

## Leadership competencies at Tata steel Jamshedpur since Globalization

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**Abstract:** - Central problem of globalization is competition, because the principal driving force in the globalization process today is precisely to gain profits world over, and for this firms now have to formulate strategies which allow them to exploit all available sources of competitiveness on whatever markets they choose to compete. This, of course, has been made possible on the one hand by advances in technological progress, which have greatly increased the scope of the international division of labor and factor movement, and on the other by the liberalization of world trade in the course of the various rounds of multilateral trade negotiations. But in its widest sense competition also means the survival of the fittest, and indeed it has been said that competition kills competition. The present study endeavors to study the leadership competencies of Tata steel since globalization.

Key words:-liberalisation, globalization, competition

### Introduction.

Globalisation refers to open market economy in which the member countries of GATT which was later renamed as WTO can buy & sell their products among themselves, without unreasonable restrictions. Thus Globalization refers to all those processes by which the peoples of the world are incorporated into a single world society. (Martin AL brow and Elizabeth King, 1990)[1]

After incoming of globalization one country is not only confined to its own political boundary but is spread over member countries in terms of trade and commerce. Globalization brings both opportunities and challenges; it liberates and constrains; it creates the largest markets ever known and allows the potential players to be smaller than ever (Kourdi, 2003)[2].

Globalization is featured with privatization, openness and free market mechanism in which consumers play dominant role. The wind of openness or glasnost and perestroika was so strong in beginning of nineties that only caused a breakdown of Russian fortress of communism and closeness of economy but also emergence of new economic system known as Dunkel economy.

In this new backdrop of global economy firms and industries are forced to restructure themselves for their survival and carrying on their business in more competent and professionalized manner. In the process many firms and industries either had withered away or are on the verge of closure, whereas many MNC or transcontinental firms or industries are thriving, expanding and netting profit more than ever. While developing a strategy that would make it more competitive, the firm must deal with change, complexity, competition and conscience, which are four interrelated challenges of global marketing strategy (Craig and Douglas, 1996) [3].

Globalization can be defined as “a process of integrating economic decision-making such as the consumption, investment and saving process all across the world. It is a process of creating a global market in which increasingly all nations are forced to participate”.

The concept of change in relation to organization, it can be taken as a significant alteration of Structure including consequences and manifestations embodied in the organizational culture and other components (Kwanashie 1998)[4].

### **The Research Aim:-**

The present study aims to study the Leadership competencies which are compulsory for taking part in globalization and to explore the reformations which are pertinent for sustaining the competitive position post-globalization.

### **Objectives of The Study:-**

**The specific objectives of the study have been fixed at:**

1. To study the phenomenon of globalization as an antecedent of competition in Tata steel.
2. To study the leadership strategy adopted by Tata Steel.

### **Rationale of The Study:-**

Steel is one the most important elements of Infrastructure Development of today be it construction of roads, dams, bridges, buildings etc., iron& steel is required. Tata steel being the biggest private sector steel manufacturer in the country has to make and modify strategies and implement them for its sustainability, survival and growth and face stiff major competition with other National and Multinational companies. The proposed Leadership competencies of the company to meet the stiff competition.

### **Hypotheses of The Research**

Indian Iron and Steel industry is now facing tough completion from foreign companies in the globalized business environment.

Indian Steel Majors require more effective strategies for the survival in the globalized business environment.

### **Research Design:**

A questionnaire was set for respondents of Tata steel which was pre-tested and latter on it was tested for its reliability and validity of scores.

**Sampling Frame:** In this study, it constitutes the database of employees of both operations. Executive and non- executive cadre

**Sampling Unit:** In this study, the sampling unit is one employee of Tata Steel

- I. Sampling Method:** It will be stratified random sampling from total employees of Tata Steel.
- II. Sampling Size:** The sample size was so selected that it is adequate enough to represent the whole population, and also give the true picture. The total sample size is taken from the members of 223 from Executive and 76 from Non- Executive.

- III. Sampling Design:** Keeping in mind the nature of data required for the study, simple random sampling technique will be used. The respondent for the survey will be selected from various sections/departments of Tata Steel.
- IV. Data Collection:** The Primary data is collected from Interviews which have been done personally visiting the various departments and Questionnaire has been collected through mail, post or by personal interview. Whereas the Secondary data is collected from the secondary sources such as newspapers, Journals, Annual Reports, corporate Reports Brouchers and websites of the various steel companies .
- V. Questionnaire/Direct Mail Method:** The Primary data has been collected by administering a structured questionnaire and also same via direct mail to the employees and Open Ended Unstructured Interview Schedule.

Sample unit: Each individual of Tata steel was taken as one unit

**Tools & Techniques:** The following tools and techniques were used to test the factors related to face the completion and challenges in the global steel market through using SPSS-21 Software.

- Correlation (Cross matrix)
- Descriptive statistics
- Cross fact oral measurement
- ANOVAs

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### **Data analysis and interpretation**

Different changes required to respond to globalization are proposed with the support of relevant and extensive literature review. The changes or reformation proposed in the present work are – Leadership Skills, The consequence of these changes can be viewed as the company being more competitive to meet the Global standard in terms of cost and quality and converge as a market leader and sustain. So, to measure this the interpretations has been prepared through a valid questionnaire and responses from 223 executive and 76 non-executive to a total of 299 responses have been collected and have been measured through statistical tools and techniques like , descriptive statistics, Anova , regression analysis and bi-variate analysis . The questions were framed in Likert scale assigning the values like i.e. Strongly Agree (1) , Agree (2) Disagree (3) , Strongly Disagree (4) Undecided (5).So lower values indicate more significant to the response

**Interpretation of Results:****Table-1. Cross tabulation of Age and Cadre of the respondents**

Cadre	Age in Years					Total
	Below 25	25-35	35-45	45-55	Above 55 yrs.	
Executive	36	62	49	25	51	223
Non-Executive	3	20	8	29	16	76
Total	39	82	57	54	67	299

The descriptive table(table-6.1) reported the results of respondents (sample) and the age has been categorized in to five types as below 25 years , 25-35 years ,35-45 years ,45-55 years and above 55 years as in Tata Steel , maximum employees are in the age group of 25-35 i.e. 82 has been taken as sample followed by above 55 years . Maximum employees are taken from executive cadre than Non-Executive cadre. The executive cadre really shows their leadership towards the achievement. For this 223 respondents have been taken in this sample

For this analysis, the following major variables have been taken to measure the relation effect and identified factors to meet the changes in the adjustment trend of Tata Steel.

**Leadership Skills-** Leadership interview questions focus on exploring and evaluating recognized leadership competencies. It consists of nine questions.

V1.Leadership style is amicable

V2.Values and ethics demonstrated as a leader

V3.Innovative solution that are being developed to a non-traditional problem

V4.Time when the going got really tough, the staffs build morale

V5.Conflict situations means disagreement that you personally face

V6.Leader persuade employees to follow your strategic vision for the organization

V7.Most significant change you brought about in an organization and to identify your style of leadership

V8.Employees wants to be a part of the decision-making process.

V9.In complex situations, leaders let subordinates work problems out on their own.

**Table- 1.2: Descriptive results of Leadership**

		No. of respondents	Mean Score	Std.	Std.
				Deviation	Error
V1	Executive	223	2.961	1.19	.0798

	Non-Executive	76	2.853	1.30	.1495
	Total	299	2.935	1.22	.0705
<b>V2</b>	Executive	223	1.855	.95	.0637
	Non-Executive	76	1.488	.70	.0805
	Total	299	1.762	.90	.0525
<b>V3</b>	Executive	223	3.565	1.45	.0975
	Non-Executive	76	3.512	1.44	.1659
	Total	299	3.545	1.45	.0839
<b>V4</b>	Executive	223	1.901	1.18	.0791
	Non-Executive	76	1.710	1.00	.1151
	Total	299	1.852	1.14	.0659
<b>V5</b>	Executive	223	1.654	.88	.0590
	Non-Executive	76	1.381	.89	.1025
	Total	299	1.585	.89	.0515
<b>V6</b>	Executive	223	3.641	1.57	.1051
	Non-Executive	76	2.565	1.56	.1790
	Total	299	3.367	1.63	.0944
<b>V7</b>	Executive	223	2.609	1.28	.0858
	Non-Executive	76	1.723	1.17	.1345
	Total	299	2.384	1.31	.0758
<b>V8</b>	Executive	223	1.443	.91	.0614
	Non-Executive	76	1.276	.60	.0690
	Total	299	1.401	.85	.0492
<b>V9</b>	Executive	223	2.026	1.40	.0940

Non-Executive	76	2.250	1.44	.1655
Total	299	2.083	1.41	.0818

Table-1.2 indicates the descriptive analysis of the “Leadership Style” in Tata Steel between the two category of employee i.e. Executive cadre and Non-Executive cadre. This descriptive statistics indicate the mean scoring of the total responses with total scores in each variable. I.e. questions. As lower value indicate more significant , it is taken as most reliable to the cause .Here the result indicate in the table shows better on V2,V4,V5 and V8 as the values are below than average score .So it is concluded that the Values and ethics demonstrated as a leader are more prominent , Time when the going got really tough, the staff build morale to combat with depression, Conflict situations means disagreement that the staff personally face and Employees want to be a part of the decision-making process . That means leadership style is quite satisfactory except some conflicting situations.

Table- 1.3 indicate the Anova of the factor variable i.e. Leadership. Leadership sometimes can be challenged as total HR depends upon the simple variable. Best leader produce best output. Employees are convinced, motivated for work. So here, nine variables have been measured to find out the significant variance in between the two group of resources i.e. Executive and Non-executive group. Sometimes there exist some deference of opinion between the groups and these values are identified from the descriptive test.

The variable named as V2, V4, V5, V7 and V8 indicate significant as P indicate less than 0.05 is significant. Further, in between the two groups of HR, no difference of opinion on leadership arises on V2i.e. Values and ethics demonstrated as a leader, V4, i.e. Time when the going got really tough, the staff build morale V5.i.e. Conflict situations mean disagreement that you personally face, V7 i.e. most significant change you brought about in an organization and to identify your style of leadership and V8. I.e. Employees want to be a part of the decision-making process. But in other five variables indicate insignificant. So, it is concluded that, leadership style may be taken positively in the resource pattern of Tata Steel and better productivity can be expected by solving the identified problems.

**Table-1.3.. ANOVA of Leadership**

		Sum of Squares	df	Mean Square	F	P≤0.05
V1	Between Groups	.672	1	.672	.450	.503
	Within Groups	443.121	297	1.492		
	Total	443.793	298			
V2	Between Groups	7.746	1	7.746	9.650	.001

	Within Groups	238.395	297	.803		
	Total	246.140	298			
V3	Between Groups	.127	1	.127	.060	.806
	Within Groups	627.920	297	2.114		
	Total	628.047	298			
V4	Between Groups	2.064	1	2.064	1.590	.008
	Within Groups	385.461	297	1.298		
	Total	387.525	298			
V5	Between Groups	4.228	1	4.228	5.405	.021
	Within Groups	232.347	297	.782		
	Total	236.575	298			
V6	Between Groups	1.593	1	1.593	2.208	.138
	Within Groups	214.247	297	.721		
	Total	215.839	298			
V7	Between Groups	44.514	1	44.514	28.234	.000
	Within Groups	468.256	297	1.577		
	Total	512.769	298			
V8	Between Groups	65.560	1	65.560	26.674	.000
	Within Groups	729.972	297	2.458		
	Total	795.532	298			
V9	Between Groups	2.821	1	2.821	1.410	.236
	Within Groups	594.089	297	2.000		
	Total	596.910	298			

Source: collected data

**Table-1.4 : Correlations matrix of variables under leadership**

		V1	V2	V3	V4	V5	V6	V7	V8	V9
V1	Correlation	1								
	Sig.									
V2	Correlation	.086	1							
	Sig.	.137								
V3	Correlation	-.037	-.099	1						
	Sig.	.523	.086							
V4	Correlation	.090	.581*	-.111	1					
	Sig.	.122	.043	.055						
V5	Correlation	.022	.869*	-.124*	.207**	1				
	Sig.	.705	.037	.031	.000					
V6	Correlation	.005	.124*	-.084	.237**	.079	1			
	Sig.	.928	.033	.149	.000	.175				
V7	Correlation	.055	.310**	-.071	.567*	.280	.276**	1		
	Sig.	.342	.000	.223	.000	.070	.000			
V8	Correlation	.182**	.393**	-.067	.698*	.331	-.078	.344**	1	
	Sig.	.002	.000	.248	.000	.55	.181	.000		
V9	Correlation	.085	-.050	-.083	.039	.054	.139*	.149**	.053	1
	Sig.	.144	.391	.153	.503	.350	.016	.010	.357	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Table—1.4. reported the correlation matrix of “Leadership” and its Nine associated independent variables ,The coefficient of V1 is somehow correlated significantly with V8 i.e. .182 at 99 percent significance level , where as V2 is positively and significantly correlated with V4,V5,V7 and V8 with 0.581,0.869,0.310 and 0.393 respectively at both 95 percent and 99 percent significance level . So it indicates the relation of four variables that makes a significant relation with Leadership style of the company. The other variables have not represented any significant result or contribution to any change of “leadership” with the company.



Porter has argued that a firm's strengths ultimately fall into one of two headings: cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation, and focus. These strategies are applied at the business unit level. They are called generic strategies because they are not firm or industry dependent. (Porter 1985) <sup>[5]</sup>

**Findings:** - The findings of the study are as:

**Leadership** sometimes can be challenged as total HR depends upon nine variables, which have been measured to find out the significant variance in between the two group of resources i.e. Executive and Non-executive group. Sometimes there exist some difference of opinion between the groups and these values are identified from the descriptive test. In between the two groups of HR, no difference of opinion on leadership arises on V2 i.e. Values and ethics demonstrated as a leader, V4, i.e. Time when the going got really tough, the staff build morale V5 i.e. Conflict situations mean disagreement that you personally face, V7 i.e. most significant change you brought about in an

organization and to identify your style of leadership and V8. I.e. Employees want to be a part of the decision-making process. But in other five variables indicate insignificant. It is concluded that, leadership style may be taken positively in the resource pattern of Tata Steel and better productivity can be expected by solving the identified problems are the standard of leadership.

**Limitations In The Present Study:-**

1. The first major limitation of the study is that the present research focuses the globalization as an antecedent of competition and not in the other way. While most of the literature till date support the fact that globalization leads to a situation where every company participating in the globalization competes each other for capturing the existing global market or in creating new markets for their product and services The first question is how have some developing countries succeeded in achieving competitiveness in specific sectors or industries, and what policies were conducive to success? In particular, was exposure to international competition sufficient, or were active policies for the promotion of competitiveness also necessary?

2. The second question concerns precisely the role of competition law and policies. What role have such policies played in establishing the necessary conditions for the successful integration of developing countries and economies in transition into global markets?

3. The third question is to what extent has success in achieving international competitiveness had positive consequences for employment, growth and development? Experiences in this regard differ considerably from country to country, and I anticipate a lively debate on this key policy question.

4. The fourth question for debate and reflection today is to what extent has the risk of marginalization facing the least developed countries and other structurally weak or vulnerable economies been increased by the process of globalization? If it has, the natural follow-up question to pose is: what can such countries do to accelerate their growth and development?

**Conclusion**

The changes or reformation proposed in the present work is Leadership competencies at Tata steel Jamshedpur. The consequence of these changes can be viewed as the company being more

competitive to meet the Global standard in terms of cost and quality and converge as a market leader and sustain it.

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