos is the most effective tool to bring a lasting turnaround of a sick organisation.

Survey Data

Above ideology of the researcher was proven substantially by the analysis of the survey data. The survey data was collected by the means of questionnaire. To find out the views of various people on this ideology, third party interviews were conducted for a sample size of seven people belonging to different cadres of the hierarchical organisational structure to have an evenly distributed sample to carry out the interviews.

Outcome

On the basis of through analysis of the response to the questionnaire and the interviews, all along with researcher's own experiments and case studies, the ideology of the researcher stood true and it can be safely said that "Indian Ethos is the most effective tool to bring a lasting turnaround of a sick organisation."