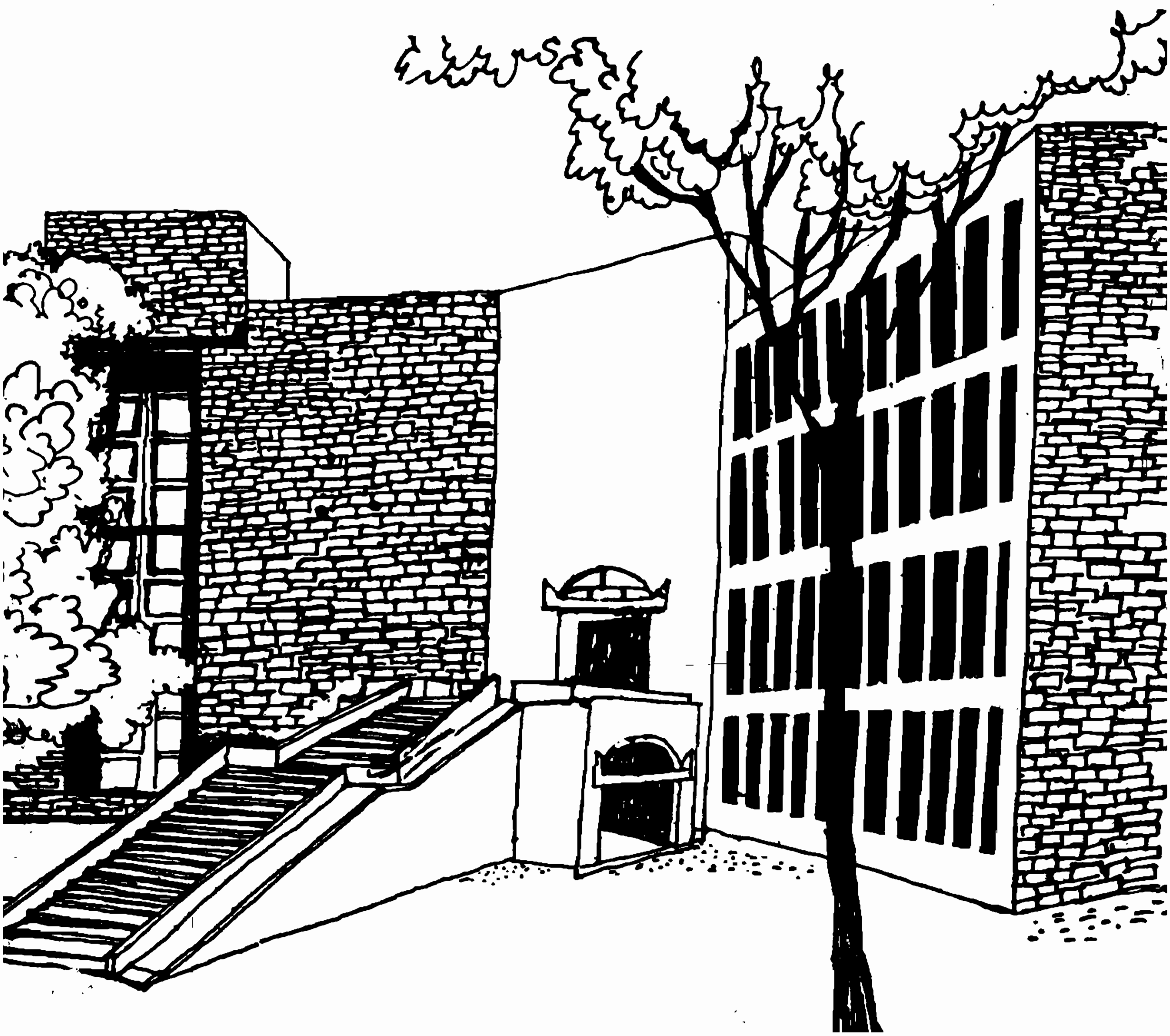
विद्याविनियोगाद्विकासः

IIM AHMEDABAD

Working Paper



THORNY GLORY: TOWARDS ORGANIZATIONAL GREATNESS

By

Pradip N. Khandwalla

W P No. 1333
September 1996

INDIAN INSTITUTE OF MANAGEMENT
AHMEDABAD - 380 015
INDIA

Thorny Glory:
Towards Organizational Greatness

If no one heeds your call
go alone ......
with bleeding feet
tread the path of thorn

-- Rabindranath Tagore

Pradip N Khandwalla
Indian Institute of Management, Ahmedabad

THORNY GLORY: TOWARDS ORGANIZATIONAL GREATNESS

Pradip N Khandwalla
Indian Institute of Management

Abstract

It is argued that organizational greatness is worth probing because it may play a significant role in human evolution. Organizational greatness is postulated to require both performance excellence vis-a-vis organization centered, conventional indicators and exalted conduct or contribution of a moral, spiritual, ethical, idealistic, or socially beneficial nature. Five alternative approaches to the design of performance excellence are discussed, namely, environmental determination, organizational attributes, strategic choice, synergy between organizational elements, and synergy between contextual variables and organizational variables. A model of performance excellence in a competitive domain is presented, which argues that in such a domain inescapable adaptive responses by the organization to a powerful contingency or a strategic choice do not augment relative performance, unless they are supplemented by uncommon but appropriate discretionary responses. Nine alternative paths of exaltation are discussed, namely, stakeholder orientation, corporate social responsibility, strategic domain development orientation, institution building, organizational ethics, organizational justice, organizational altruism, radical humanism, and organizational spirituality. Several examples are given of organizations that have excelled both on conventional indicators as well as in terms of exalted conduct or contribution. It is argued that in a competitive context exalted conduct or contribution can be pursued by the organization at three alternative levels. At the lowest level it amounts to compliance with legal requirements or strongly held social expectations about moral, altruistic, or socially responsive conducts. At a modest level it can be pursued to cash any synergy exalted conduct or contribution may have with the pursuit of conventional performance excellence. At still higher level sacrifices may well be required in terms of indicators of conventional performance excellence. The pursuit of the sublime along with the mundane increases the organization's operating complexity and requires more differentiated strategies, structures, know-hows, and rules. For excellence on both mundane as well as sublime indicators, the organization needs to deploy uncommon and complex forms of integration, and needs to pursue creatively strategies and styles that produce additional slack to cushion initial failures. It is argued that certain kinds of contexts reinforce exalted conduct and contribution, such as times of societal regeneration, of disillusionment with capitalism, and social and political ferment. Increased professionalization of the work force may also reinforce such conduct and contribution. The perspective of organizational greatness offers major challenges to both managers and organizational researchers.

APPROACH TO ORGANIZATIONAL GREATNESS

Prelude

In 6000 quicksilver years the human species has climbed from bestial existence in forests and savannahs to peaks of art and culture, technology and science, mentation, philosophy and spirituality. It has also stumbled into genocide, imperialism, racism, bigotry and world wars. Special individuals may have played a prominent role in these leaps and falls. What would human civilization be without the Buddha, Confucius, Plato, Jesus, Gandhi, Marx; or without Newton, Einstein, or Freud; or without Shakespeare, Goethe, Kalidasa; or without Alexander, Asoka or Constantine; or indeed without the thousands of other immortals, each of whom gave an upward shove to a perennially sagging humanity? Equally, of course, the world would not be so pock-marked without the hits of the Hitlers, Stalins, Idi Amins and Genghis Khans. The central problem of human evolution is not the development of more powerful technologies to satisfy human vices but the understanding and nurturing of greatness and the development of approaches and technologies for transcending smallness. Can organizations play any part in this venture? Can great organizations--of wisdom, farsight, love, ethical integrity, courage, generosity, justice and creativity - be engineered for this purpose? Could they run against the tide of strategic dominance, profit maximization, competitive advantage, core competence, strategic alliance for market dominance, and other nostrums for corporate power and wealth?

The word "great" has many connotations. One has to do with bulk, such as the statement that the U.S. is the world's greatest producer of automobiles. Another relates to the feeling of consumption delight, as in the statement: "What a great meal!" Another one has to do with perkiness: "I feel great today." The fourth connotation has to do with outstanding performance: "Becker played great tennis in beating Sampras." The fifth connotation has to do with a feeling of exaltation: "What a great and moving poem;" "Asoka was a great, humane king;" "Classical Greece was a great civilization;" "Ramakrishna was a great divine." This connotation is the one primarily used in this enquiry into organizational greatness, although in practice greatness as exaltation may not be always independent of vast bulk, deep satisfaction, or outstanding performance. But it is the meaningful, noble, sacred, uplifting, sublime connotation of greatness that may be most deeply associated with our evolving from the brutish to the divine. This form of greatness may be especially badly needed because today we live simultaneously on the brinks of extinction, dehumanizing commercialism, as well as potential greatness, and we need an exalting force to counteract our nearly limitless destructiveness and greed.

A Probe into Organizational Greatness

Over the years the enquiry into what constitutes excellence and what causes it has been a distinguishing feature of the organizational and management literature. A narrowly instrumental view of organizations has tended to limit the enquiry to organization-centered excellence, and the concern has primarily been with excellence or effectiveness vis-a-vis organization-centered goals like profitability, growth rate, efficiency, productivity, target fulfillment, employee and customer satisfaction, etc. While there is some literature on the role organizations and their managements play in society (Berle and Means, 1934; Burrell and Morgan, 1979; Chandler, 1977; Galbraith, 1972; Perrow, 1979), rarely, if ever, has there been an enquiry into the architecture of organizational greatness, and its implications for human evolution.

Excellence and greatness are obviously related. There may be no acknowledgement of greatness without operating excellence; but mere operating excellence may not confer greatness. Greatness may require an exalting contribution and/or a splendid embodying of some sacred attributes like wisdom, courage and dedication to a noble cause. Thus, being the most profitable corporation in a competitive industry may merit the rating of excellence; yet, it is when a corporation has succeeded commercially but by catering to the neediest in a society rather than those with the greatest purchasing power, or when the corporation has embodied in its functioning a level of integrity rare in the commercial world, or worked for a great social cause that the corporation may earn the appellation of "great."

But why do we need organizational greatness? After all, we do not need great organizations to produce the cars and cosmetics and drugs and white goods and entertainment and qualifications that people generally want. In a competitive market economy these goods and services are generally produced fairly efficiently by competently run organizations, and since most of the world's peoples now live in market economies, why bother about organizational greatness?

The market economy, however, is not a perfect economy. There are many market failures (Kapp, 1971). Resources are not necessarily channeled as per human need but often on the basis of greed and according to the preferences of the haves rather than the have-nots. There is often an artificial creation of demand through manipulative advertising and promotion, so that resources often tend to flow less to the channels of the quality of life and to "public" goods and more to advertised vulgarities and aggressively marketed junk products. Worse still, a market economy creates a mindset that prices everything, including human relationships, truth, beauty, goodness and the rest of the eternal verities. The sublime is discounted by its high cost and people tend to settle for "affordable" love, beauty, and goodness. A market economy may breed moral, aesthetic, and spiritual mediocrity on a mass scale. It often does raise the standard of living (per capita consumption) but may scuttle the quality of life. It is the signal role of greatness to jerk those lost, like the satiated band on the island of Circe, from the torpor of addictive lotus eating, into facing the possibility of a much more meaningful, significant life. In the process the sap of humanity rises higher.

Organizational greatness may be a complex, multi-dimensional phenomenon. It is vastly under-researched. Thus it makes sense to adopt initially the ideal-type approach in studying it as a phenomenon (Weber, 1949). An ideal-type is not a mere mental abstraction unrelated to reality. It usually has empirical or phenomenological roots. But as is well known, it may have no completely homologous empirical referent. As a device therefore it facilitates theoretical and empirical investigation of a complex phenomenon and also retains the openness to conceptual refinement in the light of research findings.

As a first cut organizational greatness is conceived to have two essential components, namely performance excellence and exalted conduct or contribution. Each of these, in turn, has several dimensions or constituents. In the literature (surveyed later), most attention vis-a-vis performance excellence has been paid to competitive excellence, more specifically competitive corporate excellence. Research has identified many shapers of organizational excellence in a competitive domain. These include the nature of the domain itself (environmental selection), organizational attributes, strategic choices, fit between contextual and internal variables, etc. Exceptional profitability or growth rate in a competitive domain is certainly worthwhile in its own right, and the competencies the achievement reflects can be a platform for sublime striving. But the best performance in the junk food industry has nothing exalting about it, although it is meeting some consumer need and is making useful contributions to various stakeholders. Unless it elevates public morality or health or aesthetics or makes a developmental, altruistic or spiritual contribution, or its functioning reflects a conception of justice, wisdom, courage, or compassion, it is unlikely to serve as an uplifting role model and be considered a candidate for greatness.

Sublime or uplifting conduct or contribution has many facets. One facet is surpassing positive externality - such as when an organization consciously catalyses the development of its domain of activity, for example by pioneering an innovation and actively diffusing it so as to benefit the whole industry and not just itself. A second facet is altruism - the organization extending a helping hand to meet an urgent need, usually of the disadvantaged, that is not met or not fully met by the dominant institutions of a society such as the market or the state. Another is the use of ethical means for achieving goals, especially in situations in which unethical conduct is commonplace or earns a large premium or invites large penalties. A fourth facet is surpassing contribution to human efflorescence - to human dignity, growth and development, freedom, love, peace and goodwill, aesthetics, spirituality. A fifth facet is the institutionalization within the organization of noble practices such as those relating to justice, prosocial behaviours, concern for all stakeholders, transparency, etc. The chief impulses powering these facets of uplifting conduct and contribution are caring, and commitment to an ideal or values, in short supply in an aggressively competitive world.

Greatness is relative. Both performance excellence and exalting conduct or contribution are relative to the norm for an industry, culture, or historical period. When performance and conduct or contribution are, let us say, two standard deviations above the relevant average, they are likely to be judged as surpassing. Thus, one characteristic of organizational greatness is its rarity or uniqueness. Also, the levels of performance and contribution are so strikingly different from the herd as to mark the organization out as obviously great. A great organization is like a peak amidst a plain. This rarity and obviousness are likely to create a consensus on the relative greatness of the organization even if its particular actions are controversial. Finally, great organizations, like great individuals, are likely to leave a lasting impact in their domain of activity because a great organization, like a great individual, redefines norms of excellence and the bounds of what is possible, and inspires heroic efforts among at least some in the herd.

Greatness is mostly striving. In the next section some of the literature on performance excellence is surveyed to identify what kinds of striving can help the organization achieve performance excellence, especially in competitive contexts. In the section after that several potentially exalting paths are briefly discussed, based on the literature on stakeholder theory, corporate social responsibility, strategic developmental organizations, institution building for values, organizational morality and ethics, organizational justice, radical humanism, organizational altruism, and organizational spirituality.

DESIGN OF PERFORMANCE EXCELLENCE

Since organizations are purposive collectivities, the performance outcome vis-a-vis these purposes is a key concern of the organization's stakeholders. Inevitably, therefore, many organizational and management studies have been devoted to studying the nature and determinants of organizational performance.

Organizational performance, and its associated concept of organizational effectiveness, is a complex, multi-dimensional phenomenon. Different stakeholders are likely to favour different measures (Khandwalla, 1988b). Performance measures appropriate in the short-run, or in one phase of the organizational life cycle, or in one domain of activity, or in one kind of society may not be appropriate in the long-run, or in another phase of the life cycle, or in another domain, or another kind of society. That is, performance is relative to the context. Performance indicators are numerous and they are not necessarily mutually compatible. Some indicators are "objective," while others are subjective. Objective and subjective measures may not correlate well. Different performance indicators may be appropriate for different kinds of organization (Etzioni, 1964) or for organizations of a kind but with different purposes (Roos, Schermerhorn, and Roos, Jr., 1972). Organizations may strive for different kinds of performance excellence (Khandwalla, 1992a). One kind of performance excellence may or may not be compatible with another kind. Thus, great indeterminacy besets organizational performance and therefore, its determinants. We are still very far from any definitive understanding of this phenomenon. But this does not mean we have no knowledge. By examining findings from different organizational contexts a broad picture seems to be emerging.

Approaches to the Study of Performance Excellence

Several approaches have been utilized for uncovering the forces shaping performance excellence, mostly in a competitive context. One approach, the population ecology approach (Hannan and Freeman, 1977) assumes that organizations are relatively inflexible systems and they survive so long as they operate in congenial niches. They die if the niche disappears or becomes unfavourable. Thus, how hostile or benign the environment is decides the level of performance of the organization, not anything the organization can do. Diametrically opposite is the view that the appropriateness of what the organization does in its operating context--especially its strategic choices (Child, 1972; Jauch and Glueck, 1988, ch.8)--determines its performance excellence. Another approach is to identify those traits of the organization that are generally associated with performance excellence, such as its management style (e.g. Likert, 1961). An elaboration of this approach is to identify clusters of traits that distinguish excellent from poor or mediocre performers (e.g. Peters and Waterman, 1982). Finally, the compatibility or synergy or fit between variables is conceived as a major determinant of performance excellence. This has two variants. One seeks to identify positive synergies between organizational variables, such as strategy and structure (Chandler, 1962). The other seeks to identify synergies between contextual variables and organizational strategic, structural, or management style variables (Burns and Stalker, 1961; Child, 1974, 1975; Woodward, 1965). A brief discussion of each approach may provide interesting insights into the design of performance excellence, especially competitive performance excellence.

In these approaches it is commonly assumed that various external and internal factors affect performance. In reality, performance is not only an outcome variable; it affects a host of other variables. For example, slack theorists have argued that supernormal profits may be used for image building purposes or for diverting resources for managers in the form of supernormal emoluments (Cyert and March, 1963; Williamson, 1963). Turnaround researchers have documented the very substantial organization action initiated in the effort to turnaround sick organizations (Bibeault, 1982; Hofer, 1980; Khandwalla, 1992b; Slatter, 1984). However, for convenience these complications have been ignored in the discussion that follows.

Environmental Determinants of Performance

Two major schools of thought have provided insights into operating environment as a shaper of organizational performance. One is microeconomic theory, and the other is population ecology theory. Microeconomics provides ideal types of several different kinds of market environments (Samuelson, 1992). Starting with the assumption of rationally and the assumption that a firm is as efficient as is technically feasible (that is, operates always on the production possibility frontier), the firm's profitability is strictly determined by the market structure in which it operates. It is likely to earn at best "normal" profit in a competitive industry and supernormal profit in a monopolistic niche. Evidence does suggest that industries with high market concentration boast higher profitability than those with low market concentration (Scherer, 1970). But the variation of profitability in almost every industry is so high even in declining industries (Hall, 1980), that market structure as the sole arbiter of profitability becomes highly suspect. For example, in the Indian two and three wheeler industry, three companies in 1989-90 had an earning per share of over 200 per cent of the share's nominal value, while four had earning per share below 20 per cent of par value (Khandwalla, 1992a, p.32).

Both related diversification and internationalization of operations extend the organization into partly familiar, partly unfamiliar and challenging domains. Their great merit is that the core competence of the organization (Prahlad and Hamel, 1994) is harnessed for relatively easily attainable extension of operations. In the process the organization consolidates its strengths and adds to them by tackling moderate unfamiliarity.

Organizational Attributes Approach

Many studies have sought to identify the management determinants of organizational performance. Studies in several organizational settings indicate that participative management, especially at managerial levels, is associated with superior organizational performance. These studies include Likert's study of branches of an American company as well as his study of voluntary organizations (Likert, 1961), Pearce and Zahra's study (1991) of the functioning of boards of large American industrial and service corporations, Khandwalla's study of turnaround success of cases from many countries (Khandwalla, 1992b) and Khandwalla's study (1995) of Indian corporate management styles. Similarly, studies in several cultural settings indicate that formal corporate planning is associated with superior organizational performance. Several American studies support this association, although a few do not (Bracker and Pearson, 1986; Rhyne, 1986; Thune and House, 1970). In Miller's (1987) study of small and medium sized firms in Quebec also planners outperformed non-planners. Studies of state-owned enterprises in India (Bhatt, 1985) and in East Africa (Jorgensen, 1990) also tend to support the association between formal planning and performance. So does a study of planning in Japanese corporations (Kono, 1992, Ch.1).

The type of supervision also seems to be a significant associate of organizational performance, especially at operating group levels. Several studies in various settings suggest that a caring but exacting supervision (high on "consideration" and "structure", employee and task orientation, parental nurturance and task achieving emphasis) is associated with superior performance of organizational groups. These studies include the Bowers and Seashore study (1966) of agencies of an American life insurance company, studies by Sinha of diverse managerial groups in India (Sinha, 1990), Ahiauzu's study of the Efako work system in Africa (Ahiauzu, 1989), and studies of Japanese management (Editors, World Executive's Digest, 1981). Studies in different settings suggest that transformational leadership is also associated with superior organizational performance. These include the Bennis and Nanus study of American organizational leaders (1985), the Singh and Bhandarkar study of Indian corporate leaders (1990), and Khandwalla's study of the management of innovative turnarounds in many countries (Khandwalla, 1992b).

The general efficacy of planning, participative management, a supportive but exacting supervision, and transformational leadership suggests that these may be compensatory mechanisms for the built-in performance depressors of formal organizations. Formal organizations tend to be highly differentiated, both horizontally (in terms of departmentation) and vertically (in terms of levels). They do have some built-in mechanisms of integration-rules and standard operating procedures and a system of accountability through reporting relationships. But often these are inadequate. Formal organizations also tend to divide up work, especially at lower levels, in narrow specializations and this often makes work tedious. Routinization further depresses the human spirit. Planning and participative management are both powerful integrators that provide focus and cohesion to myriad organizational activities. Task oriented but caring supervision brings to the workplace a human touch that makes work bearable, while transformational, visionary, dynamic, empowering sort of leadership makes work worthwhile. Thus, these four dimensions of management may be efficacious for many kinds of formal organizations, and indeed one may speculate that the more formal the organization the more efficacious they may be.

An elaboration of the traits approach is the search for clusters of attributes that characterise high performance organizations. For example, Peters and Waterman (1982) identified several traits of "excellent" American companies--bias for action, treating customers as partners, spirit of innovation and entrepreneurship, treating employees with respect, a hands-on, mobile management fanatically commited to some core values, sticking to the knitting, simple and flexible organizational structure, and operating decentralization. The excellent pioneering innovative management identified in a study of the policies of Indian companies (Khandwalla, 1985, 1987) had eight characteristics--offering of novel products, acquisition of sophisticated plants and technologies, preference for high risk- high return ventures, preference for introducing sophisticated products, strong concern for quality, emphasis on adapting freely to change, accent on innovation and experimentation, and preference for hiring creative youngsters. Successful Japanese management (Editors of World Executive's Digest, 1981) also seems to have several traits--treatment of staff as family members, the boss as a father-figure, job security and many benefits, premium on recruiting and grooming youngsters from prestigious universities, strong emphasis on self-discipline, teamwork and work ethic.

One interesting feature of such clusters of characteristics is that differences between them possibly reflect differences in institutional environments (North, 1990). The Peters and Waterman excellent management is quintessentially American in several respects: bias for action, customer orientation, respect for the individual, flexibility, hands-on management, spirit of innovation. The Japanese excellent management is also quintessentially Japanese in its paternalism, and cooperation and work ethics. The Indian excellent management reflects the imperatives of a rapidly developing, modernizing society in its emphasis on innovation, technological sophistication, and entrepreneurship. A second interesting feature is the relative absence of any exalting concerns in the excellent managements. None of them emphasises ethics, social responsibility, altruism, justice, spirituality, etc. Each one represents a limited excellence, one whose societal impact and impact in terms of elevating human sensibility is limited. Thirdly, in each excellence there are not only coherences parented by the social culture but also interesting balancing and compensating mechanisms. For example, in the American excellent management there is emphasis on innovation and entrepreneurship but also on sticking to the knitting, on operating decentralization but also emphasis on some core shared values. In the Japanese excellent management, paternalism and job security, both of which can breed indolence, are offset by the powerful emphasis on the work ethic. In the Indian excellent management, risk proneness is balanced by seeking niches of high entry barriers (for a Third World country) - niches of technologically sophisticated and novel product markets and market segments in which there is considerable, sometimes prolonged respite from competitive pressures.

Internal Synergy Approach

Following Chandler's study (1962) of the synergy between diversification and divisionalization, various attempts have been made to uncover those synergies between organizational variables that influence organizational performance. Several studies in different settings indicate that a balance or alignment between certain classes of organizational variables is a predicator of organizational performance. For example, Lawrence and Lorsch (1967) showed that a balance between organizational differentiation and integration, that is, integration in proportion to required differentiation, differentiates high from low performing manufacturing organizations. A more recent study of firms in two American manufacturing industries (Powell, 1992) also found a balance between differentiation and integration to be associated with organizational performance. Khandwalla's study (1973) of American manufacturing firms indicated that covariation between uncertainty reduction, differentiation, and integration mechanisms was correlated with corporate profitability. In a study of North American and Australian companies, Miller and Friesen (1984, Ch.9) found that synchronised changes in uncertainty reduction, differentiation, and integration variables were associated with high organizational performance.

Some studies have shown synergies between management styles or modes. For example, Khandwalla's study of Canadian corporations (1977, Ch.11) indicated a positive synergy between the analytical/ technocratic and participative modes of management, and between risk taking and organic modes of management. That is to say, organizations whose top managements practised both analytical/ technocratic as well as participative modes seemed to show a far better performance than those that practised an analytical/ technocratic but not a participative style of management. Similarly, organizations that practised a risk taking style seemed to perform far better when they also practised an organic style (Burns and Stalker, 1961). Covin and Slevin (1988), too, in an American study found that entrepreneurial managements performed better when they had organic structures, than when they had mechanistic structures, as did Naman and Slevin (1993). The finding of positive synergy between analytical and participative, and entrepreneurial and organic management styles was confirmed in a longitudinal study of Indian public enterprises (Khandwalla, 1990, Ch. F.1) and a cross-sectional study of Indian corporate organizations (Khandwalla, 1995, Ch.7).

Several additional synergies between corporate management styles were identified by Khandwalla in a study of Indian companies (Khandwalla, 1995, Table 7.4). Some of these were positive and some were negative. That is to say, in some cases the combining styles seemed to increase organizational effectiveness beyond the individual effectiveness scores of the styles, and in some other cases styles in combination seemed to yield effectiveness below their individual scores. Interestingly, of the 20 styles studied (10 ideal types and 10 defective versions of these), all but two had at least one positive synergy with the other styles, and all but six had at least one negative synergy. Several seeming opposites--bureaucratic and organic modes, authoritarian and participative modes, conservative and entrepreneurial modes--demonstrated a capacity for positive synergy. Another point of interest was the finding that all but two of the ten defective styles could quite substantially improve their effectiveness by combining with non-defective styles. The styles with the largest number of positive synergies were the professional, participative, and altruistic styles, while the styles with the largest number of negative synergies were the defective conservative, defective authoritarian, and defective professional management styles. Finally, a point of special interest for this paper was that the altruistic style of management had a positive synergy with each of respectively entrepreneurial, defective professional, organic, authoritarian, participative, and intuitive styles. It had no negative synergies. Goodness in business apparently facilitates rather than hinders organizational effectiveness.

Several North American studies have reported positive synergy between strategic and structural variables. For instance, in a study of acute care hospitals, Nath and Sudharshan (1994) reported a fairly strong correlation between a measure of the coherence of corporate business strategy with functional management strategies and an occupancy measure. Miller's study (1987) of Quebec companies indicated that rational-analytical and interaction-oriented (that is, consensus and bargaining oriented) strategic modes, in combination with organizational integration, decentralization, and complexity (length of hierarchy, clerical/all personnel, number of company sites), may be associated with high performance. In a study of hospitals, Thomas, Clark, and Gioia (1993) found that product/service changes in association with scanning predicted performance. Zahra and Covin (1993), in a study of mostly medium sized manufacturing companies reported a positive association between performance on the one hand and fit between cost leadership strategy and such indicators of technology policy of the firm as technological pioneering, automation and process innovation, and developments of new products. Golden (1992), in a study of the strategic business units of multi-hospital corporations, found a synergy between the kind of autonomy the strategic business unit enjoyed and its business strategy. For instance, prospector (Miles and Snow, 1978) SBUs were better performers when they had autonomy in taking strategic and risky decisions while defender (Miles and Snow, 1978) SBUs did better when they had autonomy in taking cost reduction related decisions. In another study of the SBUs of several Fortune 500 companies Govindrajan and Fisher (1990) reported that SBU performance tended to be high when there was a synergy between the competitive strategy of the SBU and the control structure. Thus, SBUs following a low-cost strategy (Porter, 1980) needed to have structural control over the chief executive of the SBU through monitoring mechanisms and output related control, while SBUs following a differentiation strategy (Porter, 1980) needed behavioural control over their chief executives. Both needed to share resources and facilities with other SBUs for performance excellence.

These studies indicate the wide range of likely synergies between strategic choices and organizational arrangements. Thus, how a strategy is executed may be as important, possibly more important, than the strategic choice itself (Venkatraman and Camillus, 1994).

Finally, there may be synergies between strategic choices. In a study of large development programmes in Third World countries, Paul (1982) noted that successful programmes were characterized by a synergy between the organization's learning, credibility earning, motivation, beneficiary commitment building, networking, and performance monitoring strategies.

Contingency Fit Approach

An interesting line of research is to identify synergistic organizational responses to contingencies faced by the organization. This line of enquiry was triggered by the Burns and Stalker (1961) argument for the appropriateness of the organic management mode for organizations operating in fluid, dynamic, unstable environments and of the mechanistic mode for those operating in stable environments. Empirical work since has ranged widely. For instance, Lawrence and Lorsch (1967) reported that relatively high levels of organizational differentiation and integration contribute to performance in an uncertain, complex operating environment. Khandwalla's study (1973) indicated a synergy between uncertainty in the techno-economic environment and relatively high levels of uncertainty reduction, differentiation, and integration. His work on management styles indicated that in highly turbulent environments a risk taking and organic management style with coercion proportionate to internal resistance to change was associated with high performance (Khandwalla, 1977, Ch.11, 15), a finding that has been substantially replicated (Naman and Slevin, 1993). In addition, high performance was associated in stable environments with a conservative, mechanistic, noncoercive management; in complex environments marked by constraints, technological sophistication, and diversity of markets, with a professional/analytical and participative style; in a non-complex environment, with an intuitive, non-participative, risk taking style; and in a hostile environment, with a professional and participative style as well as with a risk taking, organic, and coercive style. Hall's study of American corporations (1980) suggested that single-minded pursuit of one of two "generic" strategies (Porter, 1980) of cost leadership and competitive pricing, versus product differentiation and premium pricing, yielded supernormal profits in hostile, highly competitive environments. Child's study of British manufacturing organizations (1974, 1975) indicated that in variable, changeable operating environments, companies with relatively less formalized structures (that is, organic structures) had higher growth rates than those with formalized structures. On the other hand, in relatively stable operating environments, companies with relatively highly formalized structures had high growth rates. He also found that in a variable environment selective centralization was associated with relatively high profitability while in a relatively stable environment selective decentralization facilitated high profitability.

More recent work continues to point to synergies between features of the operating environment and appropriate organizational responses. For instance, in a study of Chinese electronics firms (Tan and Litschert, 1994), the researchers found that in the regulated economy that China is, which in turn may have bred risk aversiveness, the appropriate organizational response to increased environmental uncertainty was not prospector-type (Miles and Snow, 1978) or entrepreneurial management-type (Mintzberg, 1973) response, but a defender-type response with focus on greater efficiency and internal orientation as coping mechanisms. In a study of new ventures, McDougall et al (1994) found that the response that yielded best results in high growth environments was a broad breadth strategy rather than a focus strategy. A study of Texas savings and loan associations (Jennings and Seaman, 1994), indicated that during a period of deregulation two kinds of strategic responses worked: for organizations that adopted most of the formal powers available due to deregulation, a prospector strategy and an organic structure gave best results; for organizations that adopted only a few powers, however, a defender strategy and a mechanistic structure worked. Nohria and Ghoshal (1994) found that in the case of MNCs, for those with environmental complexity because of complexity in the national environments in which they operated, it made sense to differentiate the control structure vis-a-vis subsidiaries in terms of degree of centralization and formalization, and to strive for shared values at headquarters and subsidiaries and informal communications between their managers. Haveman (1992), in a study of savings and loan associations in California, found that when there is a dramatic change in environment, such as deregulation, it makes sense to diversify but in related activities.

Design of Excellence in Competitive Domains

Most organizations in contemporary societies compete with varying intensity for resources, clientele, power and prestige (Khandwalla, 1981). Performance excellence in competitive domains is difficult for various reasons: competition for resources raises input costs, competition for clientele raises marketing and distribution costs; actions or reactions of rivals often undermine returns from ventures; competitive initiatives like price cuts and promotion campaigns are often nullified by competitors leaving no net comparative advantage for the initiator. In such domains necessary adaptations to contingencies (or strategic choices) are unlikely to provide a comparative advantage, because most organizations in similar circumstances would match these necessary adaptations. Sequences of inescapable adaptation and also discretionary, hard-to-match initiatives are required, and if these are right, then only excellence is likely in a competitive domain. For example, Miller and Friesen (1984, Ch.4) sought archetypes of corporate responses in different contexts, such as appropriate adaptive responses to moderate as well as extreme challenges in the operating environment. The appropriate response to moderate challenge was found to be a low cost, defender-type (Miles and Snow, 1978), incremental strategic change, a functionally organized centralized structure with a charismatic chief executive, personal information processing and informal control, focus on production and marketing, and an intuitive-cum-analytical type of decision making. On the other hand, the successful response to an exceptionally challenging environment was found to be a prospector-type strategy, bold, difficult-to-imitate innovations, use of new technologies, an organic, differentiated as well as integrated structure, emphasis on environmental scanning, committees, open internal communications, emphasis on R&D and engineering, and an analytical, planning oriented as well as entrepreneurial mode of decision making. The Miller and Friesen study suggests that in competitive domains, being in extremely challenging environments requires for success a highly complex response. An organic and differentiated structure and environmental scanning probably are necessary survival responses for all organizations operating in such environments. What may differentiate the successful from the less successful organization are such choices as difficult-to-imitate innovations, use of new technologies, a prospector strategy, complex modes of decision making, and high levels of integration despite extensive differentiation.

Another example of necessary-cum-discretionery responses to a context being effective is from turnaround research. Khandwalla (1992b) examined 65 corporate turnarounds from sickness reported from several Western as well as Third World countries. He found some elements--change in top management, diversification, product-line rationalization and/or expansion, better marketing, restructuring for greater decentralization and accountability, cost reduction measures, and plant modernization for greater efficiency, product quality and productivity-were common responses in most turnarounds. None of these was, however, significantly correlated with the rate of improvement in profitability, a criterion variable for turnaround effectiveness. When turnarounds were allocated to two types--surgical versus non-surgical--a fairly clear picture emerged. On an average the non-surgical turnarounds improved their profitability at nearly twice the rate for the surgical turnarounds (Khandwalla, 1992b, ch.4). But within each type also analysis indicated two sub-types that differed substantially on the criterion variable. Compared to the low performance sub-type, the high performance sub-type in each type was far more complex. In the surgical type turnaround, the high performance sub-type had four more elements of turnaround management than the low performance sub-type, and in the non-surgical type of turnaround, the high performance turnaround had as many as seven more turnaround management elements compared to the low performance non-surgical turnaround. The high performance non-surgical turnaround was by far the best performer among all the four sub-types, and it also had the largest number of turnaround management elements.

Not all organizational contingencies (including strategic choices) in competitive domains are equally potent. Some have far greater significance for the viability of the organization. Indeed, organizations can continue to flourish despite flouting many contingencies and constraints (Hirschman, 1970; Metcalfe, 1981). But there usually are some contingencies that must be coped with in a competitive domain because failure to do so can be very expensive, even life-threatening, for the organization. Organizational performance may be strongly influenced by the organization's response to such powerful contingencies.

Contingency theorists have suggested, sometimes explicitly (Burns and Stalker, 1961; Lawrence and Lorsch, 1967) and sometimes implicitly (Thompson, 1967), that the greater the fit between the organization's structural response and the contingency faced by it, the better tends to be the organization's performance. However, there is a fundamental inadequacy in this argument. If the contingency is powerful, it will constrain organizational adaptive response fairly narrowly. This adaptive organizational response will not confer any significant special advantage, for it will be resorted to by almost all organizations facing the contingency, so that a good fit of this kind may at best ensure survival but not performance excellence. Rather, the discretionary and relatively uncommon additional responses of the organization (Child, 1972) may facilitate high performance, if they are appropriate ones, or may lead to disaster if any of them are wrong responses. Thus, given very large size, a bureaucratic structure may be an inescapable structural response (Pugh, Hickson, Hinings, 1969). But such an adaptation may confer little, if any, comparative advantage within a population of similar organizations. For high performance in a competitive domain, the large organization may also need to be managed entrepreneurially (Peters and Waterman, 1982) or paternalistically (Ouchi, 1981).

Similarly, divisionalization may be an inescapable structural response to organizational diversification (Chandler, 1962), but this in itself may not confer much of a comparative advantage in a population of similarly diversified organizations because "everyone else" in a competitive domain also would resort to it. It is when the organization also makes more uncommon but appropriate discretionary responses, such as dominant unrelated diversification (George, 1984) and behavioural integration (Lawrence and Larsch, 1967) that performance may climb sharply (or fall if the strategic choice is a wrong one). Or, to take a third example, in a technologically turbulent young industry, organic management (Burns and Stalker, 1961) is virtually a necessity, and therefore confers no special advantage. But if the management chooses the entrepreneurial or prospector mode over the conservative or defender mode, the organizational performance may rise sharply (Khandwalla, 1977, Ch.11; Naman and Covin, 1993).

While the necessary adaptive response to a powerful contingency (or strategic choice) may not improve performance in a competitive domain, it can play a catalytic role in performance excellence. The adaptive response represents learning, and therefore builds for the organization a platform of competency and viability. This platform facilitates venturing, and if the organization does venture in a congenial but less traversed management terrain it is likely to show outstanding performance. Thus, those organizations that do what they must in their circumstances and yet differentiate themselves from the herd in appropriate ways tend to end up as winners. Although a differentiating response may be novel or innovative, it need not be. It may be perfectly well-known, and yet if it is uncommonly employed in the specific organizational situation but is appropriate, it is likely to yield high dividends.

The argument can be extended to multiple contingencies. When there are several powerful contingencies in a competitive domain, the organization must adapt to each of them, and in the process it builds up a diversified portfolio of competencies. Such a platform facilitates many different kinds of strategic responses, and therefore several relatively uncommon but appropriate strategic choices. This in turn increases the potential for organizational individuation, so that organizations facing multiple powerful contingencies can potentially sustain performance excellence for longer periods than organizations facing a single powerful contingency. To put it slightly differently, high performance organizations having multiple powerful contingencies and operating in competitive domains are likely to be found to be more complex and more uniquely configured than high performance organizations having a single or very few powerful contingencies. Contingency-rich contexts may spawn heights of organizational performance unattainable in simpler contexts. By the same token such contexts may also spawn extremes of failures either because of inability to cope with many contingencies and therefore having a wobbly platform of competencies for launching initiatives, or because of many wrong strategic choices. Thus, in competitive domains contingency-rich contexts are likely to yield higher variance in organizational performance than contingencies-deficient, relatively simpler contexts.

Organizational effectiveness is a special case of this formulation of the design of performance excellence in a competitive domain. Organizational effectiveness is commendable performance on a broader range of indicators than (for corporates) profitability or growth (Cameron and Whetten, 1981; Campbell, 1976; Khandwalla, 1988b; Steers, 1975). It encompasses customer satisfaction and employee satisfaction besides stockholder or owner satisfaction. It is pursued when stakeholder satisfaction is a powerful strategic choice or contingency for the management of the organization. Recipes have been developed for pursuing the satisfaction of each type of stakeholder. But adopting these recipes may confer no distinctive comparative advantage on the organization, since many other organizations in the competitive domain are also likely to adopt them. However, if the organization does adopt routine ways of pursuing productivity, product quality, customer satisfaction, job satisfaction etc. it would build up a fairly powerful platform of competencies for taking unusual initiatives. If it does take unusual but appropriate initiatives, it is likely to attain greater heights of organizational effectiveness.

To sum up: Performance excellence in a competitive domain requires both wisdom and courage: wisdom in making major strategic choices, or in choosing contingencies to respond to; courage in making essential adaptive responses; wisdom in learning from the adaptative responses that must be made to powerful contingencies and strategic choices, and wisdom and courage in choosing and implementing uncommon but high potential discretionary responses that fit with the contingency or strategic choice and give a comparative advantage to the organization.

Like individuals, organizations too can rise above their bread and butter concerns. They may be able to do so in several different ways. For example, they may extend their accountability beyond their owners or managers to other stakeholders like employees, customers, suppliers, financiers, government, community, etc. That is, they can adopt the view that their survival and well-being depends upon the cooperation of these other stakeholders and in turn they must reciprocate by looking after the interests of these stakeholders. A bolder, more ambitious exaltation route is corporate social responsibility, the notion that not only does the organization have an obligation to look after the interests of its specific stakeholders, it has various obligations to society-at-large in which it operates. A special, more focussed form of corporate social responsibility is the commitment of the organization to help the domain it operates in to grow and develop. This commitment is particularly relevant in developing societies in which major efforts need to be made in each domain to overcome backwardness and stasis so that a vibrant, self-reliant, innovative, modern society emerges. Institution building is a related road to glory. It is the process by which the organization internalizes within all its activities those core values that impel the organization to perform a positive change agentry role in society.

Besides the above four relatively sociocentric paths to exaltation there are several others. One is the path of ethical conduct. In this path the organization learns to ask persistently whether its acts are good or bad, right or wrong, moral or immoral, and to heed the answers it finds. A related path concerns fairness and justice--how justly the organization evaluates and rewards stakeholders, and responds to the grievances of its stakeholders and its grievances with their conduct. Altruism or helping behaviour of the organization and within the organization is still another avenue to glory. A more turbulent path is that of radical humanism, which seeks, in the organizational context, to liberate people working in them from their occupational as well as psychic prisons. Finally, the most elusive of all trails is that of organizational spirituality, the effort to dissolve interpersonal strife by recognizing the spiritual fraternity of all beings and to mitigate intrapersonal stress by seeing work as worship and a calling and an offering to the divine.

In market economies the dominant paradigm of performance excellence amounts to winning in a competitive domain. Often it degenerates into winning at all costs--costs to others as well as to the stakeholders of the organization. The nine alternative paths to glory are also costly and painful. But their agonies are different and they pose fundamental challenges to this dominant paradigm. The management of greatness is very substantially the management of the creative tension between the organization's flesh needs and its soul needs. Each of these nine paths to potential glory is briefly reviewed below.

Stakeholder Orientation

One influential stream of thinking on corporate management has stressed that the only stakeholder in a corporation is the owner (Friedman, 1970), the rest being "factors of production" that are agents of the owner. Since agents pursuing their self-interest may not necessarily act in the best interests of the owner, various control mechanisms (such as hierarchies, MIS) and contracts (such as performance based incentive contracts) must be resorted to in order to ensure that corporate behaviour is profit maximizing behaviour. The ethical foundation of all this effort at ensuring profit maximization is the inference of neo-classical economic theory that the only principle that maximizes customer welfare and ensures equity in payments to factors of production in a competitive market economy is the single-minded pursuit of profit maximization (subject to compliance with legal requirements) (Friedman, 1970). However, when markets are imperfect (this is the rule around the world rather than the exception), there are gross inequalities, and large negative externalities of corporate actions, profit maximization as a principle can degenerate into an opportunistic get-rich-fast mindset that does not, either in the short run or in the long run, necessarily lead to Pareto optimality.

As against the logic of profit maximization for maximizing the wealth of the owners of the enterprise is the notion of multiple corporate stakeholders. A stakeholder is an identifiable group or individual who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives - more narrowly a stakeholder is an individual or a group on which the organization is dependent for its continued survival (Freeman and Reed, 1983, p.91). Freeman (1984) described the possible impacts of the firm's relationship with a number of stakeholders. Thus, if such stakeholders as suppliers, employees, customers, or the government have positive relations with the organization, the latter can achieve its objectives more fully and with greater ease. If the relations with any stakeholder are negative they can endanger goal attainment by the organization, sometimes its survival itself.

Proponents of stakeholder theory have argued that recognising the multiple constituencies that have stakes in the organization and taking steps to manage the interface with each stakeholder increases the competitive advantage of the organization (Jones, 1995). The use of the principles of trust, trustworthiness, and cooperativeness in dealing with stakeholders can lower operating costs. Short-term profit maximization amounts to opportunism, and thus has high costs in terms of top heavy control structures, large transactions costs, and poor cooperation in teams in situations where no one member's contribution can be accurately measured and therefore differentially rewarded. Emphasis on corporate morality, the ethic of trust and cooperation, even if it results in some abuses, can strengthen relations with stakeholders and thereby reduce drastically the costs of profit maximizing opportunism. In this form stakeholder theory amounts to enlightened long-term self-interest.

Effective stakeholder management has incorporated ideas of effective management from several management disciplines (Freeman and Reed, 1983). One is participation of stakeholders in organizational decision making (Dill, 1975), including of adversarial groups such as Nader's Raiders. Another is the application of market orientation to stakeholders - understand the needs of each stakeholder and design programmes, services, and products that fulfil these needs. From political science comes the idea of understanding the political nature of the relationship with and between stakeholders by applying such tools as coalitional analysis, conflict management, and unilateralism. From economics comes the idea of allocating organizational resources in relation to the degree of importance of the stakeholders' claims upon the organization. The involvement of stakeholders in corporate governance is likely to make the latter more democratic, since forums need to be created, such as stakeholder councils, to give representation to stakeholders' interests and suggestions. The corporate board in particular may need to be restructured to reflect stakeholders' concerns and harness their cooperation.

Stakeholder theory incorporates a useful sort of wisdom about how to manage an organization in its long-term interest. It is when the organization's management transcends the idea of self-interest and considers meeting the needs of stakeholders as ends in themselves that the first step towards greatness may be taken. It is then that the path becomes thorny, for the question becomes not only how to reconcile the interests of various stakeholders but also how to reconcile their interests with the more narrowly defined interests of the organization and this requires courage.

Two examples from turnaround research may illustrate the choices involved (Khandwalla, 1992b, ch.4). British Steel and Steel Authority of India Limited (SAIL) were both sick in the late seventies/early eighties, and both were successfully turned around in the early/mid eighties. Both were large, with staff in excess of 200000, both were overmanned, and both were dominant firms in the steel industry in the respective countries. Both were state-owned enterprises. But in one turnaround, that of British Steel, the costs to stakeholders were frightful: practically halving of Britain's national steel making capacity, writing off of a debt to British Government of 3500 million pounds, and loss of nearly 80% of jobs. There were no such costs in the recovery of SAIL--no debts were written off, there was no reduction of capacity,no one lost his/her job (there was a voluntary retirement scheme and a few thousands opted for it), price rises were kept below inflation rates, energy costs were reduced, and production and productivity were raised at a very healthy rate. The SAIL turnaround was an act of faith-in the creative capacity of people when they are empowered. It was engineered by a vast communication and participative decision making exercise and a huge investment in human resource development.

Corporate Social Responsibility

Davis (1973) conceived of corporate social responsibility as the obligations of firms to work for social betterment and to achieve social benefits along with economic gains. These obligations are perceived to arise because the corporation is seen to be a citizen in a complex, interdependent world, and is seen to have a responsibility for the good of the larger society that has given it birth and sustained and nurtured it with supportive infrastructure, institutions, resources and facilities (Aram, 1989; Preston and Post, 1975). In addition, the corporation is an institution of vast power and very little accountability (Berle and Means, 1934; Galbraih, 1972), and inculcating corporate social responsibility is a way of bridging this gap.

Carroll (1979) thought of corporate social responsibility as consisting of various obligations. The economic obligations of the corporation in market economies extend to being productive and profitable and to meet the needs of customers; the legal obligations are to do business within the limits of the law; the ethical obligations relate to incorporating the codes, norms, and values of society in its business; and the philanthropic or discretionary obligations relate to contributing to social causes (Carroll, 1979). This is a far more comprehensive conception of corporate social responsibility than Friedman's dictum (1970) that the only corporate social responsibility of business in a competitive market economy is to maximise profits (within the limits prescribed by the law).

As against an idealised conception of corporate social responsibility, there have been attempts to determine what business leaders in fact see is the corporate social responsibility of business. In a study of 203 US collegiate business deans and 116 CEOs there was much agreement with such statements as 'responsible corporate behaviour can be in the best economic interest of the stakeholders', 'efficient production of goods and services are no longer the only thing society expects from business', 'long run success of business depends on its ability to understand that it is part of a larger society and to behave accordingly', 'involvement by business in improving its community's quality of life will also improve long run profitability', 'a business that wishes to capture a favourable public image will have to show that it is socially responsible', and 'social problems such as pollution control sometimes can be solved in ways that produce profits from the problem solution' (Ford and McLaughlin, 1984, Table 1). The agreement was low with statements such as 'since businesses have such a substantial amount of society's managerial and financial resources, they should be expected to solve social problems' and 'other social institutions have failed in solving social problems so business should try'. There was some disagreement as between the CEOs and deans on 'the idea of social responsibility is needed to balance corporate power and discourage irresponsible behavior'. The pattern of agreements and disagreements suggests that the business establishment in the US favours that form of corporate social responsibility that is in the best long term interests of business or offers opportunities for profits, but not the one that stems from purely ethical or moral compulsions or social necessity. Both the CEOs and the deans agreed that the American business community's support for socially responsible activities has risen over the past and is likely to rise further in the future.

Since the business establishment in capitalist societies is likely to favour forms of corporate social responsibility that are in the enlightened self-interest of business, the issue whether socially responsive behaviours indeed are associated with corporate financial performance has significant practical consequences. A strong positive relationship should reinforce socially responsible behaviour; a strong negative relationship should discourage it. Extant US research does not suggest any strong relationship between the two (Aupperle, Carroll, and Hatfield, 1985; McGuire, Sundgren, and Schneeweis, 1988). In a study of 241 CEOs of companies listed in Forbes 1981 Annual Directory and their responsiveness vis-a-vis economic, legal, ethical, and philanthropic aspects of corporate social responsibility, no significant relationship was found between a measure of profitability (with and without adjustment for risk) and any of the measures of corporate social responsiveness (Aupperle et al, 1985). Interestingly, concern for society (consisting of items of legal, ethical, and philanthropic responsibility) was strongly negatively correlated with the economic dimension of social responsibility. Also, in a forced choice, 10 point allocation for the four dimensions format, the mean score of the economic dimension of corporate social responsibility at 3.5 was the highest, that of the legal dimension was the second highest at 2.5, that of the ethical dimension at 2.2. was the third highest, and that of the discretionary or philanthropic dimension was the lowest at 1.3. Thus, socially productive profit maximization that is consistent with the law may be the predominant definition of social responsibility in corporate America. In the study by McGuire et al, of 131 US firms rated by <u>Fortune</u> for their corporate social responsibility, there was a fairly strong positive correlation between <u>past</u> (1977-1981) measures of certain indicators of financial performance such as return on assets and asset growth, with the Fortune rating of corporate social responsibility in 1983, and fairly strong negative correlations between several <u>past</u> measures of corporate riskiness and 1983 rating of corporate social responsibility. Thus, corporate social responsibility may be a consequence rather than an antecedence of corporate financial performance. Fast track, profitable, low risk firms especially may gravitate eventually towards corporate social responsibility. Corporate social responsibility postures in the US may well be substantially image building exercises financed by organizational slack (Cyert and March, 1963; Kraft and Hage, 1989). Interestingly, there is some research evidence from Fortune 500 companies that large firms operating in dynamic, munificent environments are more likely to behave illegally than firms with poor performance (Baucus and Near, 1991). Thus, organizational slack prompts socially responsible behaviour, but is itself sometimes a result of unlawful behaviour. Plunder first and get social legitimacy next may be a pattern of behaviour with some of these high slack companies.

A refinement and concretisation of corporate social responsibility may be corporate social performance. Corporate social performance stresses actions and outcomes. Thus corporate social performance is a configuration of principles of social responsibility, processes of social responsiveness, and policies, programmes, and observable outcomes as they relate to the firm's societal relationship (Wartick and Cochran, 1985; Wood, 1991). Wood's corporate social performance model encompasses principles of corporate social responsibility, processes of corporate social responsiveness, and outcomes of corporate behaviour at the institutional (business as a whole), organizational, and managerial levels. For example, at the institutional level the principle enunciated by Davis (1973) is that of legitimacy - business must avoid abusing its power. At the organizational level this institutional principle implies the principle of public responsibility - for example, an organization must take responsibility for the negative externalities (eg. pollution, waste) it creates. At the managerial level this public responsibility could be discharged by the use of the manager's discretionary authority to ensure socially responsible outcomes through specific actions and performances. Various processes of corporate social responsiveness can be harnessed, such as environmental assessment, stakeholder management, and issues management, and several outcomes can be expected, including social impacts, social programmes, and social policies. This sort of conceptualisation can lead to the development of corporate <u>social</u> policies, such as produce only ecologically sound products, use low polluting technologies, cut costs with recycling, undertake product or process innovations that comply with regulatory requirements, target information on the use of ecologically sound products to specific markets, and choose charitable investments that actually pay off in solving social problems.

In the context of environmental responsibilities, the so-called Valdez principles have indicated such policies (besides the above) as appropriate damage compensation and disclosure of hazards to workers and the community (Sanyal and Neves, 1991). Shrivastava (1996, p.60) has suggested six policies for "greening," that is profitably protecting the environment. These are: develop products and production systems that are compatible with a country's natural resource base; choose locations to minimize transportation and maximize use of renewable natural resources; avoid polluting technologies; implement uniform environmental, safety and health standards in all the plants of the company wherever in the world they may be located;

disseminate best environmental technologies and management practices to all corporate locations and share these with industries in developing countries; invest in developing the local infrastructure for plants located in developing countries.

Shrivastava (1996, pp 119-132) has given an interesting example of a medium sized premium quality ice cream maker (Ben & Jerry's Home-made Ice-creams) that has grown fast, been very profitable, and has thrived by using greening policies. It buys its materials from "organic" sources that are eco-friendly or preserve local community lifestyles, such as buying wild blueberries from an Indian reservation, nuts harvested by natives of the Amazonian rain first, cream from a dairy cooperative, and candy from a company that donates its profits to the conservation of the rain forest. Ben and Jerry have an active programme of eco-friendly waste management, such as re-use/recycling of packaging, stationery, copier paper, plastic materials, etc. For this a Green Team headed by a manager for natural resources has been set up that brainstorms periodically about environment related issues and executes projects, sometimes, in collaboration with the company's Energy Team, for energy conservation. The company has been aggressively conserving energy through energy audits, use of low wattage bulbs, occupancy sensors for turning off the lights in empty rooms, energy generation from waste, use of cold winter air for refrigeration, use of solar energy, etc. It also has an active resource conservation programme involving recycling and reuse of production and other wastes--for example egg yolk, a waste product, is fed to pigs, and spilled ice cream is used to sweeten manure pits. The company sponsors community projects and campaigns for promoting environmental awareness, and is a signatory to the Valdez Principles. It contributes 7.5% of its profits to various social causes, including money to an institution dedicated to diverting military spending to peace.

Few organizations in India can match the corporate social responsibility record of the House of Tatas (Lala, 1981). The House of Tatas is India's largest business house and also one of its most diversified houses. It is into steel, vehicles, machinery, hotelling, tea, chemicals, textiles, power, printing and publishing, cosmetics, refractories, consultancy, computer peripherals, electronic entertainment products, etc. Its growth and financial performance has been enviable. But it is also famous for the social responsiveness its companies display, ethical values like integrity, its emphasis on human and product quality, and its contributions to education, research, and alleviation of suffering. Tata Steel, its flagship company, has been managing the city of Jamshedpur (where its plant is located) in an exemplary manner. Its welfare agencies provide medical facilities and other aid to hundreds of thousands of tribals and other poor people living around its plants. It has had an astonishing record of good personnel practices. It pioneered in India the 8-hour working day in 1912, and introduced before the Second World War such staff welfare measures as free medical aid, schooling facilities for children, formation of a works committee to handle grievances, leave with pay, workers' provident fund, accident compensation scheme, facility for training apprentices, craftsmen, etc., profit-sharing bonus, retirement gratuity, etc. The House of Tatas administers many charities. It has funded the higher studies of thousands of bright but disadvantaged Indians. It has set up such outstanding institutions as the Tata Institute of Fundamental Research, the Tata Institute of Social Sciences, the Tata Memorial Centre for Cancer Research and Treatment, the National Centre for Performing Arts, and the Tata Energy Research Institute.

Strategic Domain Developmental Orientation

During the 20th century, a good deal of socio-economic development of poor, "developing" societies has been accomplished through strategic developmental organizations (SDOs) (Khandwalla, 1988a; 1990b). The SDO can come in many forms, such as the apex governmental organization; industry, trade or sectoral association; state-owned enterprise and even private sector enterprise; cooperative society; not-for-profit institution; developmental programme; and voluntary organization. But the distinguishing characteristic of the SDO in its various forms is its commitment to the long-term development of some aspect or the other of its domain of activities. While the concept of corporate social responsibility in the West has emphasized such good citizenship behaviour as equal opportunity, environmental protection, community action, and control of pollution, the SDO goes well beyond these, to the very transformation of its domain through strategic action.

Several examples of SDOs illustrate their exalted missions and achievements. The MITI of Japan, for example, masterminded Japan's industrial strategy, coordinated industry and governmental action, created Japan, Inc., and catalyzed the economic superpower status of Japan (McMillan, 1985). The Philippine Rice Development Programme, following a devastating rice shortage in the Philippines in the early seventies, launched in 1973 the Masagana-99 programme for increasing the productivity of rice cultivation. Due largely to its efforts, by 1979 Philippines had not only wiped out its rice deficit, it could export sizeable quantities of rice (Paul, 1982).

The Grameen Bank of Bangladesh, started in 1976, by 1988 had provided small loans to half-a-million very poor rural households in 10000 villages to finance various income generating activities (Gibbons, 1988). Various evaluation studies indicated that the Bank had helped to raise the income of the poorest of the poor, and its effort may well have been the most effective rural poverty reduction programme in the world--this, despite its catering to the very poor and charging the commercial rate of interest. Unicamp, or Brazil's State University of Campinas, is another example of an impact making SDO (Hardy, 1990). Set up in 1965, unlike older relatively ivory tower Brazilian universities, Unicamp was committed to responding to society's needs through applied research and academic programmes of practical relevance. The university offered 56 undergraduate, 58 masters, and 42 doctoral programmes, and in just twenty years of its founding was rated as one of the two best universities in Brazil.

Bharat Heavy Electricals Limited, owned by the Government of India, and specializing in producing and marketing power equipment, has played a major role in India's increasing its power generating capacity 40 times in as many years. During 1975 to 1985, B.H.E.L. supplied 90% of the power equipment installed in India (Bhasin, 1988), often in competition with domestic and foreign suppliers. Although its main business was in producing equipment for conventional power plants, it invested large amounts in research and development of non-conventional renewable energy sources (solar, wind, biogas, etc.). It built up a significant technology capability for India through technology collaboration agreements with around 25 international giants based in the West, Japan and USSR. During the ten year period it nurtured some 2000 small-scale units as ancillaries, took over and turned around two medium-sized sick public enterprises, set up two management development institutions for training and research as well as a welding research institute, gave preference to the hiring of persons from underprivileged sections of society so that 1 in 7 employees was from these sections, adopted over 20 villages and implemented welfare and employment oriented projects in them, and planted a million trees. During these ten years it tripled its profits and increased its exports 10 times.

The Self Employed Women's Association (Self Employed Women's Association, 1988) based in Ahmedabad, India, is an example of an NGO that is an SDO. Started in 1972 as a trade union and cooperative venture of poor unemployed or self-employed women, by 1989 it had a membership of 30000 women, including thousands of vendors of fruits and vegetables, producers of indigenous cigarettes, milk producers, processors of agricultural products, and agricultural labourers. On behalf of these relatively defenceless and oppressed women, it fought many battles with the police, municipal authorities, and businessmen. To meet the needs of its constituents more fully, S.E.W.A. diversified into cooperative banking, marketing of various craft products, and offered several support services for the self-employed, such as child and health care, maternity benefits, family welfare, life insurance, sanitation, housing, legal aid, etc. S.E.W.A. also ran a polytechnic and a school for catering to trade unions and cooperatives, and conducted research relevant to its activities. It also made an attempt to influence public policy. A number of S.E.W.A. - type organizations were formed all over India, and a federation of these was formed for magnifying S.E.W.A.'s impact.

These are enormous achievements despite the many special pressures SDOs face (Khandwalla, 1988a). Many of them are either owned by the government or have resource dependency on it, and so are subjected to the onerous pressures of bureaucratic and political systems. When they operate in competitive domains, as several do, they must balance their domain commitments with remaining viable. When they operate in hostile environments, as some of the more radical, social change and social justice oriented SDOs (D'Souza, 1984) do, they need to fend off hostile acts of "vested interests" by coalition formation and other political behaviour. Such are their daunting missions in difficult operating domains that they need to master organic as well as mechanistic, entrepreneurial as well as professional management modes, and management failures can be very costly not only to the organizations themselves but also to their domains (Khandwalla, 1988a).

Since SDOs pursue domain development missions, the primary criteria appropriate for assessing their performance are not financial performance, growth rate, market share, organizational effectiveness, or system viability, or even the conventional kind of good corporate citizenship or responsiveness that organizational theorists have suggested (Campbell, 1976; Wood, 1991). They need to be evaluated on a new class of effectiveness indicators (Khandwalla, 1988a), such as the extent to which they have pioneered or innovated products or services or methodologies or processes with positive externalities for their domains; strengthened (and not merely exploited profitably) underdeveloped client systems (Mehta, 1988; Tandon and Brown, 1981); networked and collaborated with other organizations (rather than competed successfully with them in getting resources) in furthering social priorities (Brown, 1988, 1993); promoted social change and awareness about alternative, more autonomous, more value-based life styles; and inculcated in themselves and their domains a culture of social achievement, democratic and collaborative functioning, and positive innovation.

Pursuing as they do domain developmental missions, the SDOs tend to exhibit distinctive forms of strategic behaviour (Khandwalla, 1990b). Since the objective is not domination of the domain through coercive means (acquisition of political, administrative, or economic power), domain compliance for domain developmental goals is sought through mechanisms that reinforce development behaviour in this domain, cooptation of significant leadership elements in the domain in the decision making structure of the SDO, deputing of representatives of the SDO into the decision making structures of "client" systems, development of a dedicated cadre for work with client systems, establishment of training/research facilities for the domain, performance reviews of impact on client systems, proliferation of regional SDO entities under a federal structure, etc.

SDOs also tend to adopt distinctive learning strategies, operating as they often do in underdeveloped, volatile, ill-structured, complex, poorly understood domains. There is a real danger of launching ambitious, long-term projects that end up as failures or turn out to have net negative externalities. Studies of Third World SDOs (Khandwalla, 1990b; Paul, 1982) suggest that they pursue such learning strategies as starting small and growing fast only after mastering the "marketing" and technological complexities of their domains; starting with one product or project or activity or service and only later adding other products, etc.; pilot testing; entering the most difficult segment of the domain first (although in a small way) for learning the most painful lessons at relatively small cost and then venturing in a big way in easier segments (Patil, 1982); phasing expansion, growth, or domain penetration; teaming up with an organization or organizations in the developed countries to secure advanced technologies, etc.

A third distinctive strategy is innovation sharing and diffusion in the domain, rather than hoarding innovations or indulging in protective or defensive patenting for market dominance (Scherer, 1970). SDOs typically try to diffuse innovations by publicizing them through newsletters, conferences etc, by deputing spearhead teams to "client" organizations to "market" them to these organizations and help them get institutionalized in them (Gangjee, 1980), by training change agents for these organizations (Hill, et al, 1973), by recording, codifying, and disseminating in the domain good management and technical practices (BPE and BHEL, 1978; Maheshwari, 1992).

A fourth distinctive strategy of many SDOs is to gain greater autonomy since often they have resource dependency (Pfeffer and Salancik, 1978) on controlling or funding agencies that can cramp their initiatives. One way some public enterprise SDOs have sought autonomy is by creating a holding company for several public enterprises to buffer the SDOs from their political or administrative masters (Murthy and Nath, 1988). A second option is the memorandum of understanding device (Sreedhar Sharma, 1982) under which the controlling organization and the SDO formally document their respective obligations towards one another. A third strategy is for the SDO to place its representative in the decision making structure of the controlling organization (Khandwalla, 1990a). A fourth strategy is to demonstrate effective compliance with the controlling organization's objectives and thereby earn credibility and autonomy (Khandwalla, 1990a). A fifth strategy is to diversify financial dependence so that no one source has dominant control over the SDO.

SDOs include commercial corporations with domain developmental missions. The foregoing adumbration of SDO strategies makes an interesting contrast with the strategies discussed in the corporate strategy literature, such as the competitive cost leadership and product differentiation strategies (Porter, 1980) expansion, downsizing, stability, and combination strategies (Jauch and Glueck, 1988), etc. While these corporate strategies stemming from survival, growth and profit maximization perspectives are not wholly irrelevant to corporate SDOs, their relative importance for SDO corporations is eclipsed by domain development inspired learning, domain compliance, innovation diffusion, and autonomy seeking strategies. These latter strategies indicate some ways an "ordinary" corporate organiation can develop a capacity for developing its domain. The strategic developmental role can be played by almost all kinds of organization in most domains, however developed these domains may be on material indicators. Most domains even in the wealthiest societies are after all likely to be grossly deformed in relation to what they may be a hundred years hence, or even now in terms of quality of life indicators. Motivating the organization to play an SDO role is a vision of excellence for the activity domain and the strategic role the organization can play in actualizing this vision. Corporations, and indeed other forms of competing organizations (Khandwalla, 1981) normally avoid playing an SDO role except to the extent it is in their self-interest. Thus, while operating in poorly developed or immature markets businesses may play a market development role but in order to maximize profits and growth in the long run. They may help set up an effective industry association but often to regulate rivalrous conduct or to lobby the government for concessions or to share profitably some resources or information. Sometimes their innovations have the consequence of developing or deepening an industry, but the intention again is to optimize on organization - centered rather than domain - centered goals. Going beyond this level of domain development is likely to be restricted by perceived conflict with organization - centric goals: further contribution may imply higher costs and greater competition. Playing a domain development role more fully requires a vision of societal excellence, a high level of altruism and sense of corporate social responsibility, and what Nielsen (1991) has called "we" consciousness.

Institution Building

The concern with institution building became acute during an altruistic phase of American foreign policy when, following the Second World War the US provided developmental assistance to many poor countries. Somehow, the organizations that were set up to channel this developmental assistance did not function well, and so the question arose: how can formal, artificially created organizations, designed to optimise technical efficiency, be turned into proactive, adaptive organizations that respond to social needs and pressures, and internalise the aspirations of the communities they serve (Selznick, 1957). Institutions were conceived to be organizations with a strong normative orientation and a strong commitment to perform functions and services that are socially valued (Esman, 1972). Institutions become socially valued when their functions and services are closely tied to social requirements and values, their internal structures, systems and processes are impregnated by social norms and values, and they affect their environments in positive ways (Pareek, 1981). Thus institutions play role model and positive change agent roles in their domains and the test of normative institutionalization is not how profitable or efficient an organization is but how socially relevant are its activities, how values driven its operations are, and how positive is its soical impact.

The literature on institution building suggests the processes and mechanisms by which an organization may be transformed into an institution (Ganesh, 1979; Matthai, Pareek, and

Rao, 1977). Key instrumentalities may be the organization's leadership, the doctrine or ideology espoused by the organization, the programme of actions for delivering services, the needed resources, and the internal structure and processes established for operating and maintaining the organization. Besides, meeting social needs effectively makes it almost obligatory for the organization to network with others and develop various kinds of linkages (Pareek, 1981, Ch.1). These linkages include those with entities on which the organization has resource dependency (enabling linkages), those with entities performing functions or providing services that are complementary in an input-output or production sense to those provided by the organization (functional linkages), and those with entities which incorporate norms and values relevant to the doctrine and programme of the organization (normative linkages). Institution building may proceed in cycles of formulation of a fresh idea, its concretisation into programmes and activities, review and consolidation, and the multiplication of the organization's impact through innovation diffusion, networking etc. (Pareek, 1981).

Various institution-building processes and mechanisms have been identified (Ganesh, 1979). Effectively managed processes and mechanisms contribute to the movement towards institutionalization; ineffectively managed processes impede it (Ganesh, 1980). These processes and mechanisms include birth, start-up, development-related, renewal, and institutionalization processes. Birth processes include idea origination and nurturance, choice of form (corporate versus, say, cooperative) and location of the organization. Inception or start up processes include choice of a role model organization, of early leadership, initial resource and support mobilization. Development-related processes include culture creation and boundary management processes. Culture creation processes include the way initial staff is recruited, enculteration (way commitment of the staff is generated to the processes, values, activities, etc. of the organization), choice of decision making process and control mechanisms, choice of structure (extent of formalization, departmentalization, etc.) and choice of leadership style (openness, innovation orientation, etc.). Boundary management processes include building up the distinctive identity of the organization, specification of the organization's legitimate activities and periodic revision of this list. Renewal processes include change in leadership, induction of new members to replace those that leave or retire, exit of key actors, internal mechanisms for voicing dissent or new perspectives, mission redefinition, and reintegration and reorganization. Institutionalization processes include such relevance building processes as research and dialogue with the organization's stakeholders, and such environment impact mechanisms as knowledge or expertise dissemination.

Effective institution building may be evidenced by three criteria (Ganesh, 1980): the extent of capability development by the organization; the extent of the organization's innovative thrust or unique contributions, and domain penetration. Several hypotheses have been developed of the process determinants of institution building effectiveness (Ganesh, 1980). For example, the stronger the initial recruitment, enculteration, rejuve-nation, and redefinition of mission mechanisms, the greater is capability development; the stronger the mechanisms of choice of organizational role model, decision making process, structure, voicing dissent, and integration or reorganization, the greater is innovative thrust; and the stronger the mechanisms of choice of early leadership, leadership style, change in leadership, research, dialogue with stakeholders, and dissemination of expertise, the greater is penetration.

Institution building may require the organization's leadership to play several distinctive roles (Pareek, 1981, Ch. 20). These include the organizational identity creation role, the enabling role (for developing various kinds of resources), the synergising role involving identification of synergies between various resources and various activities, the role of balancing staff compliance with staff creativity, the linkages building or external networking role, the role of envisioning the future and preparing the organization to adapt to it, the role of conceiving and implementing the organization's (positive) social impact strategy, and the role of providing superordination to organizational members such as by articulating and promoting a mission for the organization. How the roles are played may be as important as the playing of the roles. Trust, collaboration, self-dispensation, and concern for people and their growth become key ingredients of leadership style (Ganesh, 1979; Ganesh and Joshi, 1985; Pareek, 1981). The motives that can sustain such behaviour may be power not for one's sake but for increasing the influence of the organization (McClelland, 1961), extension or the concern for people, the organization, and/or society, (Pareek, 1968), and creativity, pioneering, and innovation (Khandwalla, 1994). Institutional managers, that is managers that develop their organizations or build business empires, seem to be relatively high on psycho-social maturity, they are more organization-centred than self-centred, they like to work, they are willing to sacrifice for the welfare of the organization, and they have a keen sense of justice (McClelland and Burnham, 1976).

The Institute of Engineering and Rural Technology (IERT) at Allahabad in Northern India, offers an interesting example of institution building in a relatively uncongenial cultural milieu (Gupta and Kalra, undated). This is a much sought after polytechnic which offers engineering diploma courses in some 15 areas, and also non-engineering diploma courses in management, rural technology, and management of rural development. It runs a "technical hospital"--a training-cum-production centre to provide real life learning situations and to produce wooden and steel furniture, plastic products, sewing machines, farm equipment, biogas plants and wind mills, various consumer products, rural industrial equipment, etc. It also develops and markets curricula and educational aids for educational programmes in India and abroad. It has set up a centre for the development of rural technology, a wind energy research centre, and offers a course in hotel management. In a region where the prevailing ethic is one of indolence, corruption, intrigues, dirty politics, casteism and nepotism, this institute stands out as a beacon of mundane exaltation. How has this institution got built up? Researchers identified several mechanisms. These included members being conversant with the history of IERT and taking pride in it and sharing a vision of India's development through technology. There was a norm of training practitioners who can produce results with minimum resources. Every day the faculty attended a morning meeting to discuss current issues and arrive at consensus solutions. IERT's early leaders set an example for self-sacrifice, empowerment of staff, encouragement of innovation and flexibility, risk taking, and practical applications of expertise. A leadership style had got institutionalized even at lower levels that was nurturing and supportive but also demanding of excellence. There was strong emphasis on working on real life problems, on involving staff in designing and implementing new ventures, on hiring the best and the brightest, and on inviting outside experts to visit IERT and contribute to its initiatives. IERT avoided punishment as a control device and instead emphasised fun, freedom, and autonomy as major motivators. IERT employed a matrix structure, had various interdisciplinary committees, and activity centres with high autonomy whose activities were, however, periodically reviewed by the head of IERT. Faculty was encouraged to do consultancies, and also to grow by acquiring higher qualifications, attending conferences, going abroad for exposure, etc. The pay scales were higher than standard polytechnic grades, and IERT also provided many staff benefits. While IERT took government money, it warded off bureaucratic and political interference by a number of devices: getting many VIPs to its campus, organizing high profile seminars and workshops, getting funds from industry and various governments, earnings money through marketing its products and services, networking with like-minded organizations in India and abroad, and performance credibility.

Organizational Ethics

Every decision involves choices and almost all choices may have moral implications, even if these may frequently be overlooked. Thus all humans and their institutions are moral entities and at some time or the other have to confront issues of good and bad and right and wrong. Although much criticized (Grant, 1991; Reilly and Kyj, 1990; Sen, 1987) even profit maximization as a guide to corporate decision making in a competitive economy is at core a moral rule. It rests on the assumption that such a rule leads to the most effective utilization of a competitive, capitalistic society's scarce resources, to lowest feasible prices for customers, and payments to factors of production that are fair because they are commensurate with their contributions (Friedman, 1970). The critics of profit maximization have come up with their own a priori moral and ethical rules that they feel are more appropriate to the real world of imperfect markets, inter-dependence, complexity, social injustice, gross inequalities, poverty, economic underdevelopment, etc. For example, Hosmer (1994) has listed ten frequently cited ethical principles. These are: avoid actions that are not in one's long term interests; avoid actions which are not transparently honest; avoid actions that are not kind and compassionate and do not build a sense of community and shared goals; act to maximize profits subject to legal and market constraints (the Friedman rule); avoid illegal actions; avoid actions that result in greater social harm than good (the utilitarian rule); avoid actions that one would not like similarly placed individuals to take (the Kantian categorical imperative); abjure actions that abridge the legitimate rights of others; avoid actions that harm the least powerful (the Rawls rule); and avoid actions that interfere with the right of individuals for self-development and self-fulfilment (based on Maslow's self-actualization norm). There are many more dont's than do's. Such a plethora of ethical principles, mostly of proscriptions, is likely to paralyse decision making because of conflicts between principles or difficulties in interpreting them in particular situations. Human beings must therefore search for and adopt those moral principles or heuristics that resonate with their core convictions and values. This is also true of organizations and other institutions that humans build.

Moral principles have an a priori flavour to them. There is a question as to what could impel people to be moral. There are values that seem to underpin moral conduct (Etzioni, 1984), such as accountability, caring, citizenship, excellence, fairness, integrity, loyalty, promise-keeping, respect, etc. Naganand Kumar (1986) has identified and measured a motive called work dedication that represents a commitment to fulfil one's moral obligations even if this entails suffering. Similarly, Schwartz (1983) has argued that humans want to discharge their moral obligations, and people vary in the potency of this desire. Khandwalla's research on Indian professionals showed that "conscientiousness" was negatively correlated with self-development and pioneering-innovating motives (Khandwalla 1994).

It is possible that whatever embryonic moral motive may be there at birth gets vastly elaborated through socialization processes. Thus, there may be several stages of moral development. Following attempts to identify stages of moral development in humans (Kohlberg, 1964), organizational scholars have attempted to conceptualize stages of the moral development of business organizations. Reidenbach and Robin (1991) have indicated five ascending stages and given illustrative examples. The base stage is the amoral organization. It seeks to win at any cost and with any, even illegal means, such as exposing workers to life threatening substances in violation of safety codes for the sake of profits. The next higher stage is the legalistic stage of abiding by the letter of the law, frequently by instituting a code of conduct that prohibits illegal behaviours. An example may be Ford's recall of the unsafe Pinto car, but only after it was ordered to do so by the US National Highway Traffic Safety Administration. The third stage is the responsive organization that goes somewhat beyond profitability and legalistic concerns and attempts to strike a balance between profits and doing the right thing. As an example, unlike Ford Motor Company, rather than wait for government orders, P & G withdrew their Rely Tampon product when it was confronted with evidence (and not overwhelming evidence at that) of the harm it could do to users.

The next higher stage is the "emergent ethical" organization in which there is a much greater balance between profits and ethics, based on a recognition by management of a social contract between business and society. Such organizations adopt codes of conduct that are elaborated in handbooks, policy statements, committees, ombudsman, ethics training programmes, etc. An example may be that of General Mills which developed guidelines for ethically dealing with competitors, customers, and vendors, and in recruitment decisions looked for ethical values in job applicants. Another example, Johnson and Johnson not only had a lofty credo but acted quickly and at a great cost to it (of $ 80 millions) in recalling its harmful Tylenol products. The fifth and highest stage is that of the ethical organization with organization-wide acceptance of a common set of ethical values that permeates all organizational actions. A possible example is of Alacrity Foundation, a private sector company in the business of urban housing (Karnad, 1990). In India this business is notably corrupt. Alacrity's core value was completely ethical business, and it practised ethics repeatedly. For instance, in one housing project, because of uncontrollable delays in government sactions,there was customer dissatisfaction. Most construction firms do nothing. Instead, Alacrity voluntarily paid liquidated damages to its customers. In another housing project, the customers complained that the water supplied to them was unfit for use. Alacrity arranged to supply good water by tankers for five years. In a third project, a government department threatened to disconnect the sewer line on a technicality, possibly to extort a bribe. Alacrity offered to re-lay an entire sewer line at its own cost. Alacrity acquired such a strong reputation for ethics that in several cases the government dropped legal proceedings for apartments built by Alacrity.

A wide variety of shapers of ethical behaviour in organizations have been identified (Stead, Worrell, and Stead, 1990). These include the employee's early socialization and background, personality, operating management philosophy, the behaviours that are reinforced in the organization, the context in which the organization operates etc. These factors have led to several suggestions for institutionalizing ethical behaviour in organizations. These include example setting by managers, especially the chief executive, the screening of potential employees for their ethical credentials and orientations, the development of a code of ethics, training employees in ethics by exposing them to various sorts of ethical dilemmas and to ethical decision heuristics they could use, the rewarding of ethical behaviours including whistle blowing, punishment of unethical behaviours, and the creation of roles and structural mechanisms such as an ethics monitoring committee or a code of ethics committee to deal with ethics issues (Stead, Worrell, and Stead, 1990). Some further mechanisms that indirectly reinforce ethical behaviour are the emphasis on professionalism and participative, consensus-based decision making, since professionalism involves at least some indoctrination into professional ethics and consensus based participative decision making is likely to increase the probability that ethical concerns will be voiced and considered during decision making.

Ethical behaviour is not only an end unto itself; it can also have practical consequences for organizational effectiveness. Obviously, in a society that values ethics, an ethical organization is likely to have a privileged position vis-a-vis social goodwill and image and this may lower transactions costs (Williamson, 1975) and lower costs of attracting and retaining human and other resources. In a predominantly pragmatic and utilitarian society, however, ethical stances may create handicaps for the organization by constraining options. Beyond the question of organizational-level desirability is the relevance of ethics for the wider society. An ethical organization is not only likely to reinforce the ethical behaviour of organization members but also be much more resistant to unethical business practices like misleading or prurient advertising, marketing of shoddy or dangerous products, reneging on commercial contracts, environmental pollution, unsafe work methods, drastic downsizing for no fault of employees, etc. (Reilly and Kyj, 1990).

Different value systems of people may buttress different forms of ethical behaviour in organizations (Musser and Orke, 1992; Rokeach, 1973). Rokeach distinguished between terminal, that is, end states related, and instrumental, that is, means related value types. He further conceived both terminal and instrumental value types to be either socio-centric (society-centred, interpersonal etc.) or self-centric (self-centred, intrapersonal, personal competence related). Musser and Orke used this four-fold categorization to develop a typology of organizational systems. A terminal social-instrumental personal competence organizational value system was termed that of the Effective Crusader; a terminal social-instrumental moral value system was called that of the Virtuous Advocate; a terminal personal and instrumental competence value system was called that of the Independent Maximizer (the values of the rational person of Economics); while the terminal personal and instrumental moral value system was called that of the Honorable Egoist. Musser and Orke's data indicated that the Independent Maximizer type tended to have the highest score on Machiavellianism (deception, manipulation, deceit) while the Honorable Egoist type tended to have the lowest score on Machiavellism, closely led by the Virtuous Advocate type. An implication of these findings seems to be that the neo-classical economic system idealised by Friedman and his followers may rest on or result into a Machiavellian value system in which organizational ethics may be at a discount.

Organizational Justice

Organizational justice is another path of exaltation. The basic issue is one of ensuring fairness to organizational stakeholders in their dealings with one another and with the organization. Rawls (1971) has claimed justice to be the prime virtue of social institutions. Organizational justice covers such matters as equitable payment to various categories of organizational participants, fair grievance redressal mechanisms (Aram and Salipante, 1981), the rights and entitlement of employees vis-a-vis owners, etc. Unjust organizational systems may become a sore point with stakeholders and may reduce organizational effectiveness, while just systems may increase identification with the organization.

The major ingredients of organizational justice appear to be distributive justice and procedural justice (Greenberg, 1990). Distributive justice relates to the question of fairness in paying or rewarding various categories of stakeholders (particularly employees), while procedural justice relates to fairness in the processes utilised to resolve issues and conflicts. Several principles of distributive justice have been adumbrated (Reidenbach and Robin, 1990), such as equal share for all, shares as per need, shares as per rights, shares as per efforts, shares as per social contributions, and shares as per merits. Empirical work suggests that as applied to performance appraisals the main elements of procedural justice in the US may be solicitation of inputs from those being evaluated prior to reaching a judgement, two-way communication during the evaluation process, facility of challenging and rebutting evaluations, evaluator's familiarity with the work of the person being evaluated, and consistent application of standards of evaluation (Greenberg, 1986 a, b). In Greenberg's study, perceived distributive justice appeared to be related to receipt by the ratee of his/her ratings based on achieved performance, and emoluments and promotions recommendations based on fair ratings. Procedural justice measures seem to be related in the US to such aspects of organizational effectiveness as trust in management, job satisfaction, and organizational commitments (Alexander and Ruderman, 1987; Folger and Konovsky, 1989), while distributive justice measures seem to be related to pay satisfaction and satisfaction with verdict (Folger and Konovsky, 1989; Tyler, 1984).

Organizational Altruism

Organizational altruism has to do with helping behaviour in and of organizations. It may be rooted in the biological need of nurturing the young that we humans share with other mammals, and possibly also commensalism or interdependent survival in nature that makes us want to help others from an enlightened self-interest (Sherrington, 1964). Some psychologists have postulated an altruistic motive in humans that goes beyond instinctual nurturance and cooperation (Hoffman, 1981; Kanungo and Conger, 1993; Pareek, 1968; Rushton, 1984). As Kanungo and Conger point out, altruistic behaviour requires a conception of an extended self, one that incorporates the interests of others besides oneself in one's priorities. Indeed, some economists, normally the high priests of the virtue of selfishness, have got interested in altruism. Some have postulated a dual utility function for humans, one that relates to oneself and the other for the group, community, or society one belongs to, and the possibility of trade offs between these two personal priority systems (Margolis, 1982). Pareek (1968) has postulated an extension motive in people, one that impels them to a concern for the well-being and development of others. Mehta (1982) has identified and measured the social achievement motive, that is, the motive to get a collectivity like the organization or community to perform excellently. Extension and social achievement motives may be critically important in promoting liberation movements, human development, and socio-economic transformation.

Kanungo and Conger have defined altruistic behaviour in organizations as any work-related behaviour that benefits others regardless of the beneficial effects of such behaviour for the benefactor (1993, p.42). They have postulated that humans can vary along two dispositions: disposition to benefit oneself and disposition to help others. Their low ends are the disposition to harm oneself and others respectively. The highs and lows of these two dispositions provide a typology of personality types -the Genuine/Moral Altruist (disposition to help others and disposition to harm oneself); the Utilitarian/Mutual Altruist of enlightened self-interest (disposition to help oneself as well as others); the Hedonistic Egotist (disposition to benefit self and harm others), and the Self-destructive Egotist (disposition to harm self and others). Kanungo and Conger suggest that in an increasingly complex world of interdependence, cooperation within and between organizations may be as important as competition, as evidenced by the economic success of Japan, Taiwan, and South Korea, which are community oriented rather than individualistic societies, so that the Mutual Altruist and Moral Altruist may have a comparative advantage over the Hedonistic Egotist and the Self-destructive Egotist.

Altruism is the basis of what has been called prosocial behaviour in the organizational context. Prosocial behaviour is one that a person voluntarily engages in to benefit another or other persons without expecting material or social rewards in return (Brief and Motowidlo, 1986). Thus it is disinterested helping behaviour. Brief and Motowidlo list several specific kinds of prosocial behaviours, such as assisting coworkers with job related and personal matters; being lenient; providing services, products or personal services to customers even when this collides with the interests of the organization; compliance with organizational values, policies, and regulations; suggesting various work-related improvements; objecting to improper orders, policies, or procedures; contributing extra work-related effort; volunteering for additional assignments; staying with the organization despite hardships; and representing the organization favourably to outsiders. It has been suggested that systems with strong reciprocity norms (Gouldner, 1960), responsibility norms (Berkowitz and Daniels, 1963), and altruistic role models, leadership styles, and organizational climates would promote prosocial behaviour of organizational members (Brief and Motowidlo, 1986).

A concept related to prosocial behaviours in organizations is that of organizational citizenship or civil behaviours (Morrison, 1994; Niehoff and Moorman). Organ (1988) has identified five types of organizational citizenship behaviours. Altruistic or helping behaviour is the first type. Conscientiousness (obeying of rules, fulfilling of system requirements) is the next type. Civic virtue or participation in organizational functions and activities is the third type, followed by sportingness (undergoing aggravations without complaining), and courtesy towards others in the organization. Organizational citizenship behaviour may be evoked when employees have trust in their supervisor and the supervisor is seen as fair in his/her processes of evaluation, etc. These may also be evoked when there is management support and reinforcement for them. Organizational citizenship behaviours may have considerable instrumental value for organizations in terms of greater integration, lower costs of internal transactions, lower hiring and retention costs, more effective crisis management, etc (MacKenzie, Podsakoff and Fetter, 1991). Presumably, an altruist, socially responsive organization taking its corporate citizenship role seriously serves as a role model for organizational citizenship behaviour and high levels of such organizational behaviours by the rank-and-file in turn may exert pressure on management to exhibit more civic virtue.

Block (1993) has suggested yet another class of idealistic organizational behaviour which he calls stewardship. However, stewardship has to do with supervisory rather than subordinate behaviour. The basic idea of stewardship appears to be that of service over self-interest, the leader as servant (Greenleaf, 1987), and the accountability of the manager to subordinates. This implies empowerment of subordinates (Block, 1987); redistribution of power, privileges, and wealth; partnership and choice for all levels of the organizational community as well as customers; participative decision making; moral leadership; and the leader as servant and exemplar of those values and ideals that help the organization as a covenanted community (Sergiovanni, 1992). The sort of organization that is implied by stewardship is not very dissimilar from the one that radical humanists may desire (Aktouf, 1992; Alvesson and Willmott, 1992; Emery and Thorsrud, 1969).

Several examples of organizational, specifically corporate, altruism are available. In the US, corporations like Mortgomery Ward and Westinghouse have funded large programmes for training the hard-core unemployed; IBM and Xerox have given paid leaves to executives to contribute time to socially beneficial projects; and the National Alliance of Businessmen has found jobs for hundreds of thousands of young persons (Moch and Seashore, 1981, p.223). However, several of these programmes have received federal subsidies. In India, too, several corporations have distinguished altruistic records (Khandwalla, 1995, pp. 45-46). Tata Steel, through various agencies, annually provides medical help to hundreds of thousands of the rural poor living around its plant in Jamshedpur; the House of Bajaj has funded the Jamnalal Bajaj Institute of Management in Mumbai (Bombay) while the Birlas set up the vast Birla Institute of Technology at Pilani. Hindustan Lever has adopted an orphanage in which its managers and their family members make contributions in their spare time.

Radical Humanism

Humanism seeks to bring the human to the centre stage in worldly affairs, be it the functioning of societies or organisations. Radical humanism seeks to emancipate humans from repressive social, occupational, and ideological conditions (Alvesson and Willmott, 1992). Such an emancipation would lead to the fuller development and articulation of human consciousness and greater autonomy in personal, organizational, and social life.

Strongly influenced by the concept of alienation propounded by Marx, radical humanism offers, through the application of critical theory, a powerful critique of profit oriented functionalism in corporate management that results in unilateral power to make decisions and allocate resources in the hands of management, fragmentation of work and over-specialization that makes work meaningless, the absence of dialogue and opportunity for self-expression at work, dishonesty towards employees, the objectification of human beings, narrow economism and utilitarianism, etc. (Aktouf, 1992; Burrell and Morgan, 1979; Clegg and Dunkerley, 1977; Freire, 1983). While "bourgeois" humanism is alright as far as it goes in terms of such "top-down" managerial tools as limited participative management, human relations, transformational and visionary leadership, the total quality movement, etc, what is really worth pursuing is the struggle for individual and collective self-determination (Alvesson and Willmott, 1992), ownership of the organization by workers, industrial democracy (Emery and Thorsrud, 1969; Rhenman, 1968) and empowerment of employees (Block, 1987).

Aktouf has provided an example of what may be close to a radically humanist management (Aktouf, 1992, pp.424-425). Cascades Inc., a billion dollar pulp and paper multinational based in Quebec, Canada, was started almost from scratch in 1963 by three brothers and their father in a small Quebec town. Aktouf found that the company had no organizational charts, and almost no official positions, job descriptions, time sheets, supervisory control, etc. The structure was relatively flat, with just three or four "symbolic" levels of hierarchy. There was "self-management" in everything through self-management teams, and direct and informal relations and frank exchange at all levels. There was open book policy vis-a-vis all information, including financial information; access to executive offices for all employees; profit sharing by all employees unrelated to individual productivity, etc. Employees apparently reported that they were cared for and respected. Inspite of or because of this mode of non-hierarchical and organic management, Cascades apparently had consistently achieved profitability levels that favourably compared with the pulp and paper industry standards, and weathered recession better than most competitors.

A similar story has been reported of Semco, a Brazilian enterprise (Semler, 1989). In 1980 the company had about 100 employees and sales of four million dollars. It produced and marketed hydraulic pumps for ships, and was in financial doldrums. Eight years later the company's sales were over nine times higher, the company was earning 10% on sales, it employed 800 persons, and it produced a range of sophisticated products including marine pumps, digital scanners, commercial dishwashers, truck filters, mixing equipment, etc. It was repeatedly named as one of the best companies to work for in Brazil. This miracle was apparently engineered by dispensing with conventional management prescriptions. The core values were not efficiency or control of operations but rather of trust and democracy.

The company had only three levels of management - "counsellors", "partners", and "coordinators". The rest of the staff were called "associates". Even such major strategic decisions as acquisitions were made by company-wide vote of employees. Persons were not hired or promoted until they had been interviewed and approved by their prospective subordinates. Twice a year managers, including top managers, were evaluated by their subordinates. Everyone had a say in their compensation and twice a year 23% of the net after tax profit of each division was given to the division's employees to share as they wished. Every month each employee got the profit and loss statement, balance sheet and cash flow statement of his/her division and employees received training in how to interpret these statements. People on shop floor decided the month's production plan. The accounting system was simplified and 400 cost centres were reduced to 50. There were no staff departments, and the company abolished norms, manuals, rules, and regulations. The company was on flexitime, and there were no security searches, time clocks, or padlocks for store rooms.

A third example of radical humanism of sorts is provided by Jaipur Metals, an Indian company in the public sector. Following mismanagement and intra-family quarrels, this originally private sector company was taken over by the government of the Indian state of Rajasthan. Its performance continued to be dismal. In 1983 the government appointed Mr. I.S. Kavadia, a member of the Indian Administrative Service as its chief executive. Initially, Kavadia administered tough medicine. He imposed discipline on a restive labour force and retrenched hundreds of employees. He got the unions to agree to a wage freeze and longer working hours. But he also offered workers shares of the company, and also institutionalised participative management. Jaipur Metals had a remarkable turnaround. In five years sales went up five times and profit rose to rupees 30 millions from a loss of rupees nine millions in 1983 (Khandekar, 1985; Mookherjee, 1989).

Radical humanism need not be only Marxist in inspiration. It can also be inspired by Freudian and Maslowian perspectives, respectively of liberation from internal oppressors resulting in mental health, and fulfilment of higher order, self-actualization needs. The organizational (or indeed social) oppressors are not only "objective" techno-economic conditions of work but a repressive authoritarian culture, including organizational culture, that condemns human beings to neurosis, personality stunting, psychosis and other forms of ill-being (Argyris, 1956; Maslow, 1954). Management practices can exact a fearful toll in terms of human sickness. In one US study of 13000 employees of 16 subsidiaries of a corporation, some 20% of the variance in an index of aggregate health symptoms was accounted by such variables as the perceived organization - individual balance (management concern for organizational requirements versus for individuals' needs), perceived managerial treatment of employees; and perceived discrimination (on the basis of race, gender, etc.) (Smith, Kaminstein, and Makodok, 1995). Remedies suggested have been socio-technical systems approaches that take into account not only techno-economic considerations but also psychological considerations in designing systems (Trist and Bamforth, 1952), job enrichment to make work more interesting (Herzberg, 1968), organizational development interventions (Golembiewski, 1988), participative redesign of work (Emergy and Thorsrud, 1976), etc.

Organizational Spirituality

Can organizations, usually set up and operated to achieve mundane goals such as making profits, conducting elections, healing patients, or educating people be spiritual? What can be the nature of organizational spirituality?

Organizations can, of course, have spiritual goals. Religious organizations such as various orders have spiritual goals of facilitating salvation or liberation. Ashrams may often not espouse any particular religion but their goals are frequently the development of the spirituality of inmates, spirituality being the direct experience of the underlying unity of all phenomena, an oceanic feeling of bliss (James, 1960). But these are so to speak, special purpose organizations in the business of spirituality. A larger number can employ or try to employ spiritual means in their mundane work. The use of spiritual means in the pursuit of mundane ends is not as paradoxical as it sounds. Almost the entire message of the Bhagavad Gita or the song of God amounts to being spiritual in worldly matters, by doing one's duty as an offering to God, by working without the expectation of reward. The Protestant Ethic also seems to be close to this idea (Weber, 1958). This ethic exhorts the businessman to create wealth, for wealth is a sign of God's grace, but not use wealth for ostentatious living; and it exhorts the worker to work hard without being greedy for money. That is the way to salvation. Such an ethic has mundane consequences; it leads to rapid accumulation of savings (high profits, low wages) and high rates of investment to multiply wealth (Weber, 1958). It is rather contrary to the greed and incentive based system extolled by Friedman (1970) and now occupying such a commanding presence in the world's societies. Singer's studies of South Indian entrepreneurs (1982) indicate that the commitment to create wealth without coveting it (because wealth creation is the special calling of the businessman) is not a sham but a living tradition that enables the entrepreneur to be a shrewd, even callous industrialist but also enables him or her to be religious and charitable. In the West, "Christian businesses" apparently are quite widespread (Ibrahim, Rue, McDougall and Greene, 1991).

While these companies are profit oriented, they also engage in the proselytisation of their employees, customers, and suppliers, and support Christian organizations and charities.

Gandhi's concept of trusteeship (Dantwala, 1991) is a refinement of organizational spirituality. It is not enough to create wealth without coveting it; the businessman must administer it as a trustee for society, especially workers and other stakeholders. Spirituality is manifested in the utilisation of profits and wealth. Gandhi also advocated the purity of means, so that spirituality is manifested also in the running of the business.

Chakraborty has strongly advocated spirituality in management (1985, 1993, 1995). A trenchant critic of self-centred individualism, and the present greed and selfishness based corporate order in India, he has sought to trace the evils of contemporary Indian business organizations such as interpersonal and interdepartmental conflicts, corruption, waste, lethargy, money-mindedness, opportunism, unfair competition, etc. to godlessness. If only decision makers become aware that they share with all others the same immanent divinity, if they only could experience the fraternity of the universal Self, their pettiness would fall off. They would then be able to tackle with far greater equanimity and selflessness the pressing problems of their organization. A more wholesome mindset would prevail, and through a contagion effect others too would become more spiritual and ethical, so that problems that arise from pettiness and selfishness would subside.

The journey to a spiritual management begins with the individual manager. In the Indian tradition, through yoga, meditation, faith in God and in one's own intrinsic divinity, and introspection, a pure mind receptive to wholesome values can be achieved. These values include selfless work, work as a calling, commitment to discharge one's obligations rather than assert one's rights. Chakraborty (1993) has reported that several Indian corporate managements have availed of values-based workshops for their managers. Results suggest that these workshops enhance relationships at work, ethical sensitivity, coping with stress, creativity, personal life and domestic life (Chakraborty, 1993). The Christian spiritual tradition stresses such values as courage, moderation, justice, charity, as well as science, knowledge, wisdom, competence and prudence (Bausch, 1995).

Chakraborty (1995) has castigated contemporary models of leadership as dealership. He has conceptualised "wisdom leadership" and the "rajarshi" model of the leader who embodies truth, order, justice and goodness, and who induces the eternal order of the cosmos (rita) into the logos of society. This eternal order is to be grasped intuitively by stilling the mind and anchoring it in the Self (the "state of quiescent uncondi-tional awareness"-- Chakraborty, 1995, p.209). It is this Self that provides guidance in all matters. Deep breathing, cleaning the mind of egotism, introspection, meditation, concentration, hunger for accessing the all-pervasive intelligence, prayer, etc., facilitate this stilling and anchoring.

The enterprise is one of transcending the little, selfish, egotistical self, going beyond mere reason and intellect, accessing the cosmic Self, and being guided intuitively by this greater Self in integrating society or organization with the cosmic order. The rajarshi leader is free from fear, insecurity, and narcissistic power hunger; promotes goodness rather than pleasantness; sees at once and clearly the whole reality rather than comprehend reality fragmentally and by successive approximations (Simon's (1960) bounded rationality), comprehends the working of the cosmic order in everything, and gives primacy to detached performance of one's duty and appointed role over self-interest or other distortions. The rajarshi is not one who shirks action but rather one who acts wisely.

The Swadhyay (meaning self-study and self-development) Movement in India provides a remarkable example of a highly effective spiritual organization (Prakash, 1996; Srivastava, 1986). Founded by Pandurang Shastri Athavale in the fifties, the movement's mission is spiritual development that harmonises individual and social development. Its main inspiration is the teachings of the Bhagavad Gita and the Indian spiritual philosophy of the universal immanence of God. The movement seeks to demonstrate its practical utility. The core values are the spiritual fraternity of all humans, reliance on conscience force for solving life's problems, dignity of lowly work, reform of an ossified culture to revitalize it, love, knowledge, effort without any expectation of any reward as foundations of individual and social development, and full involvement in life rather than an escape from it. The basic discipline is one of transcending of egotism through bhakti or devotion to God, which manifests itself as a living experience of spiritual brotherhood, and self-purification to release nipunata (expertise) as an offering to God. It has sought social transformation through spiritual self-transformation rather than such social engineering as formal education, job reservations, planned developmental expenditure, "conscientization" (Freire, 1983), etc. The chief methodology adopted by the movement is bhakti pheri or trips of devotion of its adherents to local communities. In these trips the adherents neither preach nor seek converts nor accept any food or hospitality. Instead they simply talk about the divine brotherhood of humans and their personal experiences of self-transformation. But this seemingly simple methodology has spawned creative new activities like krushibhakti or devotion to God through devotion to farming and collective cultivation, collective fishing as offering to God whose profits are distributed altruistically to the needy, construction of collective places of worship, collective planting of trees on barren lands, setting up of youth, educational, training, and research institutions related to spirituality, etc.

The social impact of the Swadhyay Movement has been so remarkable that it has been described by some social scientists as an alternative to conventional models of socio-economic development (Srivastava, 1986). As of 1996 it had an active membership of about 200000, and a presence in 80000 villages (15% of Indian villages). In those communities in which it has been active, mainly low caste and rural communities, caste barriers have got eroded, and drinking, gambling, thieving, dacoity, smuggling, and wife beating have been given up. Conducting the marriage ceremony, traditionally reserved for the highest caste (the Brahmins) has been opened to lowest caste women. Hygiene and cleanliness, never strong in India, have got institu-tionalised. There has been a highly perceptive improvement in living standards. Over 3000 collectively farmed plots are in operation and over 90000 wells and dry lakes have been recharged by Swadhyay engineers and technicians with local participation and without financial assistance from the government.

The management of the movement is as remarkable as its spiritual and social achievements. It is informal, non-hierarchical, organic, altruistic and participative. The founder and the appeal of his message are the chief integrators. Its penetration "strategy" is based on creative use of Hindu symbols, beliefs, and heroes for socially radical ends such as removal of caste and gender barriers among the downtrodden. Although anchored in Indian spiritual traditions the movement is open to modernity and Western ideas. It stresses cultural continuity but also social improvisation and innovation. Instead of blue-printing, it has been setting up institutions and structures that are organic and by and large locally managed. It is also a good learning organization, first trying out local experiments before extending them widely. Although major decisions are taken consultatively by the founder, implementation is highly decentralised and harnesses a good deal of local initiative.

DISCUSSION

It is the thesis of this paper that organizational greatness ascends on two legs. One leg is performance excellence on conventional indicators for the type of organization, especially performance excellence in a competitive context. The other is exalted striving, in terms of some ethic, wider concern, ideal, or exalted state. Organizational greatness is desirable because of its upthrust to the emergence of a more humane, ethical, and spiritual civilization at a time when civilization's future is clouded by militarism and crass materialism. It is also desirable because attempts at fusing the mundane with the sublime may well provide a vast new impetus to organizational innovation and new organizational forms, which in turn could sustain constructive human creativity during the coming decades.

A number of approaches to performance excellence have been discussed in this paper, notably the environmental selection or determination model associated with economics and population ecology, the strategic choice perspective, the organizational attributes approach, synergy between organizational elements, and the context-organizational fit approach. These approaches have been integrated into an approach for a competitive domain, which argues that in a competitive domain it is necessary to differentiate between common adaptations to contingencies and strategic choices, and uncommon ones. The common adaptations are usually the inescapable ones. They confer no competitive advantage because of mimesis. But they build a platform of adaptive learning and adaptation capability. If further uncommon but appropriate discretionery responses are made, these may confer a competitive advantage and the organization may thereby display performance excellence. Thus, in a competitive domain, neither the context nor a strategic choice affects performance excellence materially. Nor are there organizational attributes that can carry the organization to peaks of performance regardless of the contextual conditions. It is the necessary adaptation and appropriate discretionery and uncommon strategic differntiation from the other organizations in the domain that may carry the day for the organization.

Several alternative paths of exaltation have been briefly discussed in the paper. These are: stakeholder orientation, corporate social responsibility, strategic domain development orientation, institution building, organizational ethics, organizational justice, organizational altruism, radical humanism, and organizational spirituality. These do not exhaust paths of organizational exaltation. Others have been suggested, of love and joyous celebration (Upadhayaya, 1995), but these nine are relatively well-researched, and likely to be tenable in organizational contexts. Each of these nine paths involves an enlargement of organizational concerns, and a sharpening of organizational responsiveness to human and social needs, moral and spiritual promptings. Embedded in these paths of exaltation are strategic choices of as much import as the better known conventional strategic choices (e.g. whether or not to diversify and in what form, which generic competitive strategy to pursue, whether to globalize operations or not, to grow by acquisitions or mergers or building facilities, what management style to adopt, whether to pursue a prospector, analyzer, or defender strategy, whether to divisionalize or adopt a matrix structure, and so forth). Table 1 summarizes the core meaning, values, and instrumentalities of each of the nine paths of exaltation.

(Table 1 about here)

An interesting question is: how feasible is it to fuse the mundane with the sublime? In a competitive domain in which it takes a great deal of competence just to survive, and the margin for "frills" is so little, can organizations afford the "luxury" of an ethical, spiritual, altruistic or sociocentric posture? There is no easy answer to this. But the numerous examples of organizations given in this paper that seemed to be able to blend successfully the mundane with the exalted does suggest that it is feasible, possibly advantageous, to pursue the sublime along with the worldly.

Each path of organizational exaltation can be pursued at several levels. At a low level most organizations need to comply with legal requirements or strongly held social expectations about moral, altruistic, or socially responsive conducts, such as not to abuse sexually, not to liquidate unwanted staff, abide by contractual obligations, pay taxes, abide by pollution control laws, etc. At a modest level an exaltation orientation can be fairly easily coopted into the dominant paradigm of competitive excellence. At a modest level, each of these paths can be adapted to make it instrumental for competitive excellence. Thus, by keeping stakeholders happy, their cooperation can be made to confer a competitive advantage in terms of lower coordination and transactions costs. Similarly, some demonstration of organizational ethics or social responsibility can build up the image of the organization, and therefore, facilitate access to scarce resources and insulation from market pressures, which in turn, could help the organization in its competitive battles (Ford and McLaughin, 1984; Kanungo and Conger, 1993). Domain development can expand markets and reduce the costs of entering into transactions related to the domain. Institution building, ethics, justice, and altruism can lead to high social legitimacy which can be cashed. Radical humanism, through the devices of empowerment, participative, democratic decision making, job enrichment, etc. can lead to increased productivity (Block, 1987). Organizational spirituality can lower intrapersonal stress of decision making and interpersonal tensions and therefore lead to calmer, more objective, more effective decision making (Chakraborty, 1985). At a moderate level, all nine paths can be aspects of organizational functional rationality, and subject to an analysis in terms of incremental costs and benefits for optimization.

But beyond this point of easy synergy with conventional performance excellence, each path is clearly a thorny one, for walking on any of these paths could require sacrifices of profitability, growth opportunities, market dominance, and other similar obsessions of managers. Ethical qualms could rule out many shady ventures. A strong stakeholder orientation could sharply attenuate the profit maximization imperative. A consuming domain development orientation may require persistence with a loss making activity but with positive externalities or withdrawal from a highly lucrative initiative because it ceases to have any positive externalities. Institution building passion can require giving primacy to the process of taking decision over the decision itself and playing the change agent role over the niche exploitation urge. A relentless pursuit of organizational justice can erode management prerogatives. Impassioned radical humanism can convert managers into workers and workers into managers. The depths of organizational spirituality can sow profound doubts about the materialistic goals and means of the organization. These paths, when trodden hard, can turn the entire structure of conventional performance excellence topsy turvy. They may dissolve the consensus that has held management sciences together. Bereft of the laboriously produced functional essence of competitive excellence, there could be time of trouble for managers and management scholars in making sense of existence. Only those with wisdom and courage may thrive.

functional essence of competitive excellence, there could be time of trouble for managers and management scholars in making sense of existence. Only those with wisdom and courage may thrive.

How may the organization tackle the thorns on its path? Each of these nine paths of exaltation is strongly normative and therefore capable of affecting pervasively the way the organization operates. A strong commitment to an exaltation path by the organization's decision system tends to introduce multiple discourses or mind sets in the organization. This may lead to greater diversity in the organization's goal set and therefore an increase in the organization's operating complexity. A necessary adaptive response to this increased complexity may be increased intraorganizational differentiation in terms of more differentiated strategies, structures, know-hows, operating norms and rules. Without more complex and uncommon forms of integration, superior performance on conventional as well as exaltation goals would be unlikely in a competitive domain. Such integration could take many relatively uncommon forms, such as the development of a dedicated cadre of managers that pursues the full goal set, internalization in the rank-and-file of an ideology and value system congruent with the new goal set, a recruitment and reward system for the staff that stresses performance on the full goal set, periodic reflection by the organizational community on the implications of the enlarged goal set and performance vis-a-vis this goal set, an information system that gathers and widely disseminates to the stakeholders information on the performance of the organization and its sub-units vis-a-vis the full goal set, and a conflict resolution system that goes beyond hierarchical and quasi-juridical mechanisms of procedural justice to involvement of credible sages as mediators, conciliators or judges. What is more, since the acceptance of an exaltation path implies much initial failing and learning, the organization must strive even harder to create slack (Cyert and March, 1963; Singh, 1986) to cushion these initial failures. This implies more creative, imaginative and better planned strategy formulation and implementation, and more proactive and participative management styles. It may also imply vigorous networking with like-minded organizations and institutions both for accelerated learning from common experiences and also mutual support during adversity or failure.

Another point of interest is the kind of context that may reinforce organizational commitment to one or more exaltation paths. Times of societal regeneration--as in many developing countries attempting to change from traditionality to modernity, or dependence on foreign powers to self-reliance, or abject poverty to a better quality of life, or oppressive exploitation of the have-nots to greater equality and social justice - may be good times for widespread acceptance of some of the sociocentric paths of exaltaton, particularly stakeholder orientation, corporate social responsibility, domain development orientation, and institution building to enable the organization to play a social change agent role. On the other hand, disenchantment with capitalism, and the hedonism and self-centeredness it commonly breeds, may be a congenial context for such other exaltation paths as organizational altruism, ethics, spirituality and radical humanism. It is also possible that as the work force of a society gets more professionalized, it would exert pressure for organizations adopting some of these exaltation paths, particularly stakeholder orientation, social responsibility, and organizational procedural and distributive justice. Histori-cally, social and political ferment has generally been the time innovative social-and by extension organizational and managerial--ideologies tend to arise (Simonton, 1975), and so times of discontent with the status quo may be opportune times for the emergence of "new" paths of organizational exaltation. What is true for society at large may, of course, be true for specific domains within the society. The challenge for organizational researchers is to identify these more specific contexts, the forms that each type of exaltation can take, their effective management, and the organizational, possibly societal, consequences of the pursuit of each form of exaltation.

In much of the world the Zeitgeist favours organizational exaltation. Will organizational researchers rise to the occasion and build a paradigm of organizational greatness? Will they show wisdom and courage?

References

1. Ahiauzu, A., "The 'Theory A' System of Work Organization for the Modern African Workplace," *International Studies of Management and Organization*, Vol.19, No.1, 1989, pp.6-27.

2. Aktouf, O., "Management and Theories of Organizations in the 1990s: Toward a Critical Radical Humanism," *Academy of Management Review*, Vol.17, No.3, 1992, pp.407-431.

3. Aldrich, H., *Organizations and Environments*. (Englewood Cliffs: Prentice-Hall, 1979).

4. Alexander, S. and Ruderman, M., "The Role of Procedural and Distributive Justice in Organizational Behavior," *Social Justice Journal*, Vol.1, 1987, pp.177-198.

5. Alvesson, M and Wilmott, H., "On the Idea of Emancipation in Management and Organizaiton Studies," *Academy of Management Review*, Vol.17, No.3, 1992, No.432-464.

6. Aram, J., "The Paradox of Interdependent Relations in the Field of Social Issues in Management," Academy of Management Review, *Vol.14, 1989, pp.266-283.*

7. *Aram, J. and Salipante, P. Jr., "An Evaluation of Organizational Due Process in Resolution of Employee/ Employer* Conflict," *Academy of Management Review*, Vol.6, 1981, pp.197-204.

8. Argyris, C., *Personality and Organization* (New York: Harper, 1956).

9. Aupperle, K., Carroll, A. and Hatfield, J., "An Empirical Examination of the Relationship between Corporate Social Responsibility and Profitability," *Academy of Management Journal*, Vol.28, No.2, 1985, pp.446-463.

10. Baucus, M. and Near, J., "Can Illegal Corporate Behavior be Predicted? An Event History Analysis," *Academy of Management Journal*, Vol.34, No.1, 1991, pp.9-36.

11. Bausch, T., "Teaching of Spiritual Values to Management Students: A Jesuit American Experience," *Journal of Human Values*, Vol.1, No.1, 1995, pp.103-116.

12. Bennis, W. and Nanus, B., *Leaders: The Strategies for Taking Charge* (New York: Harper and Row, 1985).

13. Berkowitz, L. and Daniels, L., "Responsibility and Dependency," *Journal of Abnormal and Social Psychology*, No.66, 1963, pp.429-437.

14. Berle, A. and Means, G., *The Modern Corporation and Private Property* (New York: Macmillan, 1934).

15. Bhasin, M., *Inflation Accounting in Public Enterprises* (New Delhi: Amol Publishing, 1988), pp.98-139.

16. Bhatt, K. "Research Report on Corporate Planning in Public Enterprises" (mimeo), (Hyderabad: Institute of Public Enterprises, 1985).

17. Bibeault, D., *Corporate Turnaround: How Managers Turn Losers into Winners* (New York: McGraw-Hill, 1982).

18. Block, P., *The Empowered Manager* (San Fransciseo: Jossey-Bass, 1987).

19. Block, P., *Stewardship: Choosing Service over Self-interest* (San Franscisco: Berrett-Koehler, 1993).

20. Bowers, D. and Seashore, S., "Predicting Organizational Effectiveness with Four-factor Theory of Leadership," *Administrative Science Quarterly*, Vol.11, No.2, 1966, pp.238-263.

21. BPE and BHEL, Government Policy for the Management of Public Enterprises (New Delhi: Government of India, 1978).

22. Bracker, J. and Pearson, J., "Planning and Financial Performance of Small, Mature Firms," *Strategic Management Journal*, No.7, 1986, 503-522.

23. Brief, A. and Motowidlo, S., "Prosocial Organizational Behaviors," *Academy of Management Review*, No.11, 1986, pp.710-725.

24. Brown, D., "Private Voluntary Organizations and Development Partnerships," pp.71-88 in P.Khandwalla (ed), *Social Development: A New Role for the Organizational Sciences* (New Delhi: Sage, 1988).

25. Brown, D., "Development Bridging Organizations and Strategic Management for Social Change," pp.381-405 in P. Shrivastava, A. Huff, and J. Dutton, *Advances in Strategic Management*, Vol.9 (Greenwich, Conn=Jai Press, 1993).

26. Burns, T. and Stalker, G., *The Management of Innovation* (London: Tavistock, 1961).

27. Burrell, G. and Morgan, G., *Sociological Paradigms and Organizational Analysis* (London: Heinemann Educational Books, 1979).

28. Campbell, J., "Contributions Research Can Make in Understanding Organizational Effectiveness," *Organization and Administrative Sciences*, Vol.7, 1976, pp.29-45.

29. Cameron, K. and Whetten, D., "Perceptions of Organizational Effectiveness over Organizational Life Cycles," *Administrative Science Quarterly*, No.26, 1981, pp.525-544.

30. Carroll, A., "A Three Dimensional Conceptual Model of Corporate Social Performance," *Academy of Management Review*, Vol.4, 1979, pp.497-505.

31. Chakraborty, S., *Human Response in Organizations: Towards the Indian Ethos* (Calcutta: Vivekananda Nidhi, 1985).

32. Chakraborty, S., *Management Transformation by Values: A Corporate Pilgrimage* (New Delhi: Sage, 1993).

33. Chakraborty, S., "Wisdom Leadership: Leading Self by the Self," *Journal of Human Values*, Vol.1, No.2, 1995, pp.205-220.

34. Chandler, A., *Strategy and Structure* (Cambridge, MA: MIT Press, 1962).

35. Chandler, A., *The Visible Hand* (Cambridge, MA: Harvard University Press, 1977).

36. Child, J., "Organizational Structure, Environment, and Performance: The Role of Strategic Choice," *Sociology*, January, 1972, pp.2-22.

37. Child, J., "Managerial and Organizational Factors Associated with Company Performance," Parts 1 and 2. *Journal of Management Studies*, respectively, Vol.11, No.3, 1974, pp.175-189 and Vol.12, No.1, 1975, pp.12-27.

38. Christensen, H. and Montgomery, C., "Corporate Economic Performance Diversification Strategy Versus Market Structure," *Strategic Management Journal*, Vol.2, 1981, pp.327-343.

39. Clegg, S. and Dunkerley, D., *Critical Issues in Organizations (London: Routledge and Kegan Paul, 1977).*

40. *Covin. J. and Slevin, D., "The Influence* of Organization Structure on the Utility of an Entrepreneurial Top Management Style," *Journal of Management Studies, Vol.25, No.3, 1988, pp.217-234.*

41. Cyert, R. and March, J., *A Behavioral Theory of the Firm* (Englewood Cliffs: Prentice-Hall, 1963).

42. Dantwala, M., "Trusteeship: An Alternative Ideology," *IASSI Quarterly*, Vol.10, No.1, 1991, pp.179-211.

43. Datta, D., "Organizational Fit and Acquisition Performance: Effects of Post-acquisition Integration," *Strategic Management Journal*, Vol.12, 1991, pp.281-297.

44. Davis, K., "The Case for and Against Business Assumption of Social Responsibilities," *Academy of Management Journal*, Vol.16, 1973, pp.312-322.

45. Dill, W., "Public Participation in Corporate Planning: Strategic Management in a Kibitzer's World," *Long Range Planning*, 1975, pp.57-63.

46. D'Souza, K., "Organizations as Agents of Social Change," *Vikalpa*, Vol.9, 1984, pp.233-247.

47. Editors, World Executive's Digest, Management Japanese Style (Bombay: India Book House, 1981).

48. Emery, F. and Thorsrud, E., *Form and Content in Industrial Democracy* (London: Tavistock, 1969).

49. Esman, M., "The Elements of Institution Building," in J. Eaton (ed.), Institution Building and Development (Beverly Hills, Cal.: Sage, 1972).

50. Etzioni, A., *Modern Organizations* (Englewood Cliffs: Prentice-Hall, 1964).

51. Etzioni, A., *The Moral Dimension: Toward a New Economics*. (New York: Free Press, 1988).

52. Folger, R. and Konovsky, M., "Effects of Procedural and Distributive Justice on Reactions to Pay Raise Decisions," *Academy of Management Journal*, Vol.32, 1989, 115-130.

53. Ford, R. and McLaughlin, F., "Perceptions of Socially Responsible Activities and Attitudes: A Comparison of Business Deans and Corporate Chief Executives," *Academy of Managment Journal*, Vol.27, 1984, pp.656-674.

54. Freeman, R., *Strategic Management: A Stakeholder Approach* (Boston: Pitman/Ballinger {Harper Collins}, 1984).

55. Freeman, E. and Reed, D., "Stockholders and Stakeholders: A New Perspective on Corporate Governance," *California Management Review*, Vol.15, No.3, 1983, pp.88-106.

56. Freire, P., *Pedagogy of the Oppressed* (Harmondsworth: Penguin, 1983).

57. Friedman, M., "The Social Responsibility of Business is to Increase its Profits," *New York Times Magazine*, September 13, 1990, p.32, et. seq.

58. Galbraith, J., *The New Industrial State*. 2nd edition. (Boston: Houghton Mifflin, 1972).

59. Ganesh, S., "From Thin Air to Firm Ground: Empirical Guidelines for a General Processual Model of Institution Building," *Human Relations*, Vol.32, No.9, 1979, pp.751-779.

60. Ganesh, S., "Performance of Management Education Institutions: An Indian Sampler," *Higher Education*, Vol.9, 1980, pp.239-253.

61. Ganesh, S., and Joshi, P., "Institution Building: Lessons from Vikram Sarabhai's Leadership," *Vikalpa*, Vol.10, No.4, 1985, pp.399-413.

62. Gangjee, Z., Process Technology Transfer in the Ahmedabad Textile Industry. Unpublished Doctoral Dissertation (Ahmedabad: Indian Institute of Management, 1980).

63. George, P., Diversified Indian Companies: A Study of Strategies and Financial Performance. Unpublished Doctoral Dissertation (Ahmedabad: Indian Institution of Management, 1984).

64. Gibbons, D. (ed.), *The Yunus Reader, Part II* (Selangor, Malaysia: Amanah Ikhtiar Malaysia, 1988).

65. Golden, B., "SBU Strategy and Performance: The Moderating Effects of the Corporate--SBU Relationship," *Strategic Management Journal*, Vol.13, 1992, pp.145-158.

66. Golembiewski, R., "OD Applications in Non-affluent Settings: Four Perspectives on Critical Action Research," pp.282-318 in P. Khandwalla (ed.), Social Development: A New Role for the Organizational Sciences (New Delhi: Sage, 1988).

67. Gouldner, A., "The Norm of Reciprocity: A Preliminery Statement," *American Sociological Review*, Vol.25, 1960, pp.161-178.

68. Govindrajan, V. and Fisher, J., "Strategy, Control Systems, and Resource Sharing: Effects on Business-unit Performance," *Academy of Management Journal*, Vol. 33, No.2, 1990, pp.259-285.

69. Grant, C., "Friedman Fallacies," *Journal of Business Ethics*, Vol.10, 1991, pp.907-914.

70. Greenberg, J., "Determinants of Perceived Fairness of Performance Evaluations," *Journal of Applied Psychology, Vol.71, 1986a, pp.340-342.*

71. Greenberg, J., "The Distributive Justice of Organizational Performance Evaluations," pp.337-351 in H. Bieroff, R. Cohen, and J. Greenberg (eds), Justice in Social Relations (New-York: Plenum, 1986b).

72. Greenberg, J., "Organizational Justice: Yesterday, Today, and Tomorrow," *Journal of Management, Vol.16, No.2, 1990, pp.399-432.*

73. *Greenleaf, R.*, Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness (New Jersey: Paulist Press, 1987).

74. Gupta, R. and Kalra, S., "Educational Innovations in the Backyard: An Organizational Study of Institute of Engineering and Rural Technology (IERT), Allahabad." Undated mimeo, Indian Institute of Management, Lucknow.

75. Hall, W., "Survival Strategies in a Hostile Environment," *Harvard Business Review*, September-October, 1980, pp.75-85.

76. Hannan, M. and Freeman, J., "The Population Ecology of Organizations," *American Journal of Sociology*, Vol.82, 1977, pp.929-964.

77. Hardy, C., "Leadership and Strategy Making for Institution Building and Innovation: The Case of a Brazilian University," pp.83-100 in A. Jaeger and R. Kanungo (eds), Management in Developing Countries (London: Routledge, 1990).

78. Hart, S. and Banbury, C., "How Strategy-making Processes Can Make a Difference," *Strategic Management Journal*, Vol.15, 1994, pp.251-269.

79. Haveman, H., "Between a Rock and a Hard Face: Organizational Change and Performance Under Conditions of Fundamental Environmental Transformation," *Administrative Science Quarterly*, Vol.37, 1992, pp.48-75.

80. Herzberg., Work and the Nature of Man (Cleveland, Ohio: World, 1966).

81. Hill, C., "Conglomerate Performance Over the Economic Cycle," *Journal of Industrial Economics*, Vol.32, 1983, pp.197-212.

82. Hill, T., Warren, H., and Baumgartel, H., *Institution Building in India* (Boston: Division of Research, Harvard Business School, 1973).

83. Hirschman, A., *Exit, Voice and Loyalty* (Cambridge, Mass: Harvard University Press, 1970).

84. Hofer, C., "Turnaround Strategies," *The Journal of Business Strategy*, Vol.1, No.1, 1980, pp.19-31.

85. Hoffman, M., "Is Altruism Part of Human Nature?" *Journal of Personality and Social Psychology*, Vol.40, 1981, pp.121-137.

86. Hosmer, L., "Strategic Planning as if Ethics Mattered," *Strategic Management Journal*, Vol.15, 1994, pp.17-34.

87. Hrebiniak, L. and Joyce, W., "Organizational Adaptation: Strategic Choice and Environmental Determinism," *Administrative Science Quarterly*, Vol.30, 1985, pp.336-349.

88. Ibrahim, N. Rue, L., McDougall, P. and Greene, R., "Characteristics and Practices of 'Christian-based' Companies," *Journal of Business Ethics*, Vol.10, 1991, pp.123-132.

89. James, W., The Varieties of Religious Experience (London: Colins, 1960).

90. Jauch, L. and Glueck, W., *Business Policy and Strategic Management*, international, 5th edition (New York: McGraw-Hill, 1988).

91. Jennings, D. and Seaman, S., "High and Low Levels of Organizational Adaptation: An Empirical Analysis of Strategy, Structure, and Performance," *Stratgic Management Journal*, Vol.15, 1994, pp.459-475.

92. Jones, T., "Instrumental Stakeholder Theory: A Synthesis of Ethics and Economics," *Academy of Management Review*, Vol.20, No.4, 1995, pp.404-439.

93. Jorgensen, J., "Organizational Life-cycle and Effectiveness Criteria in State-owned Enterprises: The Case of East Africa," pp.62-82 in A. Jaeger and R. Kanungo (eds), Management in Developing Countries (London: Routledge, 1990).

94. Kanungo, R. and Conger, J., "Promoting Altruism as a Corporate Goal," *Academy of Management Executive*, Vol.7, No.3, 1993, pp.37-48.

95. Kapp, K., *The Social Costs of Private Enterprise (New York: Schocken Books, 1971).*

96. *Karnad, A., "Value-based Management," Vikalpa*, Vol.15, No.3, 1990, pp.3-15.

97. Khandekar, S., "JMEL: Drammatic Turnaround," *India Today*, December 15, 1985, pp.103-104.

98. Khandwalla, P., "Viable and Effective Organizational Designs of Firms," *Academy of Management Journal*, Vol.16, 1973, pp.481-495.

99. Khandwalla, P., *The Design of Organizations* (New York: Harcourt Brace Jovanovich, 1977).

100. Khandwalla, P., "Properties of Competing Organizations," pp.409-432 in P. Nystrom and W. Starbuck, Handbook of Organization Design, Vol.1 (New York: Oxford University Press, 1981).

101. Khandwalla, P., "Pioneering Innovative Management: An Indian Excellence," *Organization Studies*, Vol.6, No.2, 1985, pp.151-169.

102. Khandwalla, P., "Generators of Pioneering-innovative Management: Some Indian Evidence," *Organization Studies*, Vol.8, No.1, 1987, pp.39-59.

103. Khandwalla, P., "OB for Social Development: A Position Paper," pp.24-51 in P. Khandwalla (ed.), Social Development: A New Role for the Organizational Sciences (New Delhi: Sage, 1988a).

104. Khandwalla, P., "Organizational Effectiveness," pp.97-215 in J. Pandey (ed.), Psychology in India: The State of-the- art, Vol.3 (New Delhi: Sage, 1988b).

105. Khandwalla, P., *Excellent Management in the Public Sector: Cases and Models* (New Delhi: Vision, 1990a).

106. Khandwalla, P., "Strategic Developmental Organizations: Some Behavioural Properties," pp.23-42 in A. Jaeger and R. Kanungo (eds), Management in Developing Countries (London: Routledge, 1990b).

107. Khandwalla, P., *Organizational Designs for Excellence* (New Delhi: Tata McGraw-Hill, 1992a).

108. Khandwalla, P., *Innovative Corporate Turnarounds* (New Delhi: Sage, 1992b).

109. Khandwalla, P., "The PI Motive: A Resource for Socio-economic, Transformation of Developing Societies," pp.114-134 in R. Kanungo and M. Mendonca (eds), Work Motivation: Models for Developing Countries (New Delhi: Sage, 1994).

110. Khandwalla, P., *Management Styles* (New Delhi: Tata McGraw-Hill, 1995).

111. Kohlberg, L., "Development of Moral Character and Moral Ideology," in L.W. Hoffman (ed.), Review of Development Research (New York: Russell Sage, 1964).

112. Kono, T., *Long-range Planning of Japanese Corporations* (Berlin: deGruyter, 1992).

113. Kraft, K., and Hage, J., "Strategy, Social Responsibility and Implementation," *Journal of Business Ethics*, Vol.9, No.1, 1989, pp.11-19.

114. Lala, R., *The Creation of Wealth* (Bombay: IBH Publishing, 1981).

115. Lawrence, P. and Lorsch, J., *Organization and its Environment* (Cambridge, MA: Harvard University Press, 1967).

116. Likert, R., *New Patterns of Management* (New York: McGraw-Hill, 1961).

117. MacKenzie, S., Podsakoff, P., and Fetter, R., "Organizational Citizenship Behavior and Objective Productivity as Determinants of Managerial Evaluations of Salespersons' Performance," *Organizational Behavior and Human Decision Processes*, Vol.50, 1991, pp.123-150.

118. Maheshwari, B. (ed.) *Innovations in Management for Development* (New Delhi: Tata McGraw-Hill, 1992).

119. Mahon, J. and Murray, E., "Strategic Planning for Regulated Companies," *Strategic Management Journal*, Vol.2, 1981, pp.251-262.

120. Margolis, H., *Selfishness, Altruism and Rationality: A Theory of Social Choice* (Cambridge: Cambridge University Press, 1982).

121. Markides, C., "Consequences of Corporate Refocusing: Ex Ante Evidence," *Academy of Management Journal*, Vol.35, No.2, 1992, pp.398-412.

122. Markides, C., and Williamson, P., "Related Diversification, Core Competences and Corporate Performance," *Strategic Management Journal*, Vol.15, 1994, pp.149-165.

123. Marlin, D., Lamont, B., and Hoffman, J., "Choice Situation, Strategy, and Performance: A Reexaminatin," *Strategic Management Journal*, Vol.15, 1994, pp.229-239.

124. Maslow, A., *Motivation and Personality* (New York: Harper, 1954).

125. Matthai, R., Pareek, U., and Rao, T. (eds), *Institution Building in Education and Research* (New Delhi: AIMA, 1977).

126. McClelland, D., *The Achieving Society* (New York: Van Nostrand, 1961).

127. McCleland, D., and Burnham, D., "Power is the Great Motivator," *Harvard Business Review*, Vol.54, No.2, 1976, pp.100-110.

128. McDougall, P., Covin, J., Robinson, R. Jr., and Herron, L., "The Effects of Industry Growth and Stratgic Breadth on New Venture Performance and Strategy Content," *Strategic Management Journal*, Vol.15, 1994, pp.537-544.

129. McGuire, J., Sundgren, A., and Schneeweis, T., "Corporate Social Responsibility and Firm Financial Performance," *Academy of Management Journal*, Vol.31, No.4, 1988, pp.854-872.

130. McMillan, C., *The Japanese Industrial System*, 2nd edition (Berlin: Walter de Gruyter, 1985).

131. Mehta, P., *Manual for Personal Achievement, Social Achievement and Influence Motivation* (New Delhi: Partici-pation and Development Centre, 1982).

132. Mehta, P., "Organizing for Empowering the Poor," pp.174-185 in P. Khandwalla (ed.), Social Development: A New Role for the Organiztaional Sciences (New Delhi: Sage, 1988).

133. Metcalfe, L., "Designing Precarious Partnerships," pp.503-530 in P. Nystrom and W. Starbuck (eds), Handbook of Organizational Design, Vol.1 (New York: Oxford University Press, 1981).

134. Meyer, J. and Rowan, R., "Institutionalized Organiztions: Formal Structure as Myth and Ceremony," *American Journal of Sociology*, Vol.83, 1977, pp.340-363.

135. Miles, R., and Snow, C., *Organizational Strategy, Structure, and Process* (New York: McGraw-Hill, 1978).

136. Miller, D., "Strategy Making and Structure: Analysis and Implications for Performance," *Academy of Management Journal*, Vol.30, 1987, pp.7-32.

137. Miller, D. and Friesen, P., "Strategy-making and Environment: The Third Link," *Strategic Management Journal*, Vol.4, 1983, pp.221-235.

138. Miller, D and Friesen, P., *Organizations: A Quantum View* (Englewood Cliffs: Prentice-Hall, 1984).

139. Mintzberg, H., "Strategy Making in Three Modes," *California Management Review*, Vol.16, 1973, pp.44-58.

140. Moch, M. and Seashore, S., "How Norms Affect Behaviors in and of Corporations," pp.210-237 in P. Nystrom and W. Starbuck (eds.), Handbook of Organization Design, Vol.1 (New York: Oxford University Press, 1981).

141. Mookherjee, S., "Industrial Sickness and Revival: A Study of Select Organizations," paper presented at National Seminar on Industrial Sickness in India, Gandhi Labour Institute, Ahmedabad, June, 3-4, 1989.

142. Morrison, E., "Role Definitions and Organizational Citizenship Behaviour: The Importance of the Employee's Perspective," *Academy of Management Journal*, Vol.37, No.6, 1994, pp.1543-1567.

143. Murthy, K. and Nath, N., "Can a Holding Company Be An Effective Buffer for Government Enterprise," *Vikalpa*, Vol.13, No.3, 1988, pp.3-15.

144. Musser, S., and Orke, E., "Ethical Value Systems: A Typology," *Journal of Applied Behavioral Science*, Vol.28, No.3, 1992, pp.348-362.

145. Naganand Kumar, P., Identification and Measurement of Work Dedication. Unpublished Doctoral Dissertation (Ahmedabad: Indian Institute of Management, 1986).

146. Naman, J. and Slevin, D., "Entrepreneurship and the Concept of Fit: A Model and Empirical Tests," *Strategic Management Journal*, Vol.14, 1993, pp.137-153.

147. Nath, D. and Sudharshan, D., "Measuring Strategy Coherence Through Patterns of Strategic Choices," *Strategic Management Journal*, Vol.15, 1994, pp.43-61.

148. Negandhi, A. and Prasad, B., *Comparative Management* (New York: Appleton-Century-Crofts, 1971).

149. Niehoff, B. and Moorman, R., "Justice as a Mediator of the Relationship between Methods of Monitoring and Organizational Citizenship Behavior," *Academy of Management Journal*, Vol.36, No.3, 1993, pp.527-556.

150. Nielsen, R., "'I am We' Consciousness and Dialog as Organizational Ethics Method," *Journal of Business Ethics*, Vol.10, 1991, pp.649-663.

151. Nohria, N. and Ghoshal, S., "Differentiated Fit and Shared Values: Alterntives for Managing Headquarters--Subsidiary Relations," *Strategic Management Journal*, Vol.15, 1994, pp.491-502.

152. North, D., *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990).

153. Organ, D., *Organizational Citizenship Behavior* (Lexington, MA: Lexington Books, 1988).

154. Ouchi, W., *Theory Z: How American Business Can Meet the Japanese Challenge* (New York: Avon, 1981).

155. Patil, S., *Experiences of a Public Sector Top Executive: Handicaps, Dissappointments, and Fulfilments of a Public Sector Chief* (New Delhi: Documentation Center for Corporate and Business Policy Research, 1981).

156. Pearce, J. II and Zahra, S., "The Relative Power of CEOs and Boards of Directors: Associations with Corporate Performance," *Strategic Management Journal*, Vol.12, 1991, pp.135-153.

157. Pareek, U., "A Motivational Paradigm of Development," *Journal of Social Issues*, Vol.2, 1968, pp.115-122.

158. Pareek, U., *Beyond Management: Essays on Institution Building Processes* (New Delhi: Oxford and IBH, 1981).

159. Paul, S., *Managing Development Programs: The Lessons of Success (Boulder: Westview Press, 1982).*

160. Perrow, C., *Complex Organizations*: A Critical Essay (New York: Random House, 1979).

161. Peters, T. and Waterman, R., *In Search of Excellence: Lessons from America's Best Run Companies* (New York: Harper, 1982).

162. Pfeffer, J. and Salancik, G., *The External Control of Organizations: A Resource Dependence Perspective* (New York: Harper & Row, 1978).

163. Porter, M., *Competitive Strategy* (New York: Free Press, 1980).

164. Powell, T., "Organizational Alignment as Competitive Advantage," *Strategic Management Journal*, Vol 13, 1992, pp.119-134.

165. Prahlad, C. and Hamel, G., *Competing for the Future* (Boston: Harvard Business School Press, 1994).

166. Prakash, A., "The Bloodless Revolution," *Outlook, April 3, 1996, 74-75.*

167. Preston, L. and Post, J., *Private Management and Public Policy: The Principle of Public Responsibility* (Englewood Cliffs: Prentice-Hall, 1975).

168. Pugh, D., Hickson, D., and Hinings, C., "The Context of Organizational Structures," *Administrative Science Quarterly*, Vol.14, 1969, pp.91-114.

169. Ramanujan, V. and Varadarajan, D., "Research on Corporate Diversification: A Synthesis," *Strategic Management Journal*, Vol.10, 1989, pp.523-551.

170. Ramaswamy, K., Thomas, A., and Litschert, R., "Organizational Performance in a Regulated Environment: The Role of Strategic Orientation," *Strategic Management Journal*, Vol.15, 1994, pp.63-74.

171. Rawls, J., *A Theory of Justice* (Cambridge, MA: Harvard University Press, 1971).

172. Reidenbach, R., and Robin, D., "Toward the Developmental of a Multidimensional Scale for Improving Evaluations of Business Ethics," *Journal of Business Ethics*, Vol.9, 1990, pp.639-653.

173. Reidenbach, R. and Robin, D., "A Conceptual Model of Corporate Moral Development," *Journal of Business Ethics*, Vol.10, 1991, pp.273-284.

174. Reilly, B. and Kyj, M., "Economics and Ethics," Journal of Business Ethics, *Vol.9, 1990, pp.691-698.*

175. *Rhenman, E.,* Industrial Democracy and Industrial Management (London: Tavistock, 1968).

176. Rhyne, L., "The Relationship of Strategic Planning to Financial Performance," *Strategic Management Journal*, Vol.7, 1986, pp.413-436.

177. Rokeach, M., *The Nature of Human Values* (New York: Free Press, 1973).

178. Roos, N., Schermenhorn, J. and Roos, L. Jr., "Hospital Performance: Analyzing Power and Goals," *Journal of Health and Social Behavior*, Vol.15, 1972, pp.136-157.

179. Roth, K. and Ricks, D., "Goal Configuration in a Global Industry Context," *Strategic Management Journal*, Vol.15, 1994, 103-120.

180. Rushton, J., "The Altruistic Personality: Evidence From Laboratory, Naturalistic and Self-report Perspectives," pp.271-290 in E. Staub, D. Bar-Tal, J. Karylowski, and J. Reykowski (eds), Development and Maintenance of Prosocial Behavior: International Perspectives on Positive Morality (New York: Plenum, 1984).

181. Rumelt, R., *Strategy, Structure and Economic Performance* (Boston: Harvard Business School Press, 1974).

182. Samuelson, P., *Economics*, 14th edition (New York: McGraw-Hill, 1992).

183. Sanyal, R. and Neves, J., "The Valdez Principles: Implications for Corporate social Responsibility," *Journal of Business Ethics*, Vol.10, 1991, pp.883-890.

184. Scherer, F., *Industrial Market Structure and Economic Performance* (Chicago: Rand McNally, 1970).

185. Schwartz, H., "A Theory of Denotic Work Motivation," *Journal of Applied Behavioral Science*, Vol.14, 1983, pp.204-214.

186. Self Employed Women's Association, SEWA in 1988 (Ahmedabad: SEWA, 1988).

187. Selzick, P. *Leadership in Administration* (New York: Harper, 1957).

188. Semler, R., "Managing Without Managers," *Harvard Business Review*, September-October, 1989, pp.76-84.

189. Sen, A., *On Ethics and Economics* (New York: Basil Blackwell, 1987).

190. Sergiovanni, T., *Moral Leadership* (San Franscisco: Jossey-Bass, 1992).

191. Shamir, B., "Calculations, Values and Identities: The Sources of Collectivistic Work Motivation," *Human Relations*, Vol.43, 1994, pp.313-332.

192. Shelton, L., "Strategic Business Fits and Corporate Acquisition: Empirical Evidence," *Strategic Management Journal*, Vol.9, No.2, 1988, pp.279-287.

193. Sherrington, C., "Altruism," pp.249-281 in C. Sherrington, Man on His Nature (New York: Mentor, 1964).

194. Shrivastava, P., *Greening Business: Profiting the Corporation and the Environment* (Cincinnati, Ohio: Thomson Executive Press, 1996).

195. Simon, H., *Administrative Behavior* (New York: Macmillan, 1960).

196. Simonton, D., "Sociocultural Context of Individual Creativity: A Transhistorical Time-series Analysis," *Journal of Personality and Social Psychology*, Vol.32, No.6, 1975, pp.1119-1133.

197. Sims, R., "The Institutionalization of Organizational Ethics," *Journal of Business Ethics*, Vol.10, 1991, pp.493-506.

198. Singer, M., "Industrial Leadership, the Hindu Ethic, and the Spirit of Socialism," in N. Sheth (ed.), Industrial Sociology in India (New Delhi: Allied, 1982).

199. Singh, H. and Montgomery, C., "Corporate Acquisition Strategies and Economic Performance," *Strategic Management Journal*, Vol.8, 1987, pp.377-386.

200. Singh, J., "Performance, Slack, and Risk Taking in Organizational Decision Making," *Academy of Management Journal*, Vol.29, 1986, pp.562-585.

201. Singh, J (ed.) *Organizational Evolution:* New Directions (Newbury Park: Sage, 1990).

202. Singh, P. and Bhandarkar, A., *Corporate Success and Transformational Leadership* (New Delhi: Wiley Eastern, 1990).

203. Sinha, J., "A Model of Effective Leadership Styles in India," pp 252-263 in A. Jaeger and R. Kanungo (eds), Management in Developing Countries (London: Routledge, 1990).

204. Slatter, S., *Corporate Recovery: Successful Turnaround Strategies and Their Implementation* (Harmondsworth, Middlesex: Penguin, 1984).

205. Smith, K. and Grimm, C., "Environmental Variation, Strategic Change and Firm Performance: A Study of Railroad Deregulation," *Strategic Management Journal*, Vol.8, 1987, pp.363-376.

206. Smith, K. and Kaminstein, D. and Makodok, K., "The Health of the Corporate Body: Illness and Organizational Dynamics," *Journal of Applied Behavioral Science*, Vol.31, No.3, 1995, pp.328-351.

207. Snow, C. and Hrebiniak, L., "Strategy, Distinctive Competence, and Organizational Performance," *Aaministrative Science Quarterly*, Vol.25, 1980, pp.317-336.

208. Sreedhar Sharma, J., "The Enterprise Contract System in Public Enterprise Management--The French Experience," *IPE Journal*, Vol.5, No.4, 1982, pp.69-76.

209. Srivastava, R., "Swadhyaya Movement: Its Meaning and Message," Paper presented at Seminar of the U.N. University at Rome, September 1986.

210. Steers, R., "Problems in the Measurement of Organizational Effectiveness," *Administrative Science Quarterly*, Vol.20, 1975, pp.546-558.

211. Stead, W., Worrell, D., and Stead, J., "An Integrative Model for Understanding and Managing Ethical Behavior in Business Organizations," *Journal of Business Ethics*, Vol.9, 1990, pp.232-242.

212. Tan, J. and Litschert, R., "Environment-strategy Relationship and its Performance Implications: An Empirical Study of the Chinese Electronics Industry," *Strategic Management Journal*, Vol.15, 1994, pp.1-20.

213. Tandon, R., and Brown, L., "Organization-building for Rural Development: An Experiment in India," *Journal of Applied Behavioral Science*, Vol.17, No.2, 1981, pp.172-189.

214. Thomas, J., Clark, S. and Gioia, G., "Strategic Sensemaking and Organizational Performance: Linkages Among Scanning, Interpretation, Action and Outcomes," *Academy of Management Journal*, Vol.36, No.2, 1993, pp.239-270.

215. Thompson, J., *Organizations in Action* (New York: McGraw-Hill, 1967.)

216. Thune, S., and House, R., "Where Long-range Planning Pays Off," *Business Horizons*, Vol.13, No.4, 1970, pp.81-87.

217. Trist, E., and Bamforth, K., "Some Social and Psychological Consequences of the Longwall Method of Coal Mining," *Human Relations*, Vol.4, 1952, pp.3-38.

218. Tyler, T., "The Role of Perceived Injustice in Defendents' Evaluation of Their Courtroom Experience," *Law and Society Review*, Vol.18, 1984, pp.51-74.

219. Upadhyay, P., "The Sacred, the Erotic and the Ecological: The Politics of Transformative Global Discourses," *Journal of Organizational Change Management*, Vol.8, No.5, 1995, pp.33-59.

220. Venkatraman, N. and Camillus, J., "Exploring the Concepts of 'Fit' in Strategic Management," *Academy of Management Review*, Vol.9, No.3, 1984, pp.513-525.

221. Wartick, S. and Cochran, P., "The Evolution of the Corporate Social Performance Model," *Academy of Management Review*, Vol.10, 1985, pp.758-769.

222. Weber, M., *The Methodology of the Social Sciences* (New York: Free Press, 1949).

223. Weber, M., The Protestant Ethic and the Spirit of Capitalism (London: Unwin, 1958).

224. White, R., "Generic Business Strategies, Organizational Context and Performance: An Empirical Investigation," *Strategic Management Journal*, Vol.7, 1986, pp.217-231.

225. Williamson, O., "Managerial Discretion and Business Behavior," *American Economic Review*, Vol.53, 1963, pp.1032-1057.

226. Williamson, O., Markets and Hierarchies: Analysis and Antitrust Implications *(New York: Free Press, 1975).*

227. *Wood, D., "Corporate Social* Performance Revisited," *Academy of Management Review*, Vol.16, No.4, 1991, pp.691-718.

228. Woodward, J., *Industrial Organization: Theory and Practice* (London: Oxford University Press, 1965).

229. Zahra, S., and Covin, J., "Business Strategy, Technology Policy and Firm Performance," *Strategic Management Journal*, Vol.14, 1993, pp.451-478.

	Core Meaning	Core Values	Some Instrumentalities
1. Stakeholder orientation	The organization's well-being is contingent on the cooperation of many stakeholders besides the owners, and therefore the organization is obligated to act in the interests of all of its stakeholders	Enlightened self-interest; service to stakeholders	1. Participation of stakeholders in organizational decision making (e.g. stakeholders' council(s)). 2. Application of "market orientation" to stakeholders to understand their needs. 3. Coalitional analysis of stakeholders, management of conflict between stakeholders. 4. Allocation of organizational resources to stakeholders in proportion to their contributions and legitimate demands.
2. Corporate social responsibility	The organization is a creature of society and therefore has a responsibility for the well-being of society. A sense of corporate social responsbility can tamper the power of the larger, dominant organizations.	Reciprocity vis-a-vis society based on social contract. Subservience of the organization's narrowly defined interests to the social good.	1. Use of indicators of corporate social performance to assess the organization. 2. Enunciation and pursuit of corporate social policies vis-a-vis, such areas as environment, safety, employment of disadvantaged persons, pollution control, community action, etc.
3. Strategic domain development orientation	The organization's contributions to the development of the domain in which it operates, especially in societies in which domains of activity are poorly developed.	The organization as an instrument of socio-economic transformation of an underdeveloped society/sector; primacy to the development of its domain over its own narrowly defined interests; patriotism.	1. Assess strategic developmental organizations on criteria that emphasise externalities, social impact of their innova- tions and interventions, extent of strengthening of client systems, pro- motion of social change, and contribu- tion to the emergence of a pro-active, democratic, collabora- tive culture in the domain. 2. Distinctive domain compliance, learning, innovation diffusion, autonomy seeking strategies.

	Core Meaning	Core Values	Some Instrumentalities
4. Institution building	The processes by which an organization acquires internal and external legitimacy which enables it to play an effective social change agent role and be regarded as a model organization.	Commitment to a vision of societal excellence and to such core values as concern for social relevance of activities, democratic decision making, collaboration, and dignity and growth of individuals and groups.	1. Organization's social change ideology, programme of action, and values-based internal systems and processes. 2. Networking with like-minded groups or complementary organizations for multiplying social impact. 3. Robust birth, start-up, growth- related, renewal, and institutionalization processes. 4. Assessment in terms of capability development, innovative thrust and domain penetration. 5. Leadership that stresses superordinate goals, empowerment of stakeholders, self-dispensing role, mobilization of resources, creating synergies and links, building a unique organization.
5. Organizational ethics	Subjecting organizational choices to the test of whether they are right or wrong from a moral view-point	Accountability, caring, conscien-tiousness, fairness, integrity, loyalty, promise-keeping, respect, etc.	1. Create a check-list of moral "do's" and "dont's" to guide decision making. 2. Institutionalize a code of organizational ethics and publicize it. 3. Provide training in ethical management. 4. Select ethical personnel. 5. Reward ethical actions and punish unethical ones. 6. Set up an ethics monitoring committee 7. Emphasise professionalism and participative management so as to give voice to ethical concerns.
6. Organizational justice	Emphasis on fairness in the internal and external dealings of the organization and observation of canons of justice in these dealings.	Justice, fairness, transparency.	1. System of distributive justice in the organization for rewards-related decisions. 2. System of procedural justice in the organization for reaching staff evaluation decisions.

	Core Meaning	Core Values	Some Instrumentalities
7. Organizational altruism	Helping behavior by the organization and helping behavior in the organization regardless of benefit to the helper	Enlightened self-interest; being one's brother's keeper.	1. Recognition and reward for prosocial or helping behaviors within the organization. 2. Strengthening of altruistic, reciprocity and responsibility norms in the organization. 3. Reinforcement of organizational citizenship behaviours like conscientiouness, courtesy, and sportingness. 4. Promotion of stewardship in the organization, that is, leader as servant, and the primacy of service over self-interest. 5. Empowerment, and more egalitarian distribution of resources within the organization.
8. Radical humanism	Emancipation of humans from repressive social, work-related and ideological bonds, to enable them to develop and articulate fully their consciousness and experience greater autonomy	Centrality of the human and of the human's autonomy in all matters	1. Design of socio-technical systems. 2. Job enrichment. 3. OD. 4. Participative redesign of work. 5. Industrial democracy and empowerment of the work force.
9. Organizational spirituality	Spiritual conduct at work: working without being attached to the fruits of action; work as an offering to the divine; perception of the divine in self and others and living experience of the fraternity of godliness; decisions influenced by spiritual considerations.	Purity of means; self-control; surrender to God; detachment and inner calm; trusteeship and selflessness	1. Spiritual transformation of the individual manager through yoga, prayer, meditation, etc, 2. Values examining workshops. 3. Wisdom leadership. 4. Attempt to integrate the organization with the cosmic order by letting the divine Selfguide decisions. 5. Reliance on trust and love as principles of interaction rather than mistrust and self-interest. 6. Proselytisation of stakeholders besides owners and staff.