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Social Cause Marketing

When I saw the print and video advertisements of Tata Tea's *Jaago Re!* campaign, I was pleasantly surprised. It was pleasant for two very important reasons: It's probably one of those rarest of the rare—where a company is not advertising (at least directly) its product. It is an equivalent of Public Interest Litigation (PIL) in marketing, probably! The advertisement sensitized the Indian people to their voting rights, almost convincingly arguing that it's a (hopefully, once-in-five-years) responsibility. I am sure you would have come across *Har Subah Sirf Utho Mat. Jaago Re!* campaign. Wasn't it pleasant, for a change? Secondly, it is talking about the most powerful and vibrant part of any functional and operational democracy—people's voice. Of course, apart from Tata Tea, other Indian companies—for instance, HUL—have taken up social causes too. It's a welcome change from all these FMCGs and why only FMCGs, by the way? I hope we would see more of these social cause marketing campaigns in future.

Cynics would have their plate full of arguments. Why not? After all, if there is no free lunch, why this? Just the way Adam Smith said, *It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.*

The arguments aside, I am intrigued about: (a) Why social cause marketing? What is the intended objective? Why should companies commit their shareholders' money for social issues? Or is it to do with the company's values? (b) What is the difference between a Social Cause Marketing initiative and a Corporate Social Responsibility initiative, after all? (c) Just the way brands are endorsed by celebrities (famous sports persons, actors, etc), should a social cause be endorsed by a powerful brand, in that the powerful brand becomes the celebrity endorser for the social cause taken up? What happens if an important social cause is addressed by a not-so-well-known brand? Would it have the same reach as a powerful brand would have? (d) At what stage of brand life cycle, would it be meaningful for any brand to get out of its comfort zone and start embracing social causes? (e) Are social cause marketing initiatives truly sustainable?

The answers to these interesting dimensions of social cause marketing are provided by two experts, Mr. Harish Bijoor and Richard M Earle. Of all these questions, the most interesting and intriguing question is: Can every brand take up social cause marketing initiatives and even if they do, would they have the desired success? There may not be any scientific evidence at the moment. However, going by the available evidence, it can safely be concluded that the effectiveness and efficacy of social cause marketing initiatives would be far-reaching if they are taken up by well-known brands in the same way brands are endorsed by celebrities. In other words, can a newly-launched brand take up social cause marketing initiatives? Even if they do, would they be as successful as the ones done by an established brand?

And another dimension of social cause marketing is increasingly decreasing line of difference between corporate social responsibility initiatives and social cause marketing initiatives. Authors/experts tend to view these two societal dimensions of companies differently. While some argue that they are different, many strongly believe that both are serving the same menu with different recipes. What is most important in the case of social cause marketing efforts is that the initiatives taken up should complement and enhance the brand architecture. Bereft of perfect synergy between what the brand stands for and the social causes taken up, the exercise would definitely jeopardize the long-term interests of the company.

Dr. Nagendra V Chowdary

QUOTES



The 21st Century will be the century of the social sector organization. The more economy, money, and information become global, the more community will matter. And only the social sector nonprofit organization performs in the community, exploits its opportunities, mobilizes its local resources, and solves its problems. The leadership, competence, and management of the social sector nonprofit organization will thus largely determine the values, the vision, the cohesion, and the performance of the 21st Century society.

Peter Drucker

A social business is a profit-making company driven by a larger mission. It carries the energy and entrepreneurship of the private sector, raises capital through the market economy, and deals with products, services, customers, markets, expenses, and revenues ñ but with the profit-maximization principle replaced by the social-benefit principle.

Muhammad Yunus

Why are customers who say they're satisfied not necessarily repeat customers? Because satisfaction is a measure of what people say, whereas loyalty is a measure of what they actually do. Many managers still don't recognize this fundamental difference, so they use customer satisfaction and customer loyalty interchangeably, as though they were synonyms.

Mark Klein and Arthur Einstein

People rationalize buying decisions based on facts, but people make buying decisions based on feelings.

GrokDotCom

In marketing I've seen only one strategy that can't miss ñ and that is to market to your best customers first, your best prospects second and the rest of the world last.

John Romero

Conducting your business in a socially responsible way is good business. It means that you can attract better employees and that customers will know what you stand for and like you for it.

M Anthony Burns

A company's brand has almost nothing to do with its products or services anymore. Branding is really a function of the dialogue between a company and its constituents. The more meaningful that dialogue, the stronger the brand.

Larry Weber

Customers think about products and markets very differently from the way products and markets are bundled and sold in the physical marketplace. Customers think in terms of activities, while firms think in terms of products. Activities that are logically related in cognitive space may be spread across very diverse providers in the marketplace.

Mohanbir Sawhney

If you're attacking your market from multiple positions and your competition isn't, you have all the advantage and it will show up in your increased success and income.

Jay Abraham

A lot of companies have chosen to downsize, and maybe that was the right thing for them. We chose a different path. Our belief was that if we kept putting great products in front of customers, they would continue to open their wallets.

Steve Jobs

Marketing puts the public face on the brand. Customers' experiences are influenced by how the promise of the brand is delivered through the call center, distribution channels, billing and service departments ñ in short, the Brand-Customer Relationship.

Scott Davis



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INTERVIEW WITH



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Voltas Resorts to Cause Marketing with *Jagmag Desh Mera*

Tata-owned Voltas AC has extended its positioning of energy efficient air conditioners to cause related marketing. It is running a campaign, titled *Jagmag Desh Mera*, aimed at encouraging consumers to donate a part of the money, which they save by using power saving Voltas air conditioners, to support an initiative called Lighting a Billion Lives of The Energy and Resources Institute (TERI).

Lighting a Billion Lives is targeted at bringing light into the lives of one billion rural people by replacing their kerosene and paraffin lanterns with solar lighting devices. Voltas has tied up with TERI to support this initiative and the company has committed to light up 10 villages in 2009.

On the idea behind opting for cause related marketing, Satbir Singh, Chief Creative Officer, Euro RSCG India, tells afaqs! *“Voltas AC is positioned as ‘India ka AC’, with the star-rating which can save about Rs. 10,000 per annum. It helps consumers save an enormous amount which, if donated, can help TERI to light up various homes in India.”* Euro RSCG India has conceptualized the creative part of the campaign.

Enabling consumers to participate or donate directly towards the initiative is one objective of the campaign. The other aim is to push sales, for which the company has committed to contribute a part of the revenue earned on the sale of each air conditioner to TERI.

So how is Voltas creating awareness about the *Jagmag Desh Mera* activity? The company is already using TV, print and outdoor advertising since April 2009 to inform the consumers, and online advertising to get their responses.

The Voltas AC TV commercial is running across various channels such as NDTV 24x7, Aaj Tak, CNBC, Times Now, Discovery and National Geographic. Its print ads are appearing in *The Times of India*, *Hindustan Times* and *The Hindu* newspapers across India.

Pradeep Bakshi, Vice-President, Voltas AC, says, *“We are spending about Rs. 25 cr on advertising in this financial year, majority of which will be spent in the summer season.”* The company is routing about 50% and 25% of its advertising budget to TV and print ads respectively. It is spending about 10% of its advertising budget on the Internet, which is much higher than the 2-3% spent by the company till the last financial year.

“Voltas is using banner, video and search marketing on the Internet to build hype and interactivity around Jagmag Desh Mera,” says Kushal Sanghvi, Managing Director, Media Contacts, the digital arm of Havas Media, which is managing the online part of the campaign. The banner ads redirect consumers to a webpage where they can submit their details in order to get contacted by the company for the cause.

About 24 crore impressions, including banner and video ads, are already being served on websites such as Yahoo!, Rediff, MSN, Sify and NDTV.com in the month of May. The

digital agency claims that banner and video ads received a Click Through Rate (CTR) of 1.2% and 5% respectively during the initial stage of the campaign. It also claims that on an average, the campaign has clocked about 0.77% average CTR.

The company plans to launch some below-the-line activities across eight metros and Tier II towns in the coming days to encourage consumers to donate towards the cause. It will also roll out a radio campaign on Big FM soon.

Is the advertising working for Voltas? Bakshi says, *“We have seen a growth of 30% in sales during April and May 2009, as compared to sales in these months in 2008.”*

Source: <http://digital.afaqs.com/per/digital/news/story.html?sid=24189>

Cause Marketing: Altruism or Greed?

“Cause marketing, in which firms donate part of the proceeds from sales of certain products to a specified cause, is now a strategy adopted by hundreds of firms to increase sales for a wide variety of products, from coffee to cars,” said Aradhna Krishna, the Winkelman Professor of Retail Marketing at Michigan’s Ross School of Business. *“But it is often associated with price increases, as well.”*

A few well-known examples of cause marketing include Project Red, which encompasses several companies such as the Gap, Motorola, Apple, Converse, Dell, Microsoft, American Express and others to raise money for the Global Fund to fight AIDS, tuberculosis and malaria; 3M’s Post-It Super Sticky Notes imprinted with pink ribbons to help fund cancer research and treatment; and Snapple’s bottled water sales to help build playgrounds in poor communities.

In a new study forthcoming in Management Science, Krishna and Uday Rajan, an associate professor of finance at Ross, found that cause marketing can increase sales, but can also raise prices of the cause-related product, as well as of other products that the company sells. One underlying reason for the price increase that Krishna and Rajan identify is the additional benefit that consumers get from buying a cause-related product. Consumers feel good about the firm selling the product, and also about themselves when they purchase such a product. Further, consumers can even feel good about buying a different product from the firm, one that is not related to a cause.

“It’s this spillover effect to a company’s other products that can make cause marketing worthwhile, the researchers say. In fact, even if a firm is unable to increase the price of a cause-related product enough to compensate for the donated money or if it simply ties a low-selling product to cause marketing, it can still increase its profits – as long as consumers feel good about buying the company’s other products. Moreover, firms that raise prices on both cause-related products and other non-cause products earn higher profits than if they don’t participate in cause marketing at all. In addition, companies will never place their entire portfolio or product line in a social cause campaign. “Firms can use



cause marketing to increase prices and profits, but should be aware of the implications of placing different products on cause marketing," Rajan said. "For public policy officials and consumers who may believe that cause-marketing firms are more caring firms and are genuinely interested in helping others, it may be insightful to understand that cause marketing also allows firms to increase their prices and profits."

Source: <http://www.physorg.com>

To Stay Relevant and Entrenched, Brands Must Act as Social Anchors: Shantanu Khosla, MD, P&G India

Over the long course of consumer history, different factors have weighed in on the relationship between brands, consumers, and society. For most part, brands have focused primarily on the consumer, relegating societal linkages to the periphery. In the 1960s, 1970s and 1980s this was appropriate as consumers had no real access to what was happening in the world or what issues were shaping the future and how brands they purchased were involved. Accordingly, the purchases made at the store had no connection, in their mind, to anything else taking place in the broader society. Cable television, 24x7 news media and the Internet has changed this paradigm.

Consumers became increasingly conscious of the linkages between the issues that face society and their consumption practices. They worried that rain forests were being depleted, children were being left uneducated, oil spills were killing marine life, millions were dying of cancer and HIV/AIDS, children in Africa did not have access to basic medicines and a myriad other issues. At the same time, lifestyles became more hectic, time more precious, and personal resources limited.

There seemed to be no resolution to this dichotomy of "I care" and "I can't do anything about it." This "consumer need" to feel involved and yet not being able to, defined an important gap and, therefore, an opportunity for brands to act as a social anchor; enter Cause Related Marketing (CRM). Essentially, CRM is an enabling mechanism for consumers to participate and engage with their environment within their existing means. It is a win-win arrangement between the enabler and the enabled. It is important to note that CRM is not CSR or corporate philanthropy.

In fact, it is distinct in 3 important ways:

1. CSR is focused on creating a show-and-tell of the corporate conscience, while CRM is all about consumer conscience. It is therefore more inclusive (not what "I" am doing but what "we" can do).

2. CSR is dependent on corporate largesse while CRM is driven by consumer participation. This has two implications. One, the cause has to resonate with consumers and two, it is more sustainable.

3. CSR programs are linked to the corporate brand (the

company) whereas CRM programs are directly linked to product brands. As product brands have a continuous pipeline of consumer communication (as compared to corporate brands), the equity rub off on the brand is tangible and immediate. P&G's experience in cause related marketing is substantial.

The most effective CRM programs are able to build the brand and impact the chosen cause in equal measure. There are 4 key principles – the 4Cs of CRM – that are fundamental to an effective CRM program.

1. **The Cause:** Identifying the right cause is the first and the most critical step. The key here is that the chosen cause should appeal to your target consumers. Before we launched Shiksha – P&G's signature cause in India that helps educate underprivileged children via contribution of sales proceeds of our brands – we conducted extensive consumer research that established "Children's Education" was top of mind for our consumers (across multiple brands). Now in its 5th year, Shiksha continues to inspire consumers and has become a national movement that has improved the lives of 87,000 children.

2. **The Collaboration:** CRM programs are by definition a collaborative process. It is collaboration between cause and marketing. While we as manufacturers are the experts on marketing, we need to have the right partner for executing the cause element.

Choosing the right collaborator for your cause is important for 3 key reasons. These are credibility for the chosen cause, consumer confidence in implementing the program on ground and endorsement of your brand. One of the most successful CRM programs run by P&G is a partnership between Pampers and Unicef. Here for every pack of Pampers that a consumer buys, we contribute 1 tetanus vaccine to developing countries.

3. **The Commitment:** Having narrowed down on the right cause and right collaborator, to really reap the benefits of the program, brands should commit to building the program year on year. In India, with Shiksha, we have stayed committed to educating underprivileged children for 5 years now and I can confidently say that we will continue to do so.

4. **The Campaign:** The difference that we can make to the cause as marketers is by bringing the same rigour that goes into building our brands in building the cause. For Shiksha, like for any other P&G brand, we have a multifunctional team that looks into each element including creating and engaging ATL and BTL programs, designing effective in-store communication, creating mnemonics like brand characters etc.

In an integrated society where brands have become an expression of both the individual and society, it is critical that we take a broader view of how we as marketers respond. Providing not just superior products but social anchorage via genuine cause marketing can truly elevate your brand to the next levels.

Source: <http://economictimes.indiatimes.com>



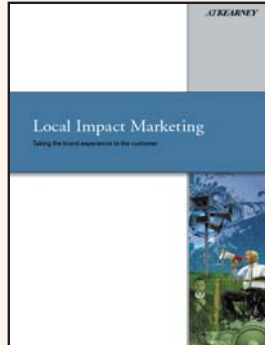


Local Impact Marketing

Taking the Brand Experience to the Customer

Local impact marketing is a grassroots, 'experiential' technique that uses localized tactics to tap into customers' senses and create a more personal, longer-lasting brand experience. It's no longer just for cash-strapped start-ups—it's the fastest growing discipline in business.

Source: www.ATKEARNEY.com



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Over the last few years, health insurers in the United States have shifted their competitive focus, moving from what we call a transaction advantage to a transformation advantage. By competing on the basis of transaction efficiency and striving for greater scale, health insurers have been seeking to drive down administrative costs, increase market share, and improve their negotiating position with providers. Although this approach has generally worked, returns are beginning to decline. As insurers get larger, they find it harder to continue to increase scale. At the same time, differences in reimbursement rates across providers are narrowing.

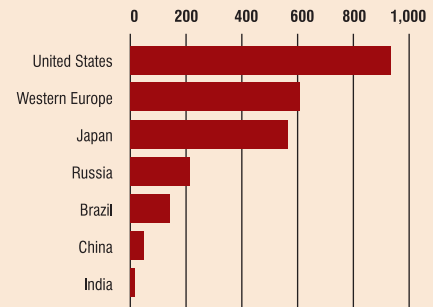
Source: *The Boston Consulting Group*



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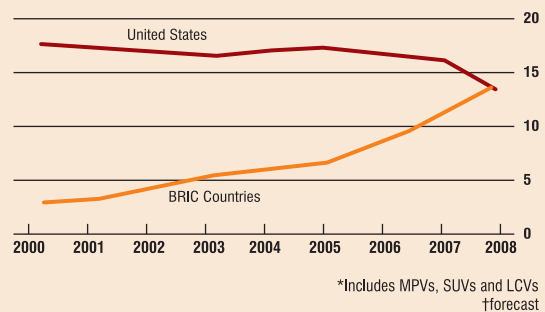
Much to Catch up on

Car ownership per 1,000 population of driving age 2007



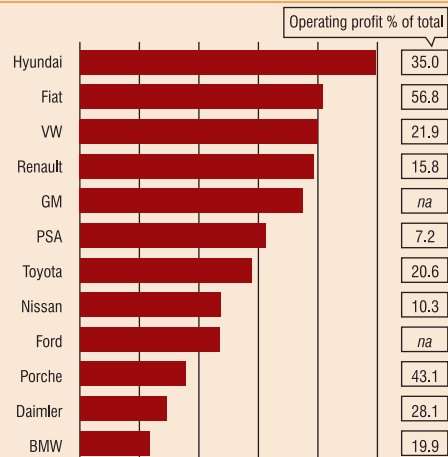
Crossover Point

Car Sales*, m



A Vital Ingredients

Companies' Sales in Emerging Markets % of Total Sales



Source: Morgan Stanley

Reference # 03M-2009-09-01-10



IOC DELHI



Social Cause Marketing As a Tool

Promotion of Social Responsibility

Happiness is very essential for the society's well-being (WB), but creativity and social responsibility (SR) provide more to the happiness quotient of the individuals, as the latter are based on ethics of interdependence of human beings. Creative cooperation is necessary for a requisitely holistic society. The article emphasizes that marketers can contribute to successful SR management by bundling various SR initiatives and expanding their focus beyond customers to include other stakeholders.

Nowadays, humankind face complex consequences of many one-sided actions and seek solutions to reduce them. The toughest problems include pollution of the natural environment, climate change, limited natural resources, growing stress, social differences, and alienation among humans. Companies are largely responsible for the

emergence of these problems, but are only a tool in the hands of humans for implementation of their personal/collective goals. In this article we will discuss: What are humans' basic goals? Are companies just humans' tools? What should be the basic principles of socially-responsible (business) activity? And what should be the role of marketing?

The Basic Goals of Society and the Role of Business Activities

We must be aware of the role and place of individuals, economic (sub-)system and human society within the complex whole, called Planet Earth. Individuals are part of human society, a part of Earth, dependent on its (natural) equilibrium, though they often act to the detriment of other individuals, groups, organizations, and natural resources, which also form part of Mother Earth. The earth has a rather closed system with a low renewal capacity. Excessive exploitation of the nature—all in the name of progress, but comprehended one-sidedly for short-term benefits—has proved detrimental to the very existence of humankind. Humans find their economic (sub-)system too significant and allow it to influence them too much, which puts it above the entire human society making it dictate the goals of human society (Chomsky, 2005; Korten, 2006).

The socioeconomic development has facilitated humans' survival and increased the quality of their physical existence in addition to making business the central point of human activities. The economic growth, Gross Domestic Product (GDP), profits, etc., are the main measures of success of the economic activities which have not been Requisitely Holistic (RH). Humans are not merely materialistic beings and they cannot live in disharmony with nature. The quality of life cannot be measured with economic measures alone. Besides, business activities match rules of the establishment and authorities that don't match the laws of nature. Nature always maintains an equilibrium by self-bal-





ancing, self-adjusting, and self-cleansing (Schumacher, 1989, 156); it is not inclined toward fostering perpetual, one-sided growth of humans alone. The long-term survival of humankind (and not only humankind) is endangered, because goals of economic (sub) system cause disequilibrium of Earth and hinder the Earth's basic existential needs. This is the byproduct of the absence of Social Responsibility [SR] and gives rise to a situation wherein the financial profits are used to alleviate the side effects of economic activities.

Possible solutions lie in more SR in business, based on RH management of the basic goals of society. Everyone should contribute towards the realization of SR initiatives and goals based on the strengthening of positive and suppression of negative influences on society and nature. What could these goals be?

The far Eastern philosophy includes attaining happiness and avoidance of suffering as the individual's main goals. Psychologists, sociologists and some economists indicate that the essential goal of human's activities should be a RH personal and social Well-Being (WB). Satisfaction with one's own standard of living, health, achievements, personal relationships, feeling of security and affiliation to society leads to WB. The following factors should be provided to ensure social WB: Material basis for good life, good health, good social relations, security and freedom of choice and action (Stutz, 2006, 11). The essential human goal is happiness; for good WB, material, information, psychological security needs, needs for freedom and action, adaptability, effi-

ciency and responsibility should be fulfilled (Hornung, 2006).

SDRN¹ (2006) says that one should distinguish between objective and subjective WB. Objective WB covers material and social circumstances with influence on individual's personal objective WB, including the following dimensions (McAllister, 2005, 9): Material, physical, social and emotional WB, development and activity. On the other hand, subjective WB stems from individual's perception of objective WB (Arthaud-Day, 2005; McAllister, 2005). Perception in turn, depends on individual's Subjective Starting Points [SSP], which include knowledge, emotions, mentality and values [Mulej, 2000, 88]. Therefore, a high objective WB does not necessarily make a high subjective WB. Diener's and Seligman's (2004, 25) partial formula for high WB includes: Living in a democratic and stable society; providing material resources to meet needs; having supportive friends and family; having rewarding and engaging work and an adequate income; being reasonably healthy and having medical treatment available for all kinds of ailments; having important goals related to one's values; and a philosophy or religion that provides guidance, purpose and meaning to one's life.

Another essential feature that is of high significance in achieving WB is the convergence of philosophical considerations about spirituality with discoveries in natural and sociological sciences (Bell, Morse, 2005; Khisty, 2006; Schumacher, 1989; Senge, 2004). They state that interconnectedness between all subjects (at least in energy terms) makes them interdepen-

dent. This explains some essential causes of socioeconomic and environmental problems prevailing in the society. Human beings consider themselves independent from other subjects (and nature) and, therefore, forget about the ubiquitous interdependence. Therefore, humans act rather one-sidedly and cause unpredictable and often undesirable consequences.

Thus, the basic goals of society should be: Humans should strive for an RH quality of life (objective and subjective WB) and human solidarity (based on ethics of interdependence), simultaneously considering ecological sensitivity of natural environment, its constraints and laws of nature. This goal demands reconciliation of the economic goals with the ecological, psychological and sociological viewpoints as an essential part of human's values. An RH, SR action should therefore work as follows:

- Increasing social and personal objective WB;
- Cause prevention of negative and strengthening of positive influence on natural and social environment; and
- Cause positive influence on human beings' SSP to achieve RH behavior, thus strengthening their subjective WB. (Exhibit I)

Influence of SR in SSP is crucial. SSP influence one's perception of objective WB and consequently one's willingness for (creative) action and, therefore, (non-)creation of social objective WB. The latter became a problem, above all in economically most developed societies. We (Mulej, Prosenak, 2007) called attention to it with our adaptation of Porter's model of evolution of competitiveness (after Brglez, 1999, 22-23) (See Exhibit II).

Porter pictures evolution of bases of competitiveness (without mentioning culture) all the way to phase 4, Affluence. Then the economic laws on meeting needs with scarce resources no longer fit. This kills human beings' ambition to create something that they aspire to have. From economic viewpoint, one should therefore enter the innovation phase as soon as possible

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¹ Sustainable Development Research Network.



CYGNUS 01



and stay there as long as possible². But this neither matches with RH regarding the above problems, nor realizes the society's basic goals.

For instance, constraints of natural environment and principles of human solidarity are overseen. And in terms of individuals' perception of quality of life, we ask: What diminishes the ambition to achieve more and live better in the affluence phase (from materialistic viewpoints)? In this regard, Diener and Seligman, and SDRN establish that satisfaction with one's life grows with growth of GDP, but only to a certain level of GDP; afterwards the connection disappears (Diener, Seligman, 2004, 6; SDRN, 2005, 12). At this point, influence of certain other factors on the perception of objective WB becomes stronger and more important. This proves the importance of influence on one's SSP and consequently on one's perception of objective WB and motivation for creative work. Sheldon (2001) noticed a stronger positive connection between WB and orientation toward inner rather than outer values, (i.e., ma-

terial and social status, image, etc.). Besides, orientation towards inner values increases the motivation for the realization of one's personal goals.

The innovation phase unavoidably makes affluence, history says. Humankind should therefore attain a new, fifth phase, linking creativity/innovativeness, SR, RH, ethics of interdependence, shorter working time and WB in behavior towards the cause to help our shared society attain basic goals. It should also simultaneously consider the ubiquitous interconnectedness and interdependence, including constraints of the natural environment. Thus, people must unite and work together for long-term survival and betterment of humankind realizing their aspirations for success through their companies (See Exhibit III).

SR Business Activities Fulfilling the Basic Societal Goals

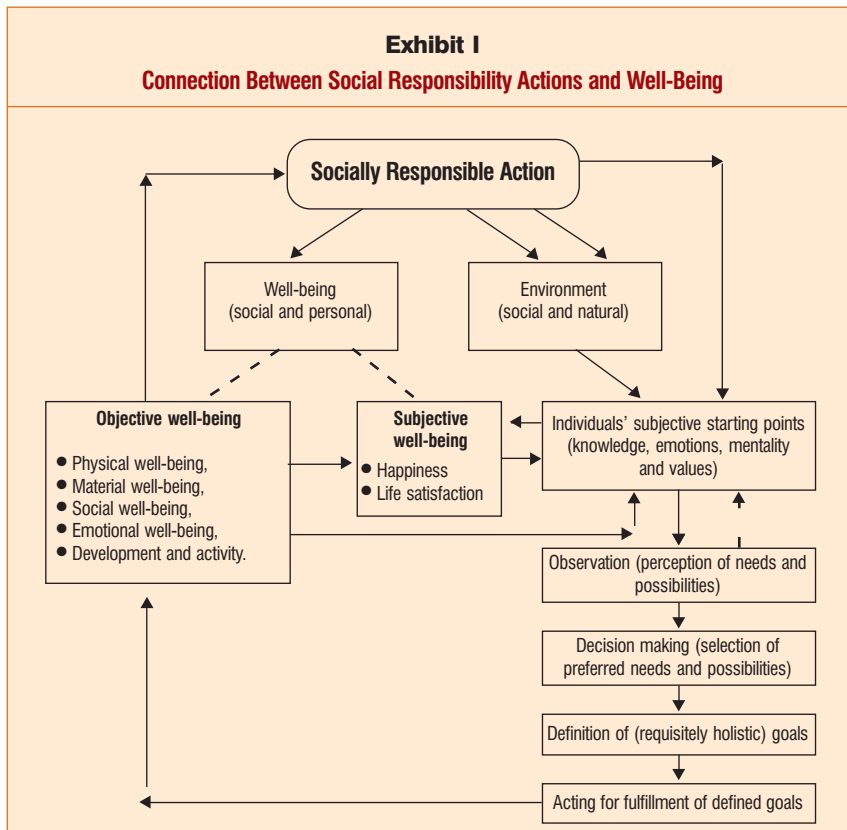
Findings presented so far share thoughts on the role of business activities in human society and on the meaning and use of principles of SR

matching with RH in everyday business activities. They should contribute to the fulfillment of the basic societal goals as follows:

- Increasing objective WB by creation of products, contributing to happiness;
- Positive (or the least possible negative) influence on social and natural environments;
- Positive influence on an individual's SSP (both inside and outside the company).

The term "Positive" in this context refers to all the forces that strengthen long-term objective WB, ethics of interdependence and RH.

The human and natural influences on a person's SSP are very important for their impact on and related strengthening of society's objective WB. The influence on one's SSP has an indirect influence on one's consumption of goods. This increases the scarcity of certain natural resources and aggravates the problem of environmental protection. Companies using their marketing tools (for their business goals) to create artificial needs and to accordingly influence consumers' SSP actually cause threefold harm to society and nature: They needlessly use scarce resources; they increase environmental pollution; and they create stress within individuals who wish to satisfy their artificial needs. In order to put these problems at bay, marketing tools should be used for discovering the existent and predicting the future needs (to increase objective WB) and for active inclusion of interested individuals in value creation (Pralhad, Ramaswamy, 2004). Thus, human beings can reduce the production of unnecessary products and use less of scarce resources. Such approach to business action would have a positive influence on the creation of objective WB and the real needs would be fulfilled. Simultaneously, a positive influence on the perception of subjective WB of consumers and employees would be achieved, which in turn, would contribute towards increasing the motivation



² The other solution (commonly used today) is to create artificial needs with use (or abuse) of marketing tools, thus, increasing demand for material goods. But this leads to consumerism, including all its unfavorable consequences too.



Exhibit II
Porter's Phases of Evolution of Competitiveness (Adapted)

Phase	Economic Basis For Development	Resulting Culture
1. Natural factors	Natural resources and cheap labor, providing for a rather poor life for millennia	Scarcity and solidarity, collectivism, tradition rather than innovation
2. Investment in modern technology	Foreign investment in the areas of economic development; hardly/poor competitive in inter-national markets	Growing differences, local competition, individualism, ambition to have more and be rich
3. Innovation based on local knowledge	Nations live on their own progress and attain a better standard of living by international competitiveness	Growing differences and standard of living, global competition, ethics of interdependence, social responsibility and ambition to create
4. Affluence	People finally become rich, which makes them happy in material WB as a blind alley	Complacency, no more ambition, consumerism; what is quality, then?

for creative work, and consequently attaining possible success.

The key factors of an SR business, therefore, include:

- RH understanding of the world and one's role in it;
- Enhancing of ethics of interdependence;
- Action on the basis of creation, cooperation, and innovation aimed at finding and realizing solutions for crucial and real human problems;
- Consideration of the complexity of one's own and that of synergetic influences on one's natural and social environments and their constraints.

Business strategies should be planned and executed within the above guidelines. RH/SR culture in both companies as well as society should be based on ethics of interdependence and on individuals' willingness to activate their creative potential for their own benefit as well as for the benefit of the society at large.

But how can this be achieved? One's desire for knowledge, RH personal development, openness and empathy for fellow human beings reinforce one's RH understanding of the world, relationships and interdependence. Everyone can do it, provided one wishes so. Human beings possess creativity that often remains tacit and unused, or is used for leisure time avocations or for one's own benefit only. In addition, human beings lack interdisciplinary cooperation enabling

synergetic effects. In many organizations, both public and private, culture does not support creation and cooperation. People must be given a chance to engage in (co-)creative (co-)operation, but in a manner that would be beneficial to society at large. A better contact between companies and users of their products must be enabled as the latter know best what they wish from a product; it should include the phase of future-needs detection and designing of related potential solutions. Hence, they must be involved rather actively in the invention-innovation process to attain the biggest possible benefit for both the customers and society at large, at the cost of the smallest possible destructive impact on the environment. The open innovation concept implies people's role much better than the closed innovation concept (Chesbrough, 2006).

The Role of Marketing

Marketing should also adapt to this open innovation concept. The dominant model of marketing has so far used the notion of customer sovereignty. It made marketing a technical process rather than a moral process, aimed to create and translate demand

into production and profit. However, there has been a plea to add a third element, i.e., society's WB to the basic elements of marketing: customer satisfaction and profitability. The Societal Marketing [SM] concept calls on marketers to meet the needs of the target audience in ways that will enhance the WB of customers and society as a whole while fulfilling the objectives of the organization (Bednall, Kanuk, 1997; Kotler, 2000; in: Chattananon, 2007, 232). Thus, SM invites marketers to include social and ethical considerations in their marketing practices.

The concern about ethics in marketing is closely related to the issue of SR, making the notion of SM find its way into common business language. Considerations of (un)ethical marketing have primarily tackled evaluations of specific marketing activities such as targeting, advertising and pricing, information asymmetry, differentiation of customers by value, power differences, etc., as opposed to wider macro questions of morality and legitimacy of marketing itself (Crane, Desmond, 2002, 551). Empirical evidence attempting specifically to locate corporate practices directly within the discourse of SM is limited, but literature on green marketing, cause-related marketing and ethical marketing are burgeoning (Crane, Desmond, 2002, 563).

Marketers can contribute to successful SR management by bundling various SR initiatives and expanding their focus beyond customers to include other stakeholders. Following this approach, the importance of SM programs gradually increases (Chattananon, 2007, 230). Among other broader societal benefits, the use of SM has also proven to create competitive advantage for companies in building brand awareness and credibility, enhancing corporate image and stimulating customers' purchase intentions by creating an emotional bond with them. Of course, there are many problems involved with the

Exhibit III
The New, Fifth Phase of Evolution of Competitiveness

Phase	Economic Basis For Development	Resulting Culture
Holistic creation and SR	Material wealth suffices; efforts aimed at spiritual wealth, and healthy natural and social environment as RH, WB	Ethics of interdependence and SR, ambition to create, diminish social differences to those caused by creation, including innovation



ONGC



adoption of SM as a business goal. They include the fact that SM insists on the role of the individual moral agent, which veils the social context and in particular the imbalance in size and power relations between individuals and corporations. Another problem is that managers are mainly called upon to adopt SR behavior for the same reasons for which they are called upon to adopt the classical marketing concept, i.e., profitability, which is the measure of self-interest.

The adoption of SM must, thus, equally result in the adoption of moral behavior of the company, which signifies that action in the interests of others is action in its own interest. It helps in the longer term, at least, the SR factor, too. Such thinking leads closer to RH (Hrast *et al.*, 2006, 2007, 2008, 2009, etc.).

Therefore, RH and sincere communication between companies and (potential) users of their products and all

marketing process. They can improve the understanding of the fact that a supplier sells the experiences of benefit along with the product. Hence, companies must consider the attributes of the experience including the event, its context, personal engagement in it, and the personally ascribed importance to it.

These insights may reach beyond the usual marketing and R&D methods. They are crucial for the personalization of experience and the creation of the desired experience of every individual customer. The experience of personalization is realizable on the basis of individual cooperation. Therefore, companies should create proper environment for experiencing personalization, which is a part of experience network of multiple firms (suppliers included) and consumer communities (Pralhad, Ramaswamy, 2004, 85).

In addition, the role of marketing under open innovation concept and co-creation should not be limited to de-

the society is gradually becoming a precondition of survival, rather than an act of charity or modesty.

The laws of RH behavior and SR (of everybody, not just companies) go hand in hand. One should listen to all by giving up all kinds of prejudices. This is an essential precondition for one's RH action, which would consequently strengthen the awareness regarding the ethics of interdependence and, therefore, contribute to RH, SSP of an individual.

Some Conclusions

Humankind is quickly reaching the phase of affluence, if you go by the economic data alone. Happiness is very essential for the society's WB, but creativity and SR provide more to the happiness quotient of the individuals, as the latter are based on ethics of interdependence of human beings. Creative cooperation is necessary for an RH society.

Traditional marketing methods do not provide enough information essential for building an RH society. SR and RH perception, thinking, decision making and action are unavoidable for RH success (positive influence on WB, environment and human's SSP). Marketing must adapt its methods and insights to meet new challenges. But the answer to making more substantive progress towards RH does not lie with marketers alone, since the market's current flaws make marketing incapable of delivering company's and society's WB at the same time. The market must operate within a society in which WB is adopted as a public policy goal, rather than an aim that is actively pursued through policy implementation. The longer we take to address the issue, the greater the disruption and effort will be.

The sooner a substantive progress is made in this direction, the more likely it is that the story will reach a happy ending, i.e., we will be living on an Earth wherein individuals are steadfast in their RH perception, thinking, decision making and action based on SR. 📍

The basic goals of society should be: Humans should strive for an RH quality of life (objective and subjective WB) and human solidarity (based on ethics of interdependence), simultaneously considering ecological sensitivity of natural environment, its constraints and laws of nature

other members of society who are impacted by the effects of procurement, production, selling and other business functions in relation to the products, is needed for RH marketing relations. Content of the communication must be RH in order to strengthen the awareness of ubiquitous interdependence, thus, contributing to more holistic and less artificial/fictitious solutions to the problems.

Interested individuals should be given an open access to relevant information needed for cooperation in the open innovation process. A platform enabling global connections and (co-)creative (co-)operation in collaborative interest-based networks is needed too (Prosenak, Mulej, 2007).

Companies can take insights from anthropologists, ethnologists and similar social scientists while innovating the

tecting and forecasting of (potential) needs alone. It should also include search for the most innovative suppliers and customers, who would strive at adapting the given supply to their short-term and long-term needs. Such persons/firms should be actively included in the invention-innovation process. They can be crucial co-creators of new supplies as well as crucial opinion leaders in making the diffusion of novelties easier with more RH and SR, thus making it more successful.

It must be stressed that in the open innovation phase, marketing, as a teaching or informing tool, must support transparency in the operations of the enterprise. This may include both strong and weak points. Openness creates trust, which in turn, creates cooperation and co-creation. Weak points are increasingly difficult to hide, today³. Thus, the support of SR to meet the RH goals of

³ Social networking, yellow press, blogging, competitors, etc., tend to discover and publicize much more than ever before.



Social Cause Marketing

The CSR Responsibility of B-Schools

Social Cause Marketing being a part of CSR can be an acceptable and relevant area for B-Schools to contribute to and experiment with. The involvement of B-Schools would enrich the experience of students in learning the concept, leading to lasting impact on their career. Above all, the world would be a better place to live in with SCM in place and B-Schools showing keen and genuine interest in it.

Charity begins at home. Corporate Social Responsibility (CSR) and Social-Cause Marketing (SCM) begin at B-Schools, as part of theoretical learning. The future role of B-Schools in CSR should involve offering training sessions to budding managers in the form of practice activities of SCM. If the future executives are to involve themselves in CSR activities, they must as well be trained for the same. At B-Schools young graduates are moulded, mentored, trained, tutored and developed over a period of time to be executives. During this period they gurgled a bunch of concepts, learn a series of theories, read piles of books, discuss on hundreds of cases, memorize thousands of PowerPoint slides for the examinations, and debate over a millions of issues. Yet the practical learning they gather through internships, other exposures to various institutions and the project method of learning leaves lasting impressions on their minds.

The future managers who are trained to be effective and efficient, put to practice most of the managerial learning picked up from the B-Schools. The focus and thrust of the executives' future career is initiated at the B-School. Thus, the role of a B-School in inspiring, motivating and nurturing young and powerful minds to commit themselves to social

causes cannot be underestimated. B-Schools in India have been successful in training young managers to develop qualities the right attitude, excellent decision-making ability effective rational thinking, meticulous organizing capability and the like. B-schools generally strive to provide education on whatever is considered as important for business graduates to succeed and excel.

This is the era of organized business. Business executives have a greater say on how a society can be improved or made better. Executives have all necessary resources at their disposal to impact the society positively and coupled with their strengths, need to initiate and involve themselves in social development programs. Business executives must contribute their mite to the social causes of the society.

Corporate Social Responsibility and Social-Cause Marketing

CSR is about giving back to the society a part of what you have gained from it. Businesses would take responsibility for the impact of their activities on the environment, consumers, employees, communities, and stakeholders. The World Business Council for Sustainable Development in its publication, *Making Good Business Sense* by Lord Holme and Rich-

ard Watts, defines CSR as the continuing commitment by businesses to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. CSR is all about capacity building for sustainable livelihoods. Early CSR models were initiated in the 1960s. It showed the 'social' aspect of CSR as responsibilities referring directly above and beyond economic and legal obligations. Philip Kotler in his work *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause* does a terrific job of describing the range of corporate social initiatives and suggests best practices for choosing, implementing and evaluating them.

SCM can be considered as part of CSR as it is wider in scope and includes Social Marketing (SM), Cause Marketing (CM) and other related activities. SM is viewed as the marketing of a particular issue of significant social importance using traditional marketing techniques such as advertising, public relations, event marketing and direct marketing. Usually Non-Government Organizations (NGOs) undertake SM by themselves or through professional communication firms. Cause marketing involves pairing of corporates and NGOs where the corporate provides the financial resources to promote a particular cause and hopes to benefit from the favorable association with the cause. The cause marketing efforts of corporates are often referred to as image enhancement initiatives. The NGO gains heightened exposure and/or financial support for its cause.

SCM is different from CSR, SM and CM as CSR is a wider concept and SM and CM have two different



contexts to work from. While CSR is inclusive of SM, CM and SCM, SM and CM are exclusive of each other. SCM is an intersection of SM and CM, where the marketing initiatives are for a social cause and need not necessarily be from a NGO or Non-Profit Organization (NPO). CSR is purely society-oriented and is for the betterment of the society which is carried out beyond legal and economic obligations of businesses. The corporate that involves in CSR is expected to carry it out with no derivative benefit in return from CSR. SM is an effort of an NGO or NPO to promote a social cause. CM involves in paired efforts of a corporate and NGO/NPO where both of them are involved expecting certain benefits. SCM is part of CSR, as SCM is only an element of CSR initiatives. CSR involves HR, finance, marketing, systems and operations, information system, and related activities whereas SCM involves only marketing activities focused on social causes. Today corporates establish CSR units, arms, or bodies to extend their support to the society as responsible citizens of the society they belong to. SCM can be carried out by the CSR unit/arm/body of the corporate or it can be an exclusive subunit of the marketing department. CSR involves a wide range of activities that benefit employees and their families, the immediate neighborhood and the world with tangible outcomes while SCM activities may benefit all the target groups of CSR, but the results may not be tangible and measurable.

SCM and Affinity Marketing

Affinity marketing is a marketing strategy adopted by corporates to improve sales by enhancing their brand image. Corporates identify causes or events popularly supported by their consumers and create a link with the cause or event, by sponsoring or generating publicity for the cause. In affinity marketing the cause need not be a social one, it is a cause very popular and appealing to the target group. SCM differs from affinity marketing in the fact that unlike the latter, SCM is around a cause that is of seri-

ous concern to the society and not necessarily popular with the target market.

Role of B-Schools

B-Schools have been established to provide the necessary education for managing the corporates that are involved in catering to the needs and comforts of the society. These schools train graduates who can allocate scarce resources in equitable fashion on the most productive activities. B-Schools in the initial times had recognized the value of holistic approach of business management and the importance of society to the realm of management. There is a wide range of activities which business schools can involve themselves in, in order to propagate social causes and market them. It is the responsibility of a B-School to create an environment for learning, training and practicing SCM. In order to provide the environment and climate for conducive nurturing of CSM, there must be generous resource availability for the students and the faculty to practice and experiment on SCM. The B-School management has the responsibility of being a role model in involving itself in SCM.

Potential SCM Issues

There is no dearth of the issues B-Schools can champion to take up through SCM. The world at large and the immediate society are struggling to cope up with the issues that are causing pain and trouble to individuals and society. B-Schools may focus on global issues with local presence. The United Nations Millennium Development Goals (MDG) for which India is a signatory is a serious cause demanding the attention of all responsible citizens. B-Schools should

take necessary efforts and use the faculty and student teams to put into place SCM for MDG. India is a signatory to the international agreement on ending corruption. B-Schools can work on a corruption-free Indian society involving the faculty and students.

Climate change is a pressing issue for all nations of the world. Indian B-Schools can involve students and faculty in practicing Social Cause Marketing. Environment conservation and protection awareness is another important issue B-Schools should put a stake in.

How Can B-Schools Engage in SCM

B-Schools have a responsibility towards the immediate society and the world at large. They know the issues they can address through SCM but may wonder how they can execute SCM through the faculty and students. There are a few methods which would work out effectively with active student contributions in terms of creative ideas, and volunteering for participation. Students can organize rallies, marathons, walkathons, etc., on the chosen issues. Organizing contests for school children to promote awareness on the said issues, or conducting awareness workshops also would help. Forums like Young Indians, OISCA-International, Junior Chamber International, etc., being organized at the B-School level exclusively for the students will also provide an opportunity for students to involve themselves in SCM.

SCM being a part of CSR can be an acceptable and relevant area for B-Schools to contribute and experiment with. The involvement of B-Schools would enrich the experience of students in learning the concept, leading to lasting impact on their career. Above all, the world would be a better place to live in with SCM in place and B-Schools showing keen and genuine interest in it. 🌟

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BOB



The Noble and Necessary Job of a Manager

Keys to Great Performance Management

When it comes to dramatically improving the US economy, the most important person in making it happen is a business manager. Time is one fixed resource that all managers have. Obviously the tighter money becomes, the harder it is for a manager to obtain all of the other resources he or she wants to create value for other people.

When it comes to dramatically improving the US economy, the most important person is not the president of the US, a US senator, a congressman or congresswoman, or an economist. Each of those individuals is important, but none of them is the most important in terms of reviving our economy and generating long-term, sustainable success. The most important person in making that happen is a business manager. Business managers

come with different titles in different industries and at different pay scales. Their labels include CEO, Vice-President, Director, Chief Global Marketing Officer, Chief Technology Officer, front-line manager, department head, purchasing manager, controller, and on and on. All of these people are managers. And all of them play THE critical role in improving our economy. It doesn't matter whether a person is a manager of one McDonald's restaurant

or all of the McDonald's restaurants in the US; a front-desk manager of a Courtyard by Marriott or the president of Marriott International; or the manager of a local retail store or the head of Macy's.

The job is still the same, and it is both a necessary and noble job to do. It is necessary because without it we can't get our economy going again. It is noble, which means possessing outstanding qualities, because managers are the ones who have to be capable of converting a collection of individual inputs into organizational value for customers that they will pay for.

Actually the most important persons are the tens of thousands of business managers across the US. Almost all of these managers will never become known outside of their organizations and their families. The vast, vast majority of them will never become multimillionaires, be seen on CNN, or write a book. However, I guarantee you they are the most important individuals in moving our economy forward in the future.

Long ago I decided that my life's work is to try to assist managers toward delivering great performances. A great management performance is one that converts available resources into extraordinary value that generates significant and sustainable improvement in results for customers, for the organization, and for the communities in which they operate.

A manager's resources include his or her employees, facilities, equipment, time, and money. Time is the one fixed resource that all managers have. Obviously the tighter money be-





comes, the harder it is for a manager to obtain all of the other resources he or she wants to create value for other people. Consequently, the worse the economy gets, the more important the role of the manager becomes. It is this skill of converting resources, even limited resources, into greater value that ultimately moves an economy forward.

Keys to Great Management Performance

Over the past eleven years, I've landed on a variety of critical actions for managers to do to deliver a truly great management performance. What follows is not a complete list, but it is a good place to start.

Strengthen Your Foundation First

Get yourself right first. Whatever that means for you, I encourage you to do it. The vast majority of management blunders I've witnessed can be traced back to the manager being overly tired, stressed out, out of shape, feeling guilty, or on the verge of some other personal breakdown. Examine your own physical, mental, social, emotional, moral, and financial situations. If you're a spiritual person, then throw that in as well. Is your foundation where you want it to be? If not, what few practical things could you start with to improve your foundation? By making some progress and doing it over and

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over again, you will get yourself far closer to where you want your foundation to be. I've always been impressed by the ripple effect a manager has on other people when he or she strengthens the foundation of his or her life.

Know Why You Do What You Do

Remember that passion comes from purpose, not the other way around. Why do you do what you do? What is your purpose beyond the paycheck? Since you are unlikely to be paid a king's ransom or to become famous as a manager, you need a purpose for your work that can sustain you through good and bad economic times.

Once you're clear about your purpose for doing the work you do, then work with others to clarify the purpose of the organization or work group that you manage. Recently, I interviewed Roy Spence and Haley Rushing, authors of *It's Not What You Sell, It's What You Stand For*, which is the best book I've ever read on the importance of establishing an organizational purpose that resonates with both employees and customers. Click here to read my interview with Roy and Haley called *A Conversation on Purpose: Insights on What Drives Extraordinary Organizational Performance*: http://www.thecoughlincompany.com/conversation_on_purpose.html

Take the Hardest Step in Business

The hardest step in business is to step back and think. Really think through the desired outcomes, the various paths to make those outcomes a reality, the planned activities necessary to stick to the path you've chosen, and so on. It is actually much easier to press forward with action than to step back and think through the ramifications.

Here is a real-life story of two senior-level executives in a major corporation that I'll call Hare and Tortoise. Hare was a driver-driver. If he had an idea, he would push it into action throughout the organization immediately. Tortoise's approach was to pose

a desired outcome in the form of a question, gather input, consider the alternatives, and then guide the group to deliver on a clear action plan using a collaborative approach.

Hare was a rising star. He became famous throughout the organization for getting stuff done. Then one day employees and customers started leaving the organization. Every time Hare had an idea he would send his employees into motion immediately to implement it. It didn't matter that many of the ideas had no connection to earlier ideas. Hare kept pushing new actions through the organization faster and faster and faster. More employees and customers left. Within a few years, the numbers were so dramatically down that Hare was let go.

Tortoise took over a few extremely poor-performing business units. Instead of rushing to make decisions, he scheduled time to think. He brought together a group of about 15 people to discuss where the business was at, where they wanted it to go, and how they could get there. Using a collaborative approach, the group steadily made improvements. After five consecutive years of great business performances, Tortoise was promoted to another underperforming business unit. Same pattern: thinking time, group time with a collaborative approach, five years of great results, and another promotion.

If you want to be a truly great manager, take the hardest step in business. Step back and think.

Manage Talent, Don't Abandon It

Business talent is the ability to help create value for customers that they will want to pay for and that will help the organization achieve its desired goals. In the midst of all this letting go of employees that has happened over the past year, be sure you're not saving short-term results only to ruin the long-term success of your business. Ultimately, you have to have talent in order to create more value for your customers. You're not going to make it all by yourself. Be sure to keep as much of the real busi-



ness talent in your organization as you possibly can. That is the ultimate resource you will be converting into value for customers in the future.

Steward, Don't Steal

Over the past 11 years I've written at least one 1,500 word article each month as well as three 70,000-word books. So I'm up to something like 400,000 words on management effectiveness. But if I had to narrow my advice on how to be a great manager down to three words, they would be: steward, don't steal.

In the Merriam-Webster Online Dictionary, stewardship means "the careful and responsible management of something entrusted to one's care." In a nutshell, that's the job of a business manager. Think of your main job as stewarding resources in ways that will enrich them and create more value for

some are illegal. You can simply take what is not yours, or you can take what is available to you for the taking. The former is obviously stealing, and the latter is where you have to decide on what you think is the right thing to do. I encourage you to ask yourself, "Am I being a good steward, or am I simply taking as much from the organization as I possibly can?" Stealing is not always crystal clear, and many times you will have to decide for yourself whether you're acting as a steward or a thief. If your goal is to be a long-term great manager, I encourage you to stay on the side of stewardship every time.

My father passed away last week. He was truly a great and humble person. He and Mom taught me a great deal about the concept of stewardship. They guided everything they had to help each of their six kids to do as well as we could do in whatever we were trying to do at that given moment. To

achievement and who then make contributions to that field that are considered by peers to be both original and highly exemplary."

I'm not a big fan of the word "genius," but I do think that definition applies to great managers. They always had the ability to become great managers, they had the passion to stay the course long enough to hone their craft as managers, and they applied their skills in ways that made an exemplary difference for their customers and organizations.

You may or may not become famous or fabulously wealthy as a business manager, but always remember that you perform the critically important role in making our economy strong and successful both over the short term and the long term.

Great Performers are in the Patience Industry

Shift your focus for the moment away from the recession and other bad news. In your mind, put a spotlight on the greatest performers you've ever known. Visualize them. Take it all in. Step back and look with a panoramic view at how they got to where they were able to deliver an amazing performance. It doesn't matter their age level or type of activity or industry or title. Just step back in awe and let their performance teach you the lessons for your lifetime.

This is one of my favorite activities. I just love, and have always loved, studying extraordinary performers. I've done it since I was eight years old. I'm not nearly as interested in what life is like at the top of the mountain, but rather what happened on the way up the mountain. One of the reasons I do this is because for truly great performers there is no mountaintop, there is only the next mountain to climb. Over the past nearly forty years I've landed on a few common traits of superior performers, and the most common one, the one that every single truly great performer has mastered, is patience.

Great performers are patient beyond short-term results. They are patient beyond great failures and great successes. They are patient be-

Great performers are patient beyond short-term results. They are patient beyond great failures and great successes. They are patient beyond being laughed at or being given false praise

customers. The greatest managers I've ever witnessed embraced this concept of stewardship, applied it skillfully, and always worked to improve at it. A magnificent new book on the idea of being a great steward is *Enough: True Measures of Money, Business, and Life* by John Bogle. I encourage you to buy this book and really study it carefully. It is a beautiful explanation of old-time values delivered by a person who has truly lived them.

Of course, you want to, and you should, be paid a reasonable fee for guiding these resources to better results. However, this is where the tricky part comes in. What is a reasonable fee for your efforts and how should you get that fee? There are two ways to go about it: earn them or steal them. Stealing is on the other end of the management effectiveness spectrum from stewardship. Stealing can come in a variety of forms of which some are legal and

me, they were absolutely perfect examples of being great stewards. They never stole the credit, the glory, or the riches from another person. They carefully and responsibly managed the resources that were entrusted to them to raise children who hopefully are delivering strong value to other people.

Get Better

I haven't met every manager on the planet, but of the ones I've met I've never seen anyone be a perfect manager on day one. The very best managers I've ever seen simply started on the road as a manager, and then worked to get better each day. Here's an interesting quote from a new book called, *Genius 101: Creators, Leaders, and Prodigies* by Keith Simonton: "Geniuses are those who have the intelligence, enthusiasm, and endurance to acquire the needed expertise in a broadly valued domain of



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yond being laughed at or being given false praise. They are patient beyond being told they can't succeed and beyond being told they are the greatest in the world. They all simply continue to move forward regardless of what other people say toward improving their performance in their desired area.

(If you want to read a far more in-depth explanation of this concept and how it applies to business management, I encourage you to click here and read Chapter One in my new book, *The Management 500*: http://www.thecoughlincompany.com/The_Management_500_ch1.pdf.)

Nelle Lee and *To Kill A Mockingbird*

My brother, Kevin, gave me a remarkably powerful book recently called, *Mockingbird: A Portrait of Harper Lee* by Charles Shields. Harper Lee wrote the book, *To Kill A Mockingbird*, in 1960. It went on to become the best-selling piece of literature of the 20th Century and to date has sold more than thirty million copies. For this book, Nelle Lee won the Pulitzer Prize and the Presidential Medal of Freedom. This book has been taught in countless high schools and colleges and has affected an incredible number of lives with its core message of tolerance and open-mindedness toward other people. That's a pretty high mountaintop to reach.

However, it wasn't until I read *Mockingbird* that I knew the story of her climb up the mountain. Harper Lee, who really went by Nelle Lee, left law school in late 1949 and moved to New York in 1950. She lived extremely frugally in a cold-water only apartment. She worked as a reservation clerk for Eastern Air Lines by day and wrote by night. From 1950-1956 she dedicated herself to honing her craft in her humble little apartment. Then in December 1956 she received a remarkable gift. Her friends, Michael and Joy Brown, gave her a check that allowed her not to work for one year while she focused on her writing. From 1957-1959, with considerable input from her literary agent and editor, she crafted *To Kill A Mockingbird*.

This is the age-old story of success. Maintain focus for at least five years on one performance area, get a critically important break or two from an unexpected source, and then continue to focus on improving your performance. This simple formula for great performance has been demonstrated over and over, and has been written about so many times that you would think every person could apply it easily. But, alas, that is not what happens.

Dale Earnhardt, Sr.

Last year I studied the history of auto racing. One of the most intriguing stories for me was the story of Dale Earnhardt, Sr. In 1979, at the very old age of twenty eight, he became a rookie driver in the NASCAR Winston Cup Series, known as the Sprint Cup Series today. He had spent ten years looking for an opportunity to drive in the Winston Cup Series, but no major sponsor would support him. Then in 1979 Rod Osterlund believed in Earnhardt and gave him a chance and the money he needed.

Dale Earnhardt, Sr. won the Rookie-of-the-Year in 1979 and followed that with the first win of his seven Winston Cup Series Championships in 1980. He went from a complete unknown to one of the biggest brand names in his sport. He was patient through the very bad times and the very good times and constantly strove to raise his level of performance.

No Easy Victories

John Gardner, one of my all-time favorite writers, wrote a truly great book in 1968 called *No Easy Victories*. This book is remarkably relevant for many of the issues we are dealing with as a country today. He wrote, "How can we preserve our aspirations and at the same time develop the toughness of mind and spirit to face the fact that there are no easy victories?" He went on to say, "Very few have excellence thrust upon them. They achieve it. They do not achieve it unwittingly, by doing what comes naturally; and they don't stumble into it in the course of amusing themselves. All excellence

involves discipline and tenacity of purpose."

To achieve greatness as a business manager or executive requires sustained, focused effort. In the end, it's hard work combined with extraordinary patience. Do you have it? Are you patient enough to persevere through amazing success and devastating failure? This is what it takes to perform at the very highest levels of achievement.

Learn From Great Failures

Jim Collins, author of *Good to Great* has a new book, *How the Mighty Fall*, that has an interesting premise. He studied companies that were considered truly great for a long period of time and then experienced incredible sustained failures. He wanted to find out what made successful companies fail. The first stage of failure is what he called "Hubris Born of Success." He wrote in the *BusinessWeek* May 29, 2009 issue, "Stage 1 kicks in when people become arrogant, regarding success virtually as an entitlement, and they lose sight of the true underlying factors that created success in the first place."

Check Yourself into a 30-Day Gratification Detox Center

I think this idea of "entitled success" can keep many individuals and groups from ever achieving great performances. I think the most pervasive and dangerous addiction in our society is not one of the big four (drugs, alcohol, sex, and gambling), but rather the belief that we are entitled to "treats." As in, "I worked hard today, and I deserve a ____." You can fill that blank with a variety of answers: \$5 cup of coffee, trip to Mexico, an ice cream cone, a new dress, a new sports coat, a new CD, an addition to our house, a new car and on and on.

It seems to me that we can become so obsessed with the treat at the end of an activity that we erode our ability to remain patient until we achieve a truly great performance. Treats are fine, but they aren't going to take you to a higher level. I challenge you and me both to enter a 30-Day Gratification



Detox Center. Start with just one day. For one day go about your normal activities and when you get to the point that you say, "Ok, now I deserve a little treat," respond by giving yourself nothing. That's right. Give yourself nothing. Slowly wean yourself off of the addiction that every activity, even successful activities, need to be rewarded.

You might be thinking, "Dan, this all sounds a little too puritan for my tastes. If you take out all the treats, what is left? Life would be pretty boring." If you happen to think that, then I would say, "Well, let's see. What is left? If you take out the ice cream, donuts, cookies and brownies, then what is left is great energy that you can use to improve your performance in the area that you want to be great at. If you took out the clothes, trips, and house additions, you would have more money to put toward improving your performance in the area you've chosen to be great at. If you take out the little breaks in the day to play computer games, then you would have more time to put toward improving your performance in the area you want to be great at.

Achieving an extraordinary level of performance requires patience, a lot of patience. It requires the patience to put off the rewards, or at least concentrating on the rewards, and focus on improving the actual performance you want to be great at. That means working, focusing, concentrating, searching for ways to get better, working, focusing. It doesn't mean work a little, get a treat, work a little, get a treat.

Boy Scouts and Girl Scouts of America

I'm going to close this issue with a story that I think reinforces my main point in a variety of ways. On May 24, the day before Memorial Day, I went with my eight-year-old son, Ben, and 4,000 of his closest Boy Scout buddies to Jefferson Barracks National Cemetery in St. Louis. Our job was to plant a flag one foot from each of the headstones. Essentially a fairly easy task I thought. That is until I learned there are 130,000 military men and women buried at

Jefferson Barracks National Cemetery. On a very hot, muggy St. Louis day these 4,000 Boy Scouts walked in silence for 30 minutes up to the ceremony, stood in quiet attention during the ceremony, and then spent the next two hours going all over the cemetery planting flags. It was an amazing experience to see tens of thousands of identical headstones spanning more than 150 years of US military members. And then to see thousands of Boy Scouts inserting their flags one at a time made the day even more impressive.

This combined effort over an extended period of time reminded me of the effort my ten-year-old daughter, Sarah, and tens of thousands of her closest Girl Scout buddies make every year in selling Girl Scout cookies. It is their sustained effort that makes the Girl Scouts of America such an extraordinary organization.

Is it possible that we adults need to learn from our children how patience can generate truly extraordinary performances?

Transferable Skills and How to Showcase Them

Don't believe them. When companies tell you they aren't hiring because of the recession, don't believe them. What they mean to say is that during a recession they are very, very discerning about who they hire and who they keep on their team. However, every company is always hiring as long as they believe they are getting an amazingly talented person who fits well within their culture.

Transferable skills are what will make you a person of interest in multiple industries. I define a skill as something you do with a high degree of competency and passion. A transferable skill is one that can be taken from one type of job and applied successfully in another job. An x-ray technician can't take his ability to read an x-ray into the hospitality industry, but he can take his ability to understand and solve complicated technical issues and use that skill to add great value to a company in the hospitality industry.

Your job is to know your skills, hone your skills, showcase your skills,

and charge for your skills, in that order. Too often I've seen people charge for skills they plan on developing later. They might get through the door once with that approach, but they won't build a great career that way. Think of your skills as a new product your company wants to sell and eventually make a lot of money with. First, your company would work to understand what product would be of value to their customers. Then it would work to create and improve the product. Then it would let customers know that the product is available by showcasing it in a variety of ways. And then it would charge an appropriate amount in order to generate a profit for the business. This is the same four steps I want you to consider in accelerating your career.

Step One: Know Your Transferable Skills

The first step in accelerating your career is to understand what you do well and with passion. This has nothing to do with your current age, years of experience, title, income, height, gender, race, or anything else. When you strip away everything else, what you're left with is the value you bring to any situation and that is the combination of your strengths and your passions.

Write down your answers to this question, "What do I do well with passion?"

As I mentally scanned across the more than 150 executives I've personally coached, I've landed on one that I will use as my example in this article, even though the person's name was not Art. He identified his transferable skills as the following:

Art's Transferable Skills (what he did well with passion)

- Very organized. Always shows up on time prepared for the discussion.
- Exceptionally good listener in private conversations and large forums.
- Starts each day with a checklist and stays maniacal in getting things off the check list.
- Very good at facilitating group discussions and drawing input from a variety of people.



- Can both take and give directions in a professional, classy manner.
- Can explain plans to a group in a friendly, down-to-earth manner.
- Willing to change approaches depending on the makeup of the group.

Step Two: Hone Your Transferable Skills

Once you know the transferable skills you bring to the party, the next step is to make each of them better. Just as Apple continually works to improve each new iteration of its iPhone and Disney/Pixar Animation Studios works to improve each new film it makes, you need to continually sharpen your transferable skills.

Art worked very hard over a number of years to improve his good listening skills in order to become a fantastic listener, his facilitating skills to become the person everyone wanted to facilitate meetings, and his public-speaking skills to be an even more polished speaker that more people could feel comfortable listening to.

Step Three: Showcase Your Transferable Skills

Of course, having well-honed transferable skills will not help your career if no key decision-maker knows about them. You have to put these skills into motion where the right people can see you in order for them to consider you for new positions. Unfortunately, most of these opportunities come disguised in ino or low pay options. Who cares? Think of them as icareer accelerating options. Just as a great new product needs to be nurtured in the marketplace until customers know about it, your skills have to be demonstrated over and over until the right people notice them.

Make a list of every opportunity you can think of to demonstrate your skills, both inside and outside of your current organization. The objective is to get people talking about your skills. Here are a dozen or so ways I've seen people demonstrate their skills:

- Join a local professional association and volunteer to run a fund-raising event. Demonstrate your organizational and leadership skills.

- Offer to emcee an important community event. Do a killer job in your opening and closing remarks and in keeping the event moving smoothly and on time.
- Volunteer to mentor up-and-coming employees in your organization. This is what Art did. After three of his protégés proved to be highly successful employees, Art was promoted into a far more senior management position.
- Offer to work with long-term difficult clients. Demonstrate your ability to solve problems and create win-win scenarios for the company and the customer.
- Start a not-for-profit organization on a volunteer basis and make an enormous impact in your neighborhood. I saw one person collect hundreds of baseball gloves, bats, and balls and then take them to the poorest neighborhoods in the Dominican Republic. A lot of people sat up and took notice of his organizational and inspirational skills.
- Join a local Toastmasters group and/or take a Dale Carnegie Course on public speaking. You will meet a few dozen people from a variety of organizations and they will hear you speak on topics of your choice. One really good speech can lead to several really good conversations that might lead to all kinds of things.
- Become a board member of an association that you care deeply about. Take your responsibility as seriously as you do your own job. Demonstrate that you can be on time, prepared, and willing to tackle touchy subjects.
- Inside your organization take a lateral assignment overseas to show you can operate successfully in multiple cultures.
- Take a pay cut to move into a different department in order to let new people see your specific skills.
- Offer to do a breakout session at a national trade conference to demonstrate your skills in front of a variety of decision-makers and recommenders in other companies.

- Get involved in community groups such as a religious organization, Boy Scouts and Girl Scouts of America, Optimists Club, Rotary Clubs, and so on. In casual conversations be willing to add value to what the other person wants to achieve.
- Head up a high school or college reunion. Demonstrate expertise in social networking tools and other technological ways of enhancing the event.
- Write articles for your in-house publications and trade publications both in your industry and outside your industry. Articles are a great way to deliver value to other people.

Step Four: Charge for Your Transferable Skills

In the end, your transferable skills are of great value to a number of organizations. Don't take them lightly. You've spent years honing and showcasing these skills. They quite literally are your stock in trade. But don't toss them around lightly. Just as a great product deserves to demand a great price, you definitely will have earned the right to request a strong compensation package. If you don't take the value of what you bring to an organization seriously, how can you expect other people to do so?

You can deliver value at low prices during the showcasing stage, but when it comes down to the hiring stage you need to ask for what you honestly believe you're worth. Don't start low with the expectation your income will rise dramatically. If your new employer can get your transferable skills on a full-time basis at a low price, why will he or she double your salary in a short time? Your new boss knows the value he or she is receiving because you've already showcased it. Now you need to request the value you think you deserve in the form of compensation.


There they are. Four steps to leverage your transferable skills and accelerate your career. 🍷

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Reference # 03M-2009-09-04-01



Tamilnadu Tourism

A photograph of Harish Bijoor, a man with grey hair, wearing a dark suit, white shirt, and patterned tie. He is sitting in a dark red velvet chair, holding an open magazine. The magazine cover features a black and white image of people walking on a path, with the text 'TO HAVE' visible. The background includes a red curtain and a lamp.

Social marketing can be a single idea or it can be a cascade of many ideas that are campaignable. Tata Tea *Jaago Re* is a single idea. An idea that attains relevance during election time in a big way. This single idea can be used in different ways altogether. The joy of this idea lies in the fact that tea is a wake-up stimulant.

– **Harish Bijoor**

- **You are known to be one of the pioneering marketers of coffee. Can you brief us on your stint with working for tea and coffee brands? Did you intend to specialize on tea and coffee or it just happened over a period of time?**

I started my career accidentally. I joined Brooke Bond, a Tea and Coffee company for a start. I worked on different varieties of tea and coffee and then went on to specialize in the terrain. In the beginning, it was all about marketing tea and coffee. As I grew in the company, it was all about plantations, operations, export and more. I moved on after 8 years with the HUL group over to Tata Tea Limited, and then on to Tata Coffee Limited. That was a startup operation in marketing coffee from scratch. It was exciting. Within the HUL group, I had a given portfolio of brands to manage. At Tata Coffee, I had to play a major role in creating those brands and options for the company to have a marketing front-face ñ from being a plantations oriented company for decades. In short, I guess it all happened over time. Over a span of 16 years across two companies. HUL at one end and Tata Coffee Limited at another. Exciting times!

- **In one of the presentations made by you at PR Pundits workshop held in Mumbai on November 30,**

2005, you said that brand is just a thought, a simple thought that lives in a person's mind, whereas, few consider brand to be a perception. How would you like to justify your idea?

The brand is really not a perception. It is simpler, it is a mere thought. A thought that lives in people's minds. Perceptions are formed much later, the wings and tails that brands sprout in people's minds after living there for a while. A brand is a thought that lives in people's minds ñ not necessarily in consumer minds. Brands live in the minds of all ñ consumer or not! One of the big and powerful brands in your mind could be your mother. This is a powerful thought. This is not a perception. It is a thought. Thoughts are more powerful than perceptions. Simple as well.

- **According to you, why is Social-Cause Marketing important in present day scenario? What are the origins of Social-Cause Marketing? Is this similar to Cause-Related Marketing?**

In the beginning, marketing is all about selling products. About selling tea, car, tractor, pantyhose, etc. Then it is about selling services. Marketing of services is a higher end development. When products come to a standstill, services take over. To that extent, I do believe everything is a service. Noth-

ing will remain a pure product at all. Coffee drunk at home is a product. The same coffee partaken at a Barista or a Café Coffee Day outlet is a service. God worshipped at home is a product. God worshipped at church or a temple is a service! The service dimension adds value to a brand. Value, that is unique. Irreplaceable even! Products and services are sold at the lowest common denominator level by the use of simple marketing. As societies and people evolve, marketing assumes a higher dimension of play. Look keenly at Maslow's hierarchy of needs for a clue. When marketing to society is simple, simple marketing rules. When society is deprived of food, clothing and shelter, simple marketing rules. As one climbs Maslow's hierarchy of needs, marketing itself needs to morph. When social needs dominate, marketing needs to focus on societal mores and moods. Marketing is all about classiness and experiential benefits here. Still, one lives at the functional satiation level. As society morphs still, and as people reach levels of self-actualization in their lives, when money and societal scores do not matter, marketing needs to morph to a level of emotional gains and cues. At the highest end of these emotional gains and cues lies social marketing. Social marketing dominates in a society that is operating at the highest common denominator level of its customer profile and not at the lowest common denominator level. Societal marketing attains relevance in categories where there is enough ennui with standard brand positioning stances. Take tea for instance, in the beginning it was marketed simply as the *étastyí* tea. The selling line was generic. Simple. As society grows up from one degree of want, need, desire, aspiration and deprivation to another, marketing itself morphs in its appeal. Tea therefore becomes functionally positioned. It becomes the tea with *étasteí*, the tea with *éstrengthí* and the tea with *íaromaí*. And then, comes another tea with *étaste*, aroma and *strengthí* all together. This functional stance can then moves on to economy (the tea that gives more cups per kilogram)

Harish Bijoor, Brand-expert and CEO, Harish Bijoor Consults Inc, is a brand domain specialist operating out of Bangalore. He runs a unique boutique consulting outfit branded Harish Bijoor Consults Inc., a brand name that has a consulting presence across the markets of Hong Kong, Seattle, London, Dubai and the Indian sub-continent.

He worked as the Chief Operating Officer, Zip Telecom Limited and has spent the last eight years prior to his Telecom stint with Tata Coffee Limited in various designations moving through the Brand Management and Marketing Hierarchy. Harish spent the first eight years of his career with Hindustan Lever Limited moving through the Sales and Distribution stream during the first four years and the Brand Management stream in the next four.

Harish is actively involved in the world of coffee in India. He is a member of many active coffee forums and delivers lectures on the subject in India as well as abroad. He is a member of the Coffee Board of India under the auspices of the Union Ministry of Commerce. Harish is an active member of the Plantations sub-committee of the Planning Commission for the formulation of the XIth Five Year Plan(2007-12).

Harish has recently published a book titled, *Marketing Trends – Smart Insights into the World of Indian Business*, a serious book written in a style that is distinctly young and MTV-ish! He is currently involved in his second book on core branding. Harish is a member on the Board of Directors of a clutch of companies and his passion lies in the arena of good Corporate Governance. Harish teaches at the Indian School of Business, Hyderabad (Ranked No. 20 among Global Business schools by *Financial Times*, London) and is a much sought-after public speaker. He has a total of 8617 hours of Public speaking and Training experience among Corporate organizations across the world.



EXE MBA

and more. Society morphs and grows again. Functional attributes and functional positioning stances give way to emotional ones. The tea that gets you to fall in love? The tea that helps you work more (the work-mate tea) and more. Society grows up. Society is tired of everything else now. Consumers are matured and are self-actualising. This is the time for the 'social cause' USP to come in. Tata Tea's *Jaago-re* campaign fits in here. Tata Tea is not the only company that has experimented with this to success. Lifebuoy has, with its 'Lifebuoy Swasthya Chetana' and the Lifebuoy clean up the locality campaign ads. So has Surf, with its *Do bucket paani bachana hai* campaign with Shabana Azmi in the lead. It sure is cause-related marketing as well.

➤ **Can you give us a few examples of highly successful global Social-Cause Marketing initiatives. What can be the insightful perspectives for marketers and brand managers from these initiatives?**

Very simply, when you involve society in your marketing mix, it can be profitable. Society that is self-actualising emotes with your brand that much more, when you support society and its many causes. This is a terrific way to make consumer connect happen through brands.

➤ **Are there any Indian brands that have succeeded in coming up with social campaigns?**

HUL and Tata Tea are leaders in this space (social campaigns) of social-cause marketing.

➤ **Do you consider social marketing to be an effective tool in influencing the buying behavior of the customer? If it succeeds, what is the longevity of this marketing approach?**

Social marketing can be a single idea or it can be a cascade of many ideas that are campaignable. Tata Tea *Jaago Re* is a single idea. An idea that attains relevance during election time in a big way. This single idea can be used in different ways altogether. The joy of this idea lies in the fact that tea is a wake-up stimulant. The product story can be woven intrinsically into the campaign with no

disconnect at all. Longevity of such ideas lies in the creative excellence that can be achieved through differing and different campaigns.

➤ **Take for instance, the *Jaago Re!* campaign, the ad focused on election-related issues. Would people still remember the *Jaago Re!* campaign even after the elections? Will this make some kind of impact on the customers? If the customer's memory is short-lived, to what extent can they relate the ads with Tata Tea? Will this drive the sales of the brand even after?**

Most Cause-Related Marketing (CRM) campaigns are poor on sale generation. They do much more than create sale. They seldom create sales. They help build a positive brand image. Tata Tea will need to create separate and disparate campaigns to create sales. *Jaago Re* essentially creates brand salience, and brand positivity. For sales, you need

Most Cause-Related Marketing (CRM) campaigns are poor on sale generation. They do much more than create sale. They seldom create sales. They help build a positive brand image

campaigns that operate at a crass level of consumption oriented dynamics.

➤ **If social branding becomes the long-term initiative of Tata Tea, what can be the other socially relevant themes for the brand? Would Tata Tea continue coming up with the same kind of advertising in the future?**

I do believe Tata Tea must lapse into its standard format of advertising once again and must not get carried away by it all too much. It has done an excellent job with *Jaago Re*. But the company must move on. Remember, the number of customers who sit at the self-actualisation level in India are a nano-percentage of the total market. Time to move on. Move on with campaigns that will sell more and more tea once again. The memory of *Jaago Re* will be there as a good and positive stroke for a brand right through. It is

important for the brand management team of Tata Tea not to get bogged down by all the accolades all around. Brand managers need to be realistic and in sync with ground level needs of the sales teams.

➤ **How do you look at this initiative? Is this Tata Tea's Corporate Social Responsibility (CSR) or just any other marketing/branding initiative?**

I do believe this is Tata Tea's social responsibility activity that has a brand piggybacking on it. I do believe it is an excellent campaign and has created for the brand and the company a very positive appeal in the minds of consumers - not only consumers of tea, but consumers of the democracy that we live within.

➤ **Tata Tea is also a global brand with significant market shares in countries like the UK and the US. In the light of growing cause-re-**

lated marketing programs, do you see any need for the company to take up such initiatives even at the global level?

I do think the opportunity lies open in this realm. There can be campaigns that talk the green language for instance. Tea is green and the green cover it adds to, is a story in itself. The global opportunity is big, but highly cluttered as of now.

➤ **Tata Tea took up *Jaago Re!* campaign after it attained first position in India in terms of volume. As such, do you establish any relationship between brand life cycle and social-cause marketing? At what stage of brand life cycle does it make sense for any company to come out of its traditional advertising model (highlighting as usual the emotional and physical characteristics of product/brand)**

and focus on intellectual and self-actualization issues?

It is the role of the leader to appropriate this role normally. In the English print media, the *Times of India* is the leader. The paper therefore appropriates a leadership stance and position in its campaigns, be it 'Lead India' or 'Teach India'. When the leader in a category takes up such campaigns, spread, reach and credibility levels are far higher. There certainly is a relationship between leadership stance, CSR and the age life-cycle of a brand and the campaigns it can get away with.

➤ **What will be the success of cause-related marketing programs, if they are initiated by a company at introduction or growth stage?**

Will be weak, will suffer on credibility scores, and will most likely flounder for most of its part. Therefore everyone cannot attempt this. Brand heritage is important. Brands go through the standard stage of being a novice, a student, a learner and finally a teacher. Only when a brand attains the teacher stage can it attempt such campaigns. Brands with grey hair to boast of get away best with such campaigns. Tata Tea is one such. So are Surf and Lifebuoy!

➤ **Just the way a celebrity is commissioned to endorse a brand, should a social cause be endorsed by a powerful brand? Will such endorsements bring desirable results? What if a social cause is not endorsed by a not so well-known brand?**

Not necessary at all. It is only incidental that this campaign of voting with gusto has been endorsed by Tata Tea. The Polio drops campaign of the Government of India and the NAB campaign on eye donation have not needed commercial brands to endorse them. In fact, when noble causes get touched by brands, more often than not, they lose sanctity.

➤ **Studies reveal that social marketing helps in differentiating one's brands, increasing market share and gain more brand loyalty. Despite these benefits, social marketing spending is less when compared to conventional**

marketing. What are your views on it?

I agree though this is yet to be audited and proven. The cycle time of delivery is a delayed cycle time as well. It takes long for such campaigns to deliver. Brand Managers need patience and the will to harvest after a long time cycle. Impatient brand managers don't get much out of this. The fifth P of marketing here is Patience with a big P!

➤ **Do we need to exclusively have something called social marketing, when the businesses in general are expected to be socially responsible and ethically sound? Why do you think there is a demarcation between commercial marketing and social marketing?**

This demarcation is there, but will blur in the long term. All marketing operates within the context of society. All marketing will therefore have to adopt stances that are friendly and in sync with consumer needs, wants, desires and aspirations. Over a period of time, all marketing will be social marketing.

➤ **How far can social marketing programs in India be successful in terms of creating a social impact/change?**

They have a big role to play. Brands need to discover that they need to give back to society what they take from it. This is going to be a brand sustainable practice in the long run. It cannot be forgotten or ignored. Brand will create change in attitude, in behavior and in terms of sociocultural impact.

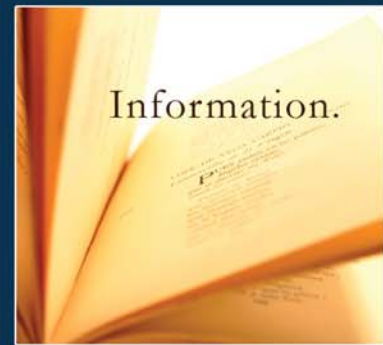
➤ **As a new marketing initiative, will cause-related marketing approach be successful in India?**

It will. This is just the beginning. Watch out for more. Socially ostracised categories such as cigarettes, liquor, gutka will take up more of these. Look out for borderline categories such as oils, sugars and petroleum to take up more of these. ☺

The interview was conducted by
R Naga Sandhya and P Girija
IBSCDC (www.ibscdc.org)

for their case study on
"TATA Tea's *Jaago Re!* campaign: The Social
Cause Marketing Initiatives and Longterm
Branding Initiatives"

Reference # 03M-2009-09-05-06





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Cause Marketing

A Historical and Critical Perspective

One of the problems associated with cause marketing is its tendency to commercialize the philanthropic process. Many consumers now limit their philanthropic involvement to the cash register, believing that by purchasing products that generate charitable donations, they are doing enough to contribute to social causes. This makes nonprofits even more eager to get a piece of the action. One of the latest trends in the world of cause marketing is the presentation of workshops for training nonprofits in how to market themselves to potential businesses partners.

Since the 1980s, cause marketing has developed into a major marketing trend for business. An offer by American Express to help contribute to the cause of restoring the Statue of Liberty and Ellis Island by donating one cent of every transaction made on any of its cards and \$1 for every new card issued during the last quarter of 1983 is generally credited as the introduction of this practice. In addition to collecting \$1.7 mn for the restoration effort, American Express gained fantastic publicity in the form of news and television stories, and the resulting 28% increase in the use of its cards was obviously a major plus. Recognizing the potential, other companies followed suit, and by the early 1990s US businesses had undertaken cause marketing on a grand scale. Between 1990 and 1999, the amount spent on this form of marketing rose from \$125 mn to \$630 mn annually. Six years later, expenditures had increased to well over \$1 bn. In 2009 it is predicted that \$1.55 bn will be spent for cause marketing in the US alone.¹ Although it provides philanthropic causes with much-needed funds, the guiding force behind the practice of cause marketing is not the needs of nonprofits or the amount of good such marketing does, but rather the ability to serve business in a public relations (PR) capacity.

From Corporate Charity to Strategic Philanthropy

For nearly a century, American businesses have relied on some form of PR. The overarching goal has been to defuse, impress, or evade critics in order to create a business-friendly atmosphere while the political objective has been to prevent laws or regulations opposed by businesses from gaining popular support. Public relations gained popularity in the late 19th century, when rapid industrial growth and a wave of corporate mergers caused public uneasiness about big business and unregulated corporate power. An arrogant attitude among industry leaders combined with unwillingness to acknowledge the public's concerns fueled a view of American corporations as soulless and uncaring. Rather than alter their behavior, corporations turned to the emerging field of PR for help. They were advised to display their socially responsible side to the public—a recommendation that many have followed.

In 1953, the US Supreme Court ruled that corporations did not need to limit their charitable donations to causes that were directly related to their business profiles. This resulted in a dramatic increase in corporate support for the arts and education, but

it also led to clashes between the management and stakeholders over the selection of philanthropic causes. Still, the 1960s and 1970s are considered a hallmark period for corporate willingness to engage in social issues. This trend was reversed during the economic downturn of the 1980s, when business leaders found themselves under constant financial pressure. In that tough fiscal climate, philanthropic activities did not contribute to the immediate goal of maximizing efficiency and increasing profits and dividends of businesses.

In order to encourage corporate giving, President Reagan initiated the Task Force on Private Sector Initiative, providing large tax breaks for businesses that voluntarily contributed to charitable causes. Businesses, however, were in no rush to take advantage of the program. Out of 400 large companies surveyed in 1982, only 6% planned to boost their charitable contributions, while several planned to reduce them.²

Nonprofit and philanthropic causes suffered as a result, but their rescue came partly in the form of a rapidly growing marketing concept called branding. Marketing experts of the 1990s believed that in order to be successful, a brand must represent more to consumers than a physical product. The relationship between a company and its customers was not limited to a simple transaction of goods or services but also included an emotional component. When successfully carried out, this strategy could bolster a brand's equity and provide an open forum through which the relationship

¹ iCause Sponsorship Forecast Revised, iCause Marketing Today, June 2009, available to subscribers at <http://www.causemarketingforum.com/page.asp?ID=72>.

² WH Miller, iPush Yet to Come? Industry Isn't Rushing into Social Activism, iIndustry Week, February 22, 1982, 18.



between the consumer and the brand might deepen. Businesses therefore began to strive for a marketing approach that would integrate branding with social issues of concern to their intended consumers. It is here that strategic philanthropy enters the scene.

Defined as incorporate giving that serves a dual purpose of contributing needed funds to charitable causes while simultaneously benefiting the firm's financial bottom line and enhancing business's political legitimacy,¹ strategic philanthropy offered businesses a new approach. It allowed them to tailor charitable donations to social issues and causes that complemented their own products while simultaneously deducting the donations from their taxes. Adding to the benefits was a chance for businesses to expand their markets, increase sales, and build public goodwill that might serve as a bulwark against government regulations. As such, it was considered a powerful tool to be used in a calculated program of public relations and long-term investing.²

Cause Marketing: A New Trend

Strategic philanthropy comes in several forms. In what is known as "kind giving," a company donates goods and services to organizations in need. Another way to contribute is by donating employee time (through a corporate employee volunteer program) and expertise (through a venture philanthropy program) to nonprofit or community organizations. The publicly most visible form is cause marketing, also called cause-related marketing or joint-venture marketing. Defined as a business strategy that integrates a social issue or cause into brand equity and organizational identity to gain significant bottom-line impacts,³ cause marketing merges corporate identities with nonprofits, good causes, and significant social issues through cooperative marketing and fundraising programs.⁴

Facilitated giving is a popular form of cause marketing. This is where a business serves as an intermediary for customer donations to a charity (or to itself!). An ongoing effort by Illinois en-

ergy supplier AmerenIP exemplifies this strategy. Each monthly bill to customers includes a plea for donations to the company's eWarm Neighbors program, established to help customers pay their utility bills and weatherize their homes. While AmerenIP itself contributes an unspecified amount, the program relies primarily on the generosity of its customers. Overlooked is the fact that those customers are helping other customers settle their debts to the company.⁵

The most common manifestation of cause marketing, however, is purchase-triggered donations—the practice pioneered by American Express in 1983, in which a company pledges to contribute a percentage or set amount of a product's price to a charitable cause or organization.

Over time, the early practice of cause marketing arrangements between a single commercial interest and a single cause has given way to more elaborate schemes that feature prominent philanthropic causes and a host of major corporate players who are granted exclusive sponsoring rights in their respective service categories. Established in 1982 to eradicate breast cancer as a life-threatening disease,⁶ the Susan G Komen Foundation has become one of the most visible fundraising organizations for cancer research, as well as a favorite charity for sponsors with an interest in cause marketing. Its annual Race for the Cure is a five-kilometer run/walk and is the largest ongoing sports/

fundraising event in the country. More than most nonprofits, the Komen Foundation is actively involved in marketing its event to companies in search of cause marketing ventures. In 2009, more than 20 large companies, including Kellogg's, Yoplait, Pier 1 Imports, Re/Max Real Estate, and American Airlines (which recently rolled out the last and largest of eight aircraft displaying the special co-branded pink-ribbon motif that signifies the global fight against breast cancer), are members of Komen's Million Dollar Council Elite. The entry fee for the right to serve as an official sponsor of the annual race is \$1 mn, and the companies also undertake separate efforts that showcase their connection to the cause. Yoplait, for example, donates 10 cents to the Komen Foundation for each yogurt lid it receives from customers, with a guaranteed donation of \$500,000 and a cap of \$1.5 mn. Not to be outdone, Wacoal, a maker of bras and shapewear for women, shares information about early detection techniques for breast cancer and donates \$2 every time a woman is fitted for a bra during the company's Fit for the Cure events, with a promised minimum donation of \$250,000. In addition to enjoying excellent exposure to a key consumer base, these companies can bask in the glory of being associated with a worthy cause and obtain valuable demographic information in the process.⁶

Also partnering with Komen on the \$1 mn level is BMW, which is donating 80% of the proceeds from its Pink Ribbon Collection of watches, T-shirts, bags, and notebooks to the Komen Foundation. Rounding out the Komen sponsor list are more than fifty other businesses that have each pledged \$100,000 of financial support

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³ R. Phillips, "The Corporate Community Builders: Using Corporate Strategic Philanthropy for Economic Development," *Economic Development Review*, 2000, vol. 17(1), 1-7; J. Marconi, *Cause Marketing: Build Your Image and Bottom Line through Socially Responsible Partnerships, Programs, and Events* (Chicago, 2002).

⁴ Cone/Roper, *Cause Related Marketing Trend Report: The Evolution of Cause-Related Branding* (New York, 1999), 18.

⁵ http://www.ameren.com/WARMNEIGHBORS/ad_c_WarmNeighborsHomePage.asp.

⁶ <http://www5.komen.org/partners/partnersponsors.html>.



in exchange for being associated with the cause, as well as many businesses with lower contribution levels. Anyone who doubts the lure of breast cancer awareness as a marketing tool need only visit any department, grocery, or drug store during the National Breast Cancer Awareness Month each October. The sheer number of manufacturers who adorn their products with pink ribbons and offer to donate a share of their sales to the cause is astonishing.

As new technologies emerged, cause marketing efforts have followed. One example is the giving malls that have sprung up on the Internet during the past decade, catering to customers who prefer to spend their money with businesses that do good. For example, iGive.com, links customers with more than 700 affiliated merchants willing to donate anywhere between 0.4% to 26% of every transaction to over 24,000 nonprofit groups selected by registered iGive members. The chance to be associated with a good cause is not lost on retail giants such as Amazon.com, L.L. Bean, Barnes & Noble, Office Max, eBay, and Dell. During its first nine years of existence, iGive.com distributed nearly \$2 mn to charitable causes. But, as iGive itself acknowledges, the arrangement is more than shopping for a cause, because members have access to exclusive coupons, free shipping deals, and sales alerts.

Although it is difficult to assess the level of consumer participation in the many cause-related efforts, consumers report a high degree of satisfaction. A Cone/Roper study conducted in 1993-94 found that 84% of respondents had a more positive image of a company if it did something to make the world better. In addition, 78% of adults said that they would be more likely to buy a product associated with a cause they cared about, 66% would switch brands in order to support a cause they found to be important, 62% would switch retail stores to support a cause they believed in, and 64% thought that cause marketing should be a standard part of a company's activities. The impact of cause marketing was found to be strongest on people who had attended at least some college and earned more

than \$30,000 annually. A follow-up survey among young people conducted in 2006 showed an even stronger consumer endorsement of cause marketing, with 89% of those interviewed indicating a preference for a brand associated with a good cause if the product did not differ in price and quality from that of its competitors, and 83% claiming to have more trust in a company that came across as socially and environmentally responsible.⁷

Cause Marketing: Who Really Benefits?

At first glance, cause marketing appears to be a win-win situation for businesses and nonprofits alike. The latter are able to obtain the funds they need, while the former get to reap the benefits of performing good deeds. Judging from the increase in cause marketing, it seems businesses have clearly embraced the concept, and few charitable organizations are turning

nonprofits, cooperation can generate free publicity and many PR opportunities, thus saving advertising and promotional expenses for the business involved.

In their eagerness to reach and impress affluent consumers, companies have started to poll this group in order to determine their charitable preferences and, consequently, where to focus future cause marketing efforts. In February 2006, for example, the Luxury Institute, a research group that claims to be the sole independent voice of the wealthy consumer, surveyed households with more than \$5 mn in personal wealth and \$200,000 in annual income to identify their favorite nonprofit organizations. Habitat for Humanity, America's Second Harvest, and St. Jude's Hospital topped the list, followed by numerous health- and research-related charities.⁸ Nonprofit groups that serve a valid social function but fail to fit a corporate pro-

Relying on a market-driven system in which support for social causes hinges on whether they can complement a sales message leaves much to be desired and gives business too much power

the private sector away. This does not mean, however, that the practice of merging marketing and social causes is without problems. While cause marketing can do a wonderful job of collecting funds for the affiliated nonprofit organizations, it should not be forgotten that charities in desperate need of funding may venture into partnerships that are far from equal and may even have the potential to cause more harm than good. Because cause marketing is an attempt to increase a firm's return on its investment, it goes without saying that causes are not always selected on the basis of the potential good that can be achieved; rather, the focus is often on the free publicity and increased sales that a particular affiliation might bring to a company. In fact, and this is particularly true when it comes to business alliances with the larger

file or to appeal to the customer groups that businesses want to reach risk being ignored, while causes that serve as better marketing vehicles may receive a disproportionate amount of interest. Relying on a market-driven system in which support for social causes hinges on whether they can complement a sales message leaves much to be desired and gives business too much power. All too frequently, the true nature of a business's contribution is not explained to the public. How, for example, is a portion of the profits translatable into dollars and cents for the cause, and who benefits more from a transaction, the business or the nonprofit organization?

⁷ Cone/Roper; <http://www.causemarketingforum.com/page.asp?ID=473>.

⁸ <http://www.causemarketingforum.com/page.asp?ID=434>.



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Product Red, a cause marketing campaign launched in the fall of 2006, illustrates some of the problems. The explicit goal behind the Red campaign is to raise money to alleviate AIDS, tuberculosis, and malaria in Africa through a British-based nonprofit organization called the Global Fund. As corporate partners in Product Red, companies such as Motorola, Armani, Apple, the Gap, and American Express have designed specific red or red-labeled products and donated some of the net profits from the sale of those items to the cause. While clearly helping the Global Fund, this strategy is also beneficial to the companies involved. Even with its donation of 50% of the profit from the sale of iRedi T-shirts and cashmere bikinis (priced at \$100), the Gap clears a nice profit for itself, as do the founding partners who have pledged a lesser percentage of profits from the sale of their specially designed iRedi items to the Global Fund.

In October 2006, the musician and philanthropist Bono, a Product Red cofounder, appeared on the Oprah Winfrey Show to launch Red in America. For the better part of the hour-long program, viewers followed Oprah and Bono as they shopped at the Gap, Apple, Motorola, and Armani stores along Michigan Avenue in Chicago, where a gushing Oprah bought several items. Although it is impossible to estimate the publicity value of product placements on such a highly rated show, it is safe to say that the media exposure exceeded the cost of donating a percentage of the profits from Red product sales to charity. Within its first year, the campaign was reported to have raised a total of \$18 mn for the Global Fund. This, however, paled in comparison with the estimated \$100 mn that the Gap, Motorola, and Apple combined had spent to publicize their participation in the campaign. Although spokes-people for Red dismissed the numbers as inaccurate, they failed to produce convincing evidence to the contrary, and the Gap and Apple declined to com-

ment. At the time of this writing, the Red campaign had raised more than \$59 mn for its causes.⁹

The Commercialization of Philanthropy

One of the problems associated with cause marketing is its tendency to commercialize the philanthropic process. Many consumers now limit their philanthropic involvement to the cash register, believing that by purchasing products that generate charitable donations, they are doing enough to contribute to social causes. This makes nonprofits even more eager to get a piece of the action. One of the latest trends in the world of cause marketing is the presentation of workshops for training nonprofits on how to market themselves to poten-

teen pregnancy, incest, child abuse, sexually transmitted diseases, drug abuse, and alcoholism are serious social problems worthy of attention. But while corporate sponsors flock to mainstream causes such as the Komen Race for the Cure and Product Red, few of the more controversial causes attract cause marketing partners. Quite often, however, those controversial charities conduct pioneering work of great importance.

Thus, it is wise to question whether the practice of hinging important social causes on the vagaries of marketing is a sustainable strategy and a tool for social change and justice. By transforming generosity, compassion, and charitable inclinations into a well-functioning branding strategy, companies have arrived

Product marketers have traditionally sought an audience of (white) middle- or upper-middle-class women and have avoided controversy at all costs, acting on the assumption that certain emotions put consumers in a purchasing mood and others serve as a deterrent

tial businesses partners. The Cause Marketing Forum, a leader in cause marketing circles, offers a step-by-step guide to help nonprofit organizations make themselves more attractive to business partners. Thus, it is no longer a matter of business looking to do good, but of nonprofits, desperate for funding, trying to appear good in the eyes of business. Adding to the challenge is the corporate quest for nonprofit partners that can deliver a demographically desirable audience.

Product marketers have traditionally sought an audience of (white) middle- or upper-middle-class women and have avoided controversy at all costs, acting on the assumption that certain emotions put consumers in a purchasing mood and others serve as deterrents. Following this line of reasoning, it is easy to see why a more controversial nonprofit group may fail to attract sponsors, while a well-established and less controversial cause may attract many. Few can deny that problems such as

at a very successful business formula. They will probably continue to use cause marketing as long as it proves politically and financially profitable. In fact ñ and this might be particularly troubling to those who question this approach to philanthropy ñ cause marketing works well within the legitimate parameters of corporate behavior, and any CEO worth his or her salary has an obligation to explore this form of marketing if it has the potential to benefit the bottom line. The best approach for critics is thus not to shame or scare individual companies away from using this approach, but rather to pick the uphill (but not impossible) battle of changing the laws that have transformed social causes into PR vehicles for business. ☺

Note: This article is a revised and updated version of iPhilanthropy as Public Relations: A Critical Perspective on Cause Marketing, i *International Journal of Communication*, vol. 2, 2007.

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⁹ A.M. Eikenberry, iThe Hidden Cost of Cause Marketing, i *Stanford Social Innovation Review*, 7 (3), Summer 2009, 51-56.



Surprising Facts About Prototypes

Protracted Innovation

Media depictions of a single, perfect prototype presented with fanfare to clients at the end of the innovation cycle misrepresent the purpose and value of prototypes. Quick, inexpensive, and highly visual prototypes should instead be routinely used to promote a dynamic, ongoing conversation within and outside the corporation to elicit emotional responses, discovering and articulating customer needs, and engendering additional valuable innovation ideas. This article asserts that employees at all levels should routinely be prototyping every potential product, service, idea, or environment. Similarly, corporate leaders need to expand their vision and use of prototypes to gain an insight into much-needed organizational capabilities, future products, services, and ideas and areas of expansion that may enhance corporate viability and profitability.

To survive and thrive in the hyper-competitive global marketplace, corporations need to produce a steady stream of innovation. Failure to consistently innovate almost always leads to a quick trip to the auction block or sudden death for the organization. Key reasons that global leaders innovate include their goals to harness discontinuities; discover and correct faults with current products or services; understand unarticulated needs; take advantage of latent opportunities missed by others; and extend the utilization of an existing successful product, service, idea, or environment.

Innovation is driven by new and fresh ideas. Perhaps the most important tool for finding and developing these new and fresh ideas is the pro-

tototype. What is a prototype? Sitting in front of a television, viewers would likely have witnessed a prototype depicted as a single, perfect model shown at the end of the innovation cycle. The presentation to a client is accompanied by great fanfare. Someone lifts a bright red cloth, dozens of cameras flash, and the crowd cheers wildly as what is called a prototype is revealed. Unfortunately, that depiction is not only laughably inaccurate, it completely misrepresents the use of prototypes. A prototype is defined as any primitive experimental facsimile of a proposed product, service, idea, or environment that is used to communicate, develop, and test ideas. Successful prototypes possess six key characteristics: they are visual (two- or three-dimensional); they are

inexpensive and developed very rapidly; they are intentionally rough; they are openly shared with others; and they are rapidly revised. This article is about prototypes, and ten facts about prototypes that readers might find surprising.

Surprising Prototype Fact #1

Prototypes are not meant to demonstrate a chosen final idea, but are instead used to generate many potential ideas. They are integral tools in the design process, not a result of it. The fundamental goal of prototyping is to generate as many alternatives as possible. Prototypes are not built to answer questions; instead, they engender the necessary conversation to generate the right type of questions. As a rule, successful innovators do not look for complete answers. Instead, fragments of information uncovered during early prototyping may be recombined and extended into new prototypes to even more closely match the market needs.

The prototyping process is highly visual. Experimentation must become a continuous process through which new and unforeseen ideas bubble to the surface for consideration and are immediately portrayed in two- or three-dimensional form. Translating ideas into visual form is an important first step in turning them into reality. Though often only marginally comparable to the proposed finished product, prototypes allow people to engage in visual thinking. Using prototypes helps participants to intentionally engage imprecise abstract concepts to more ef-



fectively imagine, explore, and ultimately choose new ways to meet needs. Prototypes move the abstract to the tangible and allow people to think out loud. A result of the sharing of prototypes is to develop concepts for participants, who then actively reconfigure the existing prototype or develop completely new prototypes.

One example is the highly productive innovation factory of Thomas Edison in Menlo Park, New Jersey. Edison and his staff used simple visual prototypes to encourage changing patterns of thinking. In brief, they raced to translate every new idea into a sketch, no matter how crude. Literally thousands of design sketches for potential new products may be found in the Edison Archives. Drawing allowed Edison employees to share nonverbal concepts visually, manipulating these intellectual building blocks to mentally construct devices that did not yet exist.

Perhaps the most important benefit of prototypes is that they encourage people to temporarily suspend reality to access inspiration and expansive new insights, to try on a multitude of possibilities, and to ultimately revise their thinking about a particular subject. Playing with prototypes allows a necessary escape from industry or corporate tradition and orthodoxy and opens up new discoveries. Prototypes promote the

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idea that anything is possible. In this regard, instead of a specification-driven prototype, the result is prototype-driven specifications.

Surprising Prototype Fact #2

The ultimate purpose of prototypes is to encourage an ongoing conversation with customers. Every successful corporation is in love with its customers and knows a great deal about them. Organizations want to move quickly and effectively from intimate customer knowledge to cost-effective solutions to meet customer needs. Every innovative idea starts and ends with a current or prospective customer in mind.

That leads us to an important problem. While organizations want

utilized to elicit emotional responses and possible ideas from current and prospective customers, suppliers, and competitors. The fundamental value of a prototype is not in the artifact itself, but in its ability to catalyze analysis and interactions. In effect, prototypes answer no questions, but they are essential for the ignition of the conversations that ultimately do. Prototypes incite new questions, indicate possible future directions for research, and test new ways to meet consumer desires.

Customers should not be merely the final recipients of elegant finished prototypes and completed corporate innovation: they must be co-creators and constant critics of a steady stream of prototypes willingly shared

The use of higher fidelity prototypes to determine role has several significant downsides. In addition to the added cost and an inability to be rapidly altered, higher fidelity prototypes distort the much-needed feedback from employees and customers

to fulfill customer needs and desires, it's not always easy to determine what those needs and desires are. In many instances, customers may not be aware of their own needs and aspirations, cannot reliably express them, or may deem them irrelevant, insignificant or embarrassing. Traditional forms of market research aren't of much help. Extensive statistical market research reports, in-depth focus groups, and customer surveys have been found to yield less and less useful information. Most market research methods are inherently incomplete because research subjects are generally imprecise communicators, often using verbal shorthand, metaphors, body language, and facial expressions that can provide ambiguous information. In addition, markets and products that do not yet exist are impossible to analyze.

Corporations must look beyond what customers say they want and instead develop what customers show they need, and this is where prototypes come in. Prototypes are

by corporations. Successful innovators view customers as eager collaborators in the design process; willing participants in the formulation of specifications for and review of many prototypes; and champions of finished products, services, or ideas to other prospective customers. Much of creative thought is not easily reducible to words; its language is an object or a picture or a visual image in the mind. Through the use of prototypes, successful innovators gain special insight into customer frustration, friction, anomalies, faulty assumptions, and pieces of information that just don't seem to complete any puzzle.

Here's a very simple example: When a chef in a restaurant comes up with a recipe for a new and unusual dessert, he doesn't immediately put it on the menu. First, he makes some of the dessert and gives away samples to customers to learn whether they like it, and what suggestions for improvement they might have. Corporations must similarly provide a steady



stream of prototypes to customers to ask what they would change if they could, until they ultimately receive what is called a "hot yes" from customers.

Surprising Prototype Fact #3

A failed prototype is highly useful to the innovation process. In essence, there is no such thing as a failed prototype, as long as you learn something from it. Prototypes rapidly clarify what should and should not be pursued, and numerous failed ideas are typically abandoned or reconstituted as customers provide feedback in the process of finding the best alternative. What some might consider to be failed prototypes still provide powerful clues to the direction of the next steps in innovation.

As an example, a small East Coast Bank had worked unsuccessfully for months to develop a new product for their small business customers. They seemed to get nowhere in developing this product until they decided to employ a prototype. Using his children's colored pencils, a banker drew out the proposed product on brown butcher paper and hung it in the bank lobby. As small business customers entered they were given a cup of coffee and a crayon, and asked to alter the drawing of the proposed product. In four days the customers vigorously marked off two-thirds of the product as being unnecessary, and added a number of new features they really desired. The bank initiated the revised product with great success. Was their marked-up prototype a failure? Their improved earnings would say that it was not!

Surprising Prototype Fact #4

Prototypes are very inexpensive to make. You may have seen the very expensive machines that can push out a solid, three-dimensional plastic prototype in a matter of minutes. I'm not sure I would call those a prototype. Perhaps a better word would be a "model." True prototypes may be constructed using a wide variety of inexpensive media, including sketches on paper, newsprint, cardboard, foamcore, videos, digital pic-

tures, storyboards, bubble-charts, mindmaps, construction paper, duct tape, exploded diagrams, computer renderings, clay carving, spreadsheets, process maps, simulations, PowerPoint presentations, rubber bands, Post-It[®] notes, virtually any simple visual representation that helps people to better understand where lack of clarity yet exists. Prototypes range in size from an item that can easily be held in your hand to a model the size of a building. Useable rough paper prototypes may be rapidly produced and subsequently modified by employees who possess neither artistic nor ethnographic abilities.

Quick, inexpensive prototypes played an important role in the discovery of DNA, an important building block of life forms. In 1952, molecular biologists James Watson and Francis Crick ordered precise metal

crude cardboard prototype led to the Nobel Prize for Watson and Crick, and a revolution in the biosciences.

Surprising Prototype Fact #5

Quick, ugly prototypes are more useful than elegant prototypes. That's right: as long as they are legible, simple, rough, somewhat messy prototypes are more useful than refined, elegant prototypes. Why? Users—especially non-technical ones—are often more comfortable and honest when viewing a rough or unpolished prototype. By conveying the message that it was developed in a matter of minutes, if not seconds, rough prototypes signal that they were designed with the clear intention of inviting informal suggestions, criticisms, and changes. Rough approximate prototypes encourage people to revise their thinking about a particular subject and to try out a multitude of possi-

A small East coast bank had worked unsuccessfully for months to develop a new product for their small business customers. They seemed to get nowhere in developing this product until they decided to employ a prototype

prototypes to be completed by the college machine shop at Cambridge. Not being the patient type, Dr. Watson made crude cardboard cut-outs of the four DNA bases, called adenine, thymine, guanine, and cytosine. Casually playing with the cardboard prototype, Watson continually attempted to fit the model together, with no success. After a brief interruption by a colleague, Watson looked at the cardboard prototype on his desk and suddenly noticed that an adenine-thymine pair lined up on his desk was identical in shape to a guanine-cytosine pair. Immediately he saw how these could be the equal steps of DNA's spiral staircase. Because the sequence of bases on one chain perfectly matched its opposite on the other, when the chains separate, each is the precise template for a new chain of exactly matching sequence. The ideas imparted from the

roughness of prototypes transforms them from a medium that answers questions into one that encourages new questions. Quick, inexpensive, rough prototypes allow designers to continually incorporate ideas from customers and make new prototypes. For example, an industrial electronics firm cobbled together a rough cardboard model of a proposed future product. Carrying the hand-held prototype around the floor of an industry trade show, corporate employees showed it to customers and asked for their suggestions. The company received literally hundreds of specific suggestions on functionality and packaging, which ultimately resulted in the development and production of a number of new and highly profitable products.

The term "fidelity" refers to how closely a prototype resembles and functions as the proposed final prod-



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uct, service, process, or idea. To determine the needed degree of prototype fidelity, it is important to know the intended audience and what is expected of the prototype. In essence, prototypes fill one of three functions—prototypes serve to determine the role, the look and feel, or the implementation of a particular product, service, process, or idea. The development of any product, service, process, or idea should occur sequentially as role, look and feel, and implementation. In general terms, prototypes used to determine the role (what it should ultimately accomplish) should be of the lowest fidelity. Low fidelity paper prototypes provide a wealth of opportunities to discover what customers want and, conversely, what they don't want. The minimal investment and extreme malleability of prototypes dominate the early ideation stages because they allow wide exploration of role options

used only later in the design process to determine the look and feel, and implementation.

Surprising Prototype Fact #6

Prototypes reduce organizational risk. From where within your organization do the ideas for new products, services, processes, or environments come from now? Most likely, from employees gathered around a conference room table buried deep within the organization. Isn't that a little risky? It is not possible to remove all elements of risk from corporate innovation programs. Fear of risk related to innovation often causes corporations to over-invest in the past and to tilt innovation toward incremental changes in existing products rather than radical new products, services, processes or environments. Risk may be substantially reduced, however, through the

corporations have learned that, as risky as innovation is, not innovating through the use of prototyping is far riskier.

Surprising Prototype Fact #7

Every product, service, process, and idea should be prototyped. Because everything is and should be open for innovation, everything is likewise open to some form of prototyping. Although most often people think of product prototypes, it is equally important to prototype service offerings, process technologies, and enabling technologies. For example, firms may inexpensively prototype new usages of existing financial, human, and real assets to determine more efficient and profitable utilization scenarios. Proposed changes in facilities, policies and procedures, advertising, product line extensions, reporting relationships, operating instructions, product pricing, distribution channels, etc., all lend themselves to prototyping. Prototyping should be considered in at least ten specific corporate areas, including the business model, networking, enabling process, core process, product performance, product system, service, channel, brand, and customer experience. Organizations may easily remove unnecessary constraints to innovation if they will but first expand their view of what constitutes a prototype.

Surprising Prototype Fact #8

Prototypes help organizations see the future. In corporate terms, peripheral vision is the ability to sense, record, interpret, and act on fragmentary, oftentimes ambiguous information that foreshadows possible future changes in technology, channels, and consumer behavior. Astute organizations that are able to tune in to these far-off, fuzzy, intermittent signals gain critical information and competitive advantage faster than those who wait for it to arrive in a neat, orderly bandwidth. The regular use of rough prototypes with employees and customers provides a viable method for rapidly clarifying and prioritizing critical clues about potential future business.

The use of higher fidelity prototypes to determine role has several significant downsides. In addition to the added cost and an inability to be rapidly altered, higher fidelity prototypes distort the much-needed feedback from employees and customers

and the highest returns on investment of time and staff resources. The use of higher fidelity prototypes to determine role has several significant downsides. In addition to the added cost and an inability to be rapidly altered, higher fidelity prototypes distort the much-needed feedback from employees and customers. High fidelity prototypes are more difficult to construct: they restrict employees to less fully explore the possible design space and often prematurely find their way into the final system. When exploring role, higher fidelity prototypes unintentionally signal that the ideation process is essentially complete and automatically cause customers to focus on the look and feel requirements rather than role. In effect, the premature use of high fidelity prototypes causes valued customer respondents to believe that they have only a vote, rather than a voice, in the design. Higher fidelity prototypes should be

regular use of low-cost experimentation via prototypes. When prototypes are actively and consistently shared with customers, user satisfaction is determined at the prototype stage rather than during or after the final development of the product, service, idea, or environment.

With significant effort, Apple Inc. CEO Steve Jobs was convinced to build a full-sized prototype of the proposed Apple Store inside a warehouse near the Apple campus in Cupertino, California. Observations in the full-scale prototype by Apple staff members revealed significant design flaws. After a redesign effort that required an additional nine months, the actual stores opened to great success across the US. Without the use of a prototype, the problems probably would not have been discovered and the Apple Stores may not have been the resounding success that they are today. Successful



Using prototypes helps companies and customers to experience a possible future in tangible ways ahead of competitors.

As an example, one church noted an increasing number of people attending its small group dedicated to recently-divorced people who were having a difficult time coping with the many issues related to divorce and their families. The church then added staff specifically to assist those recovering from divorce. Attendance and membership in the church increased dramatically, due largely to an influx of those who had sought counseling in the church. The church routinely adds and eliminates specialized small group meetings and uses them as prototypes to see where it should focus its attention in the future.

Surprising Prototype Fact #9

Prototypes help build teams and internal focus. Innovation cannot oc-

cur unless new combinations of ideas. Research has shown that corporate stakeholders who participated in the prototyping process exhibit dramatically higher levels of support for the final design than those who did not, and confidently implement a prototyped design for the intended audience.

At their Marysville, Ohio manufacturing facility, Honda Motor Company decided to initiate a significant redesign of an assembly line to make it more efficient. Rather than hire an army of costly consultants, Honda handed the blueprints of the line to their line employees. Working together in self-initiated teams, the employees sketched in their proposed changes and chalked the changes onto the floor of the assembly line. Heavy equipment cranes were brought in over a weekend to make their proposed changes, and on Monday morning, the considerably more efficient assembly line opened for business. Openness and

employee in every type of organization should be routinely prototyping.

Ford Motor Credit Corporation developed facility plans for a new call center. As a courtesy, corporate planners briefly handed over the blueprints to hourly workers for a cursory review, and were surprised when the employees provided a completely new and significantly different proposed plan in the near term. The plan provided by the employees was accepted and constructed.

Conclusion

Innovation is absolutely essential to organizational survival. Superior, protracted innovation guided by prototyping provides opportunities for companies to grow faster and better than their competitors, and to successfully influence the direction of their industry. Rough prototypes of every product, service, idea, and environment developed by employees are important tools of innovation. Prototypes are useful mechanisms to communicate with customers to find out what they really want and need. The production of many, cheap, unfinished prototypes encourages an explosion of new ideas, and inexact prototypes are useful, as long as they bring organizations closer to the solutions they are looking for. Constant prototyping that ignores industry orthodoxies encourages insight into needed organizational capabilities, plausible future products and services, and even entirely new areas of expansion for the corporation. An accurate measurement of progress in innovation in modern organizations is the speed and extent with which prototypes of concepts and ideas are developed and shared between employees and customers. The future success of global businesses will pivot on their ability to capture and portray new ideas, and the capabilities and rabid tenacity necessary to turn them into reality. If organizations want to survive and thrive in the future, they need to be prototyping today! 🚀

Reference # 03M-2009-09-07-01

Working together in self-initiated teams, the employees sketched in their proposed changes and chalked the changes onto the floor of the assembly line

cur unless new combinations of ideas are communicated from one person to another, and prototypes are a tangible method for doing so. Prototyping is not only a valuable tool for developing effective products, services, processes, or environments: it is also helpful for building teams within the organization. Prototypes focus a corporate team around an evolving concept and provide them with a tangible model that clarifies related problems and possible solutions. Prototyping is an essential core competency of the radical innovation team, the lingua franca of the innovation process. Because prototypes are remarkably easy to create, use, and modify, development teams focus on critical issues far earlier in the project and are more flexible and willing to try new

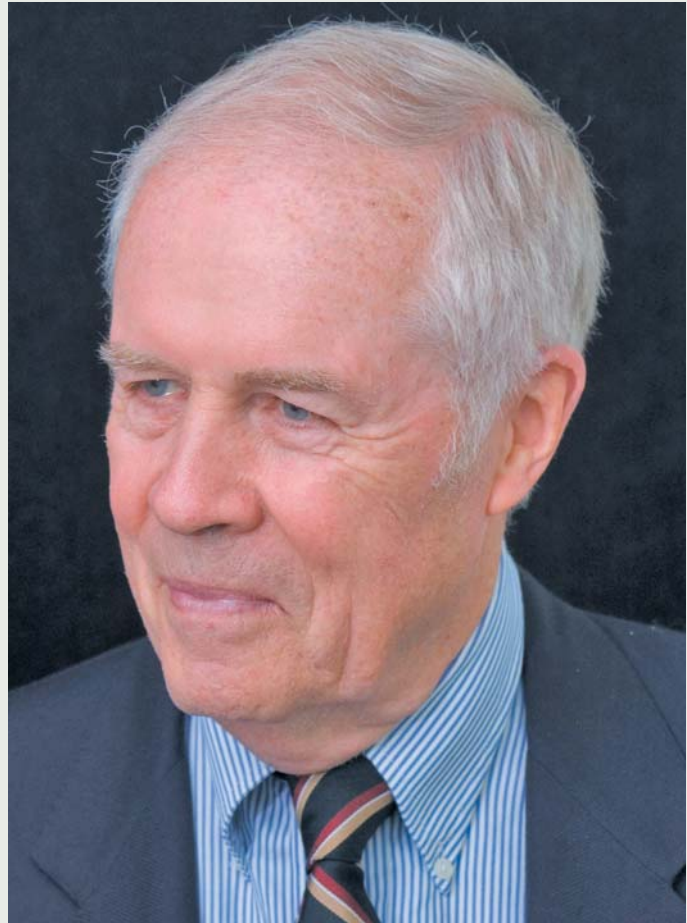
the routine sharing of information gained from prototyping is the *sine qua non* of innovative corporations, and require a culture of trust, respect, and curiosity.

Surprising Prototype Fact #10

Prototypes are not just for the R&D team, but for everyone in an organization. The development and effective utilization of prototypes need to be the core competency of the organization and a primary mode of thinking and operating for employees. The future success of global businesses will pivot on their ability to capture and portray new ideas, and the capabilities and rabid tenacity necessary to turn those prototypes into productive reality. With minimal instruction, every em-

The bottom line is that the techniques employed in creating the messages in Social Marketing (produced and distributed solely by a government agency, NGO or non-profit) and Cause Marketing (the product of a corporate-cause partnership) are exactly the same. The differences are in the areas of funding and distribution.

– Richard M Earle



➤ **A word about The Regis Group, Inc.**

For a number of years I was an Executive Vice President, Group Creative Director at the advertising agency Saatchi & Saatchi in New York. I had created or supervised advertising for over 50 national and international brands. However, in addition to these, I regularly sought out assignments in the public service arena. I always found those to be my most satisfying projects. So I decided to leave Saatchi & Saatchi to devote most of my time to the marketing of social causes. I founded a small consulting Group called Greenbranch Enterprises. I quickly discovered how the techniques of product and service advertising must be changed and adapted to deal with serious social causes. It was then that I decided to write my book, to share with other practitioners the techniques I had developed and some cautions I encountered.

I was approached recently by an old friend, Marc Chinoy, to join his consulting group, The Regis Group, Inc. Marc is a world-renowned planner and facilitator, who is very committed to social causes. He has recruited a group of like-minded and very experienced associates, that consult in a number of fields, including health care, education, law, marketing and branding, and now, social-cause marketing. (<http://www.regisgroup.com>)

➤ **As the author of a best-selling book on cause and social cause marketing, *The Art of Cause Marketing*, can you take us through the contents and intended purport of your book?**

The subtitle of my book is *How to Use Advertising to Change Personal Behavior and Public Policy*. In product or service advertising, the goal is simply to make a sale. The construction of an advertising strategy (creative brief) is quite straightforward. You define your

target, select a benefit, describe some support points, and identify a tone and style that can readily reach your target.

Social or cause marketing has a more sophisticated objective: the changing of deeply ingrained behavior or beliefs. The definition of the target must be a very detailed analysis, including their psychological makeup. The tone and style must be carefully considered, so that you speak meaningfully to that target. And the desired action must be clearly spelled out and readily accomplished.

There are many pitfalls and cautions to be considered when preparing a social or cause marketing campaign. These must be avoided, or you may actually do some harm. I have tried to spell out all these issues clearly and succinctly in my book.

➤ **What is social-cause marketing? What is the intended objective? Why should companies commit their shareholders' money for so-**

cial issues? Or is it to do with the company's values? Do you see an inherent contradiction between the two words "social" and "marketing"?

I believe that this would be a good place to define some terms. Years ago, when I worked on cause campaigns at various agencies, they were called Public Service Ads (PSAs). Mostly, they were under the supervision of the Advertising Council (the best-known was the "Crying Native American" anti-littering campaign for Keep America Beautiful.) They were given "pro bono" media placement, which means that they were aired or placed free of charge, by media outlets who were charged by government regulators to devote a percentage of their schedules to PSAs.

As I started writing my book, I used the term PSA. My working title was: "Pro Bono." But by that time, the pro bono requirement for PSAs had been removed, so many cause campaigns were using paid media. Therefore "Pro Bono" was no longer appropriate. An experienced copywriter who reviewed some of my early drafts told me: "What you're writing about is Cause Marketing." So the title became *The Art of Cause Marketing*. As I got close to a final draft, I first encountered the term "Social Marketing" in the trade press. I asked my editor if we should change the title. We both agreed that "Cause Marketing" was still clearer. But we also used the term Social Marketing throughout.

I was invited to speak at a Social Marketing conference, where I met

Philip Kotler, Distinguished Professor of International Marketing at the Kellogg School of Management at Northwestern University, and probably our most prolific writer of advertising and Social Marketing text books. Phil, a very pleasant man, claimed to have coined the term "Social Marketing." He also said that in the "naming" discussion "Cause Marketing" was a close second, and was almost selected. Shortly after, "Cause-Related Marketing" (CRM) became the widely used term for corporate-cause partnerships and ultimately was shortened once again to Cause Marketing. Recently the term Social-Cause Marketing has appeared, and it also refers mainly to CRM campaigns. The bottom line is that the techniques employed in creating the messages in Social Marketing (produced and distributed solely by a government agency, NGO or non-profit) and Cause Marketing (the product of a corporate-cause partnership) are exactly the same. The differences are in the areas of funding and distribution.

The value to a company and its shareholders of a cause-related campaign in support of social issues has been well documented. In a report published by the Boston research firm Roper Starch Worldwide and Boston cause marketing firm Cone Inc., employees in cause-related companies score 30-50% higher on categories like "I feel a strong sense of pride toward my company's values" and "I feel a strong sense of loyalty to my company." In my opinion, the most effective Cause Marketing campaigns are

often those sponsored by companies with a strong corporate value system. Many times, the CEO or another top executive has a personal connection to the cause, perhaps through a family member or close friend. And no, I see no contradiction between the terms "Social" and "Marketing." It is a more sophisticated form of marketing. But it is still marketing.

➤ Why is Social-Cause Marketing important in present day scenario? What are the origins of Social-Cause Marketing? Is this similar to Cause-Related Marketing (CRM)?

The two terms both refer to CRM. And it is extremely important today. The time of abundant free media donated to PSAs is over. As social marketers become more sophisticated, they are discovering the need to target more tightly-defined demographics. These are not predictably reached via free media, which is scheduled at the whim of the media outlet, usually in the back pages, or aired at 3 in the morning!

And as paid, precisely-targeted internet placements increasingly replace the traditional broadcast media and declining print publications, CRM is one of the few ways that financially-strapped non-profits can be certain to reach their targets. They need a corporate partner with deep pockets.

The origin of cause-related marketing is generally attributed to American Express. Their 1984 campaign to raise money for the foundation formed to restore of the Statue of Liberty in New York harbor by allocating a small por-

Richard Earle is a Senior Associate with the Regis Group, Inc. of Leesburg, VA, specializing in Cause Marketing, Branding, and Advertising Evaluation. He has over 30 years experience at US advertising agencies including Doyle Dane Bernbach, Grey, and most recently, Saatchi & Saatchi, New York, where he was Executive Vice President, Group Creative Director. He wrote major campaigns for Procter & Gamble, Johnson & Johnson, and Revlon, and created advertising for over 50 national brands. He also created or supervised a number of award-winning public service campaigns, including the first national anti-drug campaign for NIMH, and the Keep America Beautiful 'Crying Indian' series.

Earle has recently served as advertising and branding consultant to public interest organizations such as Mass. Department of Public Health; Mass. Council on Compulsive Gambling; One Change, SmartPower, and the Clean Energy Group. He has done advertising evaluations for the California Energy Efficiency Campaign, the University of Toronto, and the US Office of National Drug Control Policy. He is a frequent lecturer on Cause Marketing and Branding at corporate and organization conferences.

A graduate of Amherst College, he is currently an Instructor at the Harvard School of Public Health where he teaches a course titled "Designing a Social Marketing Media Campaign," and is the author of the book *The Art of Cause Marketing: How to Use Advertising to Change Personal Behavior and Public Policy*. Richard Earle is a past President of the National Coordinating Council on Drug Education, the Arts North of Boston Alliance, and is currently the President of the Cape Ann Symphony in Massachusetts.



CFA

tion of each credit card charge to the cause was very successful. I clearly remember watching from the roof of our loft building in lower Manhattan as the parade of tall ships from all over the world sailed down the Hudson River past the restored statue, in celebration of that event!

However, Cone Inc. claims to have invented the category a year earlier, with a campaign in support of the health benefits of walking, on behalf of a client with an appropriate fit Rockport Shoes. From those early days, the growth of CRM has been widespread.

➤ **Can you give us a few examples of highly successful global Social-Cause Marketing initiatives? What can be the insightful perspectives for marketers and brand managers from these initiatives?**

Avon, the global cosmetic and jewelry manufacturer, has a female customer base. And Avon is the regular sponsor of the women's Breast Cancer 3-Day races throughout the US. They expanded this program globally in 2005, with The Avon Walk Around the World for Breast Cancer. They also market Pink Ribbon products, such as jewelry, cosmetic cases, etc., with a specified portion of the purchase price earmarked for breast cancer research. This is an ideal CRM partnership, since the corporation and the cause have the same female target, and they can also easily place a cause-related item in their product line.

Another example of a cause-related partnership that has a high fit between cause and corporation has been formed between global appliance manufacturer Whirlpool and Habitat for Humanity, the cause founded by former US President Jimmy Carter that uses community volunteers to build or renovate homes for the poor. The relationship between Habitat and Whirlpool goes back to 1999. They donate a range and an energy-efficient refrigerator to every home Habitat builds. Over 73,000 have been placed by Whirlpool. They will expand this program globally by 2011.

In addition, thousands of Whirlpool employees have contributed their time and skills to helping build Habitat homes. The partnership between a major home appliance manufacturer and homes built to benefit the homeless is ideal. And the employee involvement factor is an important added plus. Whirlpool stresses employee community volunteerism globally.

A Whirlpool study in the US indicated that being socially responsible scored in the top five out of fifty possible drivers for brand loyalty among key consumers. Since the start of the campaign, sales were up 39%, while brand loyalty almost doubled. At the same time, Whirlpool's likeability index rose an amazing 154%.

A third campaign which I consider highly successful is one undertaken by ConAgra, the second-largest food producer in the US, whose partnership with the hunger-relief organization Feeding America (formerly Second Harvest) for over a decade has distributed food through its Kids Cafes, Community Kitchens, and other facilities to over 25 million hungry Americans, 9 million of whom are children.

What makes these three campaigns successful and therefore particularly relevant to marketers, is the fact that they are all high fit collaborations, with the cause being very appropriate to the corporate partner.

➤ **Do you consider social marketing to be an effective tool in influencing the buying behavior of the customer? If it succeeds, what is the longevity of this marketing approach?**

The Cone-Roper report states that upscale Americans are more likely to switch brands (79% vs. 65% national average), and 68% would pay more when a product is associated with a good cause. A 2002 Cone Corporate Citizenship Study reported that 84% of Americans said they would be likely to switch brands to one associated with a good cause, if price and quality are similar. I believe that a good campaign can have substantial longevity. Its viability can be determined by periodic market research.

➤ **What is the difference between a Social-Cause Marketing initiative and a Corporate Social Responsibility initiative, after all?**

The difference is this: one is a partnership, with the cause partner supplying the reputation, the organization, and the detailed knowledge of the issues involved, and the corporate partner providing the funding and some expert marketing infrastructure, including the ability to make the best and most efficient media buy. On the other hand, a Corporate Social Responsibility initiative is completely the responsibility of the company. I strongly prefer the cause-related partnership because of the synergism between partners.

That having been said, I generally advise potential cause partners to do extensive due diligence when they approach a cause-related association. There are corporate entities out there in desperate need of image-burnishing, seeking to ally themselves with a respected cause, for their halo effect. A leading tobacco company in the US has done this, and markedly improved their public image, often to the regret of their cause partners. If it is blatantly self-serving, it can only increase consumer cynicism, to the detriment of better-intentioned cause partnerships.

➤ **Studies reveal that social marketing helps in differentiating one's brands, increasing market share and gain more brand loyalty. Despite these benefits, social marketing spending is less when compared with conventional marketing. What are your views on it?**

I believe strongly in the benefits of social marketing you have described. But they can seem somewhat intangible to many corporate marketers when compared to product-centered sales pitches. This is particularly true in a declining economy, such as we are experiencing globally. Hopefully, as corporate bottom lines improve and marketers become more sophisticated, we will see an upturn in social marketing as well.

➤ **Do we need to (create?) exclusive social marketing initiatives, when the businesses in general are ex-**

pected to be socially responsible and ethically sound? Why do you think there is a demarcation between commercial marketing and social marketing?

First, their objectives (and techniques) are different. When there is a particular product or service to be sold, based upon specific tangible benefits, there is rarely room within a brief advertising message for the more altruistic benefits that promote a cause. More often than not these belong in a separate campaign, sponsored by a well-established brand whose product benefits are well-known and don't need to be reiterated.

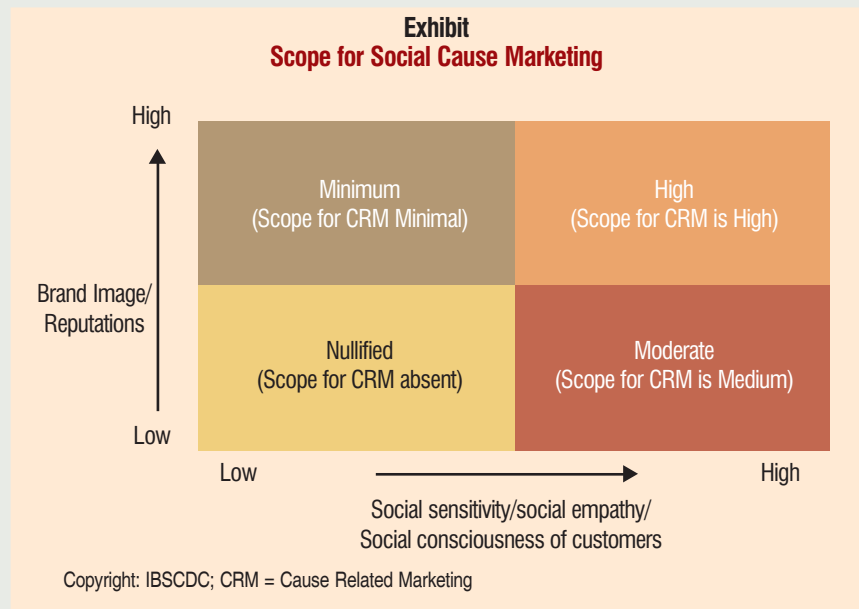
- **Just the way brands are endorsed by celebrities (famous sportspersons, actors, etc.), should a social cause be endorsed by a powerful brand, wherein the powerful brand becomes the celebrity endorser for the social cause taken up? What happens if an important social cause is addressed by a not-so-well-known brand? Would it have the same reach as a powerful brand would have?**

Powerful brands are clearly the most potent and effective cause partners. A not-so-well-known brand would not have the same power. However, as stated earlier, I find that the strongest cause-related partnerships are those that have a solid ěfitĳ, in which the sponsoring brand seems a logical partner for the cause. Should a not-so-well-known brand be one that is easily associated with the cause benefit, the cause-related partnership could in fact help establish that brand.

- **At what stage of brand life cycle, would it be meaningful for any brand to get out of its comfort zone and start embracing social causes?**

When brand research demonstrates that it is well-recognized, and its benefits well-accepted and well-understood by the public. Unless, as stated above, it is a new brand that by its inherent nature can be closely associated with the cause.

- **Are the social-cause marketing initiatives truly sustainable?**



I believe so, depending on the continuing needs of the cause. However, successive initiatives within a long-term campaign must be innovative to refresh the campaign and provoke new interest. In lengthy campaigns, it helps if the cause can be branded every bit as compellingly and memorably as their partner brands.

- **We have created a matrix for deciding on the scope of adaptability for social-cause marketing? (See Exhibit) Please give your comments.**

I consider this matrix to be generally correct. I do believe that a carefully targeted cause-related campaign can in fact increase the social consciousness of the consumers, thereby increasing the scope of CRM.

For example, in the US, clean energy or energy efficiency campaigns have traditionally been directed toward an upscale, better-educated consumer. But recently, energy campaigns have been redirected to a lower-income ěgreen collarĳ target. This should greatly expand consciousness and meaningful conservation.

- **What according to you would be the new trends in social cause marketing ĳ both in developed markets and emerging markets?**

I believe that there is much more awareness of important social causes throughout the world today. Therefore, social-cause campaigns that are honestly and sincerely designed can have an increasingly important role to play in any brand marketing strategy. And if the brand and the cause have an inherent synergy or ěfitĳ, then the campaign is considerably strengthened.

The uses of the new media; the Internet, YouTube contests, social media sites like Facebook and Twitter, and interactive media in everything from the Web to cell phones to billboards can only increase the effectiveness of these campaigns, particularly among the young. Marketing executives in both developed and emerging markets that ignore this trend, do so at their peril!

And the leaders of struggling cause organizations, finding that individual contributions are waning in tough economic times, had better seek out and develop a CRM partnership. Their survival may depend on it! ☺

The interview was conducted by
Dr. Nagendra V Chowdary,
Consulting Editor, *Effective Executive*,
Dean, IBSCDC. (www.ibscdc.org)

Reference # 03M-2009-09-08-06

The Moral of the Moment...

Social Cause Marketing

I've always loved the holiday season; people are a little happier, the days are little brighter, and so many of the advertisers seem to get caught up in the holiday spirit. As a matter of fact, certain commercials that have little to nothing to do with the actual product are brought out of mothballs and played every holiday season. Although I only see these commercials for a week or so once a year, I know them well because some of them have been playing annually for over 30 years. What I don't understand is why.

Don't get me wrong, I appreciate having a beer company spend an enormous amount of money showing me a beautiful landscape, and spectacular horses, to make my day a bit brighter. I'm also a fan of watching a kind gesture from one human being to another without a product in sight. It makes me smile, and it makes me happy. I even like to be reminded of other civic duties like voting. It also makes me wonder why they are being so generous with their advertising dollars. Are they really that concerned with my wellbeing or is there more to it than meets the eye? The fact is, unbeknownst to many of us, we are being exposed to social-cause marketing.

I'm a pretty positive person, but I learned long ago a simple acronym that provides a simple, but critical question that any capitalist has on their mind when making business decisions — even social-cause marketing decisions. The acronym is WIFM, and it stands for, "What's In It For Me?" So what's in it for an organization or company to spend enormous sums of money to not feature their product in a marketing campaign? If we can answer that question, we can get a much better handle on social-cause marketing.

A simple answer would be that the organizations sponsoring these acts of kindness create a well guided trail back to their organization hoping their selfless act will pay dividends at a later date. In a sense, the campaign would act as a surrogate marketer for those who are paying the bills. For instance, a social-cause marketing campaign to get the vote out on an election may very well benefit the organization whose candidate has a higher probability of winning from a larger turnout. It's a win-win situation for those who are targeted, and those who are targeting. It's a socially responsible message, and it benefits the organization sponsoring it.

The more difficult scenario is the good natured corporation just wanting to spread good cheer for the holiday season. Of course the cynic in

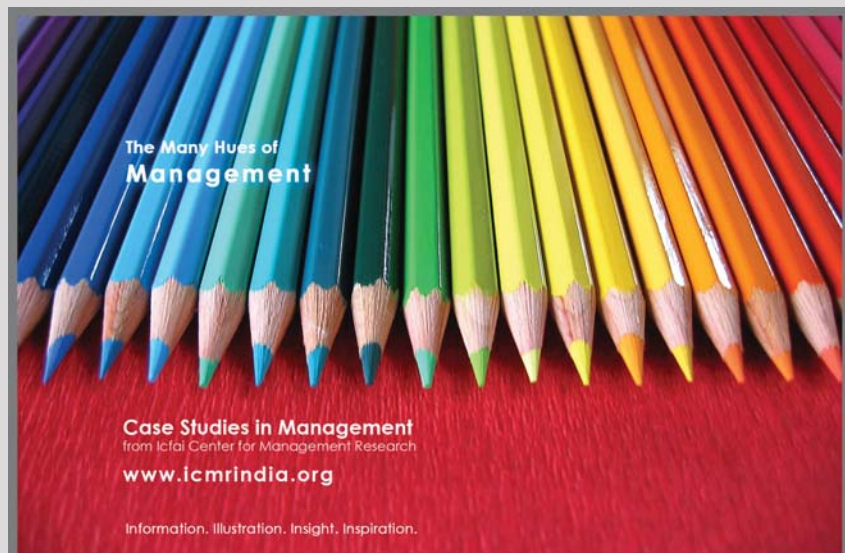
me would say that a beer company wishing us good cheer for the holidays coincidentally has its biggest alcohol consumption during that holiday season. I suppose we have found our win-win scenario but once again there is a coincidental trail back to the marketer.

So the moral of this moment is to understand that although social-cause marketing appears to be a selfless act of kindness by organizations that are simply concerned with our wellbeing the reality is that every now and then we need to be reminded that it's very rare in this world to get something for nothing. In the end, I think we all benefit from the concept of social-cause marketing. I just don't want to lose sight of that fact that before we spread too much good will to the organizations that support such marketing approaches, we should understand the WIFM's involved in these decisions. ☺

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Reference # 03M-2009-09-09-01





The Human Side of Business and Marketing

Visible Efforts and Invisible Benefits

With a more human approach, marketing practices will focus on consumer growth and the development of society, going beyond product specificities and consumption conditions. This vision turns marketing operations into a human endeavor that zeroes in on people, contributing not only to their wellbeing but also to their individual and social advancement. Thus, an aesthetic and social concern complements the ethical dimension that rules behavior, providing a more complete, well-rounded notion of human beings.

The essence of business is to create value for its market, focusing on people, influencing both individuals and the society at large. Clearly, mass media plays a significant role in the cultural development, with marketing actions accounting for a large share of media messages. As a result, marketing practices involve a dimension that goes well beyond their strictly technical scope—they help forge the local culture.

Marketing tools can also be used to influence society, driving positive social changes in what is typically referred to as social marketing, while ethical considerations shift the marketing focus from *caveat emptor* to *caveat venditor*. These matters are superseded by a human consideration of business and marketing actions that project their central role as cultural drivers.

Social Responsibilities in Business and Marketing

Marketing practices can influence society, supporting and promoting welfare improvements. However, they

are also responsible for undesired results derived from the use of marketing tools. The social responsibilities embedded in marketing operations become all the more evident in deregulated, open and competitive modern markets, where the former metaphor of *an invisible hand* is replaced by the many *and* seemingly irrelevant *and* decisions made by marketing practitioners, who impersonate *the visible hand* in markets.

The responsibility for delivering and growing sustained consumer value has also a direct effect on job creation—a key issue in prevailing economic systems. Conversely, the lack of creativity to expand markets leads to cost cuts—also dubbed as reengineering—that eventually reaches managers themselves, driving them towards outplacement. In addition to greater responsibilities, professional executives gain relevance in the age of financial capitalism that has followed its predecessor, entrepreneurial capitalism, dominated by family businesses.

With lower capital investments and higher returns, entrepreneurs

and their families led the creation of new business ventures. Growth and increasing competitive challenges required greater investments, leading to opening the equity ownership when self-generated funds proved insufficient. More sophisticated tools were needed to make investment, pricing, output, salary and human resources decisions, giving room to the growing influence of professionally trained managers. Management teams were encouraged to drive businesses as independent units, with their performance measured in terms of business income. And as profits grew, family owners found less incentive to engage in executive tasks. As a result, competition no longer confronted thousands of small companies regulated by the market's invisible hand. Rather, large companies, ruled by their professional managers, competed against each other. As described by Alfred Chandler¹, these executives became the visible hand that contributes to build markets, where consumers rule—albeit inevitably influenced by the actions deployed by executives to secure benefits for shareholders.

Marketing managers influence the factors that shape markets. Their practices contribute to change purchasing and consumer habits—as well as, eventually, customs. While they do not actually create needs, they do emphasize the social values embedded in the society. Bearing in mind that, exceeding a minimum level, wealth and poverty are relative notions, it may be argued that marketing

¹ Alfred Chandler, *The Visible Hand*, Belknap, Harvard University Press, 1977.



Abhyudaya Bank



influences people's status as well as their satisfaction or frustration. As Gary Becker points out, men and women wish to be respected, recognized, accepted by their families, friends, peers and others. Consumption includes a prevailing social component as, at least partly, it is conducted in public. As a result, people tend to choose restaurants, neighborhoods, schools, books to read, political opinions, foods, leisure activities with an eye in pleasing their peers and others in their social network.² Thus, as long as business marketing proposes reachable models, it enables people to reach some material standard that are a component of happiness. Instead, if it creates unattainable expectations, it can drive frustration in a large sector of the population.

Expanding store business hours makes after-work or weekend shopping more accessible, influencing leisure time utilization — though not necessarily improving people's lives. The remarkable growth driven by beer marketers with an emphasis on camaraderie, friendship and group

fun has led to increased alcohol consumption — especially among younger segments. The tobacco industry provides another example of the use of multiple message and communication tools to induce or increase smoking habits through advertising, opinion leaders, movie stars, merchandising, carefully-crafted brand imagery and multiple segmentation. Moreover, as it was evicted from mass media, this industry started to rely on sports-associated messages, hiding or ignoring all evidence of tobacco's harmful effects.

On the other hand, increased dosages in medicine packaging for non-regular treatments raises sales, but not necessarily consumption — for consumers, this translates into larger inventories until the medicines expire. Advertising campaigns extolling virtually impossible female body shapes add to the persistence of eating disorders such as bulimia and anorexia. Communications featuring overexposed young women gather a lot of attention, especially in markets with a predominant male population, while strengthening chauvinistic be-

haviors and discriminating attitudes against other women who do not have the same attributes. Of course, marketing managers are not responsible for society's problems, such as eating disorders, male-chauvinism or addictions, but their communication power certainly reinforces habits — as soda or cigarette manufacturers know only too well: infrequent messages lead to significant sales drops.

In view of their ability to influence society from their offices, marketing professionals need to have a vast training that does not focus solely on technical aspects. Ignorance is no excuse for these practitioners who cannot turn a blind eye to the aftermath of their decisions, including regulations that restrain business hours or the construction of new shopping malls to preserve urban areas. Less articulated — though just as powerful — reactions can also ensue, such as alcohol abstinence to prevent abuse. In early 2000, Spain registered a 41% abstinence level, as its population reacted to a decade-long *é*party spirit.

Social Marketing

Additionally, companies often organize social reactions, using their marketing skills to change behaviors, beliefs and values. This is not a new phenomenon: a press campaign was launched in Argentina during the Presidency of DF Sarmiento between 1868 and 1874, which successfully helped change local customs and promoted the country's education at that time. Examples of social marketing campaigns today help prevent and overcome addictions (alcohol, tobacco and drug abuse), change harmful urban behaviors (speeding, disregard for pedestrians, indisciplined parking, littering), improve health conditions (heart disease and AIDS prevention, early cancer detection, cholesterol testing), raise environmental awareness, advocate specific groups' rights (children, the elderly, consumers, women), and promote social aid.

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His fields of research deal with retail strategy and management, and the process of shaping business for the Base of the (Socioeconomic) Pyramid. He has written over sixty cases and academic papers. Some of his cases like Zara and his series on e-commerce have been published by the Harvard Business School to be used in its programs, and have also been included in other colleagues' books. He is a frequent contributor to the *Harvard Business Review*, Booz Allen's *Strategy & Business*, and the *McKinsey Quarterly*. His article on Value Creation for Emerging Consumers was selected in 2007 as one of the five with most impact in the past five years by the editors of *Harvard Business Review* — Latin America. He has created the Store Smart retail simulation, and is a co-author of books: *Cases in Strategic Marketing in Latin America*, 2001 (Spanish version in 2002), *Administración de Servicios (Services Management)*, and *Retail Management*, both published during 2004.

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D'Andrea combines his academic activity with active consulting, having collaborated with companies in many fields including retailing, market research, textiles, pharmaceuticals, medical services, food manufacturing and distribution. He has worked with companies such as Exxon (On the Run C-Stores), Exito-Casino in Colombia, Mr. Price Group in S Africa, IPSOS France, Easy Home-Center, Siemens, Unilever, Best Foods, Bayer, Osram, and 3M.

² Gary Becker, *Accounting for Tastes*, Harvard University Press, 1996, p. 12.



Social campaigns involve organized efforts led by a change agent or group that seeks to engage others to incorporate, modify or eradicate certain ideas, attitudes, practices or behaviors. Outcomes can be driven over several stages that hinge on changes in population information, knowledge and attitudes. Social marketing campaigns differ from commercial campaigns in that a soap manufacturer does not need to convince the population about the need to use soap daily. These campaigns may be broad in scope and widely accepted, like solidarity, drug abuse or road accident prevention initiatives. Others can fuel less support, like city cleanliness efforts, or even opposition, such as those promoting family planning or legalized abortion.

gins, as well as a wide support base engaging as many stakeholders as possible to provide creativity, media coverage, links to current commercial efforts, and funding. These steps should be followed by detailed execution, effectively reaching target segments and avoiding contradictory messages, measuring effectiveness to adjust message impact, and providing for sufficient duration to ensure awareness. In any case, if the population is not ready to receive a message or is not aware of the relevance of an issue with some shared belief and precipitating factor, it will be hard for a campaign to accomplish social mobilization.

Social marketing efforts can reap amazing results, like getting an entire nation to switch from left to right-

Social marketing efforts can reap amazing results, like getting an entire nation to switch from left to right-hand driving

The purpose of social marketing campaigns implies the same difficulties that characterize any transformation process in society. Their central issues are not shared by the entire population, and large groups may not only be uninformed but also uninterested, becoming even harder to reach. As a result, some of these campaigns register low response rates. In addition, if the information conveyed goes against ingrained attitudes, indifferent groups will find it harder to accept such facts and will tend to avoid them. For instance, reckless drivers are not the most enthusiastic supporters or users of seatbelts.

However, many social marketing campaigns are successful, renewing their promoters' interest and determination. Experience shows that social campaigns call for a scheme that largely resembles the one carried out for commercial campaigns—careful planning, hinging on prevailing attitudes in target segments and their ori-

hand driving. In 1967, the Swedish government orchestrated an effectively planned and executed campaign to change traffic rules with a limited increase in the number of road accidents. Thus, social marketing may be construed as a human intervention that facilitates change, based on ideas and initiatives that improve society.

Marketing Ethics

Market opening and deregulation pose problems for consumers that should not be neglected or sidestepped by marketing practices. Applying ethics to marketing reminds practitioners that their practices should focus on customers, and remind them to avoid an intense application of tools intended to secure immediate results while disregarding potential negative effects. The complexities of management engulf marketing as well, calling for an ethical framework that prevents managers' isolation from the society.

Consumer Issues: Caveat Emptor

Companies seem to ignore questions on quality service, neglecting consumer issues unless they represent immediate business opportunities. As a result, businesses are viewed as impersonal and carefree—there is no one to complain to. They follow the caveat emptor (buyer beware) principle, expecting the consumers to be aware of any risks when they buy a product or service. After all, consumers are adults who can collect all the information they need, and marketers cannot supervise the way they spend their money or use a product—their job is to manufacture and distribute products, and everything is allowed as long as no laws are infringed.

Marketing ethics intend to apply ethical criteria to marketing decisions and to solve ethical dilemmas for marketing practitioners. In general, illegal activities are also unethical, and laws are meant to prevent any kind of behavior that harms consumers. However, laws can sometimes be anachronistic and outdated, like the rigid schedules that used to rule store business hours. Yet, the opposite is not necessarily true: some rather unethical marketing behaviors are not strictly against the law. This gray area, with its subtly deceitful or barely misleading practices that are not always ill-intended or overly damaging, should fall under the purview of marketing ethics.

Some questionable marketing practices are often upheld on the assumption that they are widely used, mostly accepted by customers, and commonly employed by competitors—they are part of the way business is done. However, they are hard to justify and eventually upset professionals, who end up accepting them rather unwillingly.

The analysis of marketing decisions based on a functional perspective—4P style—shows an array of questionable behaviors, which may be applicable to other business-related activities. One of those behaviors revolves around the selection of underprivileged segments like children or the elders, offering them un-



necessary or harmful products, inducing them to acquire products or services they do not need and whose merits they are unable to judge. Equally unethical are practices that exclude specific customer groups on unjustifiable grounds, like race, ethnics, religious beliefs or looks. As regards products, in addition to product and brand copies as well as items that do not benefit consumers, hazardous products threatening consumers' health and physical integrity are marketed by deceitfully overrating their actual attributes. The environmental impact of products and packagings is another source of increasing concern. These behaviors reflect a lack of fair-play, with practitioners compromising their personal values against business goals.

Pricing also involves some complex issues, including the application of different schemes for customers with similar conditions or higher prices on the grounds of unreal superiority. Deceptive pricing practices also include product bundling or overpricing to offer generous discounts. The use of predatory pricing practices is also questionable — so much so that it is forbidden in many markets.

As regards communications, advertising raises other questions. With the use of powerful media, consumers can be misled, and campaigns that jeopardize society's fabric by showcasing stereotypes or harmful behaviors can be effectively launched. Visual pollution as a result of indiscriminately cluttering streets and outdoor areas with massive billboards and ads everywhere brings additional community concerns. It is not only the surrounding architecture and aesthetic appreciation that are threatened: drivers are unduly and dangerously distracted while driving on highways. Furthermore, research has shown that people not only devise mechanisms to ignore invasive advertising but are also irritated by it and compelled to reject it — yet another questionable practice ultimately backfiring. Flyers handed out to pedestrians end up littering sidewalks and trampled by their in-

tended recipients — an outcome that casts some doubts on the use of this tool.

Other selling techniques involving pressure, threats or deceit also bring ethical dilemmas, as well as doubtful commissions, gifts and covert outlays. Dishonesty, lying and misrepresentations about product features and service scope are hard to justify. Some direct marketing practices are harshly criticized as well, including collect calls to mobile phones that are both costly and intruding, or the pressure exerted by timeshare sellers.

Distribution management practices also come into question when channels are discriminated against or excluded, or when promotions change competitive conditions. Franchising can become abusive if sup-

port services are not provided or terms are perceived to be unfair. Market research may also lead to controversial practices, disguising researchers as shoppers, masking sales with surveys, or breaching confidentiality agreements. Indeed, the unauthorized use of customer information, the collection of confidential data on competitors and the utilization of deceitful means to acquire them, all account for unscrupulous practices. Information management has become a complex issue as a result of data and statistical tampering and counterfeiting, both inside companies and in their communications to consumers and markets.

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Consumer Rights

Faced with this scenario, consumers have rights that they cannot give up. But the question remains: How can consumers fully exercise their rights, choosing freely their purchases and ensuring that the products they buy

businesses fail to deliver on their obligations, a few may benefit to the detriment of a much larger customer group. To prevent that, it is necessary to actively safeguard society from some of the undesired effects of consumerism.

Caveat Venditor (Vendor Beware)

This principle assumes that sellers — and not buyers — are the experts on the products sold. Marketers build their entire operations around their products, while buyers view products as part of their multiple needs and purchases. Therefore, experts should be the ones to ensure that purchase decisions are properly made, minimizing error risks. If mistakes did occur, sellers should own up to them — even if they were not at fault. The rationale underlying this notion argues that sellers should watch over their customers first and sales next, as satisfied customers will drive busi-



SBM



ness profits and growth with their repeated purchases.

Roads to Solutions

Markets provide solutions on three levels for disgruntled customers: damage prevention, restitution and straightforward punishments. Prevention steps include business or industry standards and codes, which intend to shape companies' behavior by instating a number of higher values. Business practice codes are used to align practices across the different sectors. Another means to prevent customer dissatisfaction is to provide consumer information on product quality and quantity, safe consumption conditions, and applications. In short, any data required to acquire and use products safely. Business communications should not merely

and sellers gain lifelong customers as well as free advertising through word-of-mouth recommendations.

Finally, market punishments include fines and class-action lawsuits initiated by consumer groups. These collective claims enable individual plaintiffs to join forces in order to make their suits more valuable and interesting. Fines do not need to be hefty, but they should be swift and reported to plaintiffs in order to show appreciation for taking the trouble to file charges. Complaint books should be available to customers at all times and be often examined, informing customers about corrective actions.

These solutions provide guidelines for business policies, in an attempt to prevent, remedy or curtail harmful behaviors. However, they

Consumers are people, with feelings, families, jobs, histories, wishes, issues and changing needs. Business practices built around these notions are, by definition, more appealing to them, leading to stronger and long-lasting ties – not to mention more value for shareholders

focus on persuading prospects but also on offering useful information to potential consumers, describing products' functionalities rather than extolling their abstract attributes. A more informed, more sophisticated market effectively promotes better product and service choices, naturally casting deceitful competitors aside.

Restitution measures imply money reimbursements to offset product flaws or to remedy other causes for buyer dissatisfaction. Guarantees are included in this realm and may compel sellers to accept the return of used products, refunding customers with no further argument, product replacement attempts, or credit for future purchases. Customers get their money back in full. As a result, consumers do not feel that their ignorance or neglect has been unfairly exploited. These mechanisms afford a twofold benefit: buyers can fix their purchasing mistakes,

seem to substitute for a more comprehensive marketer commitment to consumers, supported by a basic view of customers as the center of business activities. Consumers are people, with feelings, families, jobs, histories, wishes, issues and changing needs. Business practices built around these notions are, by definition, more appealing to them, leading to stronger and long-lasting ties – not to mention more value for shareholders. On the contrary, isolating customers will only lead to incomplete, inefficient and unsatisfactory actions for both parties, effectively and unnecessarily restraining business operations to the use of unsavory, irresponsible practices. As a result, the economy is devoid of its human dimension, undermining the value of markets and its constituents: consumers feel unappreciated, while marketing professionals cannot find pride in their jobs.

Marketing is A Human Endeavor

This article started out with a vision of business and marketing as a human activity, in its role as cultural driver – an approach that engulfs and supersedes all others. Based on a strictly technical framework that focuses on the effective application of marketing tools, consumers should be responsible for their own knowledge, and marketers should not be expected to educate them, being the work of social agents. From a more professional perspective, practitioners who believe in what they do are determined not to trespass ethical boundaries, abiding by current laws and stepping up to safeguard consumer rights as well. Their goal is to formulate products that genuinely benefit customers, contributing to their material and spiritual wellbeing, while addressing as many predictable issues as possible to ensure overall benefits.

With a more human approach, marketing practices will focus on consumer growth and the development of society, going beyond product specificities and consumption conditions. This vision turns marketing operations into a human endeavor that zeroes in on people, contributing not only to their wellbeing but also to their individual and social advancement. Thus, an aesthetic and social concern complements the ethical dimension that rules behavior, providing a more complete, well-rounded notion of human beings. As a result, marketing becomes a means to pursue specific goals and expectations that drive people's efforts, potentially enhancing their lives and including aesthetic values, an appreciation for beauty in individuals and things; social values, such as friendship, family and society, as well as the use of free time to promote greater harmony. This approach to marketing can offer more insightful knowledge and help to expand consumer horizons. Indeed, marketing practices aiming for higher human values tend to be more successful and effective, as they command greater appreciation and remembrance. 📌

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Motivations for Corporate Citizenship

This article makes a politico-sociological attempt to analyze the real factors that drive the apparently philanthropic notion of Corporate Social Responsibility (CSR) or Corporate Citizenship towards policy-level implementation and praxes. Various reasons such as image-building exercises, confidence-building measures, power politics, bargaining strategies, negotiations and compromises, altruism, accountability towards the concept of Sustainable Development (if not inclusive growth!) and Good (Corporate) Governance are examined in the process. The article tentatively concludes that CSR is rather situation-specific.

CSR or Corporate Citizenship (also variously known as Sustainable Responsible Business or even Corporate Social Performance) has steadily emerged as one of the defining parameters of the entire arrangement of business strategy since WWII. The concept of social welfare has been integrated with business management for purposes that will be subsequently discussed in this article.

But what is interesting at this juncture is to appreciate how in fact these divergent trends have been cohered to generate new ideas and images in the marketplace of corporate politics that has increasingly found it difficult to ignore the polyphony of voices and choices underpinned by the need for change management initiatives towards societal benefit (Toenjes 2002). The multiplicity of business choices has to now necessarily conform to the obtainable arrangement of community

level developmental choices in order to institutionalize the best practices of social entrepreneurship and corporate citizenship.

This development towards new possibilities has largely been made possible by the emergence of the Civil Society (following Antonio Gramsci) as the Third Actor that has moved away from the confines of both the State and the Market to create a dialogic space for itself that also caters to stakeholders (and not merely stockholders) interacting within and outside the Public Sphere (following Jürgen Habermas) on the issues of preferences, priorities and polemics that tend to affect their politics of everyday life (Lehman 2001).

What is rather important to understand here is the fact that the Civil Society has distanced itself away from the Market while citizens limited to political boundaries (or netizens without any such foreseeable or apparent

boundaries) have also been socialized enough to agree to disagree (not really in consonance with Noam Chomsky's thesis of manufactured dissent).

More intellectual debates and critical discourses at the social level of politics have largely been a derivative of development studies. The classical studies on perverted development had led to the formulation of the metropolitan center versus satellite analyses that indicate that drainage of indigenous wealth and natural resources from the South to the North has resulted in a top-heavy model of so-called economic development (Frank 1967 and Preston 1996).

Subsequent decolonization and establishment of post-colonial democracies in the South had only confirmed Frank's observations. Such a pattern of exploitation based on mercantile/industrial/finance capitalism and culminating in cultural imperialism logically led to the process which has now come to be fashionably known as globalization (following Immanuel Wallerstein and Eric John Ernest Hobsbawm).

But globalization has also been challenged by glocalization with a mantra championed by the World Bank that urges us to "Think Globally but Act Locally".¹ Added to this imperative are the Millennium Development Goals put forward by the United Nations Development Program.

So the question remains: Is CSR a proactive or a reactive development that impinges upon the realities of social markets? Citizens and consumers have equally learnt to say no and look

¹ Clearly, globalization, democratization and decentralization go hand-in-hand. As they do, they create new opportunities and new risks for all actors, including those who act at the subnational and local level. In effect, globalization and democratization create a greater incentive for effective policies and management than ever before and, as an inveterate optimist, I believe that the discipline they impose is a valuable instrument which will over the long haul ensure that national and subnational authorities behave more sensibly. The lessons we can draw from experience, as to what makes for an effective intergovernmental framework and for efficient subnational government are useful in that they can help reap the benefits from globalization more quickly and may help avoid the risks that globalization also poses. As we enter into the discussions of the next two days I would encourage us all to "think global", but to focus on how we can more effectively "act local". (Quoted from the speech delivered by Johannes F Linn, Vice President, Europe and Central Asia Region, The World Bank, at the Global Conference on Capital Markets Development at the Subnational Level in New York City on February 16, 2000.)



elsewhere for viable alternatives while the rapid expansion of the Development Sector has also ensured that Community-Based Organizations, Civil Society Organizations, Voluntary Organizations and Non-Government Organizations have gradually become sensitized to the intricacies and specifics of various multi-stakeholder dialogues that happen to inform the very fabric of consumerist societies and commodity fetishism (following Karl Marx).

So the war is now principally focused on the mind and market rather than territory and matter because cultural imperialism as the new form of colonization has invaded the sanctity of the Self by creating the deprived Other. The sale of a product as innocuous as Coca-Cola globally has provoked critics to come up with the concept of Coca-Colonization that simply implies taking the world by storm while equipped with the American cultural baggage that in itself is both a social as well as a power statement (Amba-Rao 1993).

Hypothesis / Methodology

We propose in this article that CSR as a corporate strategy is fundamentally a dynamic policy mechanism that facilitates better business profits by projecting the broad-base social profits accruing to the vulnerable communities who get disproportionately affected by the processes of mass-scale industrial production.

Adverse impacts of degraded environments, toxicity in the air / water / soil due to pollution, alienation of the

self of the worker from the otherness of his/her produced outputs, dissociation of the creative psyche from the produced entities, disjunction between labor and wages etc., are sought to be rationalized in an arbitrary and ex post facto manner.

The methodology deployed in this article conjoins content analyzes, theoretical constructs, historical/archival data mining and analyses of the given primary facts in the intellectual framework of meta-narrative and post-modern historiography. Case studies have been investigated and contemporary theoretical baggages/underpinnings critically gazed at in order to understand the neoinstitutional and hegemonistic trappings of corporate power that happen to inform CSR while not at all reorienting the critical and traumatic relationships between individuals/beneficiaries (?) and their institutions/benefactors (!).

CSR Politics

The politics that more often than not happens to inform the politics of CSR is multidimensional in character and multilayered in its impact. It is somewhat similar to the politics of aid when donor countries or funding organizations from the North extend financial support to the South in exchange of disguised Structural Adjustment Programs (Bennett 2002).

The ostensible reason for extending grants or aid (not loans) is humanitarian in its scope and approach but the real reason is somewhat different. So a soft drink company from the North may well sponsor a safe drinking water project in a village from the South and then start marketing its product after having established a pro-people / pro-poor image. This is nothing else but vicarious marketing that is cloaked as ethical and responsible business practices (Jackson 1993 and Moriarty 2005).

The debate whether multinational corporates should at all involve themselves in social expenditures is rather old. A certain school (following Milton Friedman) has steadfastly maintained that business should only be concerned with making profits. But modern business is smart enough to

understand that economic profits increase with an expansion in social and cultural investments because popular trust and favorable perceptions are then associated with the company's products and promote sales in this process (Elkington 1994 and McClintock 1999). But this entire process has to be sustainable and decided on the basis of viable business options.

So the issue is nearly all about fusing the identity of products (brand equity) with the public image of the company. The concerned company would ensure a steady level of profits and more once this is achieved. The question is really very simple: how can a company integrate its business objectives with its altruistic image for the purpose of increasing profits? CSR lends itself to a multiplicity of explanations in this regard as would be evident in the course of this article.

This apparently difficult task is simplified once a business enterprise makes inroads into a market by institutionalizing its business ethos vis-à-vis the society and the multiple communities. The Tata Group of Companies in India is a potential example that readily comes to mind in this connection: the Tatas have always projected a sense of responsible and socially committed business in a country like India by investing considerably in the area of social infrastructure development.

A modern city like Tatanagar has emerged around the Tata Steel and Tata Motors factories while the Tata Institute of Social Sciences, Tata Institute of Fundamental Research, Tata Energy Research Institute (now known as The Energy and Resources Institute) and Tata Memorial Hospital are a few important institutions in India in the public domain that owe their inception and inspiration to the Tatas.

The general perception in the popular psyche is that any commodity and / or service that has the Tata brand associated with it in any way would be of enduring value. Tata Consultancy Services and Tata Indicom are next generation companies of this group that has steadily evolved with the

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times by not wavering from its core business values. Now Ratan Tata has come up with his people's car (Tata Nano) that is affordable while at the same time is also profit making for Tata Motors. So the idea is to portray a philanthropic image by targeting niche markets that would still ensure corporate profits while expanding the bases of the company's social acceptance (Booth et al 2000).

Monitoring and Evaluation

Monitoring is the systematic collection of primary data to provide the corporate management and primary stakeholders with an indication of project progress. Evaluation is the methodical and objective assessment of an ongoing or completed corporate project, including its design, implementation and results.

Evaluation leads to more informed decisions, allowing those stakeholders/stockholders involved in the profit-making project to learn from experience and to be accountable to corporates and stakeholders alike on the basis of identified best practices. Both monitoring and evaluation should be used to demonstrate accountability and to understand the dynamics of the project.²

Willingness to pay underscores the anticipated revenue earnings of the corporate management in terms of user charges and fees so far as operation and maintenance of civic/infrastructural assets are concerned. Better supervision of existing infrastructure indicates optimum utilization of manpower presently available i.e., streamlining human resources and avoiding incurrence of non-merit expenditures (free rider subsidies) in this process. Such benchmarks examine the value for money concern of good corporate governance as a central issue of sustainable development strategies drawn by stakeholders' consultation/participation and mobilization/information. Benefit mapping of CSR projects in terms of new infrastructure created is also an exercise related to physical progress measurement of engineering interventions and designs at the ultimate level of implementation.

Monitoring and evaluation indicators may be both quantitative and qualitative in order to include process indicators, progress indicators and qualitative indicators. These indicators provide data inputs to monitor the project, evaluate progress of engineering works and guide the corporate managers to ensure and safeguard efficient use of valuable and limited resources.

Monitoring and evaluation indicators may also determine the magnitude of project impacts on the quality of life of beneficiaries before and after implementation of civil works. Such indicators can also examine the increased level of civil society participation and awareness generation in terms of CSR-related project interventions.

Why CSR?

The basic discourse of CSR makes an attempt to conjoin the market with civil society by making business more responsible and the community more responsive towards the realities of profit-making ventures that have to compete with one another in the critical area of social dynamics as well. It is the question of allowing the disadvantaged and underprivileged adversely affected communities speak out, so to say, in the great carnival of Multinational Corporations and their profiteering discourses (Spivak 1988).

The concerns before CSR are in terms of challenges posed by poverty, malnutrition, unemployment, illiteracy, corruption, lack of accountability/transparency, imperfect implementation of projects and skewed delivery of benefits, socioeconomic-cultural infrastructure and preconceived notions/mindsets (Edmunds 2003). The challenge is to decide upon a harmonious and presentable order of socially committed business.

Management strategies are put to test while transforming these threats into opportunities and weaknesses into strengths. It is also a question of

putting the right foot forward by identifying the areas that require the first attention of the company in order to carry the community together along the direction of participatory decision-making and profit-making efforts.

The company has to be seen to deliver social goods and services. This visibility factor assumes supreme importance in the face of dogged resistance posed by activist and pressure groups that militate on grounds of sustainable environmentalism and inclusive growth. It is true that natural resources would be depleted and environmental pollution would take place whenever industrial production on a large scale commences in any given area. But the basic idea is to initiate a process of consultation with the communities concerned from the angle of benefit mapping exercises (Gray et al 2006). The idea is to convert pedagogics to deschooled and decentralized decision-making.

Benchmarking CSR

CSR can be ideally benchmarked by putting into place several benefit monitoring and evaluation strategies at different life cycles of the company's social interventionist exercises. The different stages and angles of CSR benchmarking can be understood by the model given in Exhibit I.

Ideational CSR

The idea of CSR can be explored in its tradition of responsibility and ethos of social commitment. It is as if CSR tries to achieve an egalitarian social order as best as it can and thus comes into conflict with the basic goals of corporate entities. But the idea can also be found in the larger issue of moral ecosophy where deep ecology and philosophy come together to question the political and even human rightness of the morality of large-scale production systems.³

So even CSR as a concept can be categorized as Marxist, Green, Femi-

² See *Handbook on Monitoring and Evaluating for Results* (New York: UNDP, 2002) in this connection.

³ Political ecology does not amount to a new program for intellectual deforestation, rather it is a historical outgrowth of the central questions asked by the social sciences about the relations between human society, viewed in its bio-cultural-political complexity, and a significantly humanized nature. It develops the common ground where various disciplines intersect. See James B Greenberg and Thomas K Park, *Political Ecology*, *Journal of Political Ecology*, Vol.1 (1994).



Exhibit I: CSR Benchmarking Model

Stage	Angle	Beneficiary	Method	Outreach
Communitarian	Community	Primary	Participation	Local
The company fundamentally consults with the concerned communities				
Civil Societal	Civil Society	Secondary	Consultation	Regional
The interactive dialogues engage larger audiences				
Institutional	Institutions	Tertiary	Intervention	Global
The smaller and larger audiences now share a common understanding				

nist, Pink, Black etc., depending on the people practising it and the people for whom it is being practised.⁴ Marxist/ecosocialist CSR would stress more upon an equitable Mode of Production that would entail a just (re)distribution of the surplus value being created by labor that is irretrievably alienated from the process, creative joy, forces, techniques and tools of production.

Green CSR would necessarily highlight the need for eco-friendly business practices that also take into account the overall depletion of the physical environment and try to make amends for the same by way of community forestry, joint forest management, eco-clubs, nature trails and similar ventures at the collective level by co-opting both the natural and the built environments as stakeholders of corporate growth and organizational development in any given context of production. Ecologically sensitized CSR practices would have to necessarily focus on the cutting edge of research in sustainable environmentalism in order to transmit the correct messages to the correct markets.

Feminist CSR essentially views the primary stakeholders as the alienated other that has been penetrated by the corporate stockholders/shareholders and fights for an engulfment of the same by establishing a regime of equal rights and responsibilities. The worldview in this case is based on the notion of exploitation and a tradition of lopsided power-sharing dynamics (Gilbert 1986).

Pink CSR assumes a somewhat diluted socialist approach while Black CSR again takes up cudgels on the grounds of ethnicity and claims that corporates owe much more responsi-

bility towards racial minorities who have been exploited disproportionately since time immemorial when colonial capitalism and slave trade had their heydays.

Pragmatic CSR

But CSR is really much more practical than it appears. It has to factor in strategies and negotiations of rapport-building with the community, civil society, multi-layered governments, activists and media. At all levels the message has to go through rather clearly and distinctively that the company has spent a lot of resources in designing and implementing its CSR mechanisms.

CSR has to be not only dialogic but also pedagogic in that others should perceive the company as having invested considerable intellectual and technical inputs into the operationalization of its community facilitation and liaison enterprises. The good work done has to be suitably packaged and presented before everybody and posted on the company's interactive website so that the right signals

are transmitted to the right people at the right moment.

CSR requires hard-headed policy decisions that are ruled by reason and not passion. Compassion may influence the entire process but only in a strict rational sense. For social work also requires professionalism and experts to deliver the goods and services to the people if the company is at all interested in doing so and expresses sufficient goodwill in this direction.

It is basically an egalitarian social exercise by delegating specialized assignments to the technical experts who can take care of contingent situations and deliver the professional services that help to identify the Unique Selling Points of CSR (Harmon 2004). For CSR (following David Easton) has now become essentially an authoritative allocation of social values in order to reorient the balances of power and benefits in any given society/community. The myopic vision of business applications has to now outgrow itself and assume a new language in the context of different signifiers and radical signifieds that lend themselves to technically new interpretations.

CSR and Images

The Bill and Melinda Gates Foundation, Sir Dorabji Tata Trust, Ratan Tata Trust, Azim Premji Foundation, Rockefeller Foundation etc., are a few examples of CSR praxes in India and abroad.⁵ As Nagavara Ramarao Narayana Murthy of Infosys Technologies had once expressed the opinion that beyond a point wealth has to

⁴ If ecosophy is to be a science, it is a value-laden one. If it is literature, it is an experimental genre that knows our language is presently not prepared to speak emphatically of our link to what surrounds us. If it is politics, it tends toward the utopian. Those of us in the midst of it do believe ideas can change the world. And we are constantly reformulating, testing, expressing, looking for more roots and branches of these ideas in the past, the present, and the future of cultures all across the globe. See David Rothenberg (1994), 'Beyond Back to Nature: Ecosophy Reinvents Itself as Always', *Trumpeter* 11(3).

⁵ iHealth researchers have questioned the funding decisions and priorities of the Bill and Melinda Gates Foundation's multibillion-dollar effort to improve global health. The Gates Foundation, the world's largest philanthropic initiative set up by software czar Bill Gates and his wife Melinda, has committed nearly \$10 bn (Rs. 49,290 cr) over the past decade to organizations worldwide. It supports projects to make treatment for HIV, malaria, TB and other diseases available and to deliver vaccines against life-threatening infections. It also funds research aimed at introducing innovations in medicine. But two groups of researchers have said that the Gates Foundation is focusing on technology-based solutions, such as vaccines and drugs, and not investing enough to promote simpler, proven alternatives to tackle the health problems of the poor. The researchers have acknowledged the foundation's role in dramatically increasing resources available for global health. But, in papers published in the medical journal *Lancet*, they said that much of the foundation's grants go to western institutions and limited funds are available to build capacity for improving healthcare in developing countries. David McCoy and his colleagues from the University College, London, have cautioned that the foundation, through its influence on health policy networks and think tanks, may be indirectly undermining the decision-making capacity of health ministries in the developing countries. See GS Mudur, 'iGap in Gates Giveaways - Health Researchers Question North-South Divide in Funding', *The Telegraph*, p. 1, 12 May 2009.



TMB



be used meaningfully for social purposes, CSR primarily seeks to reinvest business profits into the mainstream of institutions and individuals called society to promote images and entrench images of responsible and committed business (Hill 2005 and Hill et al 2007).

But even image building exercises comply with the regime of priorities and preferences and notions of power superiorities. How to spend CSR funds thus becomes a question of political equations and multifaceted games played out in the uneven arena of globalized markets in the name of fostering multi-stakeholder dialogues (Hsieh 2004). The image building enterprises of CSR projects can be better understood in terms of the model formulated in the Exhibit II.

Corporate Ethics

The issue of corporate values conjoined to the various narratives of corporate citizenship is more often than not predicated by the choices and priorities of infrastructure augmentation and enhancement of physical assets for public/welfarist purposes. The priorities of ethical choices applied to the sanctity of sustainable human development and inclusive growth emerges as a critical policy imperative in the larger discursive context of moral emancipation. This leads us to the larger and more problematic question of human rights when considered from the angle of societal civil liberties supported by CSR initiatives. How ethical can community development ultimately become when analyzed in the light of assumptions informed by corporate hegemony and the power/knowledge discourse that is inspired by the productive forces of the capitalist mode of production?

So sustainable development championed by CSR efforts often appears to be a panopticon construct (following Michel Foucault) that is cohered by a gaze that is transnational and transcommunal in its very scope, rationale and purpose.

Human development underpinned by corporate citizenship can never emerge as a value-free project that is not conditioned by the microeco-

Exhibit II: CSR Image Building Model		
Commitment to a Higher Moral Order of Business	Accountability to the Environment and Ecology, Sanctity of Human Life and Labor (both Physical and Intellectual), Responsibility towards the Systemic Mode of Production	Initiative on a Local Basis to Conform to Global Standards
Change Management in order to Ensure Consonance with Social and Business Profits		
Innovation as Capital Socialization as a	Transparency and Sociability to Creatively Outgrow Images	Compulsions of Competition
Good Corporate Governance ¹		
Resource and Sustainance	Participation and Dialogues and Pedagogics	Tradition of Responsible Business

¹ Good governance parameters include participation, consensus, accountability, transparency, responsiveness, efficacy, equitability, inclusiveness and the rule of law.

nomics of capitalist power or even the archaeology of meta-knowledge. The semantic analysis of corporate learning is an ontologic exercise that cannot be unduly coerced by the versatility of multicultural complexities or pluralist developmentalist politics.

We have to appreciate the fact that the overall dynamic of ethical business applications cannot really be undermined irrespective of whatever value connotations development may subsume at different stages of infrastructure augmentation projects that happen to impact different categories of stakeholders in variant magnitudes and qualities.

Ethical Business Applications

Redefining stakeholder entitlements is a process that intrinsically challenges predominant corporate assumptions in the context of growing pressure of population and fragmentation of urban resources. New material conditions of life are reoriented and differently molded in this process. Lesser payoffs in terms of minimum tangible benefits to primary stakeholders may take place as a direct spin-off of the multiplying poverty reduction programs. This is somewhat similar to the diminishing marginal utility of consumption and over-utilization of resources that finally lead to consumer satiety.

Poverty alleviation initiatives and income generation measures may lead

to gender empowerment for a certain section of the community. This may or may not lead to the formation or facilitation or even enhancement of the available stock of social capital so far as the target groups among the community are concerned. New culture root paradigms may get entrenched in this critical process as functions of new societal arrangements and perceived specifics of realigned identities and different matrices of power. Such may be the case when new local markets are sought to be explored in the face of established global markets.

Such a state of affairs would require new institutional networks that may work in a milieu of change management predicated by sustainable development alternatives. This necessitates a new regime of discourse of dynamic CSR where the terms beget different signifiers and alternating signifieds. Voices and choices of the people would become confused otherwise in a cacophony generated by the multitude or the Tower of Babel of corporate policy alternatives. Such an overwhelming otherness would subsequently provoke dystopic and dysfunctional social pathologies that would be without any incipient tenets of hospitality whatsoever (following Jacques Derrida).

Systemic compulsions of the new international economic order ushered in by the World Trade Organization and the General Agreement on Trade and Tariff may be viewed as in-built



disruptions that only add background noise to disturb channels of communication between the social market and the political consumer who is prepared to utilize significant and limited resources in order to access utilities. Depleted capacities of primary stakeholders occur as a result of the systemic imperatives of globalization and CSR.

Responsible Business

Populism is another disabling factor that plagues the ideology of CSR. We come across business policy decisions that are not commercially tenable in the market but are implemented nevertheless due to the compulsions of so-called pro-people and pro-poor politics that is not akin to dynamic CSR strategies. Local actors may be able to reorient a new brand of corporate politics in their favor by manipulating primary resources available at the grassroots. But we have to deal with local as well as macro-level corporate politics simultaneously in order to coordinate between the compulsions of subalternist and elitist power approaches.

The CSR approach to social realities may ultimately serve to restore the community at the center of its developmental focus but at a significant cost. This cost is the one incurred during informed exercises pertaining to social choice. So it appears that the incidence of poverty and the eradication of poverty are often to be studied in a context of change management.

Contemporary social realities would suggest that poverty becomes institutionalized as a phenomenon in the interest of powerful corporate actors who are able to obtain the maximum mileage out of the sense of relative deprivation that afflicts civil society. Poverty is also a function of social asymmetry.

This is due to the fact that social clusters are located along the economic hierarchy in different degrees of embeddedness. Public action and civic engagement in an enabling corporate environment may or may not entrench channels of cooperation among primary stakeholders. Such vertical divisions among society are

caused by differing axes of participation and priorities conditioned by dynamic variables such as knowledge, attitude and perceptions.

We may increasingly appreciate that globalization is not only about processes but also about mechanisms that impact our daily lives and the manner in which we would prefer our lives to be impacted upon. This contention may appear to be somewhat irreverent and irrelevant but is merited with a certain quality of objectivity as well. So the nuances and criticalities of existence become all the more difficult to negotiate while rooted in one single destiny conditioned by one given and preordained order of corporate values. We require more values

giously maintain their immigration barriers and discourage agricultural imports while most poor countries have not been quite successful to attract much Foreign Direct Investment due to misgovernance on the part of their national governments. Rich countries, however, may as well concede that CSR politics is a fundamental informant/evidence of economic inequality since they are not likely to lower their agricultural and immigration barriers in the near future in order to facilitate protectionism at home. Rich countries may also review the performance of the Washington Consensus, which assumes that free markets necessarily promote economic convergence and under-

We may increasingly appreciate that globalization is not only about processes but also about mechanisms that impact our daily lives and the manner in which we would prefer our lives to be impacted upon

and non-values in order to co-habit with more meanings and more non-meanings. So it is merely all about conjoining abstract signifiers with concrete signifieds as the fashionable global way of life.

The contemporary processes of globalization do not only happen to constitute polemic engagements with laissez-faire utopianism because of the political specifics available in the First as well as in the Third Worlds but that most of the benefits of globalization also accrue to the First World because of its dominant policy to resist laissez-faire market arrangements in the movement of goods and services and labor forces around the world ñ especially into its domain ñ and its sustained opposition to the norms laid down by the Washington Consensus.⁶ Rich countries reli-

scores important issues such as the rule of law, property rights and transparent banking systems to sustain dialogues between the North and South.

The dynamics of CSR are more often than not perverted by the First World's studied reluctance to apply identical standards of laissez-faire to its borders and imports that it tries ñ with varying degrees of success ñ to impose on the Third World's legal structures and political arrangements. New global bodies such as the World Social Forum have also emerged in the recent years to meaningfully negotiate with the World Economic Forum and its politics of hegemony that extends to identities, cultures, languages, material conditions of life, ethnicity, social baggages, epistemology (knowledge) and ontology (existence).

⁶ ñThe Washington Consensus as I originally formulated it was not written as a policy prescription for development: it was a list of policies that I claimed were widely held in Washington to be widely desirable in Latin America as of the date the list was compiled, namely the second half of 1989. Of course, development was the main objective of the countries in question; the point is that my agenda excluded policies even if I believed they would promote development unless I was also convinced that they commanded a consensus.ñ Quoted from a lecture (ñThe Washington Consensus as Policy Prescription for Developmentñ) delivered by John Williamson in the series ñPractitioners of Developmentñ at the World Bank on January 13, 2004.



Corporate is Social

May we now shift our polemic stance somewhat to reflect that CSR-induced development may not always lead to freedom? Basic human rights (if guaranteed by CSR strategies) may lead to capacities on the part of citizens/netizens. But what about capacities that do not sell at the globalized marketplace? If globalization, on the one hand, facilitates decentralization then, on the other, it also helps develop pockets of dynamic Free Trade Areas in large developing countries like China and India by reorganizing their economic geography, Foreign Direct Investments and global commodity supply chains.

This process, however, creates large hinterlands of economic backwardness and entrenches economic inequality within the developing South. CSR-induced development, therefore, intensifies regional disparities within the Third World. The so-called Internet Revolution is indicative of the hegemonistic battles waged on a daily basis around the world with reference to critical discourses of production, consumption, distribution and exchange. The World Wide Web was originally designed as a virtual space to permit efficacious and intuitive transfer of data across an array of proprietary networks but it is now generally deployed to intensify uneven power relationships.

Multi-Sectoral Dialogues

CSR dialogues are expected to facilitate cross-sectoral stakeholder commitment and involvement in infrastructure development projects. Such dynamic interactions may also contribute effectively to streamline timely implementation of the physical works of development projects. Stakeholders' involvement in terms of public information and consultation exercises may extend to the generation of awareness about the proposed physical works under different CSR-driven projects, active participation at the design stage and propagation of knowledge with regard to the timely implementation and cost-effective management of project activities.

Social Capital

The popular understanding of Social Capital as an embedded civil societal resource supported by networks of trust and cooperation should be analytically conceptualized here in order to locate the altogether intriguing notion of corporate ethics in its proper intellectual discourse. Social Capital is more often than not underpinned by manufactured (or else fractured) consent that in itself is conditioned by parallel movements of power and culture identities.

What is trust and how can the intangible value of trust be defined by cooperation and multiple axes of social synergy that is cohered by an equally unquantifiable category called enlightened corporate self-interest that is variously known as faith?

utilitarian terms? You would benefit if I am truthful while I would gain if you are honest. We can translate and extend this notion into areas of Corporate Good Governance such as accountability and transparency. The social structure as a whole has a developmental stake rooted in the intangible yet immensely valuable resource of Social Capital. This argument is substantiated in the case of corporate ethics.

Conclusion

CSR-induced development, it may be appreciated at this point, is not anything extrinsic like politics imposed from the above without any regard whatsoever to the end-users of limited socioeconomic and political resources. Actors who are supposed to interface with their very

CSR dialogues are expected to facilitate cross-sectoral stakeholder commitment and involvement in infrastructure development projects

The comparative value of trust when measured against infidelity may be quantified in order to understand why people sustain a working stock of Social Capital at the marketplace of CSR, in politics, public offices and the government or elsewhere where interactions and institutions come together to define various interfaces of the public domain.


To disown my neighbor in his/her hour of need or crisis may not be quite a wise policy when located in a broader temporal perspective. But the problem with rational consumers interacting at the level of the marketplace of CSR politics is that they are not always endowed with the gift of foresight that in itself is an asset conditioned occasionally by experience i.e., acquired social knowledge.

Why is the notion of Social Capital relevant at all in our community life informed by CSR initiatives? Is this because it is a useful and practical idea that is mutually beneficial in

own institutions are nearly always better comfortable if left alone with the material conditions of daily life that breed organic ethos of community existence. This is where the colonial masters went wrong in Asia, Africa and South America when they bled the colonies white and left behind a legacy of comprador bourgeois and crony capitalism that, in turn, fostered a repressive state apparatus and a perverted anti-people bureaucratic managerial state system that was not only anti-people but was also occasionally anti-progress. So CSR politics is largely similar to the distressed Sphinx that appears enigmatic without any mystery and that is also rhetorical without any enabling strategic figures of political speech. ■



ECGC



HR, anywhere and everywhere needs to be sensitive to all situations, but proactive and swift. People in HR need to understand and balance their skills between two sets of needs – those of the individual employee and those of the company as a whole. Most HR departments play a major balancing role between these two, to seek out the most effective and least painful method.

– Tapan Mitra

- **As financial meltdown has turned into global economic crisis, the human cost in terms of lost jobs and displaced workers is growing at a terrifying pace. The International Labor Organization (ILO) predicts that 38 million people around the world could lose their jobs this year alone, sending unemployment rates in Europe and the US into double digits for the first time in years and slowing ñ or in some places reversing ñ the massive jobs growth of recent years in Asia. What would be the political and social consequences? How should governments, companies and labor unions in countries across the globe address this issue?**

As we can see in hindsight this was a cycle that was waiting to happen, given the high growth rates and the over extending of nearly all financial and economic facilities that had taken place since the early 1990s. This is a correction; yes an unfortunate one, but a correction that needed to take place to ensure sustainable growth across economies. While the implication of this on jobs could be dramatic, especially in the developed nations, what this downturn would also do is

weed out the companies which had not managed themselves well during the good times. Going by the past few months, I do not expect massive political or social unrest due to this. Governments across the world have been taking proactive action to try and minimise the pain on the average workers. The steps taken by each government are intrinsically linked to their governance policy and therefore the way we have been addressing this in India is going to be quite different from say how the US or Chinese governments tackle them. These are times when all parties have to come together to take collective decisions and a time when labor unions need to keep long term interests in mind.

- **What is your assessment of impact of US financial crisis (global financial crisis) on India? Which sectors/industries do you think are affected most and what are your perspectives on the way Indian companies are managing this unprecedented downturn?**

Given that the US is the world's largest economy and closely linked to economics across the world, an upheaval in the US has far-reaching consequences. In countries like India, the strengthening of the dollar has had an immediate impact. Also the sectors

that have been most impacted are those which have a high exposure to the US economy like IT services. However, others like the hospitality businesses, infrastructure development, high-end or export-oriented businesses like gems and jewelry will suffer more than others.

In terms of Indian business, we have once again surprised ourselves with our ability to be agile and adjust quickly. Majority of our businesses had taken on themselves efficiency enhancing and cost cutting drives at an early stage, preparing themselves well for the tougher days ahead. However, I do have to say that in India, we are blessed with a large, diverse and growing domestic market which creates a certain buffer for us during a global downturn.

- **As Chief of HR at Apollo Tyres, what is the plan of action to manage through the crisis? Any layoffs?**

Our people have voluntarily taken lower perks for two quarters to ensure that the company remains profitable. It has been difficult, but as Chief HR my and my team's role becomes easier when people themselves are willing to take collective decisions to ensure a better future. At Apollo the culture of teamwork and looking out for the greater good is very high, which has always worked in the company's favor. I feel, in many respects, this gives us an edge over other companies. No we have not had any layoff, however the normal practice of non-performers being weeded out of the system continued to take place. Our focus has actually been on redeployment and production management to keep manpower costs low, rather than layoffs.

- **Recently, when the UK arm of accounting firm KPMG asked its staff if they would be willing to reduce their workweek ñ and thereby save jobs ñ in the event that business dried up, an overwhelming 85% signed on. Probably, the deal is a first for a British financial services firm. It is unlikely to be the last. A recent survey by Watson Wyatt finds that almost one employer in ten intends**

Tapan Mitra as Chief of Human Resources, and his team have been instrumental in developing robust HR systems and processes in the company, focusing on performance management, leadership development, market-driven compensation structures, job classification, competency management, team building, and talent development, ensuring healthy employee relations and high levels of employee engagement. He is also responsible for the successful integration of HR processes with any acquired entity. His leadership has enabled Apollo to move to the next level of people development and performance management.

Tapan Mitra joined Apollo Tyres in early 2005. Prior to that he was with Ballarpur Industries Ltd. (BILT), where he was Vice President, People Development and Communications. He began his career as a management trainee with JK Papers in 1977, moving on to Voltas Ltd., and then to BILT. He has worked both at the plant and corporate HR in these organizations. International exposure with institutions like INSEAD, IMD, Centre for Creative Leadership, and Saville Holdsworth Ltd., have further complemented his in-depth functional knowledge.

Schooled at St Xaviers Delhi, Tapan Mitra is a Delhi University Gold Medalist and National Scholarship holder and has a postgraduate degree in Sociology from the Delhi School of Economics. He is actively associated with HR platforms at CII, National HRD Network, All India Management Association, National Institute of Personnel Management, ASSOCHAM and the Conference Board, apart from being a guest faculty in leading management institutes.

An ardent photographer, he enjoys reading and listening to western music. He believes that a true "people's manager" needs to be adept at handling interpersonal relationships and be able to communicate with clarity across organizational hierarchies. Equally important is the ability to address employee concerns in a proactive manner.

to shorten the work week in coming months. What are the merits and demerits of this job saving scheme?

This is the best way forward. Layoffs do not always work in a company's favor. It might seem easy to ask people to leave but even that has a short term cost in terms of financial outgo. Also, often in the process of layoffs, a certain number of the best performers tend to depart which is not desirable. Also, remember bad times are not going to last forever. So when the economy begins to pick-up, we will all need those who left. At that point to get back the trained manpower, who had been aligned with company goals and philosophy is difficult. There is then a high cost that we would need to pay for hiring and training. Job saving schemes, like what we did at Apollo Tyres, is the best way forward, wherever possible.

- **Two countries stand out as having the most developed and systematic approach: Japan and Germany, which both provide government subsidies to companies who keep on workers even though there's little or no work for them to do. Both have recently extended their schemes. What is your assessment of such a tacit support from government? Do you see merit in this approach or do you think this would end up doing more damage (in the long term) than the short-term good?**

Of course this is good. If governments can do this, it is favorable for the workforce. And we have to remember that both Japan and Germany have very high quality and efficient companies. They have trained, high-value workforces. As long as such systems do not encourage the unfit and inefficient to become part of the systems which both Japan and Germany do then this is good. However, not all governments are able to do this. Nor is it desirable or feasible across the board. We all need to work with the constraints and the positives of our own situations.

- **Should every other country emulate these two countries' prac-**

tics? In fact, OECD expects unemployment in Germany to rise from its current 8.6% to 11.5% by the end of 2010 – higher than many of its European neighbors. Japan's unemployment rate is expected to rise, although less dramatically, to above 5.5% next year from 4% in 2008.

As I have mentioned above, each government's response will be shaped by two things. One, the crisis and its potential fallout. And two, governance policies and needs of the situation. Given the diverse countries across the world, there really cannot be a single formula which everyone can follow.

- **OECD's chief economist, Klaus Schmidt-Hebbel argues forcefully that governments should do more to retrain workers and overhaul their labor-market policies to ensure that once recovery comes, new jobs are created in sufficient numbers to swiftly bring the jobless rate back down again.**

I agree. Actually all parties have a role to play in situations like this – the government, companies, unions, employees and even the financial or banking system. How effective the impact will eventually be is a direct fallout of coordinated action amongst all these diverse groups of people and systems, swiftness of action and proactive play. Even though it is one of the possible solutions, it is surely not an easy one to implement with success.

- **There's immense political pressure on authorities to do something to slow growing joblessness. For instance, when Jet Airways (in India) laid off 1900 employees, the Civil Aviation Minister, Mr. Praful Patel said that ministry would certainly not be very happy with the approach of Jet Airways. Similarly when the French oil company, Total announced the closure of two refineries and the consequent loss of 550 jobs, it attracted a furious public outcry including denunciations from two government ministers. In both the cases, the companies had to withdraw their decisions. Do you think it is right to force the compa-**

nies to continue to save jobs even when they are bleeding from the downturn bruises?

I agree with your argument, however in any nation jobs are a very sensitive issue and needs to be handled with a lot of sensitivity. I will not be right on my part to comment on either of these two cases since I am not familiar with exactly how they were handled internally, what was said, how it was undertaken, what the individual and community level communication was, were all the regulatory authorities and the unions taken into account, etc., – all these play a role. At the end of the day, two parties need to find ways to work towards a solution which minimises the pain across the board. We have seen across history that unilateral decisions favoring only a single party do not have a high shelf life.

- **What do you think should be the greater and broader role of governments in such situations? Should they adopt job-preservation-schemes or should they concentrate more on job-creation-schemes?**

As you have seen with the Indian government, our focus has always been on job creation. These have come in many ways, rural schemes, incentives to industries to move to backward areas, state incentives to invest in a particular state of industry, softer loan agreement and others. For the longer term this is the way to go. However, at certain points in time there is merit in undertaking limited job preservation schemes also, for a certain period of time to enable job seekers to find new avenues. This need not mean that people get paid to do no work – that really never works since it ends up impact the longer term work culture and morale of people. What works is redeployment. Moving people from non or low productive areas to higher impact, high productive areas, sectors, regions.

However, all said and done, I would reiterate that none of this is easy to implement, especially in a government context where the government's focus should be on good governance.



THANE JANATA BANK

- **Following Mr. Barack Obama's economic stimulus package, every government has followed the suit. It's more than four months since those packages were announced and disbursed (at least partially). But the recovery seems to be getting delayed beyond expectations. When do you think people can expect a positive recovery from this downturn?**

Stimulus packages, especially large packages, will take some time to have an impact. Here we are not talking about one company and its people. We are looking at a nation with diverse needs and sectors. I think, in India, a certain amount of recovery is on its way. 2010 will overall be a tough year which we have to find ways to ride out. In the Western world where the impact has been far higher, the recovery time will also be longer.

- **At the beginning of this century, every where there was talk of talent management prophesying time and again that people are the key assets. And everyone complained of talent crunch. Now that there is cash crunch, in the name of either managing a downturn or restructuring, every company resorts to sacking the employees mercilessly. In fact, some CEOs advocate their divisional heads not to be emotional and sentimental and take a knife and chop off. Why this U-turn?**

I would not agree with you here. Let us not get taken in by a few newspaper reports here and there. Yes, some of what you say may have happened, but it is difficult for us to appreciate the position that those people may be in at that time.

I reiterate that people are our asset, and our key asset — there is no doubt about this. In that, talent is the most priceless commodity. The next is the fit between talent and the requirements of the job. These will continue to be any HR manager's challenges going forward.

- **What happens to all such companies resorting to massive layoffs as regards image and long-term standing? Do you think people**

would excuse them for being treated as inanimate objects especially during such trauma times?

Companies in dire straits have had to resort to such measures; this has not been a rule across the board. It would be good to hear more about those who have persevered to protect and even enhance jobs at this time. And there are many companies who have, including Apollo Tyres. But you are right there is an immediate image issue that companies face in such situation. The only upside, or even downside if that's how you prefer to see it, to this is that when performance is good, public memory is short.

- **Even giving benefit of doubt to the companies pursuing lay off policies, what happens to the morale of all those who fortunately manage to survive (because they happen to be the best employees) and hold on their existing jobs? Can companies expect best performance from their best employees?**

You are right. Such actions not just have an impact on those leaving but also leave a psychological scar with those remaining. Actions such as those you mentioned, if not managed properly and communicated well, often result in the best people leaving immediately after the downturn is over or as soon as they get another job. And of course it affects morale of all employees and creates a feeling of insecurity.

- **Do you think layoff is the only answer to manage the downturn? Geoff Colvin argues (*Fortune*, March 30, 2009) that the costs of a layoff — Brand equity costs, leadership costs, morale costs, Wall Street costs and rehiring costs — should be guarded against. Given these inevitable costs and cost-saving-exigencies, what do you think should be a company's policy towards layoffs?**

As I mentioned earlier, every situation brings its unique circumstances. For some may be, a certain amount of layoffs was the answer. This could indicate also that the company was carrying more people than it needed to —

and that can be for various reasons — and therefore it was imperative to take this action.

Our way has always been to look at various options. At Apollo, we have used two methods extensively — redeployment and scaling back on manufacturing. We redeployed people across functions and locations and also decreased the total days of manufacturing to enable us to keep both manpower and inventory costs low.

- **People are trading off their jobs for wage cuts and other measures. What is the efficacy of other job saving schemes like shifting to shorter working hours, temporary work suspensions at factories, work-sharing programs and lower pay in exchange for tacit job guarantees? The bigger question however is can they be sustained?**

Exactly what I am talking about. These are all measures that can be deployed during tougher times when the production volumes required are lower than usual to ensure gainful employment. And yes they can be sustained for a period of time to tide over tough times. However, as you will understand these are not measures that are required when goods are selling and production is working on full capacity.

- **Cutting working hours also adds to the bigger macroeconomic problem currently hammering the world economy: lack of demand. Pay cuts eat into consumer spending, which in turn amounts to more bad news for a world economy in need of stimulus. Therefore, how do you expect the government and the companies to make concerted efforts to make sure that one's solution does not become another's problem? Or is it inevitable?**

In today's world not only is the personal related to the economy but also one nation to another. Today we live in a far smaller world and nothing takes place in isolation. Some of this is inevitable. However, if you see how the Indian government has acted, we have a lesson here. It has tried throughout this period to bring down inflation,



City Union Bank

thereby bringing down the cost of good by using means at its disposal like lowering excise rates. The government has also given a certain amount of fiscal incentives to sectors which can push demand. It has attempted to bring down interest costs both on corporate borrowing as well as areas like housing loans. The government is also ensuring that rural demand does not flag. All this adds up to having a positive impact on individuals at every level, in some way or the other.

- **Send workers home without sacking them, is another often-suggested solution. Companies are increasingly putting in place telecommuting policies to cut costs and increase productivity. Of course, this might just work largely in service and highly individualized sectors and may not work in manufacturing and where physical presence is essential. However, what are the challenges in allowing employees to Work From Home (WFH) and what precautions do you suggest companies should take before adopting WFH policies?**

Work from home or flexi hours are all great alternatives in sectors and functions where they are possible. I would always recommend these measures. This brings down costs both at the corporate and individual level. Utility costs can be brought down by companies and individuals save on commuting and other costs. Of course there are multiple challenges to such measures. But I have always seen that majority of individuals tend to behave in a responsible manner, if they are given a responsibility. There will be some who will buck the trend, but does that mean we will stop trusting everyone else or not implement something that is beneficial to all parties concerned?

- **Is there possibly a way to manage downturn without downsizing? Of course, many argue that it's not downsizing, but rather right sizing. Are there any illustrative examples of either companies or countries not having gone in for**

downsizing during the previous crises?

There certainly is. Once again, not the easiest of options. However it depends on what is the goal one is looking to achieve that will dictate the process. Are we looking at massive cost cuts only in the human resources area? Are we looking at overall reigning in of costs, which will also impact the HR domain? What are our long term plans? By when do we expect to see an upturn? And of course what is the financial position of the company. The last will in fact be a key factor to work out many related details.

No major company in India has undertaken the kind of dramatic downsizing that you are referring to. Circumstances have been kind to us but it also probably shows that our companies are quite robust and our people are flexible and innovative in their approach to HR and manpower issues. What most companies, like Apollo, have done is to reduce costs by shutting production for a while, cutting back on the work week, by cutting back on travel costs and by deferring a certain amount of high financial impact training programs.

- **The most short term thinking is to cancel training and recruitment of good quality people externally. Should companies stop hiring fresh talent? Should they stop imparting the crucial skills required for their employees to become quality employees?**

On a short term, say a quarter or two, it is possible and often desirable to curtail training spends. I am saying curtail, since some training ñ lower cost or ongoing modules or high impact sessions ñ could continue. Over a longer term, it is not really possible to survive, or do well, if we completely do away with trainings. This is one area which enables the company to become future ready and is a major retention tool. Also hiring fresh talent is a need-based item. If there is a critical need in a certain area, which cannot be filled internally, companies rarely have an option but to hire, even if that means doing so in a downturn. At

Apollo Tyres, we ourselves have hired talent during this slowdown.

- **What should be new role of HR departments? How can HR departments take a leading and influential role in the business response to the economic downturn?**

HR, anywhere and everywhere needs to be sensitive to all situations, but proactive and swift. People in HR need to understand and balance their skills between two sets of needs ñ those of the individual employee and those of the company as a whole. Most HR departments play a major balancing role between these two, to seek out the most effective and least painful method.

In today's world, people in HR departments have to understand business well. How the business is done, the key factors affecting it, the environment, the regulatory atmosphere, etc. If HR personnel can do this well, their ability to influence business, and often guide business decisions would increase. And definitely during times of crisis, HR's role cannot be over-emphasized.

- **What is the role of leadership in navigating the companies through the troubled times, ensuring that their companies do not go down under and also their employee morale is kept high?**

Leaders make or break companies. Good leaders create lasting companies and leave a legacy. There is a huge difference between the two and the value of good, strong and effective leadership, one that has a human face and is sensitive, is enormous in today's world where people are our real assets. At Apollo, we have been fortunate to have not just one or two such leaders but many within the management structure, who are in sync with the company's needs, feel for their people and are also good communicators. ☺

The interview was conducted by
Dr. Nagendra V Chowdary,
 Consulting Editor, *Effective Executive*,
 Dean, IBSCDC. (www.ibscdc.org)

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Women Leaders

What Makes Them Successful

The efficacy of McKinsey's new approach to leadership—Centered leadership—that is supposed to help women become more self-confident and effective business leaders, is explained through Valmiki's Sita in his epic, *Ramayana*.

Taking the fact of men and women starting their careers with the same level of intelligence, education, and commitment, but comparatively few women reaching the top as a challenge, the McKinsey Leadership Project undertook a study to unearth the drivers that sustain successful female leadership. In the pursuit, they have interviewed 85 successful women in diverse fields, of course, along with a few successful men to get insights into what it takes to be a successful leader. Simultaneously, they have also reviewed the existing literature on leadership, psychology, organizational behavior, biology, etc., and from the so-gathered information they distilled a leadership model that consists of five broad and interrelated elements: one, **meaning**—knowing one's strengths and putting them to use in the service of an inspiring purpose; two, **managing energy**—knowing its source, towards what it is flowing, what it needs to manage it; three, **positive framing**—adopting a more constructive way for looking at the world, to expand one's horizons and build the required resilience to march forward even when the odds are against; four, **connecting**—identifying those who could help one to grow, and build stronger relationships with them with an increased sense of belonging; and five, **engaging**—finding one's own voice, becoming self-reliant and confident to accept opportunities along with their embedded risks and collaborating with others.

They named this model centered leadership. It is supposed to be endowed with a well of physical, intellectual, emotional and spiritual strength that drives personal achievement, while at the same time inspiring others to follow. The research carried out by McKinsey clearly indicates that the model of the central leadership resonates well with women. For, women—being doubly burdened by motherhood and management get drained of energy in a quite challenging way; and they tend to experience emotional ups and downs, not only more often but also more intensely than men, and owing to such emotional challenges they are often found opting out of work than men can, under the proposed centered leadership model, consciously draw upon positive psychology to thrive effectively as a leader. Indeed, many of the successful women leaders whom the McKinsey team interviewed echoed similar ideas.

To understand how these traits help women leaders to wither out challenges in their path to success, we shall take a look at the work of Valmiki, the *Ramayana*—particularly, the character of Sita, that had a profound impact in shaping the cultural mind of India. As Aurobindo commented, *Ramayana* has indeed fashioned much of what is best and sweetest in the national character of India. In it Valmiki chiseled Sita's character as an harmonious embodiment of beauty, tenderness of heart, compassion of the extreme type, fidelity, wis-

dom of the truest type, courage of the heart, and endurance—what has she not endured. Although *Ramayana* is a story of Rama and his accomplishments—his ethical imperatives, war-heroism, and idealism—it is Sita who stays back in the mind of every ardent reader of *Ramayana*. Indeed, it is Sita who affords an opportunity to Rama to display his idealism, heroism: Sita giving away her riches prepares to follow him to forest; Sita demanding for the golden deer and accusing Lakshmana; Sita abducted by Ravana to Lanka; Sita consoled by Hanuman amidst the terror wrecked by the ogresses; Sita spurned by Rama who killed Ravana to free her from him; Sita vindicated by the fire-ordeal; and Sita, the anointed queen of Ayodhya and much more. Her journey through all these ordeals explains how the five dimensions of centered leadership enabled her to rise to the occasion at every moment of crisis. We shall now take a critical look at them.

Meaning

The model describes meaning as the very motivation behind every move of the people. It enables one to discover what interests him/her. Such identification makes work enjoyable—builds signature strengths into everyday activities, enables one to push oneself to the limit. It provides energy and inspires passion. It leads to happiness at work—which means high job-satisfaction, higher productivity, and increased loyalty. Research indicates that meaning generates feelings of transcendence—creates a virtuous cycle that is bigger than oneself—affording a deeper meaning to one's work. We have a scene in *Ramayana*, which shows all these forces in action while Sita pleads with her husband, Rama, to let her accompany him to the forest.

In the *Ayodhya Kanda* when Rama goes to Sita and tells, 'I am now going to the forest for fourteen years at the behest of my father' she at once says, 'I am going too.' He prevents her and indeed frightens her describing the horrors of the forest. He is equally in love with her but could not entertain the idea of such a delicate lady putting up with all the trials and tribulations of jungle life. Hence, he repeats the warning unpteen times and even imparts to her a great deal of worldly wisdom 'how to behave towards his father, mother and towards his brother Bharata in his absence. But Sita, knowing what matters most to her, has no ear for all this. Instead she questions him: 'Wherefore do you tender me this advice, which makes me look indeed so small, O Rama, ...A wife alone actually shares the fortune of her husband, O jewel among men! For this very reason I too stand enjoined (by my parents-in-law) that I should as well take up my abode in the forest. In the case of women neither father nor

ing in aerial cars or coursing through the heavens. I have been taught in many ways by my mother and father how I should conduct myself (in relation to you). (As such) I need not be instructed (in this behalf) at this juncture. ... (Nay) caring not for the sovereignty of the three worlds and concentrating my thought on the vow of serving my husband (yourself), I shall live happily in the forest as I would in my paternal home. Serving you everyday with self-reliance and practicing sacred vows, I shall sport with you in woodlands fragrant with (stores of) honey, O valiant prince!

Her steadfast commitment to the meaning that she ascribed to her life inspires her to confidently of course, with a face wet with tears say: 'The disadvantages that have been enumerated by you as accruing from an abode in the forest, know them to be (so many) blessings (in disguise) in view of the fact that I am foremost in your affections. Antelopes, lions and even so elephants, tigers and Sarabhas,

be construed as a transgression in the conduct of a wife, but here they only show her profound grief 'n' grief at Sri Rama's refusal to let her go to forest with him, at the very thought of separation from her beloved. But being a brave, and true kshatriya woman, in the same vein she even challenges him: 'What are you afraid of? What are the things which you dread that you should reject me who have no other person to rely on earth? I am yours entirely, utterly, and yet you discard me. Where is your moral courage gone?'

She continues to argue: 'O Rama, that a (devoted) wife who stands disunited from her husband should not be able to survive. Moreover, in the days gone by while living at my father's, ...the prophecy was heard by me from the mouth of Brahmanas that I must dwell in the forest. ...I certainly know there are sufferings only of various kinds in the forest. They are (however) invariably experienced by men of unsubdued mind (alone), O heroic prince!... Following my husband (to the forest) with loving devotion I shall surely be absolved from all guilt, O pure-minded prince; for the husband is the supreme deity (for a wife). ...If you do not feel inclined at all to take me, afflicted as I am as shown above, to the forest, I shall resort to poison, fire or water to hasten my end.'

In this way Sita entreats him 'at times even in a harsh tone' in many ways to let her accompany him. It is her knowledge of what matters to her most that obviously inspires her to boldly express her sentiments that are an amalgamation of threat, persuasion, entreaty, preaching of duty, and exposition of the sanctity of marriage, which compels Rama to gracefully take her with him to the forest saying, 'I be with me my partner in all that I have to do in the forest.' Sita, the daughter of Janaka and the wife of Rama, happily then strips herself as bare as possible of all pomp and the burden of pomp and makes herself ready to go to forest with Rama cheerfully, and indeed lives happily in the forest sans palatial comforts that a princess of her status is used to have 'all because of her ability to discover

It is Sita's knowledge of what matters to her most that obviously inspires her to boldly express her sentiments that are an amalgamation of threat, persuasion, entreaty, preaching of duty, and exposition of the sanctity of marriage

son nor their own body nor mother nor their female companions serve as an asylum here or hereafter. The husband alone is their refuge at all times.'

That is the meaning she has about her life. Hence, she says: 'If you depart this very day for the forest... , O scion of Raghu, I shall walk ahead of you crushing blades of Kusa grass and thorns (that lie in the way). Casting away envy (at my courage in voluntarily offering to accompany you to the forest) and wrath (at my insolence in flouting your command to stay in Ayodhya), confidently take me... O valiant prince! No sin (that may deter you from taking me with you) abides in me. Protection under the feet of one's husband under all circumstances is preferable (for a woman) to residence at the top of a palace, or liv-

yaks ...that roam about in the forest are all sure to run away on seeing your countenance since they have never seen your face before and because all are afraid of you. ... (Nay) life in this world must be cast away by me in the event of separation from you, O Rama! In fact not even Indra, the ruler of gods, is capable of overpowering me by his might so long as I am by your side.

Driven by a strong passion for remaining by the side of her husband come what may, Sita even taunts Sri Rama: 'I think of my father. He sought all the world for a bridegroom, and at last he got you. If he thought he got hold of the best man for me, he was a fool. What he had got was a woman, a cowardly woman, dressed like a man.' Traditionally, these words can



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what she loves most and working towards its accomplishment.

Managing Energy

It is everybody's knowledge that today's executives work hard and 60% of executives work for more than 50 hours a week. And returning from the office, woman executives have to literally switch over to the second shift of managing household chores. Many are known to have burnt out with such grueling schedule, more so women executives. But, psychologist, Mihaly Csikszentmihalyi says, those who frequently experienced a sense of being so engaged by activities that you don't notice the passage of time were more productive and derived greater satisfaction from their work than those who did not. Further, his research revealed that such flow energizes them. It is therefore incumbent upon every leader to identify the conditions and situations that replenish one's energy and those that sap it. Self-awareness, it is argued, helps one to deliberately incorporate restorative elements into the day's labor. It can also help one to space out energy-sapping tasks throughout the day instead of bundling them together into either a morning's or evening's project.

We come across a scene in *Ramayana* where we witness Sita, realizing the source of her energy and being skillful in its usage manages it to wither away the greatest crisis of her life successfully. To have a full feel of the state of mind of Sita during this scene of tragic distress let us follow the scene from the beginning. As instructed by Rama, Vibhishana goes to Sita and tells her his message: "Ask her to bathe and perfume herself. Let her put on scents and come to me bedecked with all the jewels she has." It perplexes Sita. She says, "I would rather see him at first as I am, soiled, grief-stricken, tear-bedewed, miserable. Don't ask me to bathe and put on my jewels and appear as though I have been leading a gay life. Let me see him as I am, that is, as I have been here." But Vibhishana, perhaps, having already seen signs of trouble on Rama's face, tells her, "I think you had better

follow your husband's order." Perhaps admonished, Sita does as she was bidden and when she presents herself before Rama, he says that he has destroyed the man who ventured to insult him by carrying away his wife and thus wiped out the disgrace. He also says to her: "I remember I did not do all this for your sake. No." As he utters these words, Sita at once grasps that a tragic fate awaits her. That is why Valmiki says that as Sita looked up her eyes seemed to indicate the kind of mortal dread, which a stag shows when the huntsman has sent his fatal arrow.

Rama, then intensifying his hostile attitude, knitting his brows with the severity of a magistrate, utters the words: "There is a stain on your character. What man of spirit and born in a noble family for his part would take back with an eager mind a woman who has dwelt in another's house, (simply) because she has been kindly disposed towards him (in the past)?"

Ravana; I did not act of my own free will on that occasion. My (adverse) fate (alone) is to blame on that score, my lord. That which is under my control, viz., my heart, (ever) abides in you. What could I do helpless as I was, with regard to my limbs, which had fallen under the sway of another? If I could not be fully known to you, O bestower of honour (on others) in spite of our love (for each other) having simultaneously grown and despite our having lived together (for so many years), I am undone for good, thanks to such ignorance.

She then questions him: "When the eminent hero, Hanuman, was dispatched by you in order to find me out, why, O king, was I not repudiated by you even while I was (still) in Lanka? Life, O hero, would have been yielded up by me, ... This useless exertion (in the shape of crossing over to Lanka and waging war with the mighty Ravana) which you have put forth exposing your life to danger

It is incumbent upon every leader to identify the conditions and situations that replenish one's energy and those that sap it

While boasting of my lineage, how can I accept again you, who were squeezed into the arms of Ravana (while being borne away by him) and regarded (by him) with an evil (lustful) eye? ... There is no more attachment for you (in my heart). You may (therefore) go wherever you like."

Hearing the harsh utterance of Rama, which caused her hair to stand on end, Sita feels greatly afflicted. She stood bent low with shame. As though pierced by those arrow-like words, Sita, pulling up her energy, wiping clean her face that is bathed in tears, slowly addresses in faltering accents the following reply to her spouse: "Why do you, like a common man, address to me, O hero, such unkind and unbecoming words, which are (so) jarring to the ear, ... I was helpless when I came into contact with the person of

would not have been undertaken nor would your friends (viz., the monkeys and Vibhishana) have been put to such fruitless hardship. By you, however, who, like a small man, gave yourself up to anger alone, ... womanliness alone has been mainly taken into consideration. The divine origin of mine is not taken into account by you. My exalted character is not prized by you either... Nay, my devotion (to you) as well as my chastity have all been ignored by you."

Speaking so in a voice choked with tears and weeping, Sita then appeals to Lakshmana, who was absorbed in thought and feeling (sore) distressed: "(Pray) raise for me a pyre, the (only) antidote against this calamity. I no longer desire to survive, smitten as I am with false reproaches. I will enter a fire, which is the (only) course appro-

priate for me, renounced as I am in a public gathering by my husband, who is no longer pleased with my virtues.†

Lakshmana, prepares a pyre in deference to the wishes of Sri Rama. Walking clockwise, Sita, approaching the blazing fire, respectfully bowing down to the gods prays: †As my heart never turns away from Sri Rama, so may the god of fire, the witness of the world, protect me on all sides. Since Sri Rama takes me to be corrupt, though of unimpeachable conduct, let the god of fire, the witness of the world, under such circumstances, protect me on all sides. In as much as I have never been unfaithful in act, thought and speech to Sri Rama... , let the god of fire in that case afford protection to me. Since the glorious sun-god, as also the daytime and the twilight and the night as also Mother Earth and others too likewise know me to be richly endowed with good character, let the god of fire protect me.†

Any other woman when exposed to such repudiation in the presence of

vimala sasankanibhananaaóá moon-like calm faceóonly because she is so sure of her virtue from which energy flows into her answering the accusations boldly and meaningfully to ultimately come out of the distress successfully.

Positive Framing

It is commonsensical that the éframesí people use to view the world around them and process experiences do make a critical difference to the outcomes of life. And, professional outcomes are no exception to this general rule. Research indicates that optimists see the world more realistically than pessimists do. And it hardly needs to be stressed here how crucial it is for a leader to be optimistic to make right business decisions. Research also shows that optimists are not afraid to frame the world as it actually is, for, perhaps, they are sure of their ability to manage the underlying challenges by moving their teams quickly to action. As against this, pessimists tend to feel helpless and to get stuck in

declares himself and announces his evil intention, Sita bursts out in a fit of uncontrollable indignation. But even in that anger she does not lose her optimism. Indeed, accepting the reality, she makes an attempt to defend herself and in the process, she eloquently speaks about her husband: †Do you know what kind of person my husband is? He is unshakable like the great mountain Sumeru, he is invincible like the great Indra, he is imper-turbable like the great ocean. To him do I belong utterly, body and soul. In Rama all the excellences dwell together; like the banyan tree, he affords a wide sweep of umbrageous protection; his word is a bond; his lustre is fadeless. To him do I belong utterly, body and soul. Strong-armed, strong-chested, he has the tread of a lion, he has the majestic mien of a lion, he is a lion in manís shape. To him do I belong utterly, body and soul. His face has the charm and effulgence of the full moon; with the blood of royalty in his veins, he has complete control of his senses and sense-organs; he has a mighty resplendent soul. To him do I belong utterly, body and soul. Do you realize what you are doing? In desiring me, the devoted and worthy companion of Rama, you are a low jackal desiring a lioness far beyond your reach. You can no more touch me than you can touch the radiance of the sun. I guess you behold trees all bathed in gold, as they say doomed persons do, for you are doomed if you dare to desire the beloved of Rama. You desire to draw the tooth of a famished lion. You desire to draw the fang of a fierce hissing cobra. With a feeble arm you desire to lift the huge Mandara, prince of mountains. You desire to drink the *halahala*, poison, and escape with your life. You desire to cleanse your eye with a sharp needle. You desire to lick a swordís blade with your tongue. You desire to swim across the sea with a stone round the neck. You desire to snatch the sun with one hand and the moon with the other. You desire to carry a blazing fire in your cloth. You desire to walk on a row of pikes with steel points. What disparity there is between a lion and a jackal in the forest, that disparity there is between

The ‘frames’ people use to view the world around them and process experiences do make a critical difference to the outcomes of life

the world, an insult that is beyond endurance, and left to entirely defend herself, would have simply wilted out. But Sita, knowing the source of her energyóher impeachable character, her virtueópulls up herself to reprimand Rama about the language used by himóá noble husband against a noble wife. Even in such tiring situation she could muster energy to protest that she was not her own mistress when Ravana touched her, and up-braid Rama: †It was not because I wanted to touch him and see how he felt, that I came into contact with him. It was forced upon me. Donít you see? And yet you say these things to me...† Though her heart is wrung by the utterances of her beloved Rama, she could, as the poet says, display *vadanmuditpurnachandrakant*

downward spirals that result in energy-depleting ruminations.

Optimists are driven by two fundamental notions: one, positive framingóaccepting the facts of adversity and act to counter them; and two, positive thinkingóreplacing the adversity with positive beliefs. Hence an optimistic person will be better placed to handle the news that he is having canceróbeing confident that he can handle the prognosis, he rushes to collect all the relevant information and execute treatment plans, while a pessimist would simply gets paralyzed with fear. We come across one such incident in *Ramayana* where Valmikiís Sita demonstrates the benefits of optimism in a grandiose manner.

In *Aranya Kanda*, when Ravana, who comes in disguise as a *sanyasin*,

Rama and you. ...You may carry me away now; but while Rama, like to Indra in prowess, lives and wields the *kodanda*, you cannot bend me to your purpose, any more than a fly can eat ghee and digest it.

In her rhetoric, she exhibits the presence of mind to mention even about Lakshmana: a powerful half-brother of his, Lakshmana by name, a tiger among men and the slayer of his foes on the battlefield, is the companion of Sri Rama. She describes Lakshmana as a *dharmachari*, and a *dridhavrata*. Here, it is necessary to note that it is the same Lakshmana to whom, a while ago she had spoken harshly accusing him of casting wicked eyes upon her, but now speaks highly of him. It means, in saying those words, she was then not thinking of their meaning but only of their effect in making Lakshmana obey her order to go to the rescue of her husband, Rama. She has the wisdom to limit the impact of her words/thoughts to temporary and specific effect, and also keep them impersonal. Else, she would not have been able to recall Lakshmana so quickly, that too, refer to him in such high esteem before Ravana.

All this only vindicates her positive frame of mind and the awareness she had about herself—her ability to change herself in tune with the changing adversity which prompts her to dissuade Ravana from carrying her away by warning him with dire consequences at the hand of her strong husband and brother-in-law. It is the same optimism that keeps her mind strong even under distress and makes her know what to do at what time: when Ravana is carrying her over Pampa and seeing five monkeys there, she puts her jewels in her upper cloth and drops it hoping that if by chance, Rama passes through that way, they would tell him. That indeed happens. That is the strength of optimism.

Connecting

It is often realized that people with strong networks and good mentors enjoy more promotions, higher pay, and greater career satisfaction. Such

people feel a sense of belonging that makes their life more meaningful. Mark Hunter and Herminia Ibarra have said in their *HBR* article that a leader is differentiated from a manager by his ability to figure out where to go and to enlist the people and groups necessary to get there. At the same time it must also be remembered that all networks are not equal. Roy Baumeister, a social psychologist, based on his studies, says that men tend to build broader, shallower networks than women do and their networks give them a wider range of resources for acquiring knowledge and professional opportunities. As against this, McKinsey's study reveals that women's networks, though tend to be narrower, are deeper than men's.

Many of the leaders interviewed by McKinsey team talked about the importance of having relationships with seniors in the organization who could stick out his or her neck to create an opportunity to a protégé. But a number of studies have also shown

belongingness to her husband and brother-in-law, also; her commitment for reciprocity immediately after Rama and Lakshmana finishes *Virdha*. That day, early in the morning, as Rama and Lakshmana are about to leave, it is the turn of Sita to bring the bows and arrows from inside and give to the brothers who were to wear them. And as they leave the hermitage after taking leave of the Rishi, Sita, with a strong sense of what she owed her husband—sense of belonging—poses a problem to him. True to her stature, Sita protests against her husband killing Rakshasas at the behest of Rishis which according to her is a transgression of a *yati, muni*, which Rama was to be in the forest. She says: there are three transgressions to which a man is liable even when he makes a slight departure from propriety. False speech is extremely bad; the other two are even worse than that—copulation with the wife of another and cruelty without enmity. A false statement you have

A number of studies have shown that women who promote their own interests vigorously are often perceived as aggressive, uncooperative and selfish

that women who promote their own interests vigorously are often perceived as aggressive, uncooperative and selfish. It is also felt that men practice reciprocity better than women. This coupled with the perceived awkward sexual politics between senior executives and younger women, makes it harder for women to get sponsors in the offices. It is therefore all the more essential for women to assess their comfort level with the people they work in office and how influential they are professionally, and practice reciprocity. Many successful women leaders are found to be adept at finding sponsors and building networks.

We have one such scene in *Ramayana* where we encounter Sita displaying a fine piece of articulation about *dharma* that reveals her sense of

never made nor will you ever make... how can there spring up in you the desire for others' wives, that destroys Dharma? You have not got it, nor was it ever with you. ...Dharma and Truth—everything is well-established in you. ...But the third terrible evil, viz., the taking of others' lives, which is done without enmity due to ignorance, is facing you. O hero, you have undertaken a vow to kill the ogres on the battlefield for the protection of sages living in the Dandaka forest; and for this (very) purpose you have set out with arrows and a bow towards the forest well-known as Dandaka with your brother. ...Hence, seeing you on your way to the Dandaka, my mind is perturbed with anxiety, thinking of your behavior and of your highest well-being and worldly interests. I do not like, O hero, your going to-

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wards the Dandaka. I shall tell you the reason for that; while I speak of it, please listen.†

She continues to say: †Association with a weapon is said to be of the same consequence as is the association with fire. Due to love and great respect I am making you acquainted with this and advising you that while taking the bow you should never take into your head to kill the ogres residing in Dandaka without enmity. ...What connection is there between a weapon and forest-life? What affinity is there between the duty of a *Kshatriya* and asceticism? The two are contradictory. Let us respect the laws of the place. ...After returning to Ayodhya you can again follow the duty of a warrior. ...From Dharma follows wealth, from Dharma comes happiness, by recourse to Dharma one gets everything. This world has Dharma as its essence. The wise emaciate themselves with effort by imposing several restrictions on themselves and achieve Dharma. Dharma does not follow from merriment. With a pious mind, O gentle Rama, always practice righteousness in the forest suited for austerities. In fact, everything comprised in the three worlds is truly known to you. I have said this just in consonance with the frivolity of a woman. Who is really capable of teaching Dharma to you? However, thinking over it by recourse to reason together with your younger brother you may do whatever appeals to you. Let there be no delay.†

Mightily pleased of what Sita said, Rama says: †You have said this to me because you have a right to do so. It was done in good faith, out of an honest desire to put me on the right path. I am not offended... Nobody will chide one whom he does not care for. You chide me, because you are interested in me, because you love me, because you think I should do no wrong, incur no sin.† That is the power of one's attempt to connect with people of expressing concern for others, exhibiting a sense of belongingness. How competent such acts are in strengthening human bondage!

Engaging

It is the usual belief that hard work will eventually get noticed and rewarded. But it is also equally true that it usually does not get noticed. Hence, it is suggested that one need to create one's own luck.† To reap the benefits from one's own act, one should develop one's own voice, literally. It is often reported that even senior executives lose out by not speaking up. Hence, any woman leader wishing to develop should also take ownership of their professional development. There are leaders, like Mary Ma, Lenova's former CFO, who, looking inward to see how she could be a more effective leader, took a systematic approach to self-improvement, without being told by someone and met with successes.

Such engagement, of course, is embedded with risk. Psychologist, Daniel Gilbert says that people who choose risk and work with it, rather than avoid it, are reported to be enjoying more happiness than others do. The McKinsey's study reveals that to embrace opportunity, people must often take sharp detours and that the risks of unexpected changes seem more obvious than the benefits.† Hence, it is suggested that reaching out to others not to avoid making decisions oneself but to learn the best outcome from change can often help one see opportunities in the right frame and decide whether to go for them.

We see this trait being employed by Sita to dissuade Ravana through a meaningful exposition from committing sin. In one of his frequent visits to Asokavana where he kept Sita, Ravana tells Sita: †You smile so sweetly; your teeth are so attractive; your eyes are so winsome; you captivate me utterly, as Garuda does when he meets serpents. Come, let us drink together, let us sport together, let us enjoy each other's company...†

All this, of course, is gall and wormwood to Sita. It annoys and provokes her extremely. She scorns him, but engages him with an argument that is a mixture of threat, flattery and advice to see whether any of these modes could conquer his wickedness. This is her advice to him, pitched in the highest possible key: †You do not

understand the sanctity of marriage. When you have got another man's wife in your keeping, you must protect her as you would have your own wife protected from others. Think of yourself; think of everybody like you, and then delight in the company of your own wedded wives.† In a surprise she says: †Are there no good people in Lanka, are there no honest men who care for righteous conduct, and would you not be guided by them? It cannot be. Lanka is a big place, the Vedas are chanted here, our religion is followed faithfully. There must be many good people. I suspect that you do not follow them. You do not care for the good people that are here. Seeing that your mind is bent upon evil courses, I gather that although there are good people to give you proper guidance, you do not listen to them.† It is her positive frame of mind and the strong belief in her character from which constant flow of energy is ensured that makes her even in such hour of crisis to engage Ravana and make him understand what good men should do in any community. Indeed, during these long months of imprisonment in Asokavana, she engages herself to delve into the deeps within to gain strength to face Ravana's blandishments and threats.

That is the noble tale of Sita. Valmiki chiseled her character as a tremblingly human and graciously divine heroine. She is innocent but wise; gentle but strong, and full of love and compassion. And all this reflects in her motivations, conversations, and actions. In creating such a noble character, it is perhaps the intention of the poet saint that whenever we pass through moments of despair and feel helpless and hopeless under the pressure of a menacing atmosphere, we shall recall how Sita overcame the ordeals in her life by sheer dint of her optimism, her clear sense of what matters most to her, her clever management of energy levels, her art of engaging people in discourse in *dharma* and guide ourselves through the maze of life challenges. 🍷

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