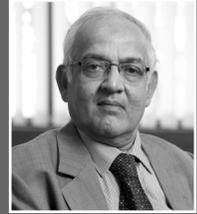


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From the Editor's Desk



Ever since the various countries signed the treaty under the aegis of the World Trade Organization, the international trade scenario has witnessed a sea change. In India trade barriers have been removed and severe restrictions that were in force for foreign investments have been gradually relaxed. The country adopted the policy of liberalization, privatization and globalization (LPG) to become part of the global economy. The policies and economic reforms brought in by the Government have contributed to higher growth rate in the country's Gross Domestic Product making the economy more vibrant. They also brought in increased competition between the foreign companies and domestic products. This caused panic among the Indian corporate giants when the reforms were initiated in the early 1990s. However, soon many of them learnt to face the competition and adopted various strategies to remain the winners in the competition and grow further.

The dawn of LPG era not only ushered in faster growth opportunities but also brought along various challenges for all organizations and those managing the business enterprises across different sectors. Currently, the major challenge faced by the managers is competition. Let us take the case of the civil aviation sector. Until the Indian sky was opened to private airlines to fly, only Indian Airlines (operating domestic flights within the country) and Air India (to overseas), were offering services. However, the industry has been witnessing competition in the post LPG era that has contributed to enhanced services and improvements in their quality. Competition has placed greater emphasis on their competencies to draw the strategic advantages, which has become a challenge for those who managing these organizations.

Technological advancements have generated several opportunities to produce higher quality of products and services. With the passage of time, innovative technological tools are being introduced. Therefore, to maintain flexibility in the companies is a greater challenge for managers.

Another area in which managers are facing challenges is 'Human Resource Management'. By the turn of the last century, this challenge was posing a serious problem to managers in IT industries. Thirdly, maintaining the human resource is another challenge that is faced by the HR managers. The increasing complexity of tasks has made selection and recruitment a daunting task. Moreover, markets are getting customer oriented and to satisfy the aware customers, managers have to take important steps and that has become another challenge to those who manage the operations.

Not a single day passes without a report on one scam or the other. The numbers and stakes involved in each scam are also rapidly growing. Immediately after each one is exposed, the blame game commences, making serious debates on them in the Parliament a routine affair. Will the business enterprises that are known for upholding business ethics and values be able to retain them? This is another challenge that the managers are currently facing.

These are some of the reflections on the opportunities and challenges that managers have to face. It requires re-orienting management practices to enable the managers to harness the opportunities and face the competition and challenges. This calls for contributions from management researchers, teachers and trainers, by bringing researchers and practitioners together in disseminating the research findings among scholars and practitioners. In this endeavor the research publication Aurora's Journal of Management is a modest contribution. The quarterly journal is designed to include research articles in the frontier areas of management that include Finance, Marketing, Human Resource, Operations and Technology. Also articles on social, economic and political environment that have a direct bearing on the business would be invited from scholars for publication. We do hope that our contribution to sharing research articles will be received well by the readers.



KS Ramesh

Guidelines for Authors

Aurora's Journal of Management (AJM) invites original papers from scholars, academicians and practitioners pertaining to management, business, and organizational issues. AJM also welcomes articles dealing with the social, economic and political factors that influence the business and industry. Papers, based on theoretical or empirical research or experience, should illustrate the practical applicability and/or policy implications of work described.

The Editorial Board offers the following guidelines which are to be followed while contributing papers for publication in *AJM*:

Manuscript

The Author should send three copies of the final manuscript. The text should be double-spaced on A4 size paper with one-inch margins all around. The Author's name *should not* appear anywhere on the body of the manuscript to facilitate the blind review process. The Author may send a hardcopy of the manuscript to Aurora's Business School or e-mail the MS Word Document at ajm@absi.edu.in. The manuscripts should be submitted in triplicate and should have been proof-read by the Author(s) before submission.

The paper should accompany the following on separate sheets (1) An **executive summary** of about 500 words along with five **key words**, and (2) A brief **biographical** sketch (60-80) words of the Author describing current designation and affiliation, specialization, number of books and articles in refereed journals, and membership on editorial boards and companies, etc. along with their contact information.

AJM has the following features:

- **Research Articles** which present emerging issues and ideas that call for action or rethinking by managers, administrators and policy makers in organizations. Recommended length of the article should be limited to 7,500 words.
- **Book Reviews** which covers reviews of contemporary and classical books on Management.
- **Articles on with social, economic and political issues** which deal with the analysis and resolution of managerial and academic issues based on analytical, empirical or case research/ studies/ illustrations.

Headings/Sub-Headings

The manuscript should not contain more than 2-3 headings. It is suggested that lengthy and verbose headings and sub-headings should be avoided.

Acronyms, Quotes and Language

Acronyms should be expanded when used for the first time in the text. Subsequently, acronyms can be used and should be written in capitals only. Quotes taken from books, research papers and articles should be reproduced without any change. British English is recommended as compared to American English. Keeping the diversity of the readers in mind, it is suggested that technical terminologies should be explained in detail while complicated jargons may be avoided.

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All tables, charts, and graphs should be given on separate sheets with titles. Wherever necessary, the source should be indicated at the bottom. Number and complexity of such exhibits should be as low as possible. All figures should be indicated in million and billion. All graphs should be in black and not in colour. The terms 'and' and 'percentage' should not be denoted by their symbols (& and %). Instead the complete word must be used. All figures/numbers <10, mentioned in the text, should be written only in words.

Notes and References

The notes and references shall be presented at the end of the text, with notes preceding the list of references. Both, the notes and references should be numbered in their order of appearance in the text.

Endnotes, italics, and quotation marks should be kept to the minimum.

References should be complete in all respects:

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The Author is entitled to receive 25 reprints free of charge.

Impact of Employee Engagement on the Performance of Employees in an Organization



Dr. Prasanna Kumari B

Abstract: This paper discusses the recent expressed interest of employees in the concept of employee engagement. This research has consistently shown that employee engagement is powerfully linked to a range of business success factors such as Employee performance and related to the factors of commitment, job satisfaction, retention of employees, Rewarding employees, develops leadership qualities and put together all its leads to the productivity of the employees and the organization.

In today's economic environment, it is more important than ever for organizations to win in the marketplace through a single-minded focus on their goals and growth strategies. Having employees on board as co-creators of business sustainability and success and as ambassadors for the corporate reputation has never been more important in the performance of the employees.

Factors that drive employee engagement include, leaders who inspire confidence in future managers who recognize employees and emphasize quality and improvement, opportunity to grow and firms showing genuine responsibility to employees and communities. The study would focus on the engagement and how healthy organizations are comprised of well-trained, engaged workers who have the tools they need and are aligned toward common goals and performance.

There is no doubt that the downturn in the economy posed many challenges for businesses. Many organizations focused on restructuring their business, which sometimes meant using strict measures aimed at driving down costs and improving the bottom-line.

The following are the **objectives** of the study:

- To understand the various factors affecting employee engagement in an organization.
- To understand and analyze the impact of employee engagement on the performance of the employees.

Hypothesis

H0 (Null Hypothesis): There is no impact of Employee engagement on performance of the employees in an organization.

H1 (Alternative Hypothesis): There is impact of employee engagement on performance of the employees in an organization.

Research Design

Research design is the master copy of the study and it gives the insights of how the study is carried forward and the methodology adopted to study this particular area. Well structured questionnaire

was designed and circulated among the employees of various organizations and the questionnaire's focus was on the factors effecting employee engagement with regard to performance of the employees. The factors considered for this study are commitment, job satisfaction, retention of employees, productivity of the employees, rewards system of the organization and Leadership qualities of the employees. This questionnaire was administered to 80 employees but we could receive responses from only 60 which were perfectly answered. The scope of this study is restricted to only few organizations in the twin city of Secunderabad and Hyderabad. As the study concentrates on understanding the impact of employee's engagement on the performance Chi-square is adopted for testing the hypothesis.

Inferences

The challenge for businesses is to create an environment where employees understand and commit to the company's direction, strategy and goals. This requires a holistic, coordinated effort to ensure that a number of key elements or building blocks are in place to promote alignment. This research focuses on analyzing few factors of employee engagement on performance of employees.

Commitment

This research assumes Employee engagement as the extent to which employees commit to something or someone in their organization, how hard they work, and how long they stay as a result of that commitment. While minimal differences in engagement exist across demographic segments, dramatic differences exist across organizations.

Table - 1: Role of Commitment in Engaging Employees and Performance

Particular	Value	DF	Asymp Sig (2-sided)
Connection between work and Org Strategy	2.033	4	0.0221
Demonstrates Strong Sense of owning	2.750	4	0.0161
Understanding how to complete work projects	2.676	6	0.0271
leads and makes more efforts to complete the tasks	5.401	6	0.0126
Commitment of management is must for specific performance objectives	3.111	2	0.0111
Has clarity on the works assigned and taken	4.536	6	0.0104

The above parameters of owning the organization, taking initiative, performing the tasks and maintain clarity in the tasks assigned all are significant as the values are less than 0.05.

Job satisfaction

Employee engagement is a connection between employees' job and organizational strategy and employee understanding of how important their job is to organizational success.

Table -2: Role of Job Satisfaction in Employee Engagement and Performance

Particular	Value	DF	Asymp Sig (2-sided)
Employees select their Own methodology of work	2.396	4	0.003
Importance of Job to Organization's Success	6.862	6	0.014
Demonstrates Passion to succeed	5.765	6	0.000
Communication is present at all levels of employees	2.817	6	0.0111
Always Innovative and Initiative	5.114	6	0.0229
Qualitative discussion are made with superiors and subordinates for improving employee performance	2.086	4	0.0120

This study proves that by engaging employees in productive works job satisfaction of employees is high and they put more efforts to achieve the targets and work towards results.

Retention

By increasing employees' engagement levels, organizations can expect an increase in performance of up to 20 percentile points and an 87% reduction in employees' probability of departure.

Table -3: Role of Retention in Engaging Employees and Performance

Particular	Value	DF	Asymp Sig (2-sided)
Encourages and Manages Innovation	8.579	6	0.019
Respects Employees as Individuals	2.980	4	0.011
Appraisal system provides Retention and development of Employees.	6.061	4	0.011
Positive Motivation is Present at Your work place	10.345	4	0.023
Management cares for Employees	5.358	4	0.015
Management is open to new ideas from employees	2.233	6	0.040

Engaging employees in the work creates more opportunities for employees to learn and to focus on their careers and this is one of the factors to motivate and retain employees.

Productivity of the employees in the performance

This study also highlights that an engaged workplace benefits employees by increasing their sense of involvement and 'well-being' at work, which in turn inspires them to put in the extra effort, commitment and productivity.

Table -4: Productivity of Employees

Particular	Value	DF	Asymp Sig (2-sided)
Accepts responsibility from successes and failures	0.758	2	0.035
Adopts to changing circumstances	6.261	4	0.018
Appraisal process of your organization increases productivity	0.892	3	0.428
Sets realistic performance expectations	3.574	2	0.012
Possesses Job Skills and applies it in different roles	4.028	4	0.002
Improves in the quality of the work	2.225	4	0.094

All the values above prove that the employee engagement has impact on employee performance.

Rewarding employees

Without a clear strategy and direction from senior leadership, employees will burn valuable time on activities that do not make a difference for the organization's success.

Table -5: Rewarding the Employees

Particular	Value	DF	Asymp Sig (2-sided)
You have frequent Appraisal systems.	0.892	3	0.028
Defends direct and productive reports	2.504	4	0.004
Improves Analytical thinking	15.272	4	0.002
Helps in finding solutions to the problems	24.826	6	0.026
Employees are appreciate for their performance	4.661	4	0.034
You are accountable for your performance	3.596	2	0.016

All the values above prove that the rewards play a major role in employee engagement and leads to performance of employees in an organization.

Leadership qualities through employee engagement

Depending on the demographic information collected when the engagement measure is implemented, one can create breakout reports by leader. This means leaders can gain a better understanding of how engagement in their particular group differs from the rest of the organization.

Table - 6: Leadership qualities among Employees

Particular	Value	DF	Asymp Sig (2-sided)
Feels proud to lead the team	0.892	3	0.028
Builds a high engagement culture	2.504	4	0.004
Builds contribution opportunities in the wider workforce	15.272	4	0.002
Helps in employee Involvement	24.826	6	0.026
Removes structural Barriers to contribution	4.661	4	0.034
Builds opportunities for subordinate and make them involved	3.596	2	0.016

Immediate supervisors and managers need to display the interpersonal skills required to engage employees and enhance their self-confidence.

Findings of the study

- Those employees who are most committed perform 20% better and are 87% less likely to leave the organization—indicating the significance of engagement to organizational performance.
- While the majority of employees are neither highly committed nor non-committed, more than 1 in 10 employees are fully disengaged—actively opposed to something or someone in their organizations.
- Instead, dramatic differences between companies suggest that engagement levels are determined more by company strategies and policies rather than any characteristics regarding the employee segments themselves.
- An analysis of both rational and emotional forms of engagement reveals that emotional engagement is four times more valuable than rational engagement in driving employee effort.
- Employee retention, on the other hand, depends more on a balance between rational and emotional engagement—as illustrated by the importance of compensation and benefits in driving employees' intent to stay.
- While employees' commitment to their leaders is crucial to engagement, the leader is most important as the enabler of employees' commitment to their jobs, organizations, and teams.
- Among the factors of employee engagement the most is a connection between an employee's job and organizational strategy.
- Compensation has a much larger impact on retention than on performance their best interests.
- Finally, this study could analyze that in many organization's 70% of employees are unproductive and the main cause for this could be they are not engaged in the works.

The study also found that organizations with employee engagement are more likely to achieve organizational goals and meet their strategic objectives.

Suggestions

- Prioritize engagement driven business tasks.
- Remove structural barriers among employees.
- Identify the drivers of disengagement and target them to eradicate it completely.
- Establish the relationship between business culture and business results.
- Build a high engagement culture.
- Involve leaders in defining contribution strategy.
- Involve employees in decision making of organization matters.
- Ensure equality of opportunities among employees.

Conclusion

Engaged employees are the key to any organization's ability to grow and prosper and have a positive impact on the employee experience – acting as living embodiments of the brand promise. This is particularly so in today's economy, where attraction and retention of experienced, skilled, and creative employees (who, in turn, act as advocates of the organization to key stakeholder groups) can make the difference between success and failure. There is clear evidence to suggest that what employees look for in their work is a mixture of both tangible and intangible elements that create a stimulating environment where their contribution is recognized and appropriately rewarded, where they have to chance to develop and participate, and where the leadership of the organization supports their efforts. In fact, emotional factors play a much more important role in shaping attitudes and behavior than previously thought.

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Impact of B-School Curriculum on Future Managers



Dr. Ravi Paturi & Dr. Prasanna Kumari B

Abstract: *In the modern economic scenario all over the world- "Management" – as a stream of education and training has acquired new dimensions. Management education cannot be compared with studying other subject areas like Chemistry, Physics, Mathematics, Law and so on. Management is an exciting field where you can have an immediate impact on the operations of any business. The field of Management is dynamic in nature. New tools and techniques are continually being introduced to improve the efficiency, productivity, and profitability of any organization. Though there are many parameters affecting the students and their careers. This study has chosen to analyze and understand the impact of curriculum on the students towards managing different organizations effectively.*

Key words: Management Education, Curriculum, B-schools, Managers, and Careers.

Introduction

In the past ten years, progress has been stimulated by the appearance of new concepts for business education at a few Universities and by serious attempts at most schools to evaluate the approaches they have been using. Business Schools are relatively unique among professional schools such as law, social work, medicine, education, architecture, and engineering in the degree of separation from the profession that they supposedly serve. This is not to say that Business School faculties don't consult for businesses or teaches in company executive programs, or that students from Business School don't go on to practice management,-Obviously all of this occurs. But, what is unique is the degree of separation that differentiates business from other professional schools--differences in terms of the proportion of faculty who move in and out of the profession or who practice it regularly, and the extent to which curriculum in the various professions are or not linked to the concerns of the profession and directly oriented toward preparing the students to practice that profession, including in many instances incorporating a clinical component.

Changes in technology, in methods for decision-making and research, in international relations, and in the role of business in modern society leave no time to rest satisfied with past achievements. It is important to look at the elements which account for the improvements that we have made and to assess the effectiveness of the same methods for the changes which lie ahead.

Business schools have three basic missions in society. First, at the undergraduate, graduate, and "executive program" levels where their job is to help students acquire knowledge and skills that they need to function effectively and responsibly as manager and as support personnel to management in business and industry. Second, primarily in doctoral programs, schools are responsible for training faculty members to teach, conduct research, and to provide administrative leadership in tomorrow's

Business Schools. Third, to an extent that has not yet been fully acknowledged, there is a responsibility to do basic and applied research. Research provides the thrust for improving business practice and for improving the management of interrelationships between economic institutions and the rest of society.

Making an informed choice about the B school is very important; after all it is the question of students career. A lot of students look into various aspects before applying to a B school. The most sought after criteria for B school is placement, followed by faculty, location and past results? But how many of us actually give equal importance to the curriculum? Not many for sure- though it is an important point to ponder over while joining an MBA school. After all it is really significant to know what you will be learning while doing your MBA - so do give serious thoughts about it.

The syllabus taught should be well balanced as there is a lot to learn. The MBA/PGDM course is responsible to impart all the necessary knowledge to transform students into a leader and make them ready to face all challenges. So make sure that the students go for a curriculum that is updated and consists of all modern day management and theories.

Summary of Review of Literature

Way back to 1960's IIM's started brand managers with Knowledge, skills, aptitudes which are required for the industrial development of the country, and these institutions became a role models for many B-Schools and the result of this application is that they are now known for the quality of education and placements. These institutions have built on the fundamentals of management but focus on value of entrepreneurship, leadership and innovation appropriate for the globalization. (Krishna, Vijay 2000)

This research study suggests that all the B-Schools should set the above mentioned institutions as role models and create an urge among the students for leadership and tune them for the global market place, a segment that is likely to grow both nationally and internationally.

These institutions will spur a new level of activity in management education that would help to meet the large future demand for managers.(Gupta P.K.2000) A large number of our students feel attracted by foreign Universities and this means that there is a motivation to seek international standards. Hopefully, with foreign Universities setting up campuses in India, students will be able to avail of such international standards at home.

The current curriculum in management education does not teach students in facing the challenges in business environment. (Financial express Nov 20th 2004)How to manage uncertainty and complexity are not taught in business schools. They merely teach the concepts with case studies. It does not focus on the challenges arising out of rapid growing technology and the challenges involved in running an enterprise. This research paper attempts to study the impact of curriculum on students in regards developing their managerial skills and make them a future manager.

The contribution of entrepreneurship education in society is well documented in the literature. As noted by Galloway and Brown (2002), in addition to developing skills for business start-up and ownership, entrepreneurship education makes a significant contribution in terms of the quality of graduate start-ups, and it influences general attitudes to entrepreneurship in the long term. In Galloway and Brown's view, entrepreneurship education represents a positive motivation in terms of promoting entrepreneurship as a respectable and valuable career option.

A detailed study on literature related to business schools and the quality of management education study could understand that the curriculum of B-school should be revamped on the basis of relevance, applicability, entrepreneurship and many other parameters which are discussed further in this research paper.

Need of the study

Today majority of the B-schools are on the wrong track. Though B-schools have increase in number there quality and result have gone down predominantly. Previously MBA/PGDM programme was given prestigious weight-age in the business world. Today however, these programmes are facing intense criticism for failing to impart knowledge, required skill, failing to prepare leaders and managers. Review of literature states all the stakeholders of management education i.e. parents, faculty, students, industry, institute and media opines and accepts the failure of today's Management education.

In the above context, this research paper attempted to study the impact of curriculum on future leaders and also to bring out various curriculum related issues and the impact on future managers.

Structure of the Management Institutions

To realize the full potential from the resources devoted to management education, all Management education organizations have to be brought in line with the governance Norms suggested by the Group. There are presently six types of management Education organizations. These are:

- (1) Indian Institutes of Management (IIMs) set up by the Government of India.
- (2) University departments of management studies.
- (3) Colleges (government or private) affiliated to universities.
- (4) Private or government institutes approved by the All India Council for Technical Education (AICTE).
- (5) Private colleges or institutes not affiliated to any universities nor approved by AICTE.
- (6) Private colleges or institutes offering MBA courses in India in collaboration with foreign universities, where degree/diploma/certificate is awarded by the foreign university.

All management education entities will need to be fully autonomous. This research paper aims to study the effect of curriculum on the aluminous of the school towards they become managers or leaders for the current organizations of their jobs. To understand the role of curriculum in making them future managers this paper attempted to verify the significant levels between the curriculum of management schools of eminent institutions set up by Government of India stated above under structure i.e. like IIMs(1) with reference to (4) Private or government institutes approved by All India Council for Technical Education (AICTE).

Objectives of the study

- To Review the literature and understand curriculum of management Institutions.
- To Compare and analyze the impact of curriculum among the aluminous of eminent institutions (structure 1) and Private institutions certified by AICTE (structure 4).

Hypotheses

H_0 : There is no difference in impact of curriculum on future managers among the aluminous of eminent institutions set by Government and Private institutions accredited by AICTE.

H_1 : There is difference in impact of curriculum on future managers among the aluminous of eminent institutions set by government and private institutions accredited by AICTE.

Research Design

To understand the current position of B-school curriculum, extensive study was attempted to go through the curriculum of few eminent B-schools, private or Government AICTE approved b-schools .To understand and study the objectives of this research paper a well structured questionnaires was administered to the aluminous of B-school of two categories mentioned above i.e. Institutions set up Government of India and Private or government institutes approved by AICTE. Due care is taken to administer the questionnaire only to those students who has completed their one year of work experience after they passing out of the school.

Two types of questionnaire were designed One was administered to the faculty and the other to the students. The sample taken here is random sampling and the sample size of the alumni, is 60 and the faculty is 30.

Chi-square is adopted to understand and analyze the level of significance of the curriculum on future leaders and this is adapted to the data collected from the students i.e., from 60 alumni two sets of schools i.e., 30 from each set of school. Simple percentages and the average is considered for the questionnaire administered to the faculty i.e.30 because this data was collected only to understand the perceptions of the faculty towards various issues related to curriculum of B-schools.

Inferences

This inference is divided into two sections, as the data is collected from students and the faculty different sets of questionnaires were administered to both these focus groups. Section A would talk about the inferences of the student's opinion and the Section B would discuss about the inferences and the opinions of faculty.

Section – A

Impact of curriculum on future managers

This questionnaire is designed to understand the impact of curriculum on future managers. Though there are many issues which affect the curriculum of the schools few are considered and taken for the study and these parameters are considered on the basis of review of literature on the curriculum of the schools. Let's now look into the factors which affect the b-school's curriculum.

Structured Curriculum

The syllabus taught should be well balanced as there is a lot to learn. The MBA course is responsible to impart all the necessary knowledge to transform students into a leader and make them ready to face all challenges. B-schools should make sure that their curriculum is updated and consists of all modern day management and theories.

Organization of classes/courses around a specific career goal and designing of the course with objectives which includes molding the students into futures leaders, manager and entrepreneurs are the factors to measure the impact of curriculum on future managers. This parameter also considered the interlink age of designing and introducing the courses from preparatory to finishing course. Relevance of course material and its applicability and whether it acts as guide or not is also verified and analyzed in this parameter.

Relevant curriculum

Demonstration to the students the relevance of course content to the world of work should be the

prime objective of B-school curriculum. The factors considered here is framing of course objectives, applicability and realistic approach, clarity of the course is given to the students and he or she should know why they are taught with that particular course and this study also focused to understand the gap between what is taught and the ground reality.

Work based Learning Experiences

Today students has opportunity to go to workplace and see what someone actually does in a job and they are also allowed to work with them and get exposure to the topics that they could have learnt theoretically in the class room now applied practically. This gives them an opportunity to understand the work life and they themselves get acquainted with various job positions. To verify these factors questions were posed on summer internship projects, live projects for few subjects like entrepreneurship, leadership and change, and competency management. Projects assigned should be more practical and students should go back to the same organizations to study various departments like HR, Finance and Marketing, in order to get a holistic understanding.

Business Skills

As business academics try to ensure that students gain a solid understanding of the theory which is applicable to various business situations, while maintaining “academic standards”. There is criticism that B-schools teach theory that is irrelevant to business practice, do not equip future employees with skills that are applicable to jobs in the marketplace, and ignore the various stakeholders. To verify and understand this parameter various factors considered for the study is Collaboration, Research skills, Communication skills, Problem solving skills and Technical skills.

Business Attributes

Compared to business skills that have been studied by several researchers, business attributes that might be important for employment has been under research. In this study “business attributes” are the characteristics or qualities that are associated with work. Self-focused, work oriented, Management oriented and World focused are considered for this study which include questions like showing imitative, nice personality, commitment, dependable, being honesty, ambitious, strategic thinking, diverse thinking and global awareness.

Career development

In a B-school students are exposed to different forums like annual paper presentation, final strategic showdowns and above all students themselves form the backbone of most of the clubs in a B-school. There are different clubs relating to different Specializations. The basic purpose of these clubs is to expose students to real business like situations and sharpen their business acumen, e.g., Marketing Clubs organize an inter B-school Business Plan Contest, case studies, best promotional strategy award, etc. A Finance Club organizes portfolio management games, mergers and acquisitions overview, etc. The HR Club deals with different exercises exposing students to the methodologies of hiring, motivating and appraisal of the employees.

Apart from these clubs students constitute different committees like Placement Committee looking after the placement scenario in a B-school. Corporate relations committee takes care of Guest lectures, sponsorships and building good relations with the corporate. In a B-school, Alumni committee is the one which is instrumental in maintaining contacts between budding managers in a B-school and its alumni. Most of the B-schools organize alumni get-together once a year which gets the corporate honchos to meet their alma mater.

To understand and analyze the role of career development among the B-schools few factors were considered for this research study for the parameter of career development. They are role of clubs, Guest lectures, Corporate relations committee, Alumni committee, Business plans and Business incubation centre.

Entrepreneurship

Entrepreneurship education has grown up dramatically as reflected in the increased student enrollment, proliferation of formal entrepreneurship centers, intercollegiate business plan competitions, new entrepreneurship curricula and programs, and endowed chairs and professorships.

Approaches to entrepreneurship education have varied across colleges and universities from single course offerings in business plan preparation to integrated curricula that include marketing, finance, competitive analysis, new product development and technology. Many institutions have implemented concentrations in entrepreneurship as well as specialized programs for non-business majors.

Entrepreneurship education has become popular for many reasons. First, the study of enterprise creation and the development of business plans allow students to integrate accounting, economics, finance, Marketing and other business disciplines. As such, it offers an enriching, integrative educational experience.

Second, it promotes the founding of new businesses by graduates and builds critical Decision-making skills that enhance the success of graduates in the job market. Third, it increases technology transfer from the university to the market through the development of technology-based business plans and student involvement with technology licensing. Fourth, entrepreneurship education forges links between the business and academic communities. It is viewed by management students as a useful, applied approach to the study of business and the economy.

To evaluate and analyze this parameter the factors considered are impact of entrepreneurship course and its relevance in reference to formation of new ventures, likelihood of self-employment, pedagogy of this course, integration of all other courses of curriculum in entrepreneurship course and impact of this course on decisions making skills of the students especially in crisis management.

Social responsibility and ethics

Social responsibility, ecological concerns and social innovation are already on many business school curricula but more investment in these areas is needed. Method of thinking is equally important. Business schools should introduce critical thinking on the curriculum for students to be aware that what they learn may not be applicable to all situations at all times. Students should be encouraged to apply critical thinking on all courses and must be made aware of the normative nature of most social science based courses to which management school belongs. Students should be intellectually equipped to deal with complications rather than trained to simplify complex business issues.

Future managers should know the practical aspects of work ethics, like how ethics can be developed, how they can be managed at workplace, how individual makes his/her values, what are the contents of ethics which can be utilized to motivate human resources at work place since "organizations do not have ethics only people have to cultivate it and make the organizations ethical".

This parameter analysis and verifies involvement of courses in curriculum like social responsibility programmes, Experience India (live projects), Business Ethics and corporate governance, My India Project and so on. This research paper also attempts to understand the impact these courses and activities on the business student's i.e. future leaders.

Role of foreign languages in the b-school curriculum

Because of demographic changes, Business schools need to ask themselves to what extent they are preparing students for accommodating the needs of an ever increasing number of workers and visitors who are not fluent in the English language.

Many of the immigrant new-arrivals initially join the workforce in entry-level positions, but the communication barrier between them and management can hamper daily Operations. Managers who don't speak their language must rely on the effectiveness of Bilingual supervisors or on outside interpreters to make themselves understood. This, in most cases, interferes with normal communication between management and subordinates.

The need for managers who speak foreign languages is more acute in industries that conducts business abroad or employs large number of immigrants. The hospitality Industry is a good example

To evaluate this parameter questions very posed on foreign languages offered in b-school, relevance of this foreign language, seriousness in learning this language or the foreign languages offered on the basis of students choice, requirement of industry are verified and most importantly the weight age given to this course in the curriculum.

Table-1 : Impact of B-school Curriculum on future managers

Particular	Value	DF	Asymp Sig (2-sided)
Presence of Structured curriculum	5.085	2	0.079
Relevant curriculum on the basis of industry Requirement	49.136	2	0.002
Work based Learning in the courses offered	46.824	2	0.003
Curriculum improved your Business skills	69.098	2	0.012
Curriculum improved your Business attributes	102.723	2	0.012
Your school has guided you in choosing right career	79.704	2	0.0013
Multidisciplinary courses are involved in entrepreneurship course of yours	101.654	2	0.001
Impact of Social entrepreneurship course and Business ethics, corporate governance on values	86.909	2	0.003
Application of foreign languages in your work place or benefits you in any other form	67.579	2	0.0001

From the above table it can be inferred that the perceptions and experiences of aluminous of two categories of schools differ significantly. To make the findings more clear the aluminous considered for this study are made under two categories i.e. A for aluminous of Government set institutions like IIMs and B for aluminous of AICTE approved institutions. The specific findings from the above parameters are:

- Structured curriculum is present in B-schools according to category A is 90% whereas category B states 82%.
- Relevance of curriculum on the basis of the industry requirements and applications of their learning into their current positions Category A is positive to the extent of 62% whereas category B to the extent of 23.33%.

- Work based Learning is provided by the schools is opined by category A as 77% and category B states 36%.
- B-schools enhance Business skills is opined by category A as 81% and category B as 34%.
- B-schools enhance Business attributes is opined by category A as 83% and category B as 36%.
- Role of schools in shaping careers is opined by category A as 90% and category B as 33%.
- Application and the involvement of multidisciplinary courses in Entrepreneurship course are accepted by category A as 86% and category B as 27%.
- Impact of the courses of social entrepreneurship, corporate governance and ethical behavior on the value of the students is accepted by category A to the extent of 81% and category B as 48%.
- Application of foreign languages learnt at the current positions of their work place is accepted to the extent of 79% by category A and 29% by category B.

B-school is a place that's stimulating, exciting, and fun. A place that has something interesting happening every day of the year. A place that encourages students to pursue their interests and explore their imagination. The B-school experience is also about inspiring future managers to ask the probing questions and discover innovative answers as they develop the skills that they need to be leaders and architects of their own destiny. This research paper, analyzes business and business education as increasingly the topic of future managers, and managerial skills are accordingly important for society. In this environment, the fact that business schools apparently have not done a better job in either the educational or research missions leaves them more vulnerable to focused criticism, attack, and competition. Though our analysis talks about the and proves that curriculum has an impact on future leaders but the question arises is how many of the b-schools has all the above parameters fulfilled agreeing with the parameters stating they are required for a b-school is different than applying it practically.

Section – B

Perceptions of faculty towards b-school curriculum

This study also attempted to understand the perceptions of the faculty towards the curriculum of b-schools and its impact on future managers. Simple percentages are applied to understand the perception of the faculty in agreeing with the concerned parameter.

Table-2 : Perceptions of faculty towards curriculum

S No	Factors Effecting Curriculum	Percentage
1	Involvement in Designing & Structuring Curriculum	50%
2	Effectiveness of Course Material	33.33333333%
3	Your involvement in SIP & IRD	66.66666667%
4	Contribution of Research papers along with Students	16.66666667%
5	Effectiveness of Evaluation Patterns	40%
6	Regular feedback from Students	23.33333333%
7	Your involvement in developing case studies	13.33333333%
8	Relevance & Effectiveness of Pedagogy adopted by you	43.33333333%
9	Contribution towards Conferences & Papers	60%
10	Faculty exchange Programmes	6.66666667%

Management and managerial skill has been identified as a core competence required for economic prosperity and possibly even economic development. In an increasingly knowledge-based economy, the ability to mobilize and use knowledge is a critical skill. With the privatization of industries and companies all over the world, the ability to manage large-scale private sector organizations effectively for economic well-being of the country. The demands for better managers and more and better leaders, and the demands for business knowledge are inexorable, and these demands have already generated numerous alternative sources of supply.

Majority of the faculty agree to the fact that there should be involvement of faculty and students in designing curriculum and also research environment should be developed, faculty exchange programmes should also be encouraged. The above table depicts only the opinion of the faculty towards various factors which affect the curriculum of B-schools and in turn it would affect the future managers.

Findings from the study

- B-schools should concentrate on more experienced students, often practicing managers who attend classes episodically and then return to their work environments to confront their learning with their everyday experiences, and vice versa.
- Curriculum of B-school should design its course on multidisciplinary. These programs tend not to have the conventional set of functional courses, but instead recognize the interdisciplinary, interrelated world of modern business.
- They focus not only on learning concepts and techniques, but also on changing how people think about business issues. This is an important dimension because many people who teach in business schools note how small the effect sometimes is on those who pass through the school.
- The current management programmes are neither a good grounding for being managers nor a good preparation for entry into world of work. This is mainly because of the inexperience and immaturity of the students and the text-bookish nature of the curriculum.
- A majority of management education organizations in India is oriented primarily to teaching. The materials used for teaching are also not of relevance to the student background or living experiences in India.
- This study could analyze that majority of the students as well as the faculties are not happy with the pedagogy of the teaching and the material of the course.
- Summer internship and Research thesis is not playing much role in gaining practical knowledge for the students as the schools are not taking these projects as a serious note.
- Though the credit system is used as yard stick to measure the effectiveness of class room participation, still monitoring and implementation of these policies are of serious concern.
- Most of the management institutions have ignored student activities and especially there is no importance or weight age given towards social activities and pathetic condition is few B-schools don't have credits towards social activities.
- Though the curriculum is structured on the basis of industry requirements there is no consistency in the curriculum and this may lead to state of confusion for the students.
- The focus on campus interviews, careers and jobs further detracts students from gaining a disciplinary understanding of the specializations and society in which they have to innovate and be influential leaders and future managers.
- This study could also analyze that there is lack of faculty with the required qualification and industry experience due to which the courses offered are thought theoretically.
- Business attributes and skills have to be in top priority among the curriculum and student activities.

All management education entities will need to be fully autonomous. There are few systematic attempts at forecasting the demand for managerial manpower in India. There is general consensus among industry that the needs are increasing at an accelerating speed. Also, the emphasis is increasingly on quality, both at entry and middle levels. Management institutions in India are today estimated to be graduating approximately 1,35,000 students annually.

However, what proportion of the total requirement will be for the increasingly more expensive post graduates in management and what proportion would be for the less-expensive lower levels of managers is not clear

Suggestions

- B-schools should encourage on forming more clubs which should be active and take the responsibility of mock interviews, mock stocks and business incubation centers.
- Required foreign language should be provided and this should be only on the basis of corporate need because these students have to manage teams tomorrow.
- Develop and review curriculum for pedagogy, scheduling courses to ensure maximum integration/interaction, work with industry requirements developing course materials through new cases (collaboration also with industry here, if possible, and therefore this body must be a partnership)
- Obtain regular feedback from students on the teaching-learning process and use the same constructively for improving the learning and in the development of the course.
- Have a good faculty evaluation and management system and get the faculty to focus on research in areas they teach and in writing case studies based on companies operating in India or Indian companies engaged in global businesses.
- Organize programmes to improve and upgrade skills of existing faculty in their disciplines and expose faculty to an induction/orientation programmes irrespective of how long they have been in teaching. Promote Industry- Institute partnerships in developing teaching materials in new business areas and sectors.
- Organize leadership and management development programmes for improving the leadership/management of the faculty and the students also.
- While the Indian economy is globalizing and some of the research work done outside is relevant, a lot more research and writing of case studies relevant to, or rooted in, our socio-cultural behavior and situation is necessary.
- Background of the students to be taken in should be given some preference at the time of selection this will help placement. It is a business degree and those who can perform in short time in the industry need to take this course.
- Some business houses should be attached with the institute where the students would be able to actually test their knowledge. For example the present project team should take students from Civil and management to monitor and complete the projects. Students will get exposure and work will be done well.
- This study recommends a re-examination of the classroom curriculum and the period of apprenticeship that should become an integral part of the academic work.
- The curriculum needs to be recast to prepare the students for junior management level jobs by introducing substantial duration of apprenticeship in organizations, if necessary with appropriate discipline/ sector specializations.

Conclusion

Globalization of curriculum is a must for successful B School performance. They not only put the institution in good picture but also make it a preferred choice among aspiring MBA students as well as employers. Making the students ready for tomorrow is a challenge for every B schools, but those who do it successfully, are the looked upon with respect and repute. Today, there are no dearth of B schools offering MBA education, but every institution need to stand out by imparting quality education and not just offering good placements to attract students. Quality education would always assist you to move ahead in life and pave your own path. So opt for an MBA school that has good curriculum that incorporates global standards.

B-schools cannot make a successful manager in classrooms. What is needed is the industry interface which builds confidence among the students. Whatever the doubts the students posses can be clarified and verified with their exposure to corporate world. The theoretical background in the classrooms along with practical exposure in the corporate world can make successful managers of tomorrow.

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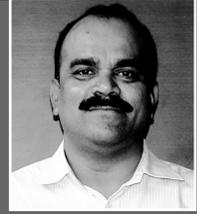
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Customer Life Time Value Computation.... A strategic tool to gain competitive advantage



Dr. Raghunadh Acharya Madabhushi

In this world of abundant opportunities and increasing business complexities, it is imperative for every business manager to adopt such strategies and tools that enable the business firm remain competitive and continue to provide value to its clients.

However the question remains – How do we achieve these conflicting objectives that affect the bottom lines of the organization?

It is interesting to note here that majority of the strategies or plans are primarily a response to a given situation, rather than enabling an organization set a pioneering trend for other business firms to follow.

At this outset, how do organizations keep track of emerging new tools and techniques to sustain business and determine the most appropriate tool or a technique that can cater to their needs? It is even necessary to question not only the results of the strategy but also business objectives that prompt firms to evolve set of objectives to pursue. These questions are not limited to any one functional area of business, but have encompassed every facet of business.

Marketing, has over the years, has emerged from a functional body of knowledge to an umbrella of various fields of knowledge, from product / Brand Management to Customer Relations Management to Knowledge Management applications. Each branch of marketing has come to play a pivotal role in enabling an organization achieves its business objectives.

Business organizations have always embraced various strategic models from time to time; more so aligned to market dynamics and have shown the penchant to adapt to changing environment. These models have enabled organizations to think strategically and evolve competing, value driven strategies.

With increasing business complexities, the focus has shifted from objective based strategy design to that of designing strategies that are based on facts and analysis – Analysis that encompass Revenue, Costs, Quality, and Efficiency and Effectiveness.

Irrespective of the metrics used for measurement, Customer has always remained the center of focus, and majority of the studies are directed at customers. We are witness to the increasing demand for new strategic models designed for

- Customer Creation and Retention
- Demand Stimulation and Forecasting

- Understanding Customer Perception and Behavior
- Understanding Customer affiliation and association trends
- Customer Satisfaction and value-additions
- Customer Churn Analysis

Of late, Customer creation and retention has gained prominence in every industry, virtually compelling every vertical within an industrial segment seeking new ways and means of measuring the rate of customer growth, rate of customer erosion and of course the extent to which value preposition of the company is able to retain a customer for a period of time.

There are numerous studies that measure the degree of customer retention and growth for various verticals, however one of the recent and most comprehensive model that facilitates the company to evaluate their business effectiveness in terms of customer retention is “Computing the Lifetime Value of a Customer”.

What is Customer Lifetime Value?

Customer lifetime value is a marketing metric that projects the value of a customer over the entire history of that customer's relationship with a company.

Use of customer lifetime value as a marketing metric tends to place greater emphasis on customer service and long-term customer satisfaction, rather than on maximizing short-term sales.

The fundamental shift towards **Value Based Management (VBM)** has led to an increasing demand for sophisticated and refined customer valuation methods.

The concept of customer lifetime value (CLV) is an appropriate metric to assess individual customer, which can be used to manage and monitor the customer making use of disaggregated cash flows of individual customers, i.e. by looking at the different profit streams yielded by the single value-enhancing customer activities like up buying, cross buying or word-of-mouth activities.

However it is important to initially define the various stages of customer relationship progression so as to assess the lifetime value. Typically in a Business scenario different phases in a customer life cycle are

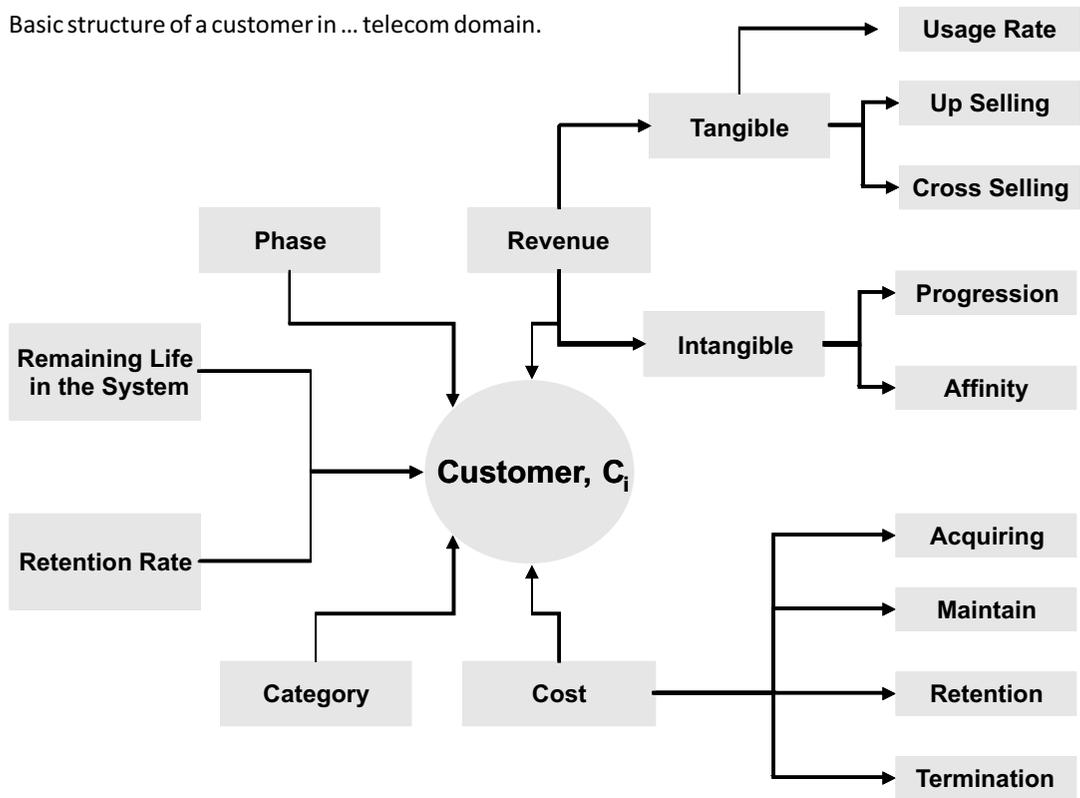
Acquire → Introduce → Profile → Grow → Cultivate → End (or terminate)

Cultivate phase is of longest duration and any company's efforts must be emphasized on extending the duration of a customer during this phase.

In order to gain deeper insights into the conception, comprehension and adoption of this model, this paper attempts to relate the concept to the telecom Industry.

This paper initially provides the conceptual mapping of customers in Telecom Industry, then elaborates the critical components of information (data) required to compute Customer Lifetime Value.

Basic structure of a customer in ... telecom domain.



Customer segments (groups) can be formed on the basis of various categories mentioned in the diagram – either on the basis of the phase in which they are, or the category they belong to, or the cost of managing customers at various levels.

However we need to realize that all these attributes mentioned are independent

The CLV is computed as follows.

In order to construct CLV, the customers are categorized based on their Profile. CLV can be computed independently on the basis of the revenue generated, costs incurred, transactions recorded by them and of course on their demographic profiles.

The value of the Profile Indicator P_i of the customer C_i is decided by the management keeping in view of the category to which the customer belongs.

The Profile Indicator P_i is computed based on demographics - Age, Income, Marital Status, Average Usage, life in the system. Predominantly Cluster analysis is used to form Clusters that are ranked based on one of the factors, and in turn these ranks are converted in to appropriate numbers.

The revenue by Customer ' C_i ' could be generated from Tangible and Intangible sources. Revenue generated by the customer and cost incurred by the company up to time ' t ', ($t = 0, \dots, T$ i.e. from the time he joins till the point of computation) is computed.

The various components that affect the tangible revenue are as follows.

- The amount paid at the time of joining the service O_i
- The points given to revenue generated by means of Usage. AR_{ti}
- The points given to Up buying revenue is UR_{ti}
- The points given to Cross buying revenue CR_{ti}

The revenue generated by the increased usage and by using additional products will get reflected in autonomous revenue AR_{ti} .

The points given for up buying and cross buying are as follows.

If the usage is increased consistently by at least 20% for the latest three months then

UR_{ti} = the total additional revenue generated in the latest few months * 0.01

CR_{ti} = the additional amount generated by using the other products * 0.01

(Only in cases the usage of the products is at least one thirds of the products offered)

The gross revenue generated by Tangible Sources up to time 't'

$$GR_{ti} = O_i + \sum_{t=1}^T (AR_{ti} + UR_{ti} + CR_{ti}) / (1 + d)^t \quad \dots\dots\dots (1)$$

'd' is the discount rate appropriate for the Marketing Investments, O_i is fixed with respect to customer 'Ci'

The sources of Intangible Revenues are

- (a) The Number of customers 'Ci', Introduced to the Service.
- (b) The Affinity factor, the network created by the customer 'Ci', with other Customers 'Cj' (j = 1,2,3, K) by means of Frequency of calls made and Frequency of Messages sent i.e. .SMS, MMS etc.

The revenue computed based on (a) and (b) is as follows.

Let $n_i, n_i = 0,1,2,3,\dots,N$ be the Number of Customers Introduced by customer 'Ci' in the duration (0,T], and among the introduced ones some might have left.

Thus the indirect revenue generated by the customer Ci by means of Introductions is Given by

$$\sum_{x=1}^n GR_{ix} * D_i, \quad i = 1,2,3,4,5 \text{ and } 0 < D_i < 1 \quad \dots\dots\dots (2)$$

D_i , is the points given for Introduction. (e.g. $D_i = 0.01$)

Typically the value of D_i is as follows

$$2 \leq n_j < 4 \dots\dots D_1, 4 \leq n_j < 8 \dots\dots D_2, 8 \leq n_j < 12 \dots\dots D_3$$

$$12 \leq n_j < 15 \dots\dots D_4, n_j \geq 15 \dots\dots D_5$$

The affinity factor is based on Network developed by the customer C_i

f_{ij} -- the frequency of calls made by Customer ' C_i ' to Customer ' C_j '

s_{ij} -- the frequency of Messages sent by Customer ' C_i ' to Customer ' C_j '

d_i -- the number of days the Customer ' C_i ' is in touch with Customer ' C_j '
for $i, j = 1, 2, 3, \dots, K$ and $i \neq j$.

Typically the Affinity factor with respect to calls can be as follows.

For $7 \leq d_i < 15$

and

$$2 \leq f_{ij} < 5 \dots AC_{11}, 5 \leq f_{ij} < 10 \dots AC_{12},$$

$$10 \leq f_{ij} < 15 \dots AC_{13}, f_{ij} \geq 15 \dots AC_{14},$$

For $15 \leq d_i < 21$

and

$$2 \leq f_{ij} < 5 \dots AC_{21}, 5 \leq f_{ij} < 10 \dots AC_{22},$$

$$10 \leq f_{ij} < 15 \dots AC_{23}, f_{ij} \geq 15 \dots AC_{24},$$

For $d_i \geq 21$

and

$$2 \leq f_{ij} < 5 \dots AC_{31}, 5 \leq f_{ij} < 10 \dots AC_{32},$$

$$10 \leq f_{ij} < 15 \dots AC_{33}, f_{ij} \geq 15 \dots AC_{34},$$

Typically the Affinity factor with respect to Messages can be as follows.

For $7 \leq d_i < 15$

and

$$2 \leq s_{ij} < 5 \dots AS_{11}, 5 \leq s_{ij} < 8 \dots AS_{12},$$

$$8 \leq s_{ij} < 11 \dots AS_{13}, s_{ij} \geq 11 \dots AS_{14},$$

For $15 \leq d_i < 21$

and

$$2 \leq s_{ij} < 5 \quad \dots AS_{21}, \quad 5 \leq s_{ij} < 8 \dots AS_{22},$$

$$8 \leq s_{ij} < 11 \quad \dots AS_{23}, \quad s_{ij} \geq 11 \dots AS_{24},$$

For $d_i \geq 21$

and

$$2 \leq s_{ij} < 5 \quad \dots AS_{31}, \quad 5 \leq s_{ij} < 8 \dots AS_{32},$$

$$8 \leq s_{ij} < 11 \quad \dots AS_{33}, \quad s_{ij} \geq 11 \dots AS_{34},$$

The Indirect revenue generated by customer C_i by means of Affinity factors is

$$\sum_{x=1}^n GR_{tx} * (AC_{ij} + AS_{ij}), \quad l = 1,2,3, \text{ and } j = 1,2,3,4 \quad \dots \dots \dots \quad (3A)$$

$$0 < AC_{ij} + AS_{ij} < 1$$

For the customers who are in the service, and for the customers who are not in the service it can be computed as follows

$$GR_{ti} * (AC_{ij} + AS_{ij}), \quad l = 1,2,3, \text{ and } j = 1,2,3,4 \quad \dots \dots \dots \quad (3B)$$

The values d_i, AC_{ij}, AS_{ij} are decided based on a detailed study of the data.

From equations (1), (2), (3A), (3B) the revenue generated from tangible and In tangible sources by customer 'Ci' is

$$\begin{aligned} RV_{ti} &= GR_{ti} + \sum_{x=1}^n GR_{tx} * D_i + \sum_{x=1}^n GR_{tx} * (AC_{ij} + AS_{ij}) + GR_{ti} * (AC_{ij} + AS_{ij}) \\ &= O_i + \sum_t (AR_{ti} + UR_{ti} + CR_{ti}) / (1 + d)^t + \sum_{x=1}^n (O_i + \sum_t (AR_{tx} + UR_{tx} + CR_{tx}) / (1 + d)^t) * D_i \\ &\quad + \sum_{x=1}^n (O_i + \sum_t (AR_{tx} + UR_{tx} + CR_{tx}) / (1 + d)^t) * (AC_{ij} + AS_{ij}) + GR_{ti} * (AC_{ij} + AS_{ij}) \\ &= O_i + \sum_t (AR_{ti} + UR_{ti} + CR_{ti}) / (1 + d)^t + \\ &\quad \sum_{x=1}^n (O_i + \sum_t (AR_{tx} + UR_{tx} + CR_{tx}) / (1 + d)^t) * (D_i + AC_{ij} + AS_{ij}) + GR_{tx} * (AC_{ij} + AS_{ij}) \dots (4) \end{aligned}$$

$$l = 1,2,3, \text{ and } j = 1,2,3,4$$

The cost components Incurred by the company towards customer C_i are

SC_{ti} the Serving Cost of customer C_i for a time period 't'

MC_{ti} the Marketing Cost of customer C_i for a time period 't'

AC_i the Acquiring cost of customer C_i , is for the time he is in the system , for a customer who had just joined ,while computing CLV considering AC_i as it is may skew the CLV i.e. it might indicate a negative or a small value and less preference is attached to that customer.

Thus the acquiring cost can be taken as follows

If the customer's life time is greater than ' ϕ ' then the acquiring cost is to be taken as AC_i Otherwise it can be considered as $AC_i \leftarrow (AC_i * \text{number of months he is in service} / \phi)$, where ϕ is the average life of a customer in the system.

The cost incurred by Company on Customer ' C_i ' till time 't' is

$$NC_{ti} = AC_i + \sum_t^T (SC_{ti} + MC_{ti}) / (1 + d)^t \quad \text{.....(5)}$$

From (4) and (5)

The CLV of Customer ' C_i ' is given by

$$CLV_i = RV_{ti} - NC_{ti} + P_i$$

$$= \left\{ \begin{array}{l} O_i + \sum_t^T (AR_{ti} + UR_{ti} + CR_{ti}) / (1 + d)^t + \\ \sum_{x=1}^n \left(O_x + \sum_t^T (AR_{tx} + UR_{tx} + CR_{tx}) / (1 + d)^t \right) * (D_i + AC_{ij} + AS_{ij}) \\ + GR_{ti} * (AC_{ij} + AS_{ij}) \end{array} \right\} - \left\{ AC_i + \sum_t^T (SC_{ti} + MC_{ti}) / (1 + d)^t \right\} + P_i$$

$$= -AC_i + \left\{ \begin{array}{l} T \\ O_i + \sum (AR_{ti} + UR_{ti} + CR_{ti}) / (1 + d)^t + \\ n \\ \sum_{x=1}^n (O_x + \sum (AR_{tx} + UR_{tx} + CR_{tx}) / (1 + d)^t) * (D_i + AC_{ij} + AS_{ij}) \\ T \\ + GR_{ti} * (AC_{ij} + AS_{ij}) \end{array} \right\} - \left\{ \begin{array}{l} T \\ \sum (SC_{ti} + MC_{ti}) / (1 + d)^t \\ t \end{array} \right\} + P_i \dots(6)$$

Conclusions

The model derived for computing Life Time Value of a Customer (CLV) will be primarily used to manage and monitor the customer so that the existing customer is not lost to the system. This becomes important in view that acquiring a new customer is very expensive. Usage of the affinity factor is remarkable feature in this model.

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Managing the Boss

K Kumar

What Type is Your Boss?

Managing one's boss has a crucial role to play in managing one's career.

Generally, we see that very few are good at managing a boss, and getting along with each other, resulting in a happy workplace. The charge of positivity spreads across the workstations. Good Bosses are almost synonymous to good appraisals-good feedback-good progress, etc. Whereas, bad bosses are known for being otherwise. But at the outset, if one is asked as to who wants to be a bad boss?, unequivocally, the answer is none. Then why the hell do we tag a few bosses as bad bosses and praise a few as good ones? It is probably unfair and hasty to segregate the bosses into good and bad. What differs is only the type of the personality. Werthierner's Gestalt psychology says, that the whole is different from the sum of its parts. The law of proximity of Gestalt psychology says that the elements that are closer together will be perceived as a coherent object.

The popular belief about those unhappy employees is that 'employees leave the bosses and not the companies'. Managing the Boss is one of the crucial activities that has a vital role to play in determining the performance of an employee. The article will explore the general behavioral tendencies of the bosses towards the subordinates and offers the possible solutions to maintain congeniality between a boss and his subordinate.

Gestalt's psychology can be applied to the boss before tagging him good or bad. Applying the same to the boss' behavior, the personality of the person who is incidentally a boss, appears close to or perceived same as the role of the boss.

One should appreciate that a person carries two aspects being a boss.

- 1) The type of personality he possesses,
- 2) The role and responsibility of the position he serves.

Thus, one can infer that:

Role of the Boss + Type of the personality = Good Boss/Bad Boss.

However, the role and responsibilities of bosses of the same level of hierarchy more or less, remains the same. Hence, what differs is the type of personality they assume. Hence, what makes a boss good or bad, is his personality.

Several managers serving in similar positions (of HR manager, for example), in the same company, may create different impressions among people. Or, the same person can be serving various roles in the hierarchy, over a period of time, making several impressions on people. Or the same person in the same position can be making various impressions among several people. What is the difference in the dynamics that is taking place in each one of the cases?

After an exhaustive study of literature on the bosses and the boss behaviors, the article attempts to classify the bosses into four types, which is arranged in the Matrix I. Let us observe the various possible behaviors of the bosses at the workplaces, with the help of the matrix. The matrix shows behavioral tendencies of the bosses, which can be determined by the positions (the roles and responsibilities) they serve, vis-à-vis the impression they create on others (subordinates).

The first type, i.e., the Honeymoon bosses are the ones who in a given position, during a given period of time, create the same (positive) impression among people. It is difficult to predict whether their behavior is going to sustain, when they assume a different role and responsibility, at a different level of the hierarchy. These are the self-managed bosses, who tailor their behavior in accordance with the context, role, relationships and the responsibilities. In other words, the behavior of the Honeymoon Boss, is the function of their position, their responsibilities and their existing relationship with others. Their behavior is controlled by the aforementioned external factors. Their values are likely to change, their principles are likely to vary and their stances are likely to shift with the changes in the external factors. The likelihood of the Honeymoon bosses graduating into the Mr. Dependable, is unpredictable. It takes time and a keen observation to qualify a Honeymoon boss as Mr. Dependable (Quadrant-II).

Mr. Dependable is the one who attains a mature behavior, whose behavior is no longer in the control of the external factors. He is well managed, principle centered, and adopts a value-based management style. He is the one who masters the art of managing people, rather than giving them a scope of managing him.

He gets along with others smoothly, situationally, reasonably, with a sense of maturity and accountability. Every move of Mr. Dependable is equipped with a reason and a convincing logic. He is more driven by the adult state of his ego (Reference; Eric Berne; Transactional Analysis). He is influenced by the innate principles, than getting affected by the external influence. He is a principle centered boss.

Matrix I

	Same Position(s)	Different Position(s)
Same Position(s)	I The Honey Moon Boss	II Mr. Dependable
Different Position(s)	IV Mr. Maneuverable	III The Chameleon Boss

'Adult' of TA has the Most of EI

It is worth paying a thought as to which state of ego (referring to transactional analysis) allows a person to be emotionally intelligent. After having come across the characteristics of the states of ego, it is clear to us that the child state of ego is immature, adamant, inflexible and not a good decision maker. Similarly, the Parent state of ego is directive, instructive and authoritarian in nature. Hence, this state of ego does not allow a person to consider others as important and thus fails to consider others' suggestions and viewpoints. This makes him unpopular among his peers and subordinates.

Adult state of ego is the one, which keeps a person's thought process balanced. It allows a person to practice equilibrium thinking. Such a person would care for all, consider their views, and show concerns for them. He takes decisions in consultation with others, gives equal importance to personal competence and social competence. Thus, a person with adult state of ego is the one who can:

- Understand his emotions
- Manage his own emotions
- Motivate others
- Recognize and understanding other people's emotions
- Manage relationships, i.e., manage the emotions of others

To sum up, adult state of ego is the one, which allows a person to be emotionally intelligent at the work place, thereby fostering a healthy work culture, and enhancing overall organizational productivity.

The Third quadrant of the matrix is about the Chameleon Boss—the most difficult and the most unpredictable boss, who behaves in a different manner with different people, irrespective of the positions he holds. These people are moody and reserve their choice and preference of their behavior with the employees.

The fourth quadrant is Mr. Maneuverable, whose behavior is again varying from person to person. Mr. Maneuverable, most of the times, is under the influence of the external factors and he behaves differently towards different people. The reason behind his varying behavior is other's ability to understand him, and they control his behavior with their knack of managing the boss effectively.

Desirability and Compatibility

Matrix II

Having understood the underlying dynamics of the boss behavior, let us try to appraise the desirability levels and the compatibility factor with respect to each of the four types of bosses from the employees' point of view.

Mr. Dependable is the choicest of all the bosses, whose behavior is highly desirable and highly compatible, to most of the employees. As we discussed above, Mr. Dependable's behavior is not influenced by the external factors. He is driven by a set of principles, irrespective of the role or position he serves in the organization.

The Honeymoon boss, on the other hand, could be rated high on the grounds of compatibility, but the fact that the compatibility holds good as long as he is serving a particular position, brings down the levels of desirability. A Honeymoon Boss, by his congenial behavior, raises the desirability levels among the employees, only to disappoint them by changing his behavior with the change in the role. Hence, he is rated high on the compatibility factor, but low on the desirability factor.

		Matrix II	
		High	Low
D E S I R A B I L I T Y	H i g h	I Mr. Dependable	II Mr. Maneuverable
	L o w	IV The Honeymoon Boss	III The Chameleon Boss

The Chameleon boss, as the name suggests, is low in the desirability, as well as the compatibility levels. He is characterized by displaying different behaviors towards different people, thus making different impressions. The Chameleon boss is the most unpredictable of all the bosses, as he has his pre-determined notions, attitudes and perceptions towards people. Thus, he is rated low on desirability as well as compatibility factors.

Lastly, Mr. Maneuverable is the one who, though behaves in a different way with different people, it is actually those people who manage and control the behavior of the boss. And it is the way people understand and manage him, determines the behavior of Mr. Maneuverable. The Chameleon boss' behavior is more determined by his pre-determined notions, and his stereotypical perceptions whereas Mr. Maneuverable's behavior is a mere reciprocation of the people's understanding and behavior towards him. But then, we observe often that not everyone can maneuver a boss. Which is why, though a maneuverable boss is desirable to all, he is compatible to a few. Hence, he is rated high on the desirability parameter, but rated low on compatibility.

While that was about the desirability and compatibility levels of all types of bosses we had identified, the discussion, henceforth, will focus on how to manage the bosses with varying levels of compatibility and desirability. The discussion may keep the Mr. Dependable out of the purview, as he is self-managed and selfdisciplined. He is driven by his innate set of principles that rate him high on desirability as well as compatibility. Now the focus is on the remaining three. To start with, the Honeymoon boss is rated high on compatibility, but it is too early to say whether he would turn out to be Mr. Dependable or the Chameleon boss, or Mr. Maneuverable. And if the Honeymoon boss actually turns out to be Mr. Dependable, the story has a happy ending. But unfortunately, if he turns out to be a Chameleon boss, he will go on creating friends and enemies, eventually resulting in growing attrition and high employee turnover owing to the bad boss. Now, considering the characteristics, we may arrange the bosses on the following scale:

Mr. Dependable: Best for all times

The Honeymoon: Good (as long as his behavior is consistent with all)

Mr. Maneuverable: Better (than the Chameleon boss)

The Chameleon Boss: Worst of all.

Now the million-dollar question out of the discussion is:

Can the Chameleon Boss be converted into Mr. Maneuverable?

The answer is yes!! Certainly he can be. The answer to the question is discussed in part II of the article.

What Makes a Principle-Centered Leader?

Covey identifies the touchstones, which qualify a leader as a Principle-centered Leader. These are:

Trustworthiness

Covey advocates that trust is the prime factor, which establishes a gateway to a clear and transparent communication between two people. He feels that people instinctively trust those who adhere to correct principles. When trust is high, the communication becomes easy, effortless and instantaneous. Covey draws an analogy between the correct principles and a compass. He calls the principles a compass and cautions people to follow the compass (a set of correct principles) in order to be on the right track and warns that there is no quick-fix solution, but to adhere to them strictly. Principles are different from values or beliefs. Covey makes the distinction clear by calling values or beliefs as something created and adhered to by people, whereas principles are a set of gospels framed

by Nature and acknowledged and adhered to by the human being. Values are subjective and internal, whereas principles are objective and are external.

Values and beliefs, he clarifies, are subject to change with the changing times, trends, and practices, whereas principles are rock steady and permanent in nature.

Continuous Learning

Covey observes that principle-centered leader is a continuous learner. His sources of learning are not restricted only to the contents of the books, but includes his every experience and every observation. Hence, principle-centered leaders are primarily good listeners. They listen with their ears, eyes, heart and mind. Their learning is never brimmed over. For them, ignorance is sin. They do not associate themselves with particular domain or discipline. They seek knowledge, irrespective of the domain they come across. They are ardent believers of the Japanese approach of Kaizen.

One needs to, according to Covey, elevate one's personal worth and aim at self-mastery. This, he feels, can be done by promising to oneself a course of continuous improvement. He says: "One should promise oneself and keep it until one has established a control over the promise; and then elevate to the next level of promise." This reinforces the continuous learning with an intrinsic motivation to learn.

Service Oriented

Principle-centered leaders are generally "others-oriented" than self-oriented. When they assume leadership, they assume stewardship rather than an authoritative or a commanding attitude. They believe in leading from behind, like a shepherd leads the sheep.

Positivity

Principle-centered leaders cannot tolerate an iota of negativity around them. They have a compelling urge to create a positive gallery around them and think, speak and act optimistically. They try to avoid the sources of negative energies.

They Radiate Positive Energy

Covey reveals that principle-centered leaders speak nothing other than positive. They see things with a positive attitude; they feel the positive energy and spread around them an aura of positivity.

They are allergic to negativity. They also have the knack of changing the negative charge with positive thoughts, positive attitudes and positive thinking. However, it is easier said than done to speak, think and see positive. It all actually depends upon how you perceive things. Perception is the mother of the attitude you develop towards someone or something. Hence, it actually depends upon whether to perceive something positively or negatively. Consequently, the next mantra of Covey reveals how to create an aura of positivity around oneself and adopt a principle-centered leadership.

They Believe in Others

Covey observes that usually people have a tendency to label others with certain unwholesome characteristics, which tarnish their personality, image and prevent their further personal and professional growth. This labeling is done because of a general tendency of many to think stereotypically. The stereotypical thinking tempts them to magnify the momentary behavioral aspects and belittle or ignore the potential of the candidate. Thus, they gradually neglect the difference

between the behaviour and potential of a person and treat him on the basis of once or twice-displayed behaviour, rather than exploring his potential and improving him further. This tendency creates a fissure of unwarranted hostility between the two, thus giving way to the negative feelings, negative speaking and negative thoughts. Covey condemns the practice of labeling others without having witnessed the inner potential. Rather, he says that the principle-centred leaders believe in the ability of everyone and try to expose the inner and untapped talent.

They possess the ability of the unseen potential and nurture the person into a more efficient one. They are not affected much by the negative behavior of others. They do not prefer reacting to the situation immediately, by scolding them. They do not carry grudges against anyone. They have a matured and generous sense of forgetting and forgiving in such situations. Covey believes that believing in the unseen potential creates a climate for growth and opportunity. They do not overreact to the negative contexts, weaknesses or negative behaviours of people and firmly believe that behaviour is different from potential. Behaviour is something ephemeral, momentary and learnable activity, while potential is something innate and primal, which can also be developed and improved. Hence, the positive perception and positive behaviour towards others, undoubtedly creates a positive aura around the leader, thus making him an exemplary principle-centered leader.

They Lead Balanced Lives

The principle-centered leaders prefer maintaining a balance in the personal and professional lives. They keep a balance of emotions. They are active on all the fronts, viz., social, professional, personal, domestic, etc. They keep themselves well connected to the outside world. They keep themselves abreast of the current affairs on various issues. Covey defines these leaders in terms of their communication as simple, direct and non-manipulative. They are active, have a lot of fun, enjoy the life and have a healthy sense of humor. They practise equilibrium thinking. They do not lose balance in any kind of situation. They have a levelheaded thinking. They have a sense of identifying and classifying a task as good, bad, similar, dissimilar, important, unimportant, etc. They have a tendency of looking at things in an organized manner in terms of continuums, matrices, graphs, hierarchies, etc. They avoid being extremists in any one field; rather, they spread across their presence and performance in various areas. They do not have any area, which is unrelated to them. Covey observes that a principle-centered leader is not an eccentric.

Neither is he a holiday freak, nor does he claim to be a workaholic. He is neither an agnostic nor is he a religious fanatic. He neither broods over by-gones, nor does he bother about the future unpredictabilities.

Life as an Adventure

Principle-centered leaders enjoy trying out new things on professional or personal fronts. Covey compares them with those courageous explorers who relish exploring the risky and uncharted avenues.

Principle-centered leaders look at life as an adventure too. They will leave no stone unturned in exploring new and apparently risky areas, and make contributions to the field. Covey calls them unflappable, who have an irresistible adaptability to attune themselves to anything that comes along. For them, as Covey puts, life is never a scarcity. They live life king size.

Synergistic

Synergy, as Covey defines, is a state, which is in accordance with the Gestalt's Theory—"Whole is better than sum of the parts." And the principle-centered leaders live, manage, and lead in accordance with the Gestalt's psychology. Covey suggests that the principle-centered leaders are excellent change catalysts. They lead with a belief that they have the ability to improve anything they get into. They treat people as different from the problems and they are not judgmental towards people. They have the irresistible tendency to think out-of-the-box.

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Book Review

Subir Roy

Made in India – A Study of Empowering Competitiveness

Tata McGraw Hills, New Delhi, 2005

ISBN: 0-07-048366-3, pp: 210

At the dawn of Liberalization, Privatization and Globalization era, popularly known as LPG era, even corporate giants in India shivered out of fear. Their fear was that there would be a competitive environment in which they would be required to operate which they were not used to till then. With the total transformation from license raj to liberal policies of the Government, corporates from abroad might commence their operations, compete with Indian companies and beat them hollow. This was primarily the reason for their serious fear. Some of them went into oblivion; many survived the competition while others emerged as the winners in the game. Scholars engaged in research studies on organizational culture in the country prepared themselves to focus on the factors that contributed to their success, strategies the winners followed to withstand the competition and other related aspects. Subir Roy, a financial journalist undertook a detailed study of some of the globally competitive industries and brought out the publication with a catchy title, "Made in India: A Study of Emerging Competitiveness". The publication is based on a research that he carried out taking nearly one decade. An initial impression on the title of the book might remind the readers a pop song. But it is more an entertaining to those scholars and practicing managers who are interested in organizational culture, policies and practices in Indian industry, rather than music lovers.

The Author chose to study some of the key sectors like Software, Pharmaceuticals, Biotechnology, and dairying and milk products. He has also taken a close look at some of the firms like, Bharat Heavy Electricals, Reliance Industries, Sundaram Brake Linings, Sundaram Fasteners, TVS Motors, Tata Steel and General Electric.

The Indian companies experienced a sudden change in the business environment in 1991 with the announcement of Government's new economic policies. As the trade barriers were removed, entry of foreign companies to operate in Indian market forced the firms to adopt a style of management that would enable them to become more efficient. As the concept of competitiveness gained wide currency, the firms had to benchmark themselves against the best practices globally followed. It became imperative that a competitive firm benchmarks against cost, quality and productivity. The Indian companies have, over other countries, competitive advantage in anything that is knowledge based. Acquiring high skills is possible and that too cost effectively.

The Indian Software companies always had a set of major advantages over others. Some of the major players entered into this field ahead many others under the name automation. Further availability of skilled software professionals for a lesser cost to the companies helped the sector grow. However, with the slowdown in the US economy in the beginning of this century did affect them adversely. As the world was moving fast in the field of information technology the Indian players changed their style of management ably supported by proper leadership styles. The study brings out in the changes made in

this direction by TCS in this context. The emergence of BPOs and IT enabled services also contributed to Indian companies retaining competitiveness in this sector.

Indian pharmaceuticals have made a major impact on the global market. Two of them, Dr. Reddy's Lab and Ranbaxy have emerged as the global players. Their efforts to penetrate through global market commenced with manufacturing and exporting bulk drugs in the eighties. The industry had to operate under regulations imposed by the Government through Indian Patent Act in 1970s. The Act recognised process patent rather than product patent and it became an impediment to the growth of the sector. The Author has looked at Dr. Reddy's Lab that adopted the policy to concentrate on R&D efforts. They focused on developing new drugs and got them approved by the American regulatory body Food and Drug Authority. The Author highlights the success story of the two major Indian players and explains how they achieved their current status.

The Author after studying the sectors and firms draws a set of conclusions. The policy initiatives of the Government need to be further taken forward in order to create a business environment in which globally competitive companies could grow. Restructuring the public sector undertakings and eliminating unproductive controls need to be given a serious thought. The companies need to possess the right type of entrepreneurial leadership and effective management practices to remain globally competitive.

By **Dr. KS Ramesh**, Advisor, Aurora's Business School, Hyderabad and the Chief Editor-Aurora's Journal of Management. He can be reached at rameshks@absi.edu.in

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