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vidwat

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VIDWAT (विद्वत) in Sanskrit means: know, understand, find out, learn, ascertain, discover, and expound.

"Vidwat – The Indian Journal of Management", published by Dhruva College of Management, Hyderabad, reflects this array of meanings. It is a vehicle for a wide range of researchers from across the globe to bring their insights to B-Schools as well as practising managers.

"Vidwat - The Indian Journal of Management" is a biannual publication. Its objective is to encourage and publish applied research in all the functional areas of Management. It lays emphasis on management issues that are relevant to academicians and practicing managers.

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It’s all about Ethics

“While it is well enough to leave footprints on the sands of time, it is even more important to make sure they point in a commendable direction.”

- James Branch Cabell

Most of the B-schools are starting a new academic year of their management program. The young bubbly students join the program with a lot of enthusiasm and expectation daring to realize their cherished dreams of becoming CEOs of great companies in the near future. Many of these young ones often forget the fact that Rome was not built in a day.

They need to keep in mind that long days of sweat and stress went into building the Egyptian Pyramids or the Great Wall of China or the Taj Mahal. The budding Management students have to bear in mind that Mother Nature took millions of years to form the Grand Canyon or Mount Everest.

In these days of global economic meltdown, corporate entities – small, medium or big – are on a downsizing spree, leave alone long-term expansion plans. Many of the Ivy League B-schools could hardly manage their placements in this recession. The reason is not far to fathom – it’s due to tearing of the ethical fabric of the corporate across the world. Hence, imbibing ethics should be part of the learning goals of B-school students.

An academic survey of 50,000 students from 69 B-schools reveals that 26% of business majors admitted to cheating in examinations; another 54% admitted to cheating in written assignments[1]. Apart from increased pressure to perform, students justify this unethical practice on reported corporate scandals. Yes, it’s a fact that recent bankruptcies of great corporate entities like Lehman Brothers, GM, Fannie Mae, AIG, Adelphia, Enron, Worldcom, etc., are due to strategic mismanagement of the people at the helm of affairs. The greed for quick money, hunger for power over the competitors, the attitude of reaching greater heights by hook or by crook are the main reasons behind the corporate debacles.

Considering this 9/11 of financial markets – as this is often referred to – and the lackadaisical attitude of B-school students, it calls for immediate attention of academicians to focus on business ethics vis-à-vis corporate governance This is the time for B-schools to pay attention to nurture and develop a firm ethical foundation for the young management students who dream to conquer the business world. Many of the Indian B-schools follow a stereotyped academic curriculum, loading long hours of classroom lectures. Accepting this as a part of tested pedagogy, the B-schools shall do well to focus on the other issues such as ethics and values which are to be learnt, imbibed and practised by the young students.

The B-schools need to integrate case studies of corporate failures not just as passing references but as full-fledged courseware. The management students should be aware of the games people played which ruined the so-called great companies. Efforts should be made to integrate the required soft skills that are essential to change the inner core of the management students, which will create a strong value system once they become managers.

K. Seethapathi

Prof K Seethapathi
Director - DHRUVA
Advisor - Vidwat

[1]Business Week, February 2006

Focus

In the present issue of Vidwat, as always we have endeavored to show case qualitative as well as quantitative research in diverse areas of management apart from an incisive commentary on corporate governance.

The commentary by Dr YRK Reddy elucidates on the genesis and progress of corporate governance, the major reforms and regulations that came in to being in various disciplines of international business and the successes and failures of converging corporate governance processes. He also puts forward a road ahead for the next decade in the field of corporate governance.

Dr Lynda Moore and Prof Nick Forster in their paper "An Exploratory Analysis of Cross-Cultural Differences in Sex-Typing and the Emergence of Androgynous Leadership Traits" have tried to understand and validate the perceived differences in the leadership practices of men and women. Toeing this line of thought they seek to define the relatively stable patterns of behavior displayed by leaders. At the same time, their paper reviewed the literature and then provided preliminary comparative results based on surveys of female undergraduate students from the United Arab Emirates and female MBA students from Western Australia. Findings indicated that while there are clear signs of the emergence of more mixed or 'androgynous' leadership and leadership styles among both cohorts, there remain clear cultural differences between young women in the UAE (broadly, more 'feminine') and those in Australia (broadly, more 'masculine'). The authors also found that emerging female leaders in the UAE and Australia displayed a range of gender and leadership self-attributes, with distinct (but not radical) differences between young women in the UAE and their slightly older peers in Western Australia.

In the next paper, "Enriching the Pie: Productivity- Intrapreneurship-Entrepreneurship" Dr UB Raju and Prof Rajiv Gupta strongly argue that the Entrepreneurship is essentially an economic activity that results in creation of wealth. Although the developing countries like India trying very hard in spending huge resources to promote entrepreneurship; output as reflected in terms of quantity as well as quality is not commensurate with the inputs. At this backdrop, the authors identify the phenomena of 'productivity push to entrepreneurship' and 'productivity pull from entrepreneurship' to fully understand the interplay of productivity and entrepreneurship in order to introduce the concepts of 'productivity chain' and 'productivity churn'.

We are living in the world of free trade as globalization & liberalization has changed the whole economic scenario of the country. Indian Textile industry is one of the most vital sectors that affect the economy of the country as a major chunk of Indian population is dependent on this sector for their livelihood. Although this sector is very critical, only a few studies have been carried out to appreciate the effectiveness of this sector in the post-liberalization period. In the paper, "Indian Cotton Textile Industry: A Pre- and Post-Liberalization Comparative Study", Prof Lokinder Kumar Tyagi and I undertook an empirical study to acknowledge the impact of liberalization on the Indian textile industry by comparing the performance of the firms incorporated before liberalization and firms incorporated after liberalization in the industry. This study is also intended to realize the impact of marketing expenses, wage and salary, and age of the firms on the firms' performance.

Dr Satya Prasad VK in his review of the book "Imagining India: Ideas for the new Century" written by Nandan Nilekani, one of the co-founders of India's IT giant Infosys has this to say, "India as a single, unified market would go a long way in strengthening and fostering its economic development. The author finds that different rates of taxes in different states, governments by different parties, different policies, ideologies etc. make it difficult to speed up the process towards a unified market. Nilekani used a novel approach of 'Ideas' as a base for analyzing the past, present and future growth story of India. He discusses Ideas that have catalyzed growth in India and also Ideas that have created hurdles for India's growth.

Recession is at its peak and countries across the globe are struggling to deal with the turbulence of economic meltdown. In the closing section of the journal, Prof Baseema Banoo cites the literature in the area of "Understanding the Global Financial Crisis". This bibliography is intended to help scholars to locate relevant literature in this area to understand the concept, relevance and impact of global financial crisis across the industries.

Editing this journal has been a truly rewarding and satisfying experience. We are thankful to all the scholars who have contributed their intellectual mite in the form of research papers, articles and book reviews and made this issue worthy of discerning readership. We strongly believe that this issue of "Vidwat – The Indian Journal of Management" will incite great interest in the academic and research community as with its predecessors and contribute to strengthen the knowledge in the management domain.

Looking forward to your precious feedback and wishing happy reading.

Kunal

Prof Kunal Gaurav
Associate Professor (Marketing) - DHRUVA
Editor - Vidwat

Commentary

Corporate Governance - Directions for the Next Decade

Dr YRK Reddy

Corporate Governance as a subject and as practice has entered an interesting phase of corporate cynicism and fatigue on the one hand while revealing gaps that need exploration, research and specialist application on the other. Corporate Governance had a bullish run throughout the world, particularly during the decade 1997-2007, when almost all countries issued codes and guidelines for corporate governance of listed companies. Some have even gone further to converge their laws, regulatory standards and professional best practices to make them compatible with international corporate governance standards – many are in the process. During this period, international organizations, particularly led by the OECD, have given the much-needed fillip to the movement.

The Financial Stability Forum considers the OECD issued Principles as one of the twelve key global standards for ensuring robust financial architecture. The Reports on Observance of Standards and Codes (ROSC) led by the World Bank / IMF, further supported by indices such as those of Doing Business and Corruption Perceptions have brought corporate governance onto the centre-stage among policy makers. It is no wonder that corporate governance is increasingly a governance agenda as revealed, for example, by the New Partnership for African Development and the UN Financing for Development initiatives.

Professional bodies have been among the most active reputation agents in leading the corporate governance charge. The chartered accounting/auditing profession in many countries has been encouraging a gradual convergence with the International Financial Reporting Standards framework that supports the main principles of corporate governance, particularly transparency, fairness, responsibility and accountability. The Chartered Secretaries' profession has become the conscience keeper on corporate governance, often assisting and advising on improved board practices.

The underlying incentive assumed by the multilateral bodies and the self regulatory professional organizations is that corporate governance would improve the development of capital markets; increase the inward flow of capital; promote sustainable shareholder value and also enhance firm-level competitiveness. A "business case" has been developed along those lines to quickly promote corporate governance. Thus, there have been conclusions investors are prepared to pay a premium for stocks of companies that practice good corporate governance. There have also been studies to show that corporate governance reduces the cost of capital and improves operational as well as financial performance.

Studies since 1997 have indicated that corporate governance would have yielded even better results if there are sound institutions in the country such as those related to the financial system; property rights; competition and real factor-markets; and ownership structures. Some studies have concluded that companies and countries, which sought external finance, had progressed well in meeting the corporate governance standards – that the providers of the finance somehow created the appropriate conditions for companies to converge with the international standards of corporate governance.

India, in particular, has set an example as to how some companies can be influenced by international finance, product-market competition and globalised conditions and in turn, have influenced many others to emulate their practices. More recently, there has been an important finding that the Corporate Governance Quality (as methodologically defined), in the case of a broad set of developed and emerging markets, had a positive and significant effect on macro-economic indicators such as GDP growth, total factor productivity levels, total factor productivity growth and the ratio of investment to GDP.

At the same time, several doubts have emerged during this decade of awareness, advocacy and practice of corporate governance; that only some types of value investors are truly concerned with corporate governance while making their investment decisions; that some mechanisms of corporate governance – such as the separation of Chairman from CEO or inducting a substantial number of independent directors - may not be effective; that block-holding indeed may lead to reduced agency / transaction costs even amidst doubts on self-dealing; that stock-options are often run-away incentives and do not fix agency problems; that corporate governance rating / evaluation is too subjective and has serious methodological flaws; that the Anglo-Saxon model is actually mythical in itself considering serious differences between the UK and US approaches; that despite recognizing the diverse structures of economies and societies (often saying that one-size doesn't fit all) the corporate governance standards have an underlying preference for an idealistic market-based system that may not be workable in most countries; that the institutions surrounding the corporation are indeed underdeveloped in most countries to be able to support corporate governance reform on a sustainable basis; that hasty changes in long standing institutions such as the judiciary may not actually bring about a market-based corporate governance regime as true institutional reform and enforcement are painfully incremental; that many countries such as India, believe in a relationship-based model in their conduct that may not necessarily facilitate market-based rules and the like.

Additionally, many have realized that the approach to promoting corporate governance through capital markets can indeed have limited meaning for a large number of countries, which have nascent or very limited capital markets. In this context, it would be apposite to remember that capital markets account for the least amount of money required for corporate growth. Most amounts (nearly 90%) are estimated to be coming in from internal accruals and debts. Further, even in the case of India, the assets of the listed companies are a very small part of the GDP – and hence what is good for improving the capital markets may not necessarily be good enough for the economy or its developmental goals.

Either because of such realization or coincidental to it, the scope for corporate governance has now been enlarged. There is recognition, albeit slowly, that the state-owned enterprises (SOEs) account for a large part of the commercial activity in most of the world and that they can derive substantial benefits by corporate governance reforms particularly in rearranging relationships between the government as an owner and SOEs as legal entities. There has been an eventual acknowledgement that SOEs cannot be privatized full-scale and cannot be wished away at all – the OECD's guidelines on corporate governance for SOEs amply validate this aspect and now have become a referral point particularly for the Asian and African economies. Additionally, many proponents of corporate governance believe that the financial sector must be treated on a special footing for applying the principles of corporate governance in view of (a) its sensitive nature in itself and (b) in view of its ability to mainstream corporate governance into decisions for financing.

In this context, it is apparent that developments such as the sub-prime mortgage lending crisis in the US; the run on deposits in Northern Rock in the UK; the top management changes arising from the risky portfolios attracted by Merrill Lynch and the Citigroup, the bail-outs and state ownership against the belief that markets are indeed capable of disciplining themselves, indicate that all is not well even in the most advanced market economies.

The Asian Financial Crisis of 1997 may have triggered an instantaneous interest in corporate governance and to develop a "spare tire" (as Alan Greenspan put it at that time) in the form of well-diversified financial systems with good capital markets. However, the learning now may indeed emanate from the current North Atlantic financial crisis that has led also to some recession in emerging markets selectively as collateral damage.

There is some realization that regulation may have been lax or weak; that there was too much reliance on self-disciplining market forces / self-regulation; and that there was indeed crony capitalism of a different kind (managements who were driven by greedy incentive mechanisms; unreasonable appetite for risks among all; unscientific approaches to developing esoteric products, their pricing & evaluating their risks; ease of passing on the assets to other intermediaries; questionable approaches amidst unseen conflicts of interests of credit agencies and auditors etc.).

There are calls now for other types of actions like expanding the scope of regulation and supervision relating to all financial centres, instruments and actors; reducing the scope for regulatory arbitrage through consolidation; better action by Governments to balance public interest and market forces; mitigating the risks arising from financial and structural imbalances; resolution of conflicts of interests at systemic levels and strict enforcement and progression towards a new international reserve currency.There are now many implications for reform of the regulatory approaches, prudential norms and corporate governance of the international financial institutions, institutional investors, financial intermediaries and the gatekeepers.

It is apparent that the simplistic approach to corporate governance – such as conformance with familiar norms, is no-brainer and is passé. There are issues now beyond the first levels of awareness, concept selling and conformance in corporate governance. Those who are fatigued by the corporate governance buzz and indeed hope that it is a fad in passing must note the new phase that is trying to grapple with the complexities, specializations and contradictions so that the framework becomes more meaningful and relevant to the real economy.

At the end of all debate, the inherent logic behind the value-system and principles of corporate governance remain unshakable – the issues are of scope of application, customization, harmonization, regulatory choices, capacity-building on a wide scale, prioritization and sequencing.

In this context, it is noteworthy that the Commonwealth Secretariat, London has constituted the Commonwealth Expert Review Group (comprising of Mr Philip Armstrong, Head – Global Corporate Governance Forum – Washington; Mr. Michael Gillibrand, former Acting Director, Comsec, London; Dr YRK Reddy, India) to suggest a strategy for corporate governance beyond 2007. The report noted, inter alia, that the new vision for corporate governance arises from the current and future need to reform and strengthen institutions that support and facilitate corporate governance and establishing robust linkage to development challenges.

This entails a set of strategic actions that will encompass institutional reform agenda as relevant to corporate governance, covering regulatory bodies, banking and financial institutions, SOEs, high-growth SMEs, public service providers, public-private partnerships, cooperatives, and will involve exerting influence over networks for corporate governance. It encourages deepening and widening the application of corporate governance standards, calling upon member countries to develop a comprehensive national strategy to address the issues of the next decade.

The first decade of the resurgent Corporate Governance, 1997-2007, has mostly been preparation than a launch as such. The impact of corporate governance will probably be more evident during the next few years in the decade 2007-2017 - taking into view the gaps discovered particularly from the current financial crises and culminating in wider and specialist application of corporate governance norms. The steps will hopefully be less of assertions and more of those emanating from robust research, objective analysis and multi-level thinking.

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He is a fortnightly columnist for Financial Express, an Indian business daily. His work spans 25 countries in directors' training, academics and consulting. His writings include over 80 papers and six books, written and edited published by Wiley Eastern, Tata McGrawHill, Vikas Publishing, and Spade Publications. He has been a consultant, among others, to Commonwealth Secretariat–London; CACG-New Zealand; ILO; ADB; The World Bank Group; GCGF-Washington; E & Y and a host of Corporations.

An Exploratory Analysis of Cross-Cultural Differences in Sex-Typing and the Emergence of Androgynous Leadership Traits

Dr Lynda L Moore

Prof Nick Forster

We wish to acknowledge the research assistance of Sara Yen.

A great deal of research has examined perceived differences in the leadership practices of men and women. In this article, we review this literature and then provide preliminary comparative results from surveys of female undergraduate students from the United Arab Emirates and female MBA students from Western Australia. Our findings indicate that while there are clear signs of the emergence of more mixed or 'androgynous' leadership and leadership styles among both cohorts, there remain clear cultural differences between young women in the UAE (broadly, more 'feminine') and those in Australia (broadly, more 'masculine'). The importance of cultural context and embedded gendered assumptions in organizations are examined, and suggestions for future research are provided.

Keywords: **Sex-typing, leadership styles, gender self-attributes, changing perceptions of masculinity and femininity, cross-cultural comparisons, the emergence of androgynous leadership:**

Introduction: Leadership Theories, Styles and Notions of Masculinity / Feminity

In the first section of this article, we focus on leadership theories and leadership styles, which we define as relatively stable patterns of behaviour displayed by leaders. We examine the research on self-perceptions of leadership and cultural definitions of masculinity and femininity and then investigate whether these definitions holds across cultures and generations.

Several leadership theories have conceptualized leadership in terms of personal attributes and qualities (e.g. trait, charismatic and transformational). Since the early 1990s many books, courses and leadership training programs have advocated new styles of leadership variously identified as 'post-heroic' (Huey, 1994; Sandmann & Vandenberg, 1995, Fletcher, 2002;); '21st century' (McFarland et al., 1994); 'community-centered' and 'non-authoritarian' leadership (Hesselbein et al. , 1998; Hirschorn, 1997). Companies seem to have embraced the rhetoric of 'new' styles of leadership and many organizational consultants have responded to this with a wide range of organizational development initiatives, which seek to promote the qualities of the 21st century leader.

An examination of such programs and the ubiquitous popular leadership books in airport bookstores might appear to indicate that a shift is taking place in the way in which leadership is conceptualized and practiced. There is a frequent call for more holistic and humane approaches to leadership, with an eclectic balance of personality attributes and skills that transcend traditional economic and financial considerations. However, despite these exhortations, it would seem that in terms of everyday perceptions in most business organizations, traditional masculine values are still routinely privileged in assessments of what makes an effective leader. This gendered nature of organizations continues and assumptions about work practices, and good workers, continue to reflect deeply- held assumptions about appropriate leadership styles (Fletcher, 1999 and 2002). While women may exhibit the same leadership behaviors and styles as men, for women this same behaviour is associated with the female sex-role rather than good management or leadership. Thus notions of effective leadership appear conflated with gender-linked assumptions about masculinity and femininity. (For a more complete discussion of this concept see Fletcher, 1999)

During the same time period a range of academic and popular publications appeared that made a number of interrelated assertions about women leaders and managers. First, when compared to men, they placed less emphasis on hierarchies and status, preferred flatter leadership structures and put a greater emphasis on teamwork and cooperation. Second, they were generally better communicators, put more time into listening to and talking with their employees, and were more concerned with building consensual agreement rather than exercising power and political point scoring. Third, with the emergence of knowledge based economies, feminine leadership and leadership skills were coming of age, and would eventually supersede the old-style, autocratic, command and control style of male leaders (e.g. Sinclair & Wilson, 2002; Kirner & Rayner, 1999; Sinclair, 1998; Moskal, 1997; Fisher, 1992). For example, "A woman's leadership style is transformational and interpersonal, while a man's style is based on command and control. Women managers promote positive interactions with subordinates, encourage participation and share power and information more than men do … Women leaders use collaborative, participative communication that enables and empowers others, while men use more unilateral, directive communication" (Berryman-Fink, 1997, pp 269).

Such claims about the distinctive leadership styles of women were commonplace during the 1980s and 1990s, especially in treatments by writers of popular books on this issue (e.g. Loden, 1985; Helgesen, 1990; Gray, 1992; Rosener, 1995; Moir & Moir, 1999) These writers maintained that female leaders, when compared with male leaders, placed less emphasis on formal hierarchies of power, were more cooperative and collaborative, and more oriented to enhancing others' self-worth. Moreover, such authors have also argued that these patterns of behaviour would make women superior leaders in organizations. This theme of female excellence in leadership has been echoed by the many journalists who have picked up these claims - for example, in a Business Week special report that appeared under the headline, As leaders, women rule: new studies find that female managers outshine their male counterparts in almost every measure (Sharpe, 2000). The widely held notion that women and men may differ fundamentally in their typical leadership behaviours remains an important issue, because leadership behaviour is a major determinant of both their effectiveness as professionals and their chances for advancement in their careers.

Further research during the 2000s has examined how women leaders are motivated to use power for positive organizational change rather than personal upward mobility; (e.g. Merill-Sands, Kickul & Ingols, 2005; Blanch & Switzer, 2003). Women's leadership style has often been described as 'transformational', based on personal respect, mutual trust, regard for the contribution which each team member can bring, and the development of individual and often diverse talent. Examining sex and leadership styles, (Yammarino et al, 1997) found a positive relationship between transformational leadership and female leaders' effectiveness and improved subordinate commitment and performance (Vinnicombe & Singh, 2002). This is in contrast to the traditional 'transactional' style that has often been attributed to male leaders who, rely primarily on formal positional authority and power (Sinclair & Wilson, 2002; Kirner & Rayner, 1999; Sinclair, 1998; Moskal, 1997; Rosener, 1990). Leadership style is important because it sets the framework in which aspiring leaders model themselves, especially when there are few female role models to observe and consider in relation to one's own style (Ibarra, 1999).

An Alternative Viewpoint

In contrast to this perspective, a second group of researchers have come to very different conclusions about the leadership styles and behaviours of women. There is evidence to support the view that that women who entered predominately male organizational cultures during the 1990s, quickly adapted their 'natural' style to fit in (e.g. Garran, 2001; Maddison, 1999; Wilson, 1995). This put women in a no-win situation. If they adopted traditional male traits such as dominance, rationality and aggressiveness in order to succeed in their careers, their behaviour would have reinforced the assumption that the best style of leadership was indeed 'male' (and they may have been further stereotyped as "iron-maidens"). Some early research even suggested that senior women routinely over emphasized their masculine characteristics in order to succeed in male-dominated organizations (Powell et al., 1984).

For example, one survey of 400 men and women in five multi-national corporations found that senior women managed in much the same way as senior men (Wacjman, 1998). This research showed that while men and women believed that there are gender differences in leadership styles (e.g. 'command and control' versus 'cooperative and consultative'), most men and women typically behaved in a 'male' style. When Wacjman probed deeper, a gap between these espoused beliefs and actual behaviour emerged. In many organizations, the continual pressures on managers to perform smarter and faster, combined with downsizing, acquisitions and mergers during the 1990s and 2000s created organizational environments where a generally macho-ethos of leadership has prevailed. Furthermore, where there were a limited number of career opportunities, the competition for top jobs was fierce; including between women. These pressures meant that a 'male' leadership style was still the one that most often prevailed. Consequently, if women were to be successful, they had to adapt to this culture, rather than leading/managing in a more 'female' style. This 'double bind' has continued throughout the 1990s and 2000s, and has been well documented in literature over the past decade (e.g. Eagly & Carli, 2007).

An early exponent of this viewpoint (Kanter, 1977) argued that ambitious women naturally behaved in ways that reflected their lesser power within organizations and those comparisons of men and women who occupied the same organizational roles did not therefore reveal true differences in leadership styles (see also Kark, 2001). In addition, where gender was examined in the context of leadership style, it was often on the basis of biological sex rather than gender-role orientation (e.g. Bass et al., 1996). Other scholars have found that dominant organizational structures that reflect a white, male, Anglo-Saxon culture represent particular challenges and paradoxes for non-dominant groups (Betters-Reed et al, 2007; Betters-Reed & Moore, 1995). In the context of leadership research, this implies that both locally and globally a researcher must be aware of how success is culturally defined and how dominant group values impact perceptions of leadership effectiveness. There is also some evidence which indicates women who have left male-dominated organizations to become entrepreneurs almost immediately began to adopt more & collaborative leadership styles and more devolved leadership structures (Betters-Reed, Moore & Hunt, 2007).

In addition, a third group of researchers have maintained that the leadership styles of successful female and male leaders have not differed greatly since the early 1980s (e.g. Nieva & Gutek, 1981; Bartol & Martin, 1986; Eagly & Johnson, 1990; van Engen, et al, 2001; Cameron, 2007); and a few have indicated that the importance of any differences that researchers have reported in the past are minimal (e.g. Cameron, 2007; Powell, 1990). In addition, several popular books have highlighted the emergence of a group of 'Alpha Women' (Wiseman, 2002) who were replacing the older and scarcer 'Queen Bee' of the 1980s and 1990s (Simmons, 2002). The common theme running through these is that women can be just as competitive and aggressive as men, rather than sweet, placid and harmonious. It is argued this has come about not only because of the radical changes in women's aspirations over the last thirty years, but because women are hard-wired to compete in this way. It is only their upbringing and socialization that has dictated they should adopt a 'softer' female style of management. This represented something of a revolution in thinking; with the earlier research and popular books traditionally attributing aggressive behavior to men, when in reality women can be just as aggressive given the power, money and opportunities to behave in this way (Simmons, ibid; Wiseman, ibid). In a similar vein, one review of surveys of workplace bullying in the UK made these comment 'Women bully in more or less the same way as men, with the exception that females are actually much better at it. They're much more devious, much more manipulative, much more subtle about it, and they leave a lot less evidence as well - and they often do it with a smile' (Sutherland, 1999). However, when men engage in these behaviours, it may often be interpreted as typical of a 'tough' or 'solid' male style leadership; whereas in women it might be regarded as untypical, 'overbearing' and 'bitchy' (Sutherland, 1999). Others are also sceptical about the 'feminization' of leadership and management. They criticize the whole debate about any supposed differences between men and women because it rests on the very stereotypes that women are often so critical of i.e. that women are all cooperative, consensual, emotionally intelligent team-players and men are individualistic, power and status focused and emotionally stunted. Some argue that career-minded and ambitious women can be just as manipulative and Machiavellian as men and, if they are to succeed in many organizations, they must behave in this way (Fox, 2001).

In conclusion, this literature review demonstrates that we are still waiting for an unequivocal answer to the question, 'Do the leadership styles of successful female and male differ in any significant ways?' We still do not know if there are any fundamental or consistent differences in the leadership styles of successful men and women. Some research studies have suggested that there are no real differences; most have concluded that there are differences - ranging from quite minor to very significant ones - and a few have indicated that successful men and women exhibit a mixture or blend of 'masculine', 'feminine' and 'neutral' leadership/leadership styles (for a more detailed review of this issue see Forster, 2009/2005, 255 - 261). Last, as discussed below, more recent scholarly research has questioned the cultural appropriateness of the traits or attributes that have been ascribed to 'male' and 'female'. These equivocal results lead us to the central question that this article addresses: *is there any evidence that the gender self-attributes of young women are changing in different cultures and will this have an affect on their perceptions of appropriate leadership styles in business organizations?*

Cultural Context and Leadership Styles

In this section, we address the second element of the article: the influence of cultural contexts on leadership styles. As the GLOBE studies (2004) have revealed, cultural influences on leadership behavior are important variables in any adequate understanding of societal, organizational and leadership effectiveness (House et al, 2004). However, Luthar (1996) has noted that much leadership research, which includes research on gender and leadership, emanates from the USA, the Europe and Australia. Given implicit assumptions about western leadership values in these regions, this does raise questions about whether findings from this research can be replicated elsewhere, or not. For example, several researchers have asked if the Bem Sex Role Inventory, described in the next section, is applicable to studies outside North America (Peng, 2006). Preferences for particular 'western' gender-role schemas may also influence the extent to which the national cultures within which leadership practices are embedded and enacted can be objectively classified as 'masculine' or 'feminine' (Hofstede, 1980). Nevertheless, national cultures do have a profound influence on perceptions of leadership attributes and styles, as much as gender does, and underlying patriarchal assumptions may make it difficult for women to transcend entrenched conservative attitudes and secure leadership positions, despite the in-principle support that exists for equality between the sexes in many countries. Consequently, as our sample included females from the UAE and Australia, it is important to, (i) review what is currently known about the economic and social status of women in these countries, and (ii) to comment briefly on how these influence general societal attitudes towards women in the workplace and women business leaders.

The Arab World and the United Arab Emirates

According to the GLOBE studies, countries in the Arabic cluster score high on group-orientation, hierarchy, masculinity, but score low on future-orientation (House et al, 2004; Davidson & Burke, 2004). Vision, honesty, transformational abilities and charisma are regarded as important attributes of leadership in this region, as is a team-focused leadership style (Kabasakai & Bodur, 2002). There is also clear evidence that business leaders in this region have to deal regularly with the tensions that exist between Eastern and Western value-systems; between tradition and modernity and religious and secular systems (issues that are often referred to experts in Sharia law for resolution). Nevertheless, women are entering the workforce in Arab states in increasing numbers, and a few have risen to leadership positions in both the public and private sector (Salloum, 2003; Amlak Finance, 2006; Abouzied, 2008). However, at this point in time, not only do we know very little about these women, research on business leadership in the Middle-East has invariably been subsumed under generic analyses of the 'Arab World' (Eden & Leviatan, 1975; Lord et al., 1978; Kenney et al., 1996; Javidan & Carl 2004). In turn, this has characterized the Gulf region as a homogenous economic, cultural and social bloc (e.g. Hofstede, 1980; Ronen, 1986). While such meta-research has undoubtedly led to a greater understanding of how culture shapes assumptions about business leadership in the region, it is necessary to refine the notion of Arab leadership by including two additional categories: women (as opposed to men or gender-neutral categories); and individual Arab states (as opposed to the monolithic 'Arab World'). There is a clear need for country-specific research into the gender self-attributes of Arab women, their views about leadership and effective leadership styles, the implicit cultural values that underpin their leadership beliefs and practices, and the cultural, attitudinal and cultural barriers they encounter in business organizations.

Having said this, there is no doubt that the economic status, legal rights and professional roles of women are undergoing rapid transformation in the UAE; driven in large measure by the high priority that was given to improving their access to tertiary education and the workplace during the 1990s and 2000s by the national government of the UAE. In the past, access to higher education was largely restricted to men (Fakhro, 1990). However, with the rapid expansion of this sector over the last decade and the establishment of Zayed University (ZU) in 1998, many more young women have received a tertiary education. Today, 70 percent of Emirati students nationwide are women, and more than 80 percent of ZU graduates pursuing professional careers (Abouzied, 2008; Sheik Mohammed Bin Rashid Establishment for Young Business Leaders, 2007b). The number of Emirati women in the national workforce increased from 18,144 in 1995 to 38,657 in 2000 and grew to more than 87,000 in 2006; a figure that according to government sources will increase over the next decade. In 2008, Emirati women comprised 66% of the workforce in the government sector, of which nearly one-third were in senior management positions (United Arab Emirates Yearbook, 2007: 246). Consequently, many more women are now working in the professions; and some have already reached leadership positions in both the public and private sector. For example, nearly 20 percent of the country's National Assembly is female (Abouzied, 2008). Several women have been appointed as section heads in the Dubai Public Prosecution Service, and three females now sit on the board of the Dubai Chamber of Commerce and Industry. In the private sector, the Vice-President of Distribution at Dubai Bank is a national, and several are in senior positions in the real-estate and constructions sectors (Sheik Mohammed Bin Rashid Establishment for Young Business Leaders, 2007a; United Arab Emirates Yearbook, 2007: 244-249). However, in 2008, just one woman from the Middle-East (Lubna Olyan from Saudi Arabia) was featured in Fortune's annual survey of the '50 Most Powerful Women in Business' (Mero, 2008: 76-83). No Emirati businesswomen appeared in this.

There has also been a growing level of participation in the private sector, and a small number of Emirati women are also becoming more involved in small-business start-ups in wholesale distribution and trading, clothing and fashion design, jewelry and gold retailing, cosmetics and other business enterprises (TANMIA, 2004; Nasr, et al, 2005; Priess & McGrohan, 2006). In 2007, there were about 12,000 self-employed members of the UAE Businesswomen's Council; whose total economic contribution to the UAE economy was estimated to be more than AED10 billion (United Arab Emirates Yearbook, 2007), or about US $2.9 billion on 10 February 2009.According to the government sponsored UAE Yearbook, women now enjoy equality of opportunity in the workplace, including pay equity with men, although there is a singular lack of reliable independent research to validate this claim.In addition, it is important to emphasize that the UAE remains in many ways a very traditional Muslim society, with all the implicit assumptions that are made about the 'correct' public and private roles of Emirati women, and their responsibilities to their community, their extended families and their children (Mostafa, 2005; Metcalfe, 2006). For example, in many organizations it is still common to find men-only and female-only working areas, and this practice includes all of the country's leading indigenous banks. Inevitably, such deeply ingrained cultural beliefs continue to have a strong influence on the gender self-perceptions and self-attributions of young women (and men) in the UAE. We now turn to a comparative discussion of women's economic participation in Australia,and their status in the labor market and business organizations.

Australia

The growth in the participation of women in the Australian labor market, their gradual entry into the professions and their rise to leadership positions in some businesses has been similar to that experienced by many other western industrialized nations since the 1970s (Still, 2004). According to the GLOBE (2004) studies, Australia is classified as a 'developed Western nation', and is one of seven countries in the 'Anglo' cluster, which encompasses the English speaking advanced industrial nations of the world (House et al, 2004).With several waves of immigration to the country since 1945 Australia has become a multicultural society, but its national culture - while nominally Christian - emphasizes strong secular values and, unlike the UAE, the clear separation of religion and state. It values egalitarianism, individual freedom and independence and has a forward-looking, future-focused orientation. The country's business culture is characterised by the culturally embedded ideas of "the fair go", egalitarianism, in-principle gender equality, and a performance-based, masculine business ethos that emphasises and rewards competitive individualism. As a member of the Anglo-Cluster in the GLOBE (2004) study, Australians do rate gender egalitarianism as 'high', but its business culture is still masculine and gender inequalities persist - particularly at the CEO and senior executive levels (House, et al, 2004; Davidson & Burke, 2004; Still, 2004). Women have benefited from equal access to the tertiary education sector since the early 1960s and have enjoyed complete equality under the law since the early 1980s. With the exception of certain front-line combat roles in the army, they now work in every profession and occupation in the country. Women operate approximately 1.2 million small businesses; representing 32 percent of all the SMEs in Australia. Women under 30 are now the fastest growing demographic in this sector, and they also initiate around 70 percent of all new business start-ups each year, a remarkable statistic (Harcourt, 2007; Blanch & Switzer, 2003; Fox, 2001).

However, in common with many other western countries, this has not resulted in complete equity and parity in the workplace. For example, in the 2007 Global Gender Gap Report Australia was placed seventeenth. By way of contrast, Sweden, Norway, Finland, Iceland were selected as the top four countries for women's equality, with the United Kingdom placed at 11, the USA at 31, and the UAE ranked 111 out of 134 countries (World Economic Forum, 2007). In terms of political representation, there were 60 women in the Federal Parliament in February 2009 (out of a total of 226 senators and MPs, with 22/76 in the Senate and 38/150 in the House of Representatives (Australian Parliament, 2009). Pro-rata, this was a lower figure than the number of Emirati women in the UAE's National Assembly in 2009. In addition, while one-third of the top 200 companies had a female member on the board in 2000; just 9.7 percent of non-executive directors were women. This fell to 8.2 percent by the end of 2002, and has remained static since this time. In 2003, 8.7 percent of the CEOs of the 200 biggest companies in Australia were women; by February 2009 this ratio had actually fallen to 8.0 percent (Harvey, 2001; Harris, 2002; Fox, 2006; Women on Boards, 2009).

Last, pay inequalities between women and men persist. In August 2008, the gender-pay gap for all employees in Australia was 16.7 percent, caused by the greater concentration of women in part-time work, their domestic and childcare responsibilities, their continuing segregation in the workforce in less well-paid professions (e.g. as nurses, teachers and child-care workers), and continuing discrimination in organizations (Australian Government Office for Women, 2008).

Conceptualising Androgyny: The Bem Sex-Role Inverntory

In this section, we address the third element of the article - gender self-identity, and how this may be changing and evolving. During the 1970s a 'new' concept in masculinity and femininity research emerged: the idea that healthy women and men could share similar personality characteristics ('androgyny'). This concept was developed into a framework for interpreting similarities and differences among individuals, according to the degree to which they described themselves in terms of characteristics traditionally associated with 'masculinity' and 'femininity' (Cook, 1987). Although the term androgyny is very old, having its roots in classical Greek mythology and literature (from andro: male and gyne: female; androgynos: 'male and female in one'), the 1970s marked a resurgence in the word's popularity as a descriptor that could encompass stereotypically 'female' and 'male' personality and behavioural traits. The Bem Sex-Role Inventory (BSRI) was the first one designed to facilitate empirical research on psychological androgyny (Bem, 1974).

Bem contended that the BSRI was, 'based on a theory about both the cognitive processing and the motivational dynamics of sex-typed and androgynous individuals' (1981a: 10). These concepts, briefly referred to in the instrument test manual (Bem, 1981a), provided the basis for the development of Bem's 'gender-schema' theory (1981b, 1981c). The main tenet of gender schema theory is that sex-typing is derived, in part, from a readiness on the part of the individual to encode and to organize information about the self that is shaped by cultural prescriptions of maleness and femaleness. In turn, these constitute what Bem terms the 'gender-schemas' of all human cultures and societies (Bem, 1981b: 369) According to Bem (1987), a sex-typed individual is someone whose self-concept incorporates, and closely mirrors, the prevailing dominant cultural definitions of 'masculinity' or 'femininity'. Thus, she defines these terms in terms of sex-linked social desirability.

The BSRI instrument consists of 60 personality characteristics and respondents are asked to rate the extent to which these describe their personalities on a 7-point Likert scale ranging from 1 ('never' or 'almost never' true) to 7 ('always' or 'almost always' true). Twenty of these are stereotypically feminine (e.g. 'affectionate', 'sympathetic', 'gentle'), 20 are stereotypically masculine (e.g. independent', 'forceful', 'dominant'), and 20 are considered 'filler' items by virtue of their gender-neutrality (e.g.'truthful', 'conscientious', 'reliable'). The 20 neutral items were used to constitute a measure of Social Desirability. Unlike the feminine and masculine items, all of which were identified as socially desirable for their respective sex, 10 of the gender-neutral items were identified as desirable for both sexes (e.g., 'adaptable', 'sincere'), and the other 10 as undesirable for both sexes (e.g. 'inefficient', 'jealous'). This instrument was designed specifically to provide independent measures of an individual's masculinity and femininity (Lenney, 1991), and Bem's distinct purpose was 'to assess the extent to which the culture's definitions of desirable female and male attributes are reflected in an individual's self-description' (Bem, 1979: 1048).

For the past three decades, the BSRI has endured as the instrument of choice among researchers investigating gender-role orientation (Beere, 1990). Since its development, the BSRI has been widely used, but also widely criticized. Ironically, these criticisms of the BSRI have contributed to it becoming even better known as a masculinity-femininity measure and, consequently, used even more by researchers. While we acknowledge these critiques, it is beyond the scope of this paper to fully address these. For the purposes of this exploratory study, the importance of the BSRI, and gender-schema theory, is that they changed the way femininity and masculinity was conceptualized. For the first time, the cultural context shaping these variables was considered; as opposed to a simplistic focus on differences in responses between the sexes about what was considered to be 'feminine' or 'masculine'. Moreover, Bem's work also emphasised a strong relationship between psychological health and gender self-perceptions; suggesting that a combination of traditionally 'feminine' and 'masculine' qualities would also have beneficial health affects, regardless of one's biological sex.

Research Methodology

The origins of the research described in this section can be traced back to a series of Master of Business Administration (MBA) classes taught by one of the authors at the Graduate School of Management, the University of Western Australia in 2000. In order to assess the gender self-attributions of men and women enrolled on a foundation course in Organizational Behaviour and Leadership, a simplified 30-item form of the BMSI was designed. This excluded, for example, the 10 negative items in the original inventory. This shorter version was created because, at that point in time, it was not intended that the data derived from these surveys would be used in academic research publications. In this modified instrument, the behavioural and attitudinal traits in column 1 are classified as 'male'; those from column 2 are 'female' traits and those in column 3 are 'neutral'. If respondents make a balanced selection from all three columns, they were classified as having 'hybrid' or 'androgynous' gender self-attributes (see Figure 1).

Figure 1: Modified Bem Sex-Typing Inventory

Please look through these three lists of personality traits and behavioural characteristics. Then, circle the ten items that best describe you and your personality.

Column 1	Column 2	Column 3
Ambitious	Affectionate	Adaptable
Independent	Cooperative	Reliable
Confident	Dependent	Intelligent
Aggressive	Sensitive	Assertive
Forceful	Appreciative	Honest
Dominant	Empathic	Sincere
Tough	Gentle	Helpful
Analytical	Intuitive	Systematic
Competitive	Supportive	Team-player
Rational	Emotional	Efficient

(Adapted from Bem, 1981a; 1981b)

This instrument was administered over a four year period to eight classes of postgraduate students (N = 112) at UWA. As noted above, the initial purpose of these surveys was to evaluate the gender self-attributes of a typical cross-section of male and female professionals in Western Australia. And, as noted above, the data generated by these surveys were not intended for publication at that time. However, when the opportunity arose at ZU to conduct a cross-cultural comparison of gender self-attributes and sex-typing, the shorter form of the BSRI was replicated with seven groups of final year business students at the College of Business Sciences, Zayed University during 2007 - 2008 (N = 144). The summary results from these surveys are presented in Figure 2.

Figure 2: Comparison of Gender Self-Attributions

'Male'	'Female'	Neutral'
* 2.743	3.917	3.340
** 3.728	3.032	3.240

Key: Each respondent selected ten of the 10 traits from Figure 1. These are the average aggregate scores for the 10 items for each dimension.

* 144 Zayed University undergraduate female students. Surveys administered to seven groups of final-year Business Leadership during the 2007 Fall Semester, and the 2008 Spring and Fall Semesters.

** 112 female MBA students at the University of Western Australia. Surveys administered to eight groups of Organizational Behaviour and Leadership students at the Graduate School of Management, UWA, 2001 - 2004. The results from the male students have been excluded.

There are clear, but not major, differences in the responses of younger women from the UAE, and their slightly older peers in Western Australia (typically 21-23 versus 25-30 years of age). In general, women in Western Australia believe that they have more 'masculine' behavioural and attitudinal traits than their younger female counterparts in the UAE do. While these differences are evident and expected, it is significant that they are not as great as one might have predicted on the basis of assumptions that have been made in the past about the patriarchal nature of UAE society (the result of subsuming this untypical Muslim country under the general category of 'Arabian'). The results for the UAE group also reflect the fact that the legal, economic, social and educational freedoms that women now enjoy in the UAE were only initiated in the early-to-mid 1990s. In Australia, these can be traced back to the early 1960s. Hence, the gaps between their respective clusters of scores are probably indicative of the time-differentials in the changes that have occurred in each of these domains in the UAE and Australia. Hence, over time, we might expect the self-attribution scores of young Emirati women to more closely resemble those of young professional women in Australia. The scores of the UAE group also reflect their lack of work experience and exposure to male employees and masculine leadership styles in organisations. And, if the research cited earlier in this article is correct about the way in which women have generally had to adapt their natural styles to fit with male-dominated organisational cultures in the past, we might expect their self-attributes to reflect more 'masculine' traits as they progress in their careers.

Having said this, when one looks at the results of these surveys, it is clear that all young women in the UAE and Australia actually exhibit behavioural and personality traits that combine all three groupings with some young women scoring high on 'masculine' traits. One of the interesting outcomes of using this exercise in Western Australia was that very few women MBAs had any concerns about having some 'male' traits, because they knew that some of these were essential if they were to succeed in their careers in law, accounting, engineering and so forth. The same applied to most of the men in these groups who 'discovered' they had some, traditionally, 'female' attributes. This exercise, and the data from the surveys, also highlights an extremely important but often overlooked fact in the ongoing debate about the alleged differences between men and women leaders. It demonstrates that gender self-perception is a continuum, ranging from very 'masculine' males to very 'feminine' women, with a considerable area of overlap between these two polar-opposites. And, as we've seen in the results from the two samples in this study, these are aligned with national and religious cultural prescriptions and assumptions about the fundamental 'natures' of women and men.

Discussion

Clearly, both female undergraduates from the UAE and graduate students in Western Australia perceive themselves very differently from the way that the 1970s college undergraduates, who served as participants in Bem's test-development process, viewed themselves. These differences give further cause to doubt the theoretical meaningfulness of the fourfold classification system by which BSRI scale scores have usually been interpreted. If the items that constitute the BSRI Masculinity scale are no longer considered exclusively 'masculine' by many women and the items on the BSRI Femininity scale are no longer considered exclusively 'feminine' by some men, then the basis for classifying individuals in such terms is eroded. The results of this study suggest that Bem's gender-schema theory (1981a), which relied heavily on western cultural definitions of masculinity and femininity as a framework for the organization of information about the self and others, may be less relevant today - three decades later. Moreover, it is significant that the original androgyny theory suggested that healthy individuals could (or maybe, should) exhibit both masculine and feminine traits. Bem even suggested that, 'behaviour should have no gender' and acknowledged that, 'the concept of androgyny contains an inner contradiction and hence the seeds of its own destruction' (1979: 1053). The findings presented in this exploratory study indicate that not only are masculine and feminine traits no longer perceived in the stark terms they were in the 1970s, they also indicate that androgyny may be interpreted differently by women today, when compared to those who participated in Bem's studies in the 1980s. The data from our two sample groups may in fact reflect the broader cultural and social changes that have occurred in all western industrialised countries over the last three decades, and in the UAE over the last decade, as well as changing perceptions of what masculinity and femininity now mean to young, well-educated and ambitious women in both countries.

The results of this exploratory study should also be interpreted in the cultural context of leadership definitions and characteristics discussed earlier in this article. For UAE students, their team-oriented leadership styles (reflected in their aggregate 'neutral' gender score) are fully consistent with traditional family values and the group-oriented culture that is dominant in the Arabian cluster. To the extent that many of their 'feminine' traits are relational and linked to elements of emotional intelligence, this consultative and collaborative problem solving styles, and avoidance of face-to-face conflict. For the Australian students, their results reflect the culture described earlier in this article; one characterised by the culturally embedded ideas of "the fair go", egalitarianism, in-principle gender equality, a performance-based masculine business culture and an emphasis on competitive individualism. They were also slightly older than their peers in the UAE (25-30 years of age versus 21-23 years old), and all had several years of experience of working with men; factors that have all contributed to their higher scores on masculine self-attributes. This hypothesis is supported by the findings from an earlier study of American undergraduate and graduate students, which found that female graduate business students rated themselves as more 'masculine' than women undergraduates because of their exposure to masculine work cultures (Powell et al, 2002), and in more recent research on the alleged differences in the communication and behavioural styles of men and women (e.g. Cameron, 2007).

Limitations of the Study and Future Research

This study has several limitations. It was, explicitly, an exploratory study based on self-report data from young women in the UAE and Australia, and it did use a shortened and modified version of the original BMSI instrument. Consequently, the results should be considered on their own merits, and they have raised as many questions as they have provided answers. The two clusters of surveys were also conducted over different time periods and all were cross-sectional. Hence, the results it has generated clearly point to the need for additional research to investigate the impact of culture on gender self-perceptions and intergenerational differences in how women perceive these. If a more androgynous leadership style is emerging, then follow-up longitudinal studies, conducted at different career-stages, among both men and women, would provide additional evidence about the prevalence of this during their careers. Additional research on the evolution of the business culture of the UAE, and of women's changing self-perceptions and self-identities over time, would clearly add greater validity to these preliminary results. Last, future studies should make use of the full version of the BSRI instrument and this should be replicated in several countries in the Middle-East and the West.

Having said this, the UAE samples were of sufficient size (N = 144) to suggest that assumptions about gender-self attributes and leadership traits among young women in individual Arabian-Islamic countries need to be more carefully examined before making generalizations about these. The UAE is a unique country in the Gulf region and there is, for example, a world of difference in the freedoms enjoyed by women in the UAE (or the Lebanon and Morocco), when compared to Saudi Arabia or the Yemen. In addition, while the broader culture of the GCC is still very patriarchal and characterised by marked gender differences, emerging female leaders - who are now in visible roles of power and authority in the UAE - are already inspirational role models for younger women at Zayed University, and are playing a significant role in changing their perceptions of what they are capable of achieving. Future research, involving a larger sample of women professionals, undergraduates and postgraduates would serve to test and validate the results of this exploratory study. They could also help to determine whether enough evidence exists to support our assertion that androgynous leadership is emerging in both the UAE and Australia, and if the data generated from these two sample groups can be generalized to form the basis of a more robust cross-cultural study across several countries. A larger sample should also include men, in order to further delineate gender similarities and differences as well as evaluating intergenerational differences in gender self-attributes, and attitudes towards women business leaders. Further studies also need to address the gendered nature of the business environments in which women leaders operate and whether definitions of leadership are dominated by masculine normative beliefs and behaviours and embedded in organizational policies and practices in the UAE.

Conclusion

The evidence presented in this article indicates that the core dichotomy of the BSRI - that so-called 'masculine' traits and 'feminine' behavioural attributes and traits are mutually exclusive - is dated. Our research suggests that in the future successful leaders and managers will probably combine personal qualities, attributes, competencies and skills that encompass both 'male' and 'female' dimensions. While the debate over the alleged differences in their respective leadership styles will continue for a long time, there are some signs of a convergence of leadership and leadership styles, particularly among Generation X, and even more so among Generation Y, even though there remain substantial cultural variations in this process (Cameron, 2007; Domeyer 2006; Hays Accounting and Finance, 2006; Sheahan, 2005; Allen, 2004).

In contributing to the research on this topic, we found that emerging female leaders in the UAE and Australia displayed a range of gender and leadership self-attributes, with distinct (but not radical) differences between young women in the UAE and their slightly older peers in Western Australia. This provides further evidence of a shift towards a more androgynous leadership style, with respondents in both samples scoring fairly evenly on both instrumental and expressive traits. Our data adds support to the view that we may be witnessing signs of the emergence of a hybrid/androgynous style of leadership and people management that may eventually transcend ancient male/female archetypes. This implies that embracing an exclusively male or female style alone will be inadequate in the future, and a fully functioning adult (man or woman) should be capable of embracing elements of all three dimensions in their daily leadership and management practices. Such leaders would also have a situational flexibility that will enable them to subtly alter their leadership styles to reflect the situation they are in, the people they are managing and the issues and problems they are dealing with (for example, shifting with ease between 'task', 'process' and 'people' issues at work). This indicates that an ability to shift between - traditionally - 'male, 'female' and 'neutral' behavioural styles and attitudinal mindsets is likely to have a strong influence on a leader/manager's effectiveness in all business and organisational contexts in the future. In other words, the generic qualities, attributes, skills and competencies of successful leaders and managers may well apply to both men and women. And, while there will remain considerable global variations in the evolution of this hybrid leadership/leadership style for a long time, there are clear indications that it has characterised the styles of many women (and men) in Western Australia for some time (Forster, 2009 and 2005); and there are clear signs that it is already emerging among ambitious, well-educated young women in the UAE.

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Enriching the Pie: Productivity – Intrapreneurship-Entrepreneurship

Dr UB Raju

Prof Rajiv Gupta

It is widely believed that entrepreneurship is one of the most powerful and sustainable ways to change India and to bring equitable socio-economic growth in the country, policies adopted by government and academia influence entrepreneurship development. Education as well as the infrastructural ambience can generate the next wave of entrepreneurial activity, if supplemented by appropriate policies. This coupled with the authors' understanding of the unequivocal importance of productivity motivates the theme for this article.

Entrepreneurship is essentially an economic activity that results in the creation of wealth. Developing economies are expending huge amounts of resources to promote entrepreneurship. But, unfortunately, the output as reflected in terms of quantity as well as quality is not commensurate with the inputs. Hence, it goes without saying that productivising the entrepreneurship process is of paramount importance.

Alongside, productivity of enterprise operations is also important. But the key in the current context lies in intrapreneurship rather than merely relying on the adaptation of traditional practices. This paper identifies the phenomena of *productivity push to entrepreneurship and productivity Pull from entrepreneurship* **to fully understand the interplay of productivity and entrepreneurship.**

An attempt is made to introduce the concepts of *productivity chain* **and** *productivity churn.* **The productivity chain is the combined productivity of entrepreneurship and intrapreneurship processes. 'Productivity of entrepreneurship' and 'productivity of intrapreneurship' are labelled as** *enterprisability* **and** *intraprisability* **respectively. Enterprisability is the number of start-up enterprises set up per unit of resources and intraprisability is the survival rate among the start up enterprises. Productivity churn is the velocity of enterprise reformation that results from non-surviving enterprises. In other words, it is the enterprise re-entry rate from among the dead enterprises into the population of enterprises.**

A systemic view comprising matrices, herein developed brings out the relational domain between enterprisability and intraprisability on the one hand and the relationship between productivity chain and productivity churn on the other. The authors believe that focusing on the triad of productivity-intrapreneurship-entrepreneurship (PIE) will greatly enhance both enterprise creation and sustenance.

Keywords: **Productivity, entrepreneurship, intrapreneurship, enterprisability, intraprisability**

Entrepreneur

The term entrepreneur has been used with varying meaning at different points of time in different countries. In the early 16th century in France for instance, the term entrepreneur was used for army leader. In 18th century this term was used to denote a dealer who buys and sells goods at uncertain price.

According to Schumpeter (1961), an entrepreneur was dynamic agent of change; or the catalyst who transformed increasingly physical, natural and human resources, into corresponding production possibilities. To Marshall (1920), an entrepreneur is one who allocates and manages the factors of production and bears risk. Cole (1959) defines entrepreneur as one who has the ability to perceive latent economic opportunities and to devise their exploitations. Hagen (1968) describes entrepreneur as an individual who conceives ideas of business, designs the organization of the firm, accumulates capital, recruits labour, establishes relations with suppliers, customers and the government and converts the conceptions into a functional organization. According to Redlich (1972), an entrepreneur is the supplier of resources, supervisor and coordinator and ultimate decision taken. Cantillon (1755) saw the entrepreneur as an individual who handles 'venture capital' and takes on the risk of decision making.

In the context of developing countries like India, Bhattacharjee and Akhouri (1975) described entrepreneur as 'a person who undertakes to organize, own and run an enterprise by risking his own career'.

Entrepreneurship is the lifeblood of an economy. In actuality, this is the wealth creating process. It is the process of creating and delivering value to the market by bringing together a unique combination of resources to exploit an opportunity. Another way of looking at it is that entrepreneurship is the pursuit of opportunity without regard to resources currently controlled.

From this statement it follows that entrepreneurs are not resource driven while managers are. The framework of managers is that given the resources under their control, they think of how it could be achieved. In contrast, entrepreneurs' frame of reference is "what could be achieved" and "what resources need to be acquired". The three foundations of entrepreneurship are innovation, calculated risk taking and creativity.

Entrepreneurship is not an on / off phenomenon - everyone has some entrepreneurship within. The question to be asked is "how to unlock as much as of it?". Recognizing this fact, funds of unprecedented order have been pumped into promotion of entrepreneurship that involved identification, selection, training, counselling and escort services. But, unfortunately, the output as reflected in terms of number of start up enterprises as well as their quality (reflected in their characteristics, could be labelled as the DNA of an enterprise) is not commensurate with the inputs injected like the effort and other resources. If entrepreneurship is a national priority especially in developing countries, it goes without saying that productivising the entrepreneurship process is of paramount importance. A systems view of entrepreneurship is shown in figure 1.

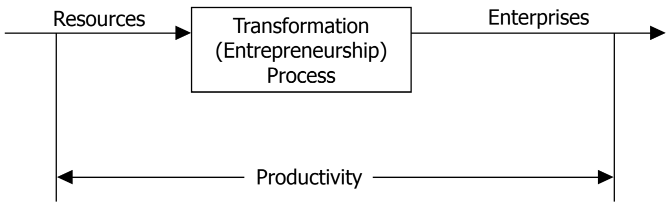

Figure - 1

Enterprise Survival

The birth of enterprises is only one dimension of entrepreneurship. An equally important dimension of entrepreneurship is their survival. In fact, it is a widely noticed observation that mortality rate among enterprises, especially among small enterprises (many of the enterprises are born small) is high during the initial period of three to five years as illustrated in figure 2. Generally, the experience all over the world has been that if an enterprise (more so if it is small) survives for five years, then it can sustain and grow.

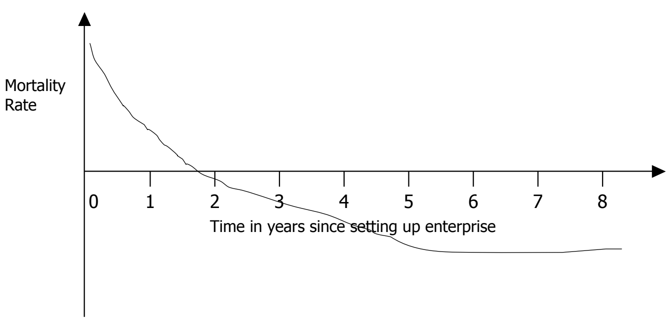

Figure - 2

Intrapreneurship

The enterprises that are born need the entrepreneurship process still for their survival and sustenance. This is by now popularly referred to as intrapreneurship. Intrapreneur is an employee of an organisation who is given freedom and financial support to create new products, services, systems, etc., and does not have to follow its usual routines or protocols. While for the enterprise survival there is no single recipe, the one necessary condition is intrapreneurship. This is singularly valid in the current context of continuous change. As Peter F. Drucker said, "The biggest challenge facing modern enterprise is change". The world now being connected and globalized is changing faster than ever before. Organizations are finding it harder and harder to survive by merely competing. Accordingly, they are increasingly looking towards their intrapreneurs to take them beyond competition to create new businesses in new markets in new ways.

To successfully face this challenge of change, an enterprise has to be adaptable. To quote Charles Darwin, "It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change." The specie obviously should include entrepreneurs, or say intrapreneurs - the human contrivances for wealth creation.

Productivity

According to Saxena (1971), productivity is to be related to optimum utilization of material resources, manpower resources and the management development. The management development here involves three factors: technical, administrative and human. Management is to be concerned not only with the better performance of the man but with the development of man himself. There must be a fusion of the 'physical capacity to work' with the 'will to work', which is of utmost significance.

Gummar Myrdal (1960) feels that the economic backwardness of several countries is attributable to the low productivity. Mukherjee (1972) stresses on "Increasing Productivity through Management Reporting system from which the different levels of management can obtain Productivity 'Characters' and 'attributes', for further corrective action".

Bhattasali (1972) expresses that productivity must find a proper place on the actual physical plane in the macro-economic activities; economic planning has to be integrated with Productivity planning at every stage.

International Labour Organization (ILO) (1978) emphasizes that higher productivity means more output with the same input resources; or alternatively, the same output with less input resources and higher productivity can contribute to a higher standard of living.

Wanchoo (1972) views that improving productivity is crucial for economic growth. Productivity and economic growth are interrelated as both are dependent on the best use of resources. Hamlin (1978) considers that Productivity measurement is an elusive concept and 'lower Productivity' leads to inflation, economic stagnation and unemployment. Ahuja (1968), Ram Agarwal (1972), Vardhan (1981), Ramaswamy (1972), stress that the measurement of Productivity indicates the comparative performance of economy, the efficiency and utilization of labour, capital and the technological development.

The word 'productivity' is probably one of the most overworked in our vocabulary. The difficulty is that it is one of the most elusive entities, and one which we are at a loss to know not only how to define but also how to measure satisfactorily.

The word 'productivity' first appeared in an article by Quesnay in 1766. More than a century later in 1883 Littre defined productivity as the 'faculty to produce'. The term 'Productivity' acquired a more precise meaning by early twentieth century, as a relationship between output and the means employed to produce this output.

Productivity of Entrepreneurship and Intrapreneurship

Productivity of intrapreneurship process (i.e. during operational phase of an enterprise) is as important as productivity of entrepreneurship process (i.e. during the conception and setting up phase of an enterprise). By productivising entrepreneurship, it is possible to enhance the sphere of entrepreneurship. This essentially happens through productivity push to entrepreneurship. Similarly it is possible to enhance productivity during enterprise operation through entrepreneurializing enterprise management. This phenomenon takes place through productivity pull from entrepreneurship. These two scenarios are illustrated in figures 3 and 4.

Productivity Push to Entrepreneurship

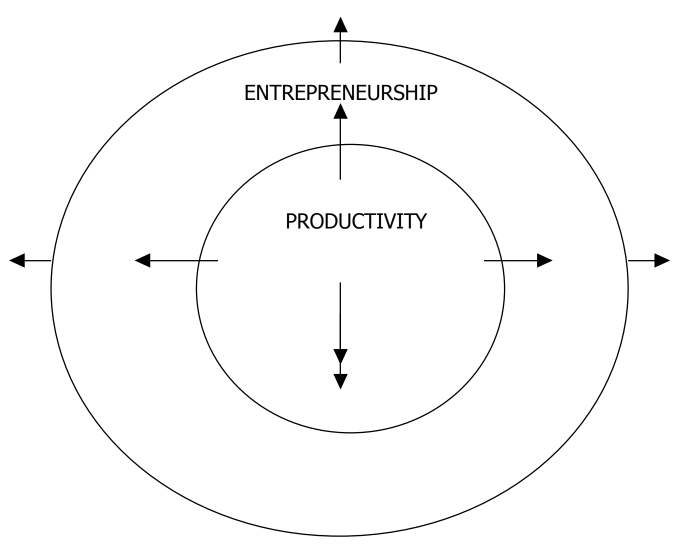

Figure - 3

Productivity Pull from Entrepreneurship

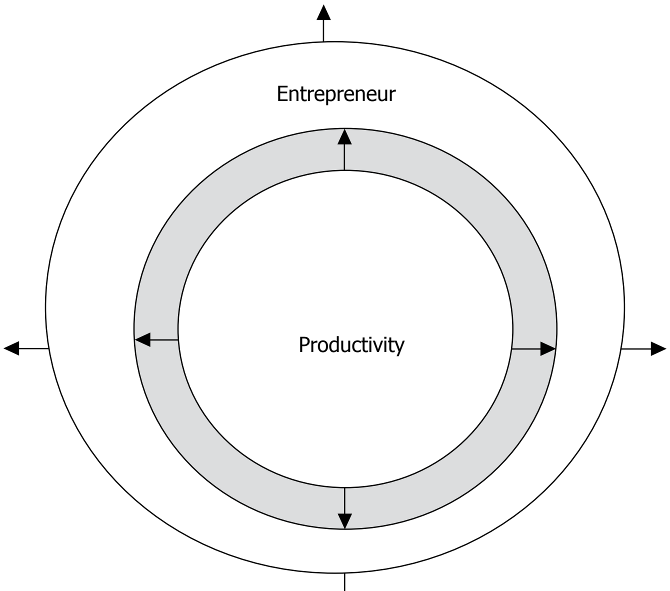

Figure - 4

Productivity Chain: Enterprisability and Intraprisability

The productivity during enterprise creation stage is designated here as 'enterprisability' while productivity during enterprise operation stage is designated as 'intraprisability'. Enterprisability and Intraprisability together determine the enterprise birth, survival, sustenance and growth. Together they form a productivity chain. This is illustrated in figure 5.

Productivity Chain

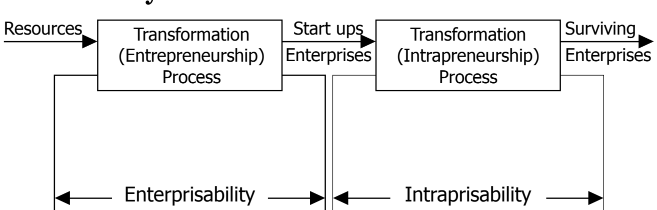

Figure – 5

The overall productivity of a chain consisting of two serial stages is the product of individual productivities. The overall productivity during enterprise creation and operation is designated as E-Productivity. Thus,

$$\text{E-Productivity} = \text{Enterprisability} \times \text{Intraprisability}$$

Or symbolically

$$E\text{-}P = E \times I$$

Mathematically, we have for per cent changes in each of them,

$$\frac{\Delta E\text{-}P}{E\text{-}P} = \frac{\Delta E}{E} + \frac{\Delta I}{I}$$

Improving both enterprisability and intraprisability would result in the growth of healthy enterprise population. A matrix depicting low-high combinations of the two and the resultant state of E-productivity and the possible action are given in figure 6.

Matrix of Enterprisability - Intraprisability

Intraprisability			
	High	Low enterprise Birth and Mortality rates Ex situ focus	Rapidly growing Enterprise population High wealth creation Monitoring sustenance of both E and I
	Low	Rapidly diminishing Enterprise Population Both ex situ and in situ focus	High enterprise Birth and mortality rates In situ focus

Figure - 6

Productivity Churn

The enterprises that die and those that are put on sale by their entrepreneurs need to be recycled and nurtured back into start up enterprises afresh through acquisitions and mergers by a new entrepreneurship initiative. This is what happens in a dynamic economy. The birth and death process of enterprises is illustrated in figure 7.

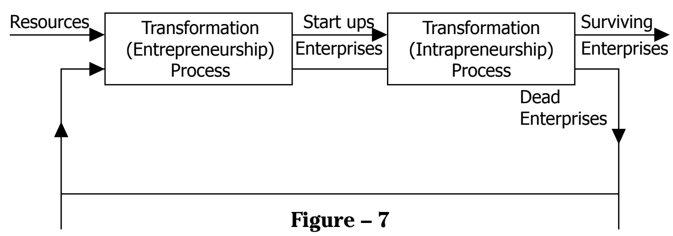

Figure – 7

This process of churning results in improved productivity and productivity associated with the churning process is labelled as productivity churn as illustrated in figure 8.

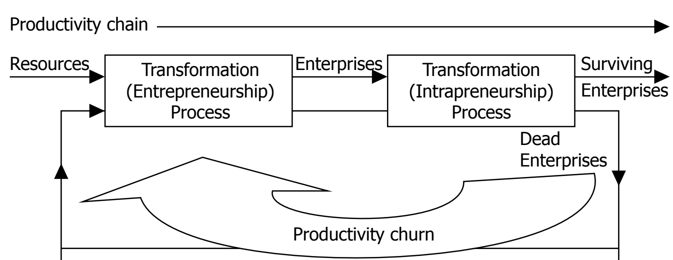

Figure - 8

Productivity Churn = Churn Velocity = Rate of reformation of enterprises

Relational domain of Productivity Chain and Churn

Both chain and churn productivities being important, our endeavour is to attend to both at the macro level. An understanding of their relational domain will help in appropriate policy formulation at the economy level. This is depicted in figure 9.

Matrix of Productivity Chain and Productivity Churn

Productivity Churn			
	High	Make entry easy Encourage best practices	High productive economy Find new ways of further improvements
	Low	Saddled with Low Productive economy Productivise both Chain and churn	Make exit easy

Figure - 9

Conclusions

Philosophically speaking, productivity being a belief that improvement is always possible in output-input relationship, its applicability is universal. However, while its application in enterprise operation is well established, its application in entrepreneurship process is hardly any. Further, even in enterprise management, application of productivity in intrapreneurship is not attempted notwithstanding the fact that the very concept of intrapreneurship is itself about a decade old. The current paper addresses these missing aspects and an approach of this kind is expected to have far reaching impact on the performance of economy, more so in developing countries in view of the thrust being given to entrepreneurship.

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Indian Cotton Textile Industry: A Pre- and Post-Liberalization Comparative Study

Prof Kunal Gaurav

Prof Lokinder Kumar Tyagi

India is the world's third largest producer of cotton and second largest producer of yarn and textiles. This industry was de-licensed in 1991-92, which led to various structural changes in the industry. The present study aims to understand the impact of liberalization on the Indian textile industry by comparing the performance of the firms incorporated before liberalization and firms incorporated after liberalization in the industry. At the same time, this study is also intended to realize the impact of marketing expenses, wage and salary, and age of the firms on the firms' performance.

Keywords: **Liberalization, Globalization, Performance Comparison, Indian Textile Industry**

Introduction

The textile industry holds an exceptional place in Indian economy because of its contribution to the industrial output, employment generation, forex earning and Gross Domestic Product (GDP). One of the earliest to come into existence, the Indian textile industry is one of the economy's largest industrial sectors, as it offers direct employment to about 35 million people and to another 50 million people in related areas."The size of the Indian Textile and Apparel Industry is estimated to be US$ 85 billion comprising US$ 45 billion in domestic and balance in exports by 2010[1]." India's textile industry is also significant in a global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns. It can be inferred that one out of every six Indians is directly or indirectly associated with this industry.

This industry offers one of the most basic needs of the people i.e., clothing and helps in improving the quality and standard of life. From the production of raw input to the delivery of the finished products with substantial value addition at each and every stage of processing, it has a distinctive position as a self-reliant industry of the Indian economy. Its vast potential for creation of employment opportunities in the agricultural, industrial, organized and decentralized sectors and rural and urban areas, particularly for women and the disadvantaged is noteworthy.

This industry was de-licensed in 1991-92 and from then the per capita cloth availability increased from 22.87 sq. meters (1990) to 33.51 sq. meters (2005). The industry has a great advantage of availability of low-cost enormous network of skilled human resource, flexibility in production processes and long experience with US and European Union. The low-wage structure in India has also caused a shift in production of textiles from developed countries to India (Bheda, Narag & Singla, 2003).

The literature has revealed both positive and negative impacts of de-licensing across the Indian industry. Understanding the relationship between the firms' performance and liberalization has always gained the attention of researchers across the globe.

[1]http://www.niir.org/information/content.phtml?content=47

Sasidaran & Shanmugam (2008) argued that the Indian textile firms failed to utilize their inputs efficiently during the phase of liberalization which, if done, would have helped them to withstand and overcome the intense competition from other players like China.

This paper is intended to understand the impact of liberalization on Indian textile industry by comparing the performance of firms incorporated before liberalization and firms incorporated after liberalization. Simultaneously, the present study is also designed to find out the impact of marketing expenses, wage and salary, and age of the firms on the firms' performance.

Importance / Need of the Study

The Indian cotton textile industry is one of the most important sectors that affect the economy of the country as a major chunk of Indian population is dependent on this sector for their livelihood. Although this sector is very critical, only a few studies have been carried out to appreciate the effectiveness of this sector in the post-liberalization period, as liberalization has changed the whole economic scenario of the country. This study aims to compare the performance of firms incorporated before liberalization and those incorporated after liberalization. This study is also intended to study the effect of different variables on a firm's performance. In this study, a firm's performance is measured in terms of weighted ROCE and Net Sales. The study will certainly strengthen the existing body of knowledge by providing some empirically tested insights for the Indian cotton textile industry and other similar industries.

Objective and Hypothesis

The basic objective of this study is to compare the performance of different firms incorporated before liberalization and firms incorporated after liberalization in the Indian cotton textile industry in post-liberalization period, as liberalization has changed the whole business scenario of a developing country like India. Further, the following set of hypotheses was developed and tested in order to compare the performance of the firms in different categories.

- H0: There is no significant difference in the performance of firms incorporated before liberalization and firms incorporated after liberalization.
- H1: There is a significant difference in performance of firms incorporated before liberalization and firms incorporated after liberalization.

Along with performance comparison, this study is also planned to study the impact of marketing expenses, wages & salaries and age of the firm in explaining variances in its performance in terms of Net Sales.

Literature Review

In the last decades, so many developing countries (e g, Chile in the late 1970s, Turkey in 1983, Mexico in 1985, Colombia in 1990-91, and India in 1991-1992) have undergone a deep economic transformation which has involved trade liberalization. After liberalization Indian firms were exposed to international competition. The liberalization can be seen as an opportunity to improve the firm's efficiency; at the same time it can be taken as a challenge to protect domestic firms. Such reforms are often expected to decrease profit margins as firms struggle to compete in international market. There is however the possibility that increased competition may improve firm efficiency and provide impetus to firm profitability (Singh et al, 1999).

Privatization in developing countries is often accompanied by economic reforms such as stock market and trade liberalization that could influence the outcomes of a privatization program. Dornbusch (1992) focuses on trade liberalization and identifies several channels through which liberalization could bring benefits to the industry. In his view improved allocation of resources, greater competition and an access to better technologies, inputs and intermediate goods are different advantages of trade liberalization.

Kambhampati & Parikh (2003) analyzed the effect of increased trade exposure on the profitability of the firms in the Indian industry. Their data set covered firms across a number of industries in India. They found that a firm's profitability across the sample seems to have been driven by factors unrelated to market share or market power. Both advertising and R&D have a consistently positive and significant effect on profitability of the firm. The result of the study indicated that liberalization has a significant impact on the profit margin of the firms. However, its main effect was through other variables, viz., market share, advertising, R&D and export; all are changed after liberalization. It was also found that neither capital nor managerial capabilities (remuneration was taken as a proxy) are effective in increasing profit margin.

Moore & Reichert (1989) used a firm's Return on Investment as a most appropriate measure of its performance while studying the impact of using various analytical techniques on its performance. Gupta (1980) considered sales volume as a measure of performance and net fixed asset as a measure of size in their study. Lumpkin et al (2006) studied the impact of venture age on innovativeness and the firm's performance. Previous studies also found that as organizations age they tend to develop innovations which build on their existing competencies rather than exploring new opportunities. Deeds & Rothaermel (2003) studied the relationship between age and performance of alliance.

Khanna & Rivkin (2001) considered a version of Return on Assets (ROA), i.e., operating profit divided by total net assets as a measure of performance while studying the effect of group affiliation on the firm's profitability. The study is done on firms from 14 countries; Argentina, Brazil, Chile, India, Indonesia, Israel, Mexico, Peru, the Philippines, South Africa, South Korea, Taiwan, Thailand and Turkey. In this study, various countries from emerging economies of the world were selected on a random basis. Data was collected regarding financial results and business group affiliation for as many firms as possible in as many years as possible from various sources.

Ho, Yew Kee et al (2005) studied the impact of a firm's spending on innovation and marketing in terms of R&D and advertising expenses on firm value in terms of share price performance. They found that intensive investment in R&D contributes positively to the one-year stock market performances of manufacturing firms but not for non-manufacturing firms. They also found that intensive investment in advertising contributes positively to the one-year stock market performances of non manufacturing firms.

Data and Research Methodology

This study is based on data of different companies incorporated before liberalization and companies incorporated after liberalization of the Indian textile (cotton) industry. Data for different companies (incorporated before liberalization and after liberalization) were collected over three years time period (2003-04, 2004-05 and 2005-06) from Prowess Data Base provided by CMIE (Centre for Monitoring the Indian Economy). For comparing the performance of different group of firms, weighted ROCE was taken as a measure of a firm's performance. The sample comprises 239 out of 378 companies of Indian textile (cotton) industry. The selection of companies was done on the basis of availability of data in the data source; companies for which sufficient data was not available were not considered in this study.

After collecting the data for all the companies considered for study, they were classified as high, medium and low companies. In this study, various companies were classified in high, medium and low on the basis of average net fixed assets of the companies for the three years time (2003-2006). For classifying the companies into various groups we took Connor & Sehgal (2001) as a basis. Connor & Sehgal (2001) have classified various firms as high, medium, low on the basis of their stock prices. They classified the top 30% firms as high, the next 40% as medium and the remaining 30% as low after arranging their stock prices in descending order. Instead of considering absolute stock price they considered ratio of market value to the book value of the firm to reduce the variation between the stock prices of the firms.

In this study, we took the log of average net fixed asset at the time of classifying different firms to moderate the effect of variation in the size of the firms. In order to classify different firms on the basis of log of average net fixed assets (average for 3 years), the companies were arranged in descending order. The log of average net fixed asset was further converted into percentage of the sum of the log of average net fixed assets. Further the top 40% firms were classified as high-size firms; the next 30% were classified as mid-size firms and the last 30% were classified as low-size firms in this study.

As the industry was de-licensed in 1991-92, the year 1991 has been taken as the separating line to divide the companies based on their incorporation year. The firms under different size categories were further classified as firms incorporated before liberalization and firms incorporated after liberalization as shown in Table 1.

Category	Incorporated before Liberalization	Incorporated after Liberalization	Total
High Size	51	14	65
Medium Size	65	29	94
Low Size	56	24	80
Total	172	67	239

Table 1 - Sample Classification

In this study, performance of various firms was analyzed on the basis of weighted ROCE. The performance will be analyzed by comparing the weighted ROCE of different firms incorporated before liberalization and after liberalization of the Indian textile industry. The performances of the firms were compared by using independent sample T – Test.

In order to understand the impact of marketing expenses, wage and salary, and age of the firms on the firms' performance six multiple regression models were developed for each class of firms as mentioned in Table 1.

In these regression models, we have taken net sales as a dependent variable and log of average net sales were taken instead of absolute figure to moderate the effect of variances in the sales figure of the firm. At the same time we have taken three independent variables viz. marketing expenses, wage & salary and age of the firm for explaining the variances in the performance of firms of different size of firms incorporated before liberalization and firms incorporated after liberalization. While developing regression models, we have taken log for average marketing expenses and average wage and salary however absolute figure for age of the firms was taken. The age of the firm was calculated by subtracting the incorporation year from the operational year. We have considered 2006 as an operational year for all the firms in the sample.

Result and Interpretation

Independent Sample T- Test: Performance Comparison

The descriptive statistics and result of independent T-Test is given below in Table 2 and Table 3.

Size	Type of firm	N	Mean		Std. Dev.
		Statistics	Statistics	Std. Error	Statistics
High	Incorporated before liberalization	51	0.059252	0.388085	0.2771485
	Incorporated after Liberalization	14	0.170252	0.0596572	0.2232168
Medium	Incorporated before liberalization	65	0.005570	0.1064303	0.8580684
	Incorporated after Liberalization	29	0.664357	0.4134227	2.2263493
Low	Incorporated before liberalization	56	0.148256	0.1815813	1.3588300
	Incorporated after Liberalization	24	0.060525	0.2001473	0.9805174

Table 2 - Group Statistics of Weighted ROCE

It can be inferred from Table 2 that there is no clear trend of movement of mean when we move from low-size firm to high-size firms. It is also observed that there is a wide difference between means of medium-size firms incorporated before liberalization and after liberalization regarding their profitability.

	Test of Homogeneity of variances		T-test for equality of means	
Category of firms	Levene's Statistics (F)	Significance	T - Value	Significance (2 tailed)
High Pre Lib – High Post Lib	0.043	0.836	- 1.378	0.173
Med Pre Lib – Med Post Lib	6.555	0.012	- 1.543	0.133
Low Pre Lib – Low Post Lib	0.142	0.707	0.325	0.747

Table 3 - Independent Sample T-Test (Weighted ROCE)

On the basis of independent sample T-Test as shown in Table 3, we accepted the null hypothesis (H0) developed to compare the performance of firms incorporated before liberalization and firms incorporated after liberalization regarding their ROCE. For high and low size firms, Levene's statistics are insignificant and advocate the homogeneity of variances between different classes of firms in this size category. For medium-size firms, Levene's statistics are significant and shows that variances are not homogenous between different classes of firms in this size category. Null Hypothesis was accepted t statistics are not significant for any category of firms at 5% level of significance. Finally it can be said that there is no significant difference in the performance of firms incorporated before liberalization and firms incorporated after liberalization in all the sizes (high, medium and low) of firms in Indian textile industry.

Regression Analysis

Multiple regressions were used for studying the impact of different variables viz. marketing expenses, wages & salary and age of the firm on the firm performance for different group of firms in Indian Textile Industry. Net sales were taken as a measure of the firm's performance for studying the effect of different variables. We have used the following model of regression in order to understand the impact of various variables on explaining the variances in the firm performance in Indian Textile Industry;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where,

Y = Log of average net sales

X_1 = Log of average marketing expenses

X_2 = Log of average wages and salary

X_3 = Age of the firm

β_1 = Coefficient for log of average marketing expenses

β_2 = Coefficient for log of wage and salary

β_3 = Coefficient for age

The result of various regression models taking log of average net sales as a dependent variable and log of average marketing expense, log of average wage & salary and absolute age of the firms as independent variables is given below in Table 4.

		High-Pre Lib	High-Post Lib	Med-Pre Lib	Med-Post Lib	Low-Pre Lib	Low-Post Lib
R2		0.859	0.526	0.603	0.601	0.687	0.771
ANOVA	F	95.643	3.692	30.897	12.574	37.382	22.408
	Sig.	0.000	0.051	0.000	0.000	0.000	0.000
Dependent Variable: Log (Net Sales) Independent Variables: Log (Mkt. Exp), Log (Wage & Salary), Age of the Firm							
Log (Mkt. Exp)	β	0.306	0.047	0.099	0.617	0.314	0.624
	Sig.	0.000	0.923*	0.001	0.000	0.001	0.000
Log (Wage & Salary)	β	0.438	0.477	0.144	- 0.079	0.395	- 0.124
	Sig.	0.000	0.236*	0.002	0.673*	0.000	0.455*
Age of the Firm	β	- 0.003	-0.033	- 0.122	- 0.009	- 0.002	0.151
	Sig.	0.273*	0.644*	0.161*	0.816*	0.634*	0.074*

* Beta coefficients are not significant at 5% level of significance

Table 4 - Result of Multiple Regression Models

Table 4 clearly revealed that ANOVA statistics are significant for the entire six multiple regression models. So, regression is meaningful in all the above case. In practical life there are so many variables that affect the net sales i.e., revenue generated by each firm. In normal practice R2 value more than 0.30 is considered as a good model fit. The model fit for the entire regression is very good as R2 for all the regression is more than 0.30.

In the case of high-size firms incorporated before liberalization, 85.9% variance in net sales is explained jointly by all the three independent variables. Beta coefficient is significant for marketing expenses and wage & salary however beta coefficient is not significant for age of the firms at 5% level of significance. This is also observed that 1% change in marketing expense will change the net sale by 0.306% and 1% change in wage and salary will change the net sale by 0.438%.

In the case of high-size firms incorporated after liberalization, even R2 is 0.526 Beta coefficient is not significant for any of the independent variable at 5% level of significance. This may be due to high level of multicollinearity. So, we went for another regression for this category by removing marketing expense from the list of independent variables.

Regression was employed by taking log of average net sales as a dependent variable and log of wage & salary and age of the firm as independent variable. Modified model revealed that jointly both wage & salary and age of the firm explain 52.5% variance in net sales. In modified regression beta coefficient for wage & salary was significant however age of the firm has insignificant beta coefficient. This is also observed that 1% change in wage and salary will change the net sales by 0.511%.

In the case of medium-size firms incorporated before liberalization, 60.3% variance in net sales is explained jointly by all the three independent variables. Beta coefficient is significant for marketing expenses and wage & salary however beta coefficient is not significant for age of the firm at 5% level of significance. This is also observed that 1% change in marketing expense will change the net sale by 0.099% and 1% change in wage and salary will change the net sale by 0.144%.

In the case of medium-size firms incorporated after liberalization, 60.1% variance in net sales is explained jointly by all the three independent variables. Beta coefficient is significant only for marketing expenses whereas beta coefficient was insignificant for wage & salary and age of the firm at 5% level of significance. This is also observed that 1% change in marketing expense will change the net sale by 0.617%.

In the case of low-size firms incorporated before liberalization, 68.7% variance in net sales is explained jointly by all the three independent variables. Beta coefficient is significant for marketing expenses and wage & salary however beta coefficient is not significant for age of the firm at 5% level of significance. This is also observed that 1% change in marketing expense will change the net sale by 0.314% and 1% change in wage and salary will change the net sale by 0.395%.

In the case of low-size firms incorporated after liberalization, 77.1% variance in net sales is explained jointly by all the three independent variables. Beta coefficient is significant only for marketing expenses whereas beta coefficient was insignificant for wage & salary and age of the firm at 5% level of significance. This is also observed that 1% change in marketing expense will change the net sale by 0.624%.

This study has clearly revealed that age of the firm is not at all significant in any case to explain the variance in firm performance in terms of net sales. This is also observed that along with age of the firm, wage & salary is also insignificant for all the firms incorporated after liberalization in the entire three size category.

In pre-liberalization period, Trade unions were playing very important role in decision making but after liberalization the firms are not giving due importance to the trade unions. That is why wage and salary is not significant for the firms incorporated after liberalization in all size categories.

Conclusion

This study found that there is no significant difference in the performance of firms incorporated before liberalization and firms incorporated after liberalization in terms of their ROCE. This is also found that there is significant impact of marketing expenses on the firm performance in terms of net sales in all other firms except high size firms incorporated after liberalization. The age of the firm is not at all significant in explaining the variance in its performance in any category of firm; it can be inferred that in Indian textile industry the age of the firm don't have any impact on its performance in terms of its net sales. Wages and salary have shown significant impact on explaining the variance in the performance of firms incorporated before liberalization in the entire size category.

Limitations of the Study

This study is completely based on the data collected through CMIE's Prowess database. As this study is based on the analysis of different firms incorporated before liberalization and firms incorporated after liberalization in high, medium and low size firms of Indian cotton textile industry the finding and conclusion may not be valid for other industry. At the same time, the findings of the study cannot be generalized.

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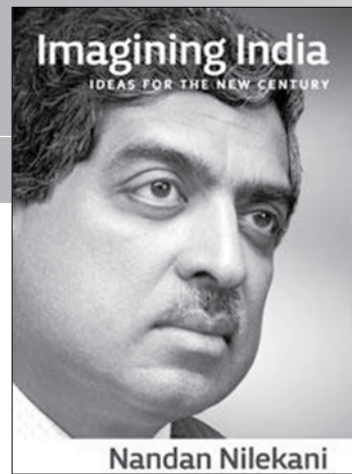
Imagining India
Ideas for the New Century

Nandan Nilekani

Reviewer: Dr Satya Prasad VK



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Nandan Nilekani is one of the co-founders of India's IT giant Infosys. He dons the role of author with this book 'Imagining India – Ideas for the New Century'.

Nilekani uses a novel approach of 'Ideas' as a base for analyzing the past, present and future growth story of India. He discusses about Ideas that have ushered growth in India and also about Ideas that have created hurdles for India's growth. He segments his Ideas into four parts viz., Ideas that have arrived, Ideas in progress, Ideas in battle and Ideas to anticipate.

In Part One, he focuses on ideas that have been accepted and which have helped India to become what it is now. According to Nilekani, the Idea of population as a problem is now accepted as one of the biggest markets as well as the second largest pool of skilled labor in the world. Population, which was seen as a bane, has turned into a boon. Nilekani writes, "India has one of the youngest populations in the world with a median age of twenty three." Similarly, the Idea of people with regard to businessmen has seen a dramatic shift. Businessmen who were viewed as 'greedy and profit-oriented' in post-Independent socialist India are now being viewed as 'wealth creators' – for themselves, society as a whole and India at large. Another Idea that has got transformed was that 'English is a colonial legacy and we should get rid of it', now it is accepted that English is the key to success in a globalized world. Likewise, Information Technology that was considered as a 'man-water' in the eighties is now being seen as one of the essential ingredients for success in business and employment. Nandan Nilekani attributes India's transformation to the transformation in the perceptions of the Indian people.

In Part Two, Nilekani discusses about 'Ideas in Progress'. These are Ideas on which there is consensus but implementation is slow. Ideas about school education, the changing landscape of cities, infrastructure development and India as 'a single, unified market' are encompassed here. With reference to school education, he observes that 'India produces the second largest number of engineers in the world every year and laments that it has the largest number of school drop-outs'. On the one hand, we have best equipped schools across the cities with swimming pools and air-conditioned tennis courts; on the other, we also have schools without even blackboards. Delving into the past, Nilekani observes that during the British Raj, only the rich and famous had access to education. Post-independence, though the situation has improved, a lot needs to be done. He states that at the dawn of Independence, people stopped sending their wards to English medium schools, which were viewed as a colonial hangover. But again there is a shift in people's thinking and now most parents send their wards to private convent / English medium schools.

According to the author, though cities are regarded as 'drivers of growth', they have their own share of problems like power and drinking water shortage, overflowing drains, slums, traffic problems, etc., which need to be addressed on a war-footing. Nilekani shifts his focus to infrastructure, which he finds to be inadequate to meet the growing demand of a rapidly developing country like ours. Even today many projects are languishing due to red tape, inadequate planning, procedural delays, corruption, etc.

India as a single, unified market would go a long way in strengthening and fostering its economic development. Nilekani finds that different rates of taxes in different states, governments by different parties, different policies, ideologies etc., make it difficult to speed up the process towards a unified market.

In Part Three, the author concentrates on what he calls as 'Ideas in Battle'. He states that battles are on in the fields of higher education, employment and labor laws. Developments in these areas are bogged down by ideological differences, partisan attitudes, electoral politics, etc. He refers to the examples of quotas, divisions, and about political parties both left and right.

In Part Four of his book – which focuses on 'Ideas to Anticipate' – Nilekani deals with Information & Communication Technology (ICT), healthcare, social security, environmental issues and energy issues. With regard to ICT, the author says that from modest beginnings and skepticism, IT has come a long way to make India a major force to reckon with in the field of Information Technology. He gives an idea of having a Unique National Identity Card for citizens in India and following a system akin to SSA (Social Security Administration) in the USA.

With regard to healthcare, Nilekani writes that India has come a long way from a country ravaged by epidemics. Today, though we have made progress in healthcare, there are many challenges like diabetes, AIDS, malnutrition among children, obesity, etc. Nilekani says, "We do not have to lurch from crisis to crisis in our health – from shortage to excess, from starvation to fat. If we are able to foresee our biggest health threats, we can shape dynamic new policies that ensure low-cost, universal care, healthy behavior and remarkably long-lived, productive human capital."

On the issue of social security, Nilekani observes that there has been a change in ideas. We are a country that has believed in respecting elders for ages. But things are changing and the vibrant, young people have little time and concern for old people. Pensioners are suffering and with whatever little they get, they are finding it difficult to make both ends meet.

On the issue of environment, we are facing challenges in the form of pollution, de-forestation, climate change, global warming, etc. According to Nilekani, economic growth is the first priority of our government and environmental issues secondary. However, pressure on India is growing from the international community to accept agreements like Kyoto Protocol and reduce its emissions to minimize pollution. Nilekani states that our present apathy about the environment contrasts quite sharply with India's historical reverence for nature. Our cities are choked with poisonous gases and our countryside is gripped in a crisis of water shortages, parched earth and failing crops which have led to many suicides of farmers. Whatever environmental regulations are present are difficult to enforce. Nilekani says that India has an advantage in that we do not have the developed world's baggage. India is a latecomer to the game and is unencumbered by old, polluting industry practices and its infrastructure has the opportunity to build development solutions that are new, innovative and inclusive.

With regard to energy, Nilekani points out that our economy has developed a ravenous appetite for energy at a time when conventional energy sources are rapidly diminishing. India has to not just concentrate on conventional energy sources, but also look to non-conventional energy sources to meet its energy requirements.

Nilekani concludes by stating that India needs to shape systems and policies that give people the ability to travel in search of work, educate their children, tap into economic growth, and to recognize how fully India is transforming itself. India is young, impatient, vital and awake.

The book makes interesting reading; it is written in a simple and lucid style. Though Nilekani calls them 'Ideas', they look more like issues and perceptions.

***

Nandan Nilekani is the Co-Chairman of the Board of Directors of Infosys Technologies Limited. Nandan Nilekani was recently appointed as the Head of Unique ID Agency with the rank of a Cabinet Minister by the Government of India. He is entrusted with the task of creating a National Unique ID Database of 1.2 billion Indians.

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Background Reading

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Prof Baseema Banoo Krkoska

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