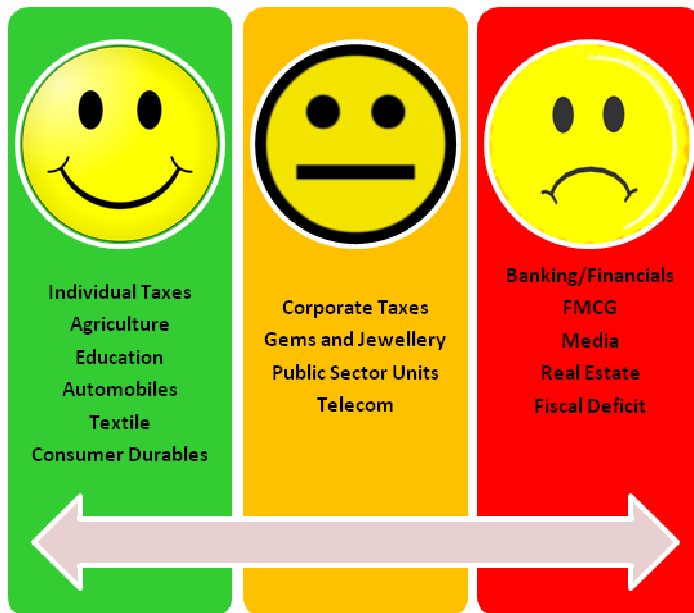


UNION BUDGET 09-10 – NO BIG BANG REFORMS!

The Indian government, of late, has been facing a challenge of maintaining a stable growth rate. The government has undertaken a bottomline-up approach this time by increasing the outlay on infrastructure projects. The expenditure in improvement of highways is to be increased by 23%, urban development by 87% and power development by a whopping 160%. The government also plans to make the Indian subcontinent 'slum free', in a span of next 5 years. The enormous spending on infrastructure projects should ensure adequate jobs at the bottom of the pyramid, thereby increasing the employment rate. Also, the initiative in the education stream through allocation of Rs. 2,113



crore for IITs and NITs (which includes a provision of Rs.450 crore for new IITs and NITs), should help in producing a large number of skilled individuals. The budget has raised the hope of Indian farmers, by extending the farm loan waiver scheme and introduction of subsidies in the fertilizer segment. Allocation under Accelerated Irrigation Benefit Programme (AIBP) has also been increased by 75% over the last fiscal year. For boosting the exports sector, special funds have been allocated for small, medium and micro enterprises to facilitate lending to these segments. There has not been much cheer for the salaried people except for an increase in the tax slab by Rs. 10,000 and withdrawal of surcharge on income Tax paid in excess of 10 lakh. The abolition of 'Fringe Benefit Tax' comes as a breath of cool air for India's IT firms. However this is not so for the employees, as now they would have to pay taxes on utilization of stock options and official vehicles. But expectation from the salaried strata was always more than this like increase in the deduction limit of interest on a home loan. However, there has been no change in corporate taxes. The bone of contention was for the 'disinvestment plans', which seems to have been kept at status quo. There are no major disinvestment initiatives for PSU's. This is critical to reduce India's widening deficit. There are not many initiatives to shorten the fiscal deficit of 6.5% in the current fiscal, compared to 2.5% in the last fiscal. Overall, there is a dire

need for much more fiscal stimuli, in order to push the nation's economy back to the normal state.

GLOBAL MINDSETS AND INDIAN ROOTS

Great Lakes has always lived up to the high expectations of its well wishers across the globe. We, the 'Great Lakers', have tried to make a difference to the society through "Karma Yoga" project. The project is aimed at inspiring the new breed of managers to not just to manage men and resources but also to transform them. All these thoughts have been inculcated in us by our distinguished professor, Dr. Venkat R. Krishnan, Professor(Organizational Behavior) & Director(Yale-Great Lakes Center for Management Research) Great Lakes Institute of Management, Chennai, (Professor in XLRI:1996-2006); PhD from Temple University, Philadelphia; (<http://www.rkvenkat.org>)). His research topics include 'Transformational Leadership' and 'Indian Philosophy'. He brought many laurels to the Great Lakes community and our country by presenting two papers at the Administrative Sciences Association of Canada (ASAC) conference at Niagara Falls, Canada during 6 - 9 June, 2009.

The first paper highlighted the **"Effect of Follower Characteristics on Transformational Leadership: Role of Follower's Gender"** (co-authored by Ms. Rachna Devraj, Great Lakes student of PGPM class 2009) who conducted an empirical study on this at Great Lakes).

[*Abstract*: Drawing a sample of 116 employees from three industries in India, the study uses 'structural equations modeling' to show that the follower's self-monitoring and social identity enhances the femininity, and femininity enhances transformational leadership, which in turn enhances the self-efficacy. The follower's femininity partially mediates the relationship between follower's social identity and transformational leadership.]

The second paper titled **"Do Transformational Leaders Raise Followers to Higher Levels of Morality? Validating James Macgregor Burns' Hypothesis in the Indian Context Using Karma-Yoga"** (co-authored with Dr. Zubin Mulla, visiting faculty at Great Lakes) attempted to extend the concept of karma yoga further into the corridors of leadership.

[*Abstract*: Using a sample of 329 executives in India, this study shows that transformational leadership is positively related to the two dimensions (duty-orientation and indifference to rewards) of followers' Karma-Yoga or moral development. Duration of leader-follower relationship moderates the effect on both the dimensions of Karma-Yoga, and frequency of leader-follower interaction moderates the effect on duty-orientation.]

We at Great Lakes believe in presenting the façade of Indian roots on a global platform, to rise above mediocrity and scale higher plateaus of knowledge.