

**SECOND INTERNATIONAL RESEARCH WORKSHOP ON
SPIRITUAL AND ETHICAL FOUNDATION OF ORGANIZATIONAL LEADERSHIP**

**Spiritual Dimension
of
Sustainable Development**

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Introduction

Since time immemorial, the search for excellence has been the hallmark of human evolution. As mankind progressed, various management theories have evolved and practiced to attain growth.

Management Theories evolved in 20th Century

Time Zone	1900 - 1945	1945 – 1960	1960 – 1975	1975 – 2000
Managerial Perspective	▪ Bureaucratic and Scientific Mgmt. ▪ Technical Orientation ▪ Division of work	▪ Human needs ▪ Human motivation ▪ Group interactions ▪ Behaviour perspective	▪ System & structure ▪ Contingency theory ▪ Organization development ▪ Leadership style	▪ Cultural change ▪ Improvement ▪ Information ▪ Learning ▪ Knowledge
External Environment	▪ Early Industrialization ▪ Mass production ▪ Focus on quantity ▪ Hardware focus ▪ Mechanic universe	▪ Industrialization ▪ Focus on productivity and growth	▪ Affluent society ▪ CAMP (computer aided manufacturing processes) ▪ Focus on Quality	▪ Postmodernism ▪ Learning society ▪ Focus on Quality of life ▪ Hyper competition ▪ Electronic universe
Management Experts	❖ H. Fayol (1916) ❖ F. Taylor (1916) ❖ M. Weber (1922) ❖ E. Mayo (1933) ❖ C. Barnard (1938)	❖ A. Maslow (1943) ❖ H. Simon (1946) ❖ Mac Gregor (1957) ❖ C. Argyris (1957) ❖ March & Simon (1958) ❖ Tannenbaum & Schmidt (1958) ❖ Herzberg (1959)	❖ Hersey & Blanchard (1969) ❖ Kats & Kahn(1966) ❖ Burns & Stalker (1961) ❖ R. Likert (1961) ❖ Blake & Mouton (1964)	❖ Nonaka & Takeuchi (1995) ❖ E. Schein (1993) ❖ Hammer & Champy (1993) ❖ P. Senge (1990) ❖ Deming(1986) ❖ Weick (1979) ❖ Mintzberg (1979) ❖ R. Kanter (1979)

Source: Adapted from Su Mi Park Dahlgard (2006), “Learning from East to West and West to East”, *The TQM Magazine*, Vol. 18 No. 3, pp. 217

Introduction

The **risk of bias** always remains in any model or list of attributes or CSFs for TQM, because they are always simplification of realities in which companies are operating.

Research question is whether the risk of bias in a Business Excellence Model (BEM) can be eliminated or minimized by its integration with Spirituality enshrined in Ancient Wisdom ?

Introduction

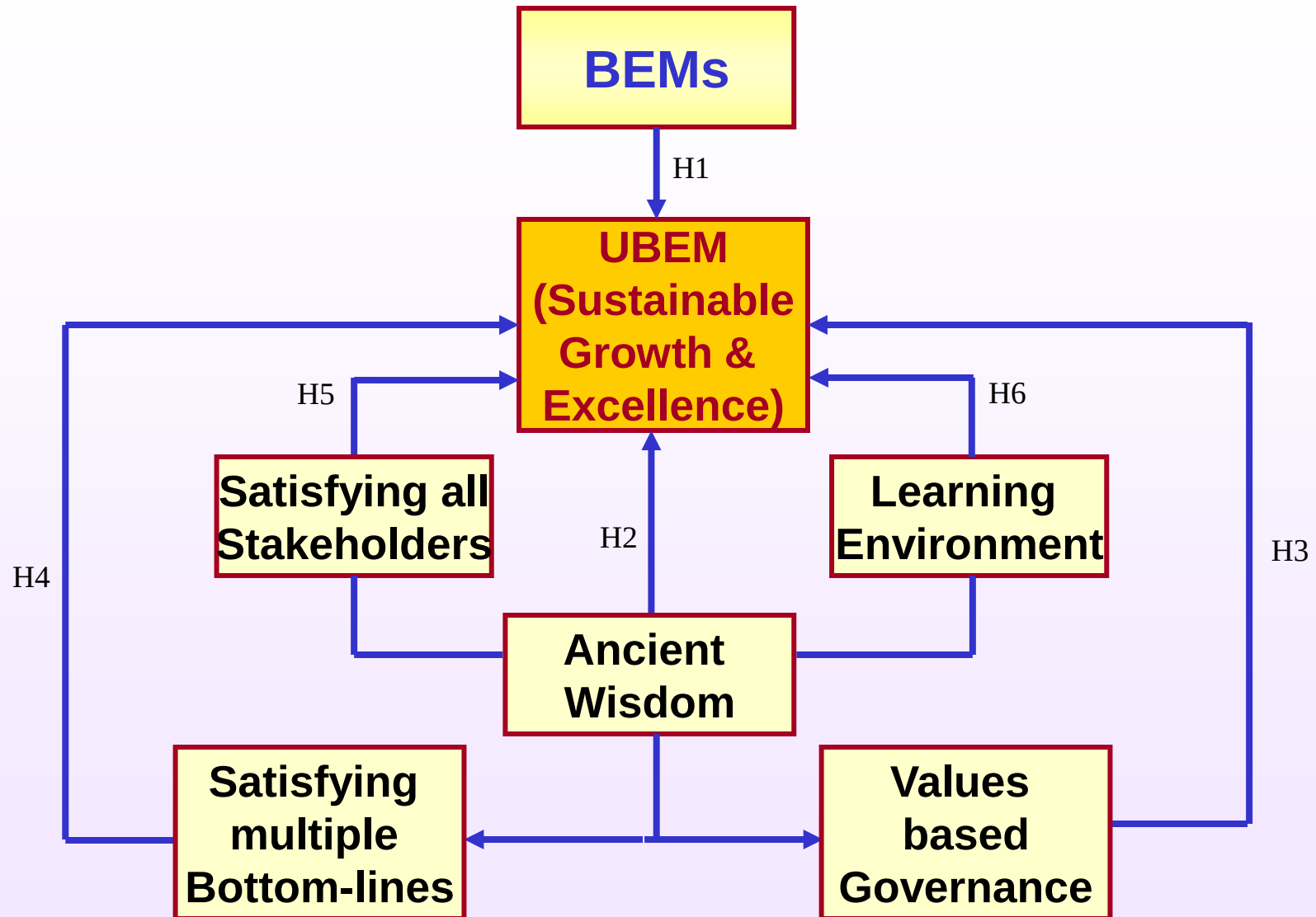
A comprehensive study of the BEMs has been done to identify the **gaps in BEMs vis-à-vis essence of spiritual thoughts.**

An empirical study has been carried out to fill these gaps. The outcome of empirical study has been integrated with the BEMs to evolve Universal Business Excellence Model (UBEM).

Research Hypothesis

- H1.** Contemporary BEMs are similar to each other and focus on continual improvement to attain excellence
- H2.** There exists a significant and direct relationship between business excellence and ancient wisdom
- H3.** Values based governance leads to attainment of overall business growth
- H4.** Real business growth implies achieving satisfactory performance at multiple bottom-lines namely financial, physical, mental, spiritual and societal
- H5.** Business excellence in real terms implies fulfilling the expectations of all stakeholders and not only the shareholders
- H6.** Continuous improvement and building learning environment leads to sustainable growth

Framework for Analysis of Hypotheses



UN Region-wise Business Excellence Models

<i>UN Region</i>	<i>No. of Awards</i>	<i>Countries</i>
Sub-Saharan Africa	3	Mauritius, South Africa, and Southern African Development Community (SADC)
East Asia and the Pacific	17	Australia, Brunei, Fiji, Hong Kong, Indonesia, Japan (2), Republic of Korea, Malaysia, Mongolia, New Zealand, Philippines, Singapore, Republic of China, Thailand, Vietnam and International Asia Pacific Quality Award
South Asia	7	India (4), Nepal, Pakistan, and Sri Lanka
Europe and Central Asia	46	Austria, Belarus, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany (2), Greece, Hungary, Iceland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malta, Netherlands, Northern Ireland, Norway, Poland, Portugal, Romania, Russia (2), Scotland, Slovakia, Slovenia, Spain (2), Serbia and Montenegro, Sweden, Switzerland (2), Turkey (2), Ukraine, United Kingdom (2), Wales, European Union (EQA), and Iberoamerican Quality Award
Middle East and North Africa	9	Egypt, Israel (2), Iran, Jordan, Morocco, Oman, Qatar, and United Arab Emirates
Americas	12	Argentina, Brazil (2), Canada, Chile, Colombia, Costa Rica, Ecuador, Mexico, Paraguay, Peru, United States (2) and Uruguay
<i>Total</i>	<i>94 BEMs / National Quality Awards in 77 Countries</i>	

Comparative Study of BEMs

- Frameworks & inter-linkage amongst criteria of BEMs
- Objectives of BEMs
- Core Values of BEMs
- Evaluation Criteria and Score of BEMs
- Limitations of BEMs in ensuring Sustainable Growth
- Impact of Cultural Practices on Business Excellence
- Integration of Ancient Wisdom and Business Excellence
- Impact of Spirituality at Work Place on Sustainable Growth

Comparative Study of BEMs

Deming Prize, EFQM & MBNQA

MBNQA Award
concentrates more
on customers and
human resource

Deming Prize
focuses on Effective
Planning and
implementing it in a
firm's organization
and operations

EFQM Model
focuses more on
Stakeholder
Satisfaction

Comparative Study of BEMs

Common Criteria of BEMs & their relative Importance

Criteria	Rank Range	%age Score	Highest Rank BEMs/NQAs	Lowest Rank BEMs/NQAs
Core Criteria – A must for Survival (50% Score)				
Customer	1 - 4	9 - 30%	Almost all BEMs	France
People	1 - 5	9 - 20%	Australia, Canada, India, Hungary, Belarus	Deming, Israel
Business Results	1 - 8	12 - 46%	MBNQA, Malaysia, Mongolia, Brazil, Israel	Deming, France, Australia
Internal Environment Criteria – The Differentiators (40% Score)				
Processes	1 - 6	9 - 20%	Deming, Australia, France, Israel	MBNQA
Leadership	1 - 7	9 - 33%	Fiji, Japan, Deming, Sweden	Belarus, Brazil, Canada
Strategic Planning	3 - 9	6 - 10%	Deming, India	Malaysia
Knowledge & Information Mgmt.	4 - 9	6 - 10%	India	Canada, Belarus
Goodwill Criteria – Ensuring Sustenance (10% Score)				
Society	4 - 9	0 - 10%	India, Brazil	Almost all BEMs
Suppliers/Partners	5 – 9	0 - 11%	Deming, Belarus	Almost all BEMs

Western Culture vs. Eastern Culture

- Japan has a culture to learn and work as a group. Thus, Deming Prize focuses on shared decisions, aligning people with processes and forming cooperative processes with suppliers.
- US & Europe have a culture of more diversified thinking. Thus MBNQA and EFQM focus to unleash creative powers of people, foster entrepreneurial challenges and harness technologies.

Comparative Study of BEMs

Objectives of Sixteen Major & Unique BEMs/NQAs

Deming Prize, Japan	MBNQA, USA	CAE, Canada	JQA, Japan
EFQM, Europe	ABEA, Australia	SQA, Singapore	NQA, Brazil
RGNQA, India	TQA, Thailand	PMQA, Malaysia	FQA, Fiji
Excellence Award UK	NQA, Israel	NPA, Mongolia	GPNQA, India

*The objectives of major BEMs/NQAs primarily focus to **enhance the global competitiveness** of organizations of their respective countries through increasing stakeholders' satisfaction, sharing of best practices and enhancing effectiveness of company wide quality initiatives.*

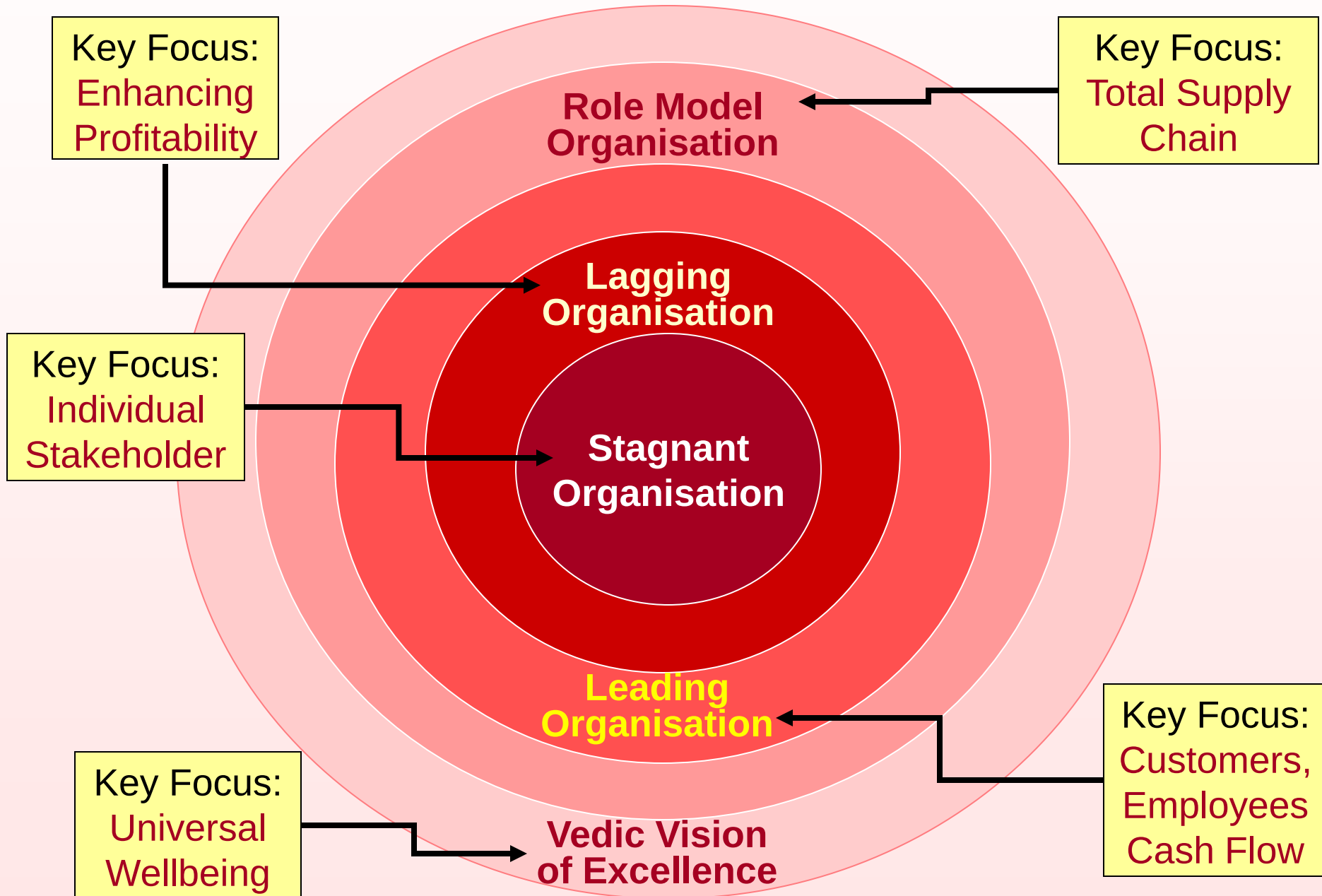
Comparative Study of BEMs

Core Values of Sixteen Major & Unique BEMs/NQAs

Deming Prize, Japan	MBNQA, USA	CAE, Canada	JQA, Japan
EFQM, Europe	ABEA, Australia	SQA, Singapore	NQA, Brazil
SIQMPE, Sweden	TQA, Thailand	NQA, Yugoslavia	NQA, Hungary
Excellence Award UK	NQA, Israel	NPA, Mongolia	GPNQA, India

Common Values are: Customer focus, Leadership and constancy of purpose, Continuous learning, innovation & improvement; Employees involvement & development; Partnership development; Systems, Processes based Management; Agility; Social responsibility

VEDIC VISION OF EXCELLENCE



VEDIC ECONOMIC SUPPLY & DEMAND MATRIX

S U P P L Y	HIGH	Developed economy ▪ Prosperity for Riches and Middle Class ▪ Intermittent flow of new ideas, knowledge, products, materials and money	Vedic economy ▪ Prosperity for All ▪ Free and uninterrupted flow of new ideas, knowledge, products, materials and money
	LOW	Under-developed economy ▪ Prosperity for very few ▪ Little flow of new ideas, knowledge, products, materials and money	Developing economy ▪ Prosperity for Riches ▪ Limited flow of new ideas, knowledge, products, materials and money
		LOW	HIGH
DEMAND			

“The excellence lies in continuous flow or Change for improvements”
(Shane Shane Yantravatamupaiti tadeva rupam ramaniyatayah)

Organizational Yajna for Universal Wellbeing & Bliss

Values driven Organisational Practices / Culture (Dharma)

Integrating **Urges (Kama)** with Universal Wellbeing

Rivers continuously flows, without any stop for welfare of others. Similarly money should continuously flow for welfare of others. Continuous flow of money gives new earnings every day while stoppage of flow blocks money and leads to many troubles and social problems". Atharva Veda (1/15/3)

Immortality
and Bliss
(Moksha)

Integrating **Money (Artha)** with Universal Wellbeing

Values driven Organisational Practices / Culture (Dharma)

The concepts of Vedic Vision for excellence, Vedic economy and Organizational Yajna for Universal Wellbeing & Bliss etc. highlight the gaps between the modern concepts of business, and role of business described in essence of spirituality.

At this point, it seems that existing BEMs/NQAs need refinements and improvements. The forthcoming part presents the outcome of an empirical investigation to fill the gaps leading to development of Universal Business Excellence Model.

Profile of Respondents of Empirical Study

Total Number of Respondents : 151

Academicians : 14 (9.3%)

Consultants : 31 (20.5%)

Business managers : 106 (70.2%)

Indians : 126 responses (83.4%)

Other Countries : 25 responses (16.6%)
USA, Australia, UK, Japan,
Sweden, Turkey, Belgium,
Trinidad, Russia, Libya, Iran

<i>Description</i>	<i>Numbers</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>S.D.</i>
Age	151	23 years	75 years	46.9 years	10.74
Experience	151	2 years	50 years	23.7 years	10.62

Experience, maturity and understanding of quality concepts were key consideration, while identifying the respondents for the study.

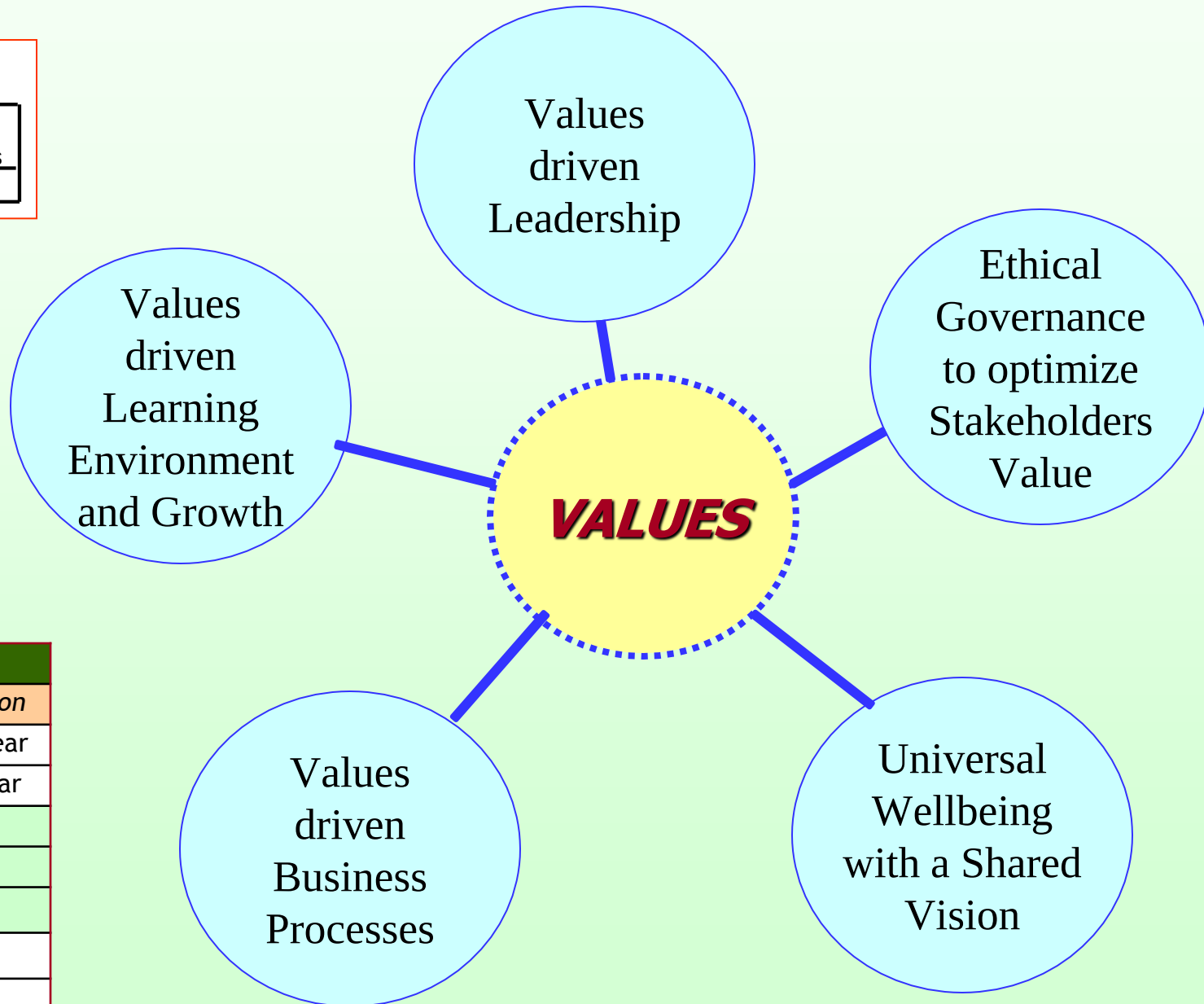
Pilot Study: Analysis and Interpretation

- 66 respondents participated in the Pilot Study.
- On 5 point scale, mean score for 58 variables based on essence of Spirituality was observed as **4.15** (4 indicates Agree; and 5 - Strongly Agree).
- Out of the 58 variables, **23 widely accepted variables** through Coefficient of variation analysis. These variables had high mean score (Range 4.24 to 4.55) and low variance (Range 0.28 to 0.61).
- 23 variables positively tested with “F-Test” for null hypothesis, ‘there is no significant difference between the mean scores of these variables’.
- Additional data was collected for the remaining 35 variables in the main study, where total 151 responses were analyzed.

Pilot Study Factors Analysis & Interpretation

Reliability Statistics

Cronbach's Alpha	N of Items
.892	22



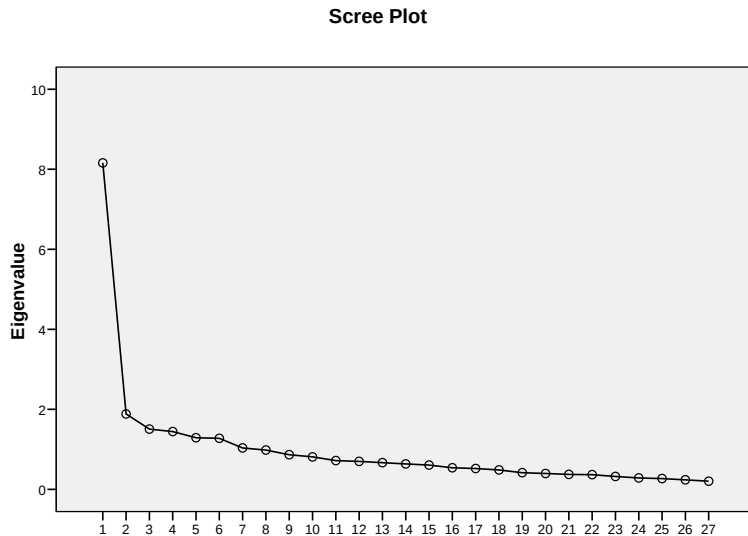
Respondents Profile

Parameters	Description
Age	23 - 75 year
Experience	2 - 50 year
Academician	10 Nos.
Consultant	16 Nos.
Manager	40 Nos.
Indian	49 Nos.
Others	17 Nos.

Main Study: Analysis and Interpretation

Factor Analysis of 35 variables of Main Study

Scree Plot



Out of 35 variables of main study, 8 variables (B1, B5, B7, B8, D12, D13, E1 & E8) were dropped due to multi-collinearity. After dropping 8 variables, Correlation Matrix of 27 variables showed determinant as 0.0000189 and acceptable.

KMO Value = 0.858

Significance value in Bartlett's test = 0.000

Rotated Component Matrix

Rotated Component Matrix ^a					
	Component				
	1	2	3	4	5
c7	.703				
c8	.677				
c5	.673			.308	
c11	.661				.308
c4	.636		.390		
b6	.424	.418			
d10	.403				
e4		.712			
e3		.660			
f1		.640	.468		
e5		.575		.408	
d11	.400	.482			
d14		.345			
b10			.721		
f10		.302	.570		
b9			.557		
f7			.545	.358	
f8			.393		
c13	.395			.668	
c14				.646	
f2		.482	.372	.550	
f6		.359	.367	.515	
c12	.460			.487	
d5					.772
d6					.618
e6				.375	.569
d1			.404		.502

Extraction Method: Principal Component Analysis.

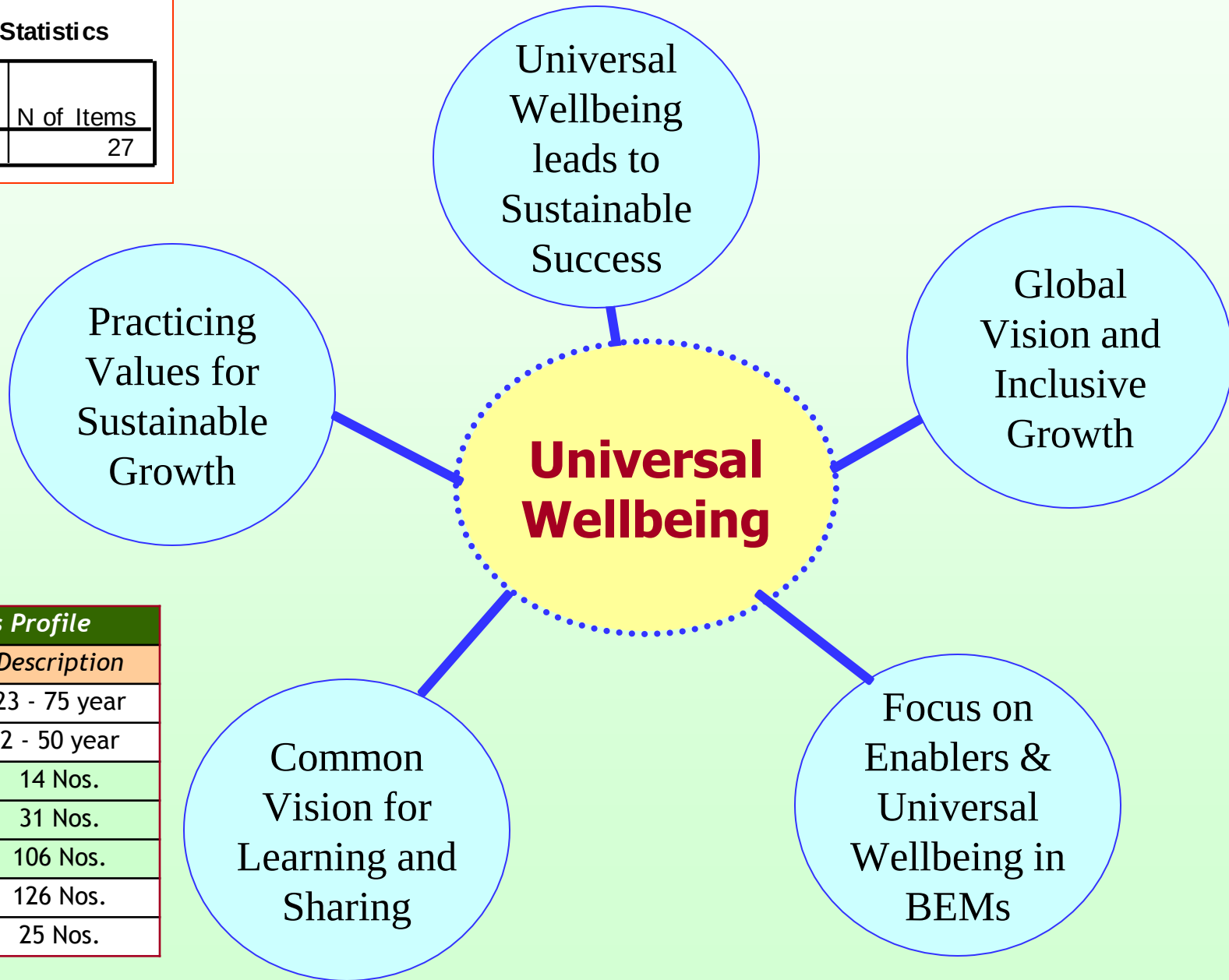
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 15 iterations.

Main Study Factors Analysis & Interpretation

Reliability Statistics

Cronbach's Alpha	N of Items
.907	27



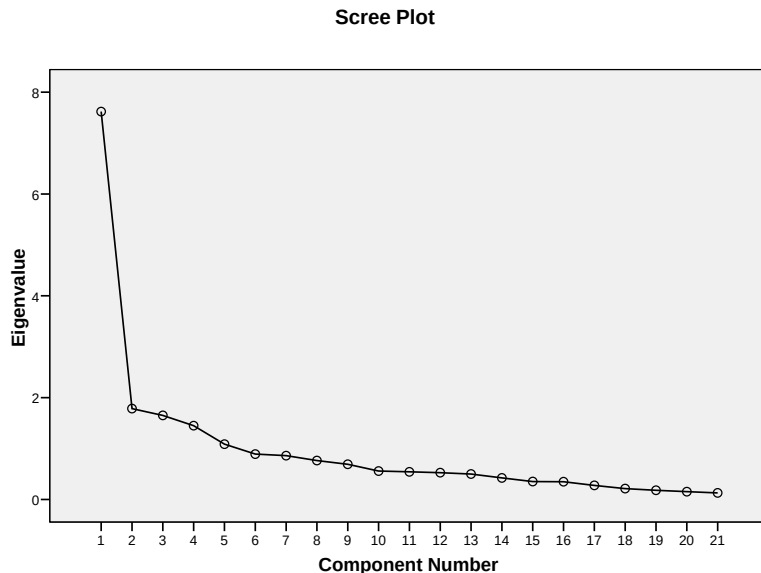
Respondents Profile

Parameters	Description
Age	23 - 75 year
Experience	2 - 50 year
Academician	14 Nos.
Consultant	31 Nos.
Manager	106 Nos.
Indian	126 Nos.
Others	25 Nos.

Integrated Analysis of Pilot & Main Study Factors

For 36 variables of Pilot & Main study factors, Correlation matrix was prepared and multi-collinearity between variables was observed. 15 variables were dropped and exercise was repeated for 21 variables. Correlation Matrix of 21 variables showed determinant as 1.25×10^{-5} , and acceptable. KMO value = 0.805
Significance value in Bartlett's test = 0.000

Scree Plot



Rotated Component Matrix

Rotated Component Matrix

	Component				
	1	2	3	4	5
c6	.826				
c9	.792				
c7	.714				
c5	.641				.309
c2	.498	.354	.325		
f9		.817			
c1		.752			
f2		.546		.483	.451
e10	.368	.523		.497	
b10		.504	.370		
d5			.711		
d1			.703		
c11			.660	.336	
c4		.508	.541		
d4	.425	.331	.503		
e7				.776	
e4			.357	.645	.395
e9			.456	.537	
f10	.305			.462	
f6					.776
d9		.434			.532

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Integrated Analysis of Pilot & Main Study Factors

Interpretation of the Combined Pilot & Main Study Factors



Sustainable Success – Focus on Values and Universal Wellbeing

Practicing Values	High	Limited Success Mental and Spiritual Wellbeing	Sustainable Success Physical, Financial, Mental, Spiritual and Societal Wellbeing
	Low	Struggle for Survival	Unsustainable Growth Physical and Financial Wellbeing
		Low	High

Universal Wellbeing – Global Focus

"Excellence is hard to be attained by one who is uncontrolled; but the self controlled, striving by right means, can obtain it."
Bhagavad-Gita (VI-36)

Universal applicability of Integrated Factors

Combined Pilot & Main Study Factors

T-Test (two sample T-Test) and ANOVA (For more than two samples) were used to measure any significant difference in response of the segmented groups of respondents (at significant value $p < 0.05$).

T-Test was used on following two segments of respondents:

- Profession Business Managers vs. Others
- Country India vs. Other Countries

ANOVA was used on following segments of respondents:

- Age $< = 40$ Years; 41-55 Years; > 55 Years
- Experience $< = 20$ Years; 21-30 Years; > 30 Years

The segmented data analysis revealed that the results of various segments of professions, countries, age groups and experience profiles are similar and thus, the five factors of the combined pilot and main study are universally applicable.

Evolution of 'Universal Business Excellence Model'

Criteria of 'Universal Business Excellence Model'

NEW CRITERIA – EMERGED FROM EMPIRICAL STUDY

- Values
- Universal Well-being
- Sustainable Success

COMMON CRITERIA OF BEMs/NQAs

Core Criteria – A must for Survival:

- Customer
- People
- Business Results

Internal Environment Criteria – The Differentiators

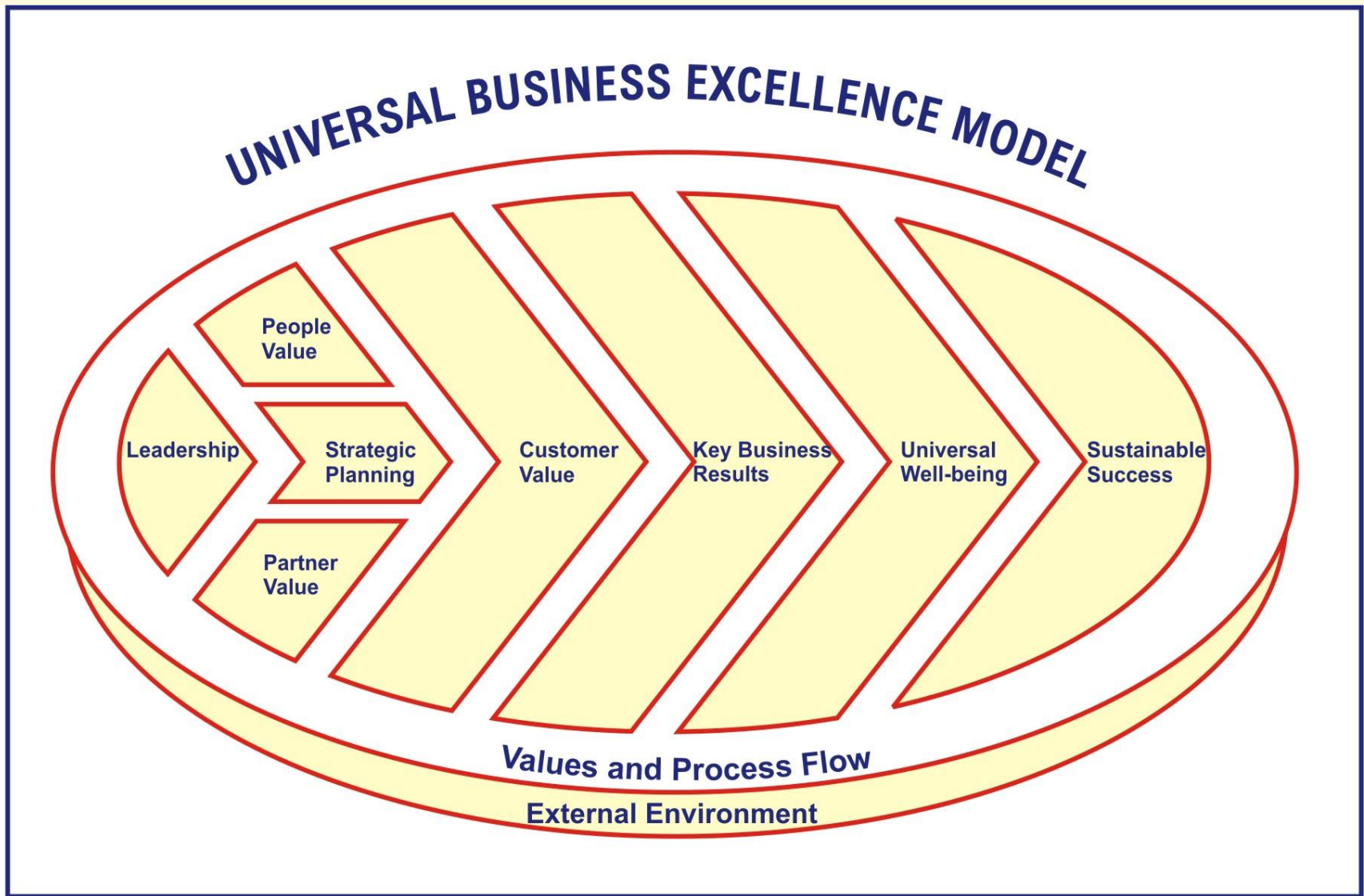
- Processes
- Leadership
- Strategic Planning
- Knowledge and Information Mgmt.

Goodwill Criteria – Ensuring Sustenance

- Society
- Suppliers/Partners

Evolution of 'Universal Business Excellence Model'

Framework of 'Universal Business Excellence Model'



Evolution of 'Universal Business Excellence Model'

Objective of Universal Business Excellence Model

*“To serve as an instrument for achieving
‘Universal Wellbeing’ through practicing ‘Values’
based on Vedic philosophy for ensuring
‘Sustainable Success’ of an organisation and its
stakeholders.”*

Evolution of 'Universal Business Excellence Model'

Core Values of 'Universal Business Excellence Model'

Business Values for Organisation	Human Values for Organisation's Leaders
▪ Leadership and Constancy of Purpose ▪ Customer Focus/Quality ▪ Continuous Learning, Innovation & Improvement ▪ Employee Involvement & Development ▪ Partnership Development ▪ Agility ▪ Focus on the future ▪ Social Responsibility ▪ Results Orientation ▪ Systems, Processes and Facts based Mgmt ▪ Cooperation/Team Work/Faster response ▪ Cease Mass Inspection / Understand Variation ▪ Eliminate Numerical Quota ▪ Eliminate Slogans ▪ Vigorous education, training and retraining ▪ Knowledge Mgmt. ▪ Learning from others ▪ Globalisation ▪ Fairness ▪ Drive out fear	▪ Fearlessness ▪ Purity of heart ▪ Steadfastness in knowledge ▪ Almsgiving (Deva) – Giving away in Charity ▪ Self-restraint (Dama) – control of senses ▪ Religious rites (Yajna) – Sacrifice for bliss ▪ Right study of scriptures (Svadhyaya) ▪ Self discipline (Tapas) ▪ Straightforwardness (Arjavam) - Uprightness ▪ Non injuriousness (Ahimsa) ▪ Truth (Satya) ▪ Absence of anger (Akrodha) ▪ Renunciation (Tyaga) ▪ Peace (Shanti) ▪ Absence of fault finding and calumny (Apaishunam) ▪ Compassion towards all beings (Daya) ▪ Non-covetousness (absence of greed) ▪ Gentleness (Mavdavam) ▪ Modesty (Hri) ▪ Absence of restlessness (Achapalam) ▪ Radiance of Character (Tejas) - Boldness ▪ Forgiveness (Kshama) ▪ Patience on fortitude (Dhriti) ▪ Cleanness by body and purity of mind (Shaucha) ▪ Non hatred (Adroha) ▪ Lack of conceit (Naatimaniti), Absence of pride

The organisations to prioritise and select some Business Values and some Human Values and extensively practice these Values.

Evolution of 'Universal Business Excellence Model'

Premise of Universal Business Excellence Model

“Values driven ‘Leadership’ focuses on ‘Values (business values & human values) and Process Flow’ (material flow, cash flow, information flow, knowledge flow, and product & service flow) through ‘Strategic Planning’ to enhance ‘Customer Value’, ‘People Value’, ‘Partner Value’, and ‘Key Business Results’ to attain ‘Universal Wellbeing’ for ensuring ‘Sustainable Success’.”

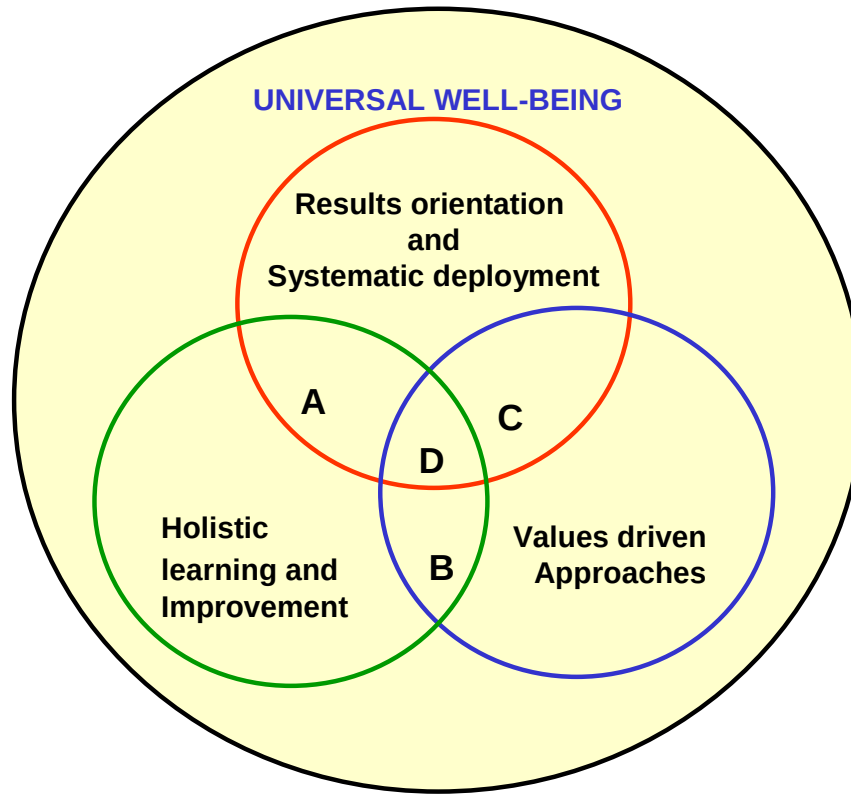
Evolution of ‘Universal Business Excellence Model’

Criteria Weightage in ‘Universal Business Excellence Model’

Criteria Description	% Score in UBEM	% Score in BEMs
Customer Value	14%	9 to 30%
People Value	14%	9 to 20%
Key Business Results	12%	12 to 46%
Leadership	12%	9 to 33%
Strategic Planning	10%	6 to 10%
Values & Process Flow	18%	9 to 20% (Processes)
		6 to 10% (Knowledge & Info. Mgmt.)
Partner Value	6%	0 to 11%
Universal Well-being	8%	0 to 10%
Sustainable Success	6%	0%

Evolution of 'Universal Business Excellence Model'

Scoring Mechanism of 'Universal Business Excellence Model'



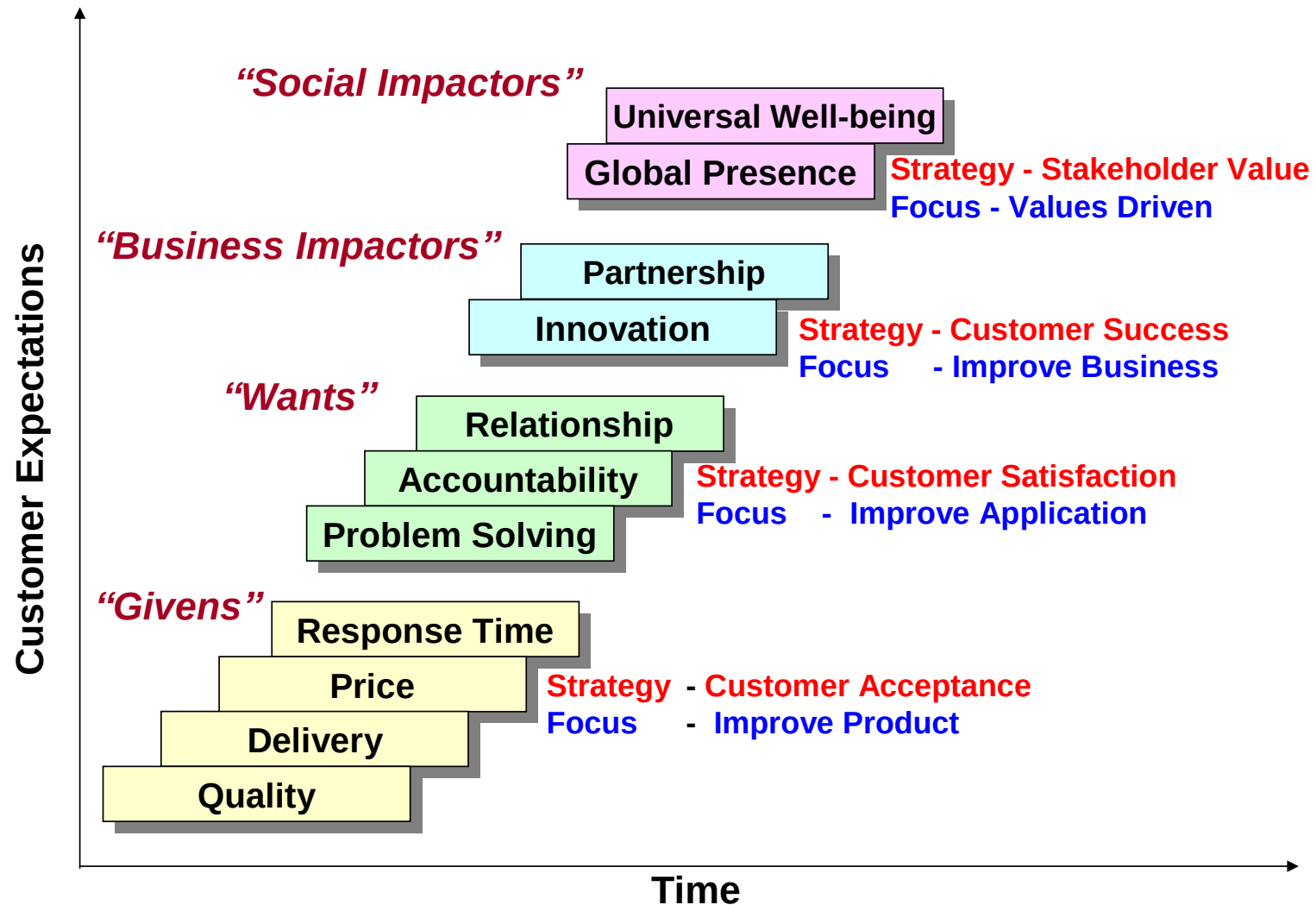
URVASHI

U Universal wellbeing
R Results orientation
V Values driven
A Approach
S Systematic deployment
H Holistic learning
I Improvement

- A. Knowledge to Systematic Deployment Gap
- B. Values to Knowledge Gap
- C. Values to Systematic Deployment Gap
- D. Values, Knowledge and Systematic Deployment Gaps

Emerging Dimension of Customer Expectation Hierarchy

Customers Expectation Hierarchy



Scope for Future Research

- *Study on impact of UBEM on Business Results*
- *Application of Vedic Economic & Tax Management*
- *Application of Vedic Model of Governance*
- *Development of Spiritual Model of Motivation*
- *Integration of Spirituality in Education and Research*
- *Integration of Spirituality in various Fields*

The Ultimate Goal

O ye mankind!

Let your vision & thinking of life be one and common,

Let your hearts be transpired with feeling of equality,

Let your minds be united together,

Resulting in prosperity & common excellence

in the life for all.

Sangthan Sukta, Rig Veda

THANK YOU