

Leadership for Expansion, Growth and CSR Initiatives: The Case of Allcargo Logistics Limited

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Introduction

Though all innovations are changes, not all changes can be innovations. One of the leading writers on leadership and innovation John Adair writes that an innovation is a deliberate and specific introduction of what is new, aiming at accomplishing the goals of the concerned organization more effectively (1). There can be leadership for innovative organizational planning with important components namely decentralized decision making and devolved responsibility and control being exercised with skill and sensitivity. Obviously, innovation ending in the achievements of the cherished goals of an organization does not happen by accident. It requires both good leadership and an efficient management at all levels of the organization leading to expansion and growth.

Though the human society at large has witnessed many types of leadership, the fact remains that there is no universally accepted concepts of leadership particularly in an industrial organization. Burns claims that leadership is a structure for action that engages people, to varying degrees, throughout the levels and among the interstices of society (2). He then distinguishes between transformational leadership concerned with engaging the hearts and minds of others and transactional leadership which is built on reciprocity. The later involves leaders in clarifying goals and objectives, communicating well in order to plan task and activities with the cooperation of their employees, so that wider organizational goals are met.

There is a school of thought that believes that for the growth of an industrial organization it is necessary to have corporate governance. Corporate governance, which is beyond the realm of law, is a key element in improving the economic efficiency of a firm. The best

corporate governance practices help a firm to secure the cooperation of all the stakeholders in it. Good corporate governance ensures accountability of the Board of Directors of the company to the shareholders.

The modern theories of the firm maintain a distinction between ownership and management. This distinction becomes operationally meaningful with good corporate governance. There can be a cultural transformation even in public enterprises when corporate governance practices are adopted. Corporate Ethics and Corporate Governance are the means by which individuals come to construe the basic values required in the functioning of a business enterprise. The major benefits of corporate governance may be considered here. Firstly, with corporate governance, the flip-flop about owning of the responsibility for low performance would come to an end. Secondly goal and role clarity would improve. Thirdly opportunity for top management to create a cultural transformation for professional management would be generated (3).

An industrial organization in the modern society must be able to transfer the fruits of its growth to the society in the form of CSR initiatives. The need for Corporate Social Responsibility (CSR) has its roots in the fundamental moral thought- "what and how much has been given back over and above what you have taken from society". CSR is often referred to as business responsibility- in other words an organization's action on environmental, ethical, social and economic issues. Now the country has accepted inclusive growth as its primary goal. It is now admitted on all hands that the government alone cannot meet the challenge of realizing the goal of growth characterized by inclusiveness. Though CSR is moving beyond charity

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and philanthropy into a professional face, it cannot become a social acceptable goal unless the corporate sector considers this as an important obligation. After the passing of the Company's Bill 2012, it has become mandatory for corporate entities to adopt corporate social responsibility. In other words what was once voluntary has become law (4). In this article we argue that the leadership necessary for innovation and growth can also prove its relevance in the society by undertaking timely and appropriate CSR activities. This article is basically a case study of an organization which has grown over the years with leadership promoting innovation with risk and growth with an imaginative approach. The industrial organization chosen here is Allcargo Logistics Limited (ALL) which was originally Allcargo Global Logistics (AGL).

The Allcargo Global Logistics (AGL) promoted by a young, inspiring, thoughtful and dynamic person Shashikiran Shetty in 1993 in Mumbai got transformed into Allcargo Logistics Limited with effect from July 29 2011. A part of the Avashya Group, it has now reached enviable height as it is now a prominent multi-transport operator (MTO) in the domestic as well as global markets with its multi-faceted activities relating to procurement, transportation, trans-shipment and storage of goods. The success story of ALL is the outcome of ingenuity, intelligence and innovation carried out from time to time. The history of ALL is nothing but the history of the achievements and accomplishments of one man whose untiring efforts have made a mark at the national as well as international levels. We are therefore reminded of a statement of Harvard Business Review (HBR) of 1999 that "Every company has its own story to tell about the development of systems and strategy" (5).

Initial Years of Success

What is strikingly important is the impressive growth of ALL within a short period of 16 years (1993- 2009) after its establishment. In 1995 the company got tied up with ECU Line to serve as their agents in Mumbai and New Delhi. The company succeeded in getting MTO license from the Ministry of Shipping. In 2003 the ALL

commissioned CFS at JNPT. Now Allcargo is one of the top two Container Freight Station (CFS) operators at two of India's busiest and largest ports - JNPT and Chennai. With leading capacities for transportation and handling, Allcargo is among the top five at Mundra. Its fleet of more than 500 specialized vehicles and equipment helps speed of movement of containers. It offers transportation of loaded and empty containers, stuffing and de-stuffing of consignments, loading and unloading of cargo containers, delivery of loaded containers and warehousing of import and export LCL cargo.

The year 2005 was remarkable because ALL acquired as much as 33.8 percent stake in ECU Line. In 2006 the company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). In the same year the ALL raised its stake in ECU Line to 100 percent for Euro 22.8 millions. The ALL registered significant growth in 2007 because it commissioned CFS at Chennai and Mundra. Its activities were stretched to Nagpur, Bangalore and Hyderabad. In 2008 the company entered into joint venture with Concor for setting up ICD at Dadri. The year 2009 was equally important in which the ALL entered into joint venture with Hind Terminals for setting up, operating and managing CFSs and ICDs. The tremendous progress which ALL was able to achieve under the leadership of one man in its initial years is a proof to the fact established in Japan that managers enhance their modus operandi via dynamic visions rather than pallid or generic statements of corporate intent.

Enhanced Geographical Presence

The ALL's acquisition of ECU Line (Belgium based) enabled it to enhance its geographical presence and improve operational efficiency on par with its Indian MTO operations. After acquisition the ALL went much ahead by introducing certain cost control measures to improve ECU's operating performance. What happened immediately after 2006 is worth considering even now. The following exhibit provides a picture of financial performance of ECU Line in the relevant years:

Exhibit 1 ECU Line - Financial Performance

Y/E DEC (Euro mn)	CY 2006*	CY 2007	CY 2008
Revenue	193	245	277
% change		(4.5)	13
EBIDTA	6	12	14
% SALES	3.3	4.9	4.9
PBT	4	7	8
% SALES	1.9	2.9	3
PAT	2	5	5
% SALES	1	1.9	2

Source: Angel Research, company, * for 9 months

The progress recorded in exhibit 1 was clearly the outcome of cost control measures initiated by the ALL to improve ECU's operating performance. Its tie up with WNS (An American based leading global business outsourcing company with its corporate office in Mumbai also) and opening of a global freight buying office in Hong Kong became instrumental in improving ALL's operational efficiency.

Financial Highlights

The success of the Company and its subsidiary companies is very much reflected in the spectacular progress of their financial positions. Exhibit No 2 reveals the standalone financial highlights. Some of the key indicators are Total Income, Profit Before Interest, Depreciation and Taxes, Profit After Tax, Profit Available for Appropriations and Earnings Per Share.

During the five years' period (2007-08 to 2011-12) the total income of ALL increased by as much as 310%. The average annual growth rate during the same period was as much as 25.40%. The profit before interest and depreciation of the company registered a rise of 436%, the average annual growth rate being 34.27%. Another equally important indicator of progress is profit after tax. During the period under consideration the annual growth rate of this tax was 25.22%. The vitality of ALL is the hall mark is profit for appropriation. During the period under review this profit increased by 34.5% per annum. Certainly earning per share could be treated as an indicator of what ALL could achieve for its own bright future. Between 2007-08 and 2011-12,

the earning per share increased by nearly 264%. The average annual growth rate was 21.39%.

Exhibit No 2: Standalone Financial Highlights

(Rs in Crores)

Particulars	2007-08	2011-12	% change
Total Income	364.53	1130.49	310.12
Profit Before Interest, Depreciation and Taxes	82.52	360.08	436.35
Interest	(2.10)	(50.55)	2407.14
Depreciation	(14.20)	(89.05)	627.11
Profit Before Exceptional Items and Taxation	66.22	220.49	332.97
Provision for Tax	(10.52)	(36.42)	346.20
Exceptional Items	4.08	-	-
Profit After Tax & Exceptional Items	59.78	184.07	307.91
Profit Brought Forward from Previous Year	54.54	319.38	585.59
Prior Period Adjustments	(0.002)	-	-
Profit Available for Appropriations	114.33	503.45	440.35
Earnings Per Share	5.35	14.10	263.55
Appropriations			
Interim Dividend Paid	4.05	13.06	322.47
Tax on Interim Dividend	0.69	2.12	307.25
Proposed final Dividend	6.71	6.53	97.32
Tax on final Dividend	1.14	1.06	92.98
Transfer to General Reserve	7.50	18.50	246.67
Balance Carried to Balance Sheet	94.24	462.19	490.44

Exhibit No:3 Consolidated Financial Highlights

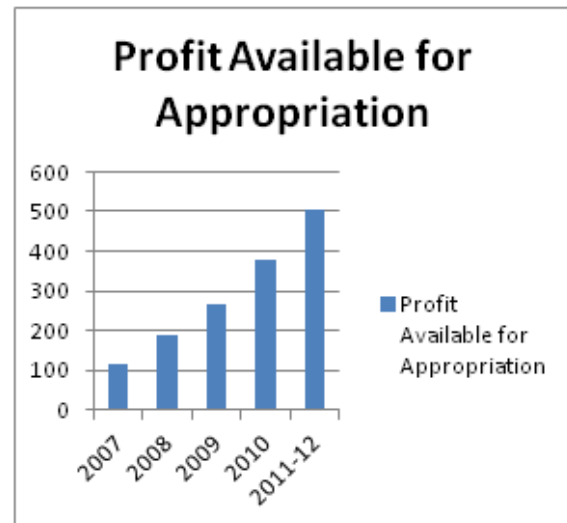
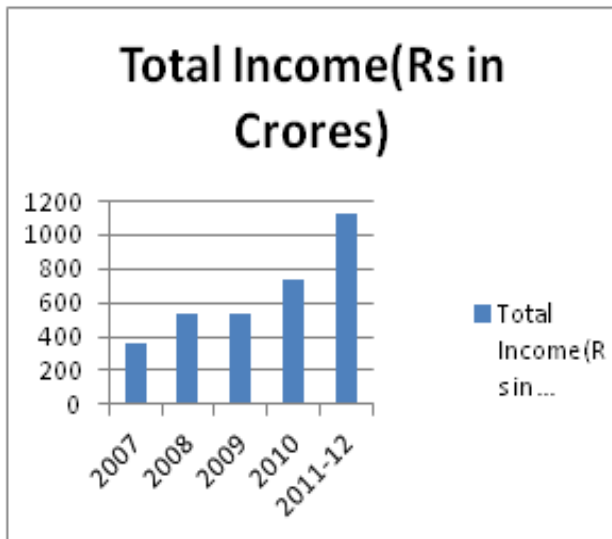
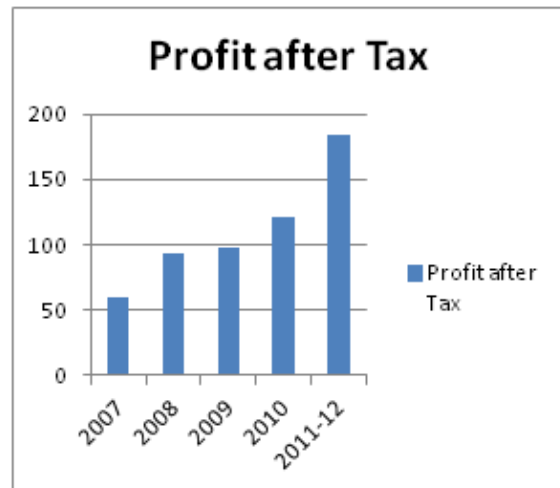
(Rs in Crores)

Particulars	2007-08	2011-12	% change
Total Income	1,618.61	4,324.52	267.17
Profit Before Interest, Depreciation and Taxes	147.30	573.53	389.36
Interest	(12.35)	(68.32)	553.20
Depreciation	(25.23)	(133.70)	529.92
Profit Before Exceptional Items and Taxation	109.73	371.51	338.57
Exceptional Items	0.53	(0.44)	-83.02
Provision for Tax	(23.87)	(73.37)	307.37
Profit After Tax	86.39	297.69	344.59
Profit Brought Forward from Previous Year	71.92	433.49	602.74
Prior Period Adjustments for Taxes and Expenses	0.01	-	-
Minority Interest	(9.84)	(13.17)	133.84
Profit Available for Appropriations	148.48	718.01	483.57
Earnings Per Share	6.85	21.80	318.25

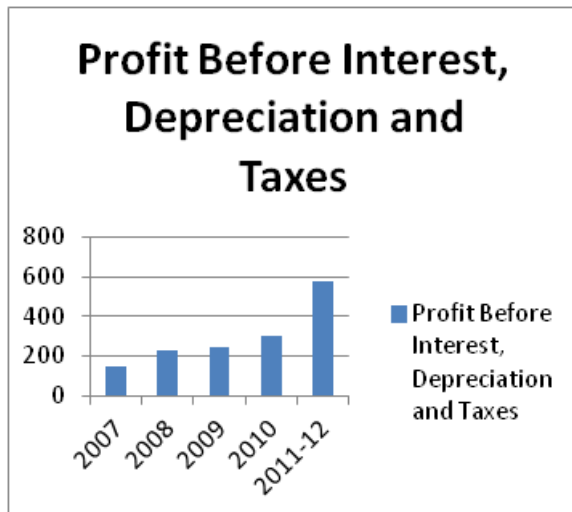
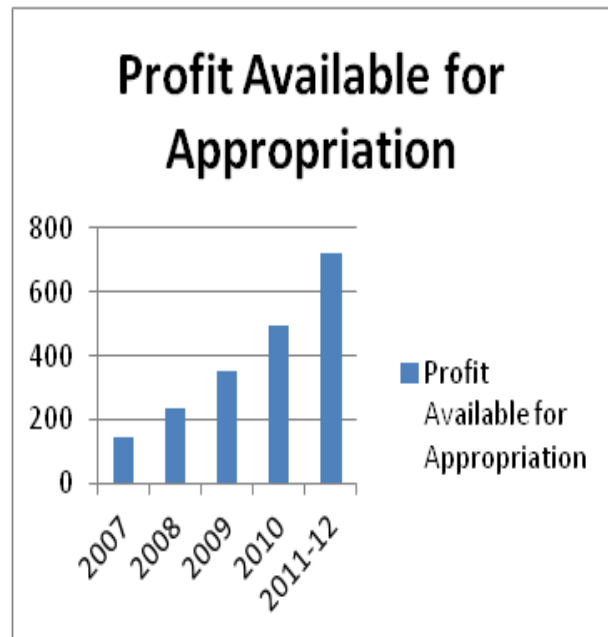
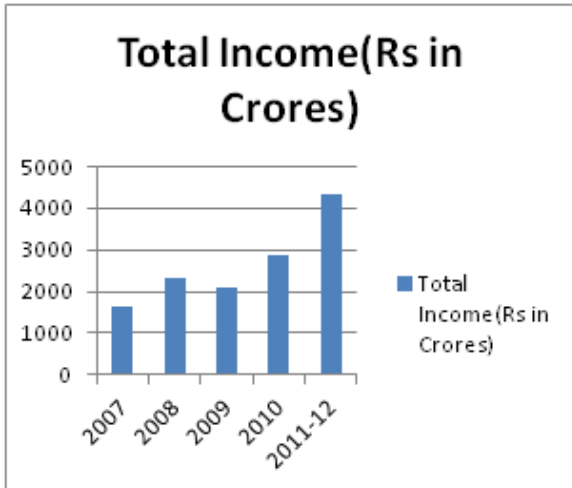
For the purpose of evaluating the consolidated performance of ALL and its subsidiary companies we have placed relevant data in Exhibit No 3. The key indicators are again Total Income, Profit Before Interest, Depreciation and Taxes, Profit After Tax, Profit Available for Appropriations and Earnings Per Share. From Exhibit No 3. we can have the following inferences relating to the five years' period (2007-08 to 2011-12).

- The average annual growth rate of total income was 21.72%
- The average annual growth rate of profit before interest, depreciation and tax was 31.24%
- There was annual average rate of growth of 28.07% in profit after tax.
- The profit available for appropriation recorded average annual growth rate of 37.05%
- The period saw average annual growth rate of 21.39% in earning per share.

Standalone Financials



Consolidated Financials

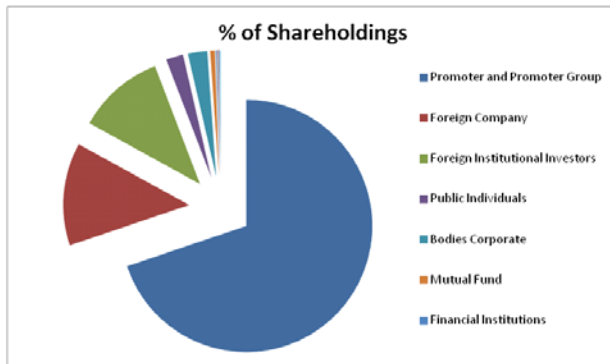


To accommodate outside or external investors for maintaining buoyancy of the company as much as 30% of the total shares is allowed to be held by foreign company, foreign institutional investors, public individuals, bodies corporate, mutual fund, financial institutions, clearing member, trust, independent directors and their relatives, non resident Indians and foreign nationals.

Exhibit No. 4: Categories of shareholders of the Company: March 2012

Category of Shareholders	% of Shareholdings to total number of Shares
Promoter and Promoter Group	69.81
Foreign Company	13.20
Foreign Institutional Investors	11.18
Public Individuals	2.20
Bodies Corporate	2.48
Mutual Fund	0.61
Financial Institutions	0.15
Clearing Member	0.06
Trust	0.06
Independent Directors and their relatives	0.12
Non Resident Indians	0.12
Foreign Nationals	0.01
Total	100

Total number of shares as on March 31, 2012 was 130,547,322



Note: The above figure is based on Exhibit No. 4

Performance of Share Price of the Company in comparison to the BSE Sensex & NSE Nifty:

a) Sensex v/s Allcargo



Source: <http://www.moneycontrol.com/stock-charts/allcargologistics/charts/AGL02#AGL02>

b) NIFTY v/s Allcargo



Source: <http://www.moneycontrol.com/stock-charts/allcargologistics/charts/AGL02#AGL02>

Management for Getting Success

There is lot of literature on entrepreneurship and management which conveys the idea that a successful entrepreneur cum manager proceeds with a well formulated business plan. The ALL has remained fortunate all along as its leader has never failed in planning in his enterprise. The following are the important components of a good business plan as revealed by available literature:

- Identifying the most important events or actions that must occur to achieve the chosen objectives
- Determining the events that are prerequisites necessary for sequential links between events
- Developing a critical -path milestone chart that graphically displays the sequence.
- Identifying the significant assumptions on which the venture's success depends testing the success or failure against the background of the initial assumptions made.
- Evaluating the business on the basis of changing projections
- Establishing a review schedule that relates to event completion as well as time factors
- Designing resource allocations and rewards based on the results achieved

The reports and records of the ALL are full of evidences to indicate the concrete results of a well structured

and designed business plan. The Company ever since its inception has preferred to follow events indicating the needs of its customers. As the Annual Report of the Company for 2011-12 informs, "The growth oriented performance is grossly attributable to Company's customer-centric approach and its ability to innovate customer specific solutions, focus on pricing and aggressive marketing strategy, disciplined project executions, focused management approach, prudent financial and human resources management and ensuring better control over cost".

In support of the basic strength of the business plan of the Company accompanied by some important events the following are worth mentioning.

- The years of 2007, 2008 and 2009 were the years of vital significance because the company commissioned CFSs at Chennai and Mundra each having the capacity of handling 50,000 TEUs per annum in the first phase. There were huge investments through shares and warrants. In 2009 company started 3PL (3rd Party Logistics) operations with two warehouses - one at Bhiwandi (Mumbai) and the other at Verna (Goa). The company invested in the state of the art infrastructure, equipment and software platforms to ensure accuracy, efficiency and speed.
- The year 2010 was a year of awards and recognition for the Company. The ALL was ranked at second position in logistic segment and at 290th position overall in the 'FORTUNE 500' companies in India by 'FORTUNE INDIA'. It was ranked at No. 251 in the list of the Economic Times. Additionally, the Company was identified as one of the top 10 companies with a potential for growth and value addition based on consistent performance in its section "SHOW STOPPERS - Spot the Winners". The ALL was declared as "Logistics Company of the Year" and the "Freight Forwarder of the Year (Indian)" by the 'All- Maritime and Logistics Awards(MALA) 2010' in Mumbai. Chairman and Managing Director Shashi Kiran Shetty was awarded the 'Face of the Year' by 'Express Logistics and Supply Chain (ELSC)' organized by the Economic Times And Future Group in Mumbai. Chairman and Managing Director Shashi Kiran Shetty were awarded "Entrepreneur of the Year - Service category" by 'Ernst & Young' in New Delhi.
- The year 2010 turned out to be eventful for other reasons also. There was business expansion because the ALL acquired business rights and controlling stake in two Hong Kong based companies engaged in NVOCC business in India and other parts of eastern regions. There was network expansion as the Company secured controlling stakes through local acquisitions in UK, Qingdao (PRC), Sri Lanka and Indonesia operations. There was capacity expansion at Chennai and Mundra. There was ownership expansion as the Company acquired two vessels of the capacity approximately 6,500 dead weight ton each. There was expansion of funds as the company successfully raised a sum of rupees 104.65 crore through Qualified Institutional Placement at RS 184.80 per share. This expansion was the outcome of participation of several financial institutions.
- The year 2011 was also a year of some distinct awards and recognition indicating the contributions of the Company in the development and growth in the logistic industry. The Citi Commercial Bank and Economic Times rated the Company as the Most Well Diversified Business Enterprise. The Maritime and Logistics Award honored the Company by considering it as the Freight Forwarder of the Year. Shashi Kiran Shetty, the CMD of the Company, was awarded "Outstanding Logistics Professional of the Year" by Maritime and Logistics Awards. Shetty was honored by Asia's Best Employer Brand Awards as the CEO of the Year with HR Orientation. In 2011 itself Shashi Kiran Shetty came to be treated as one who made Outstanding Contribution in commercial and human areas for strengthening the relationship between the Port of Antwerp and India.

The 3rd South East CEO Conclave and Awards announced that Shashi Kiran Shetty was the LCL Consolidator of the Year.

- In 2012 the Citi Commercial Bank and Economic Times honored the Company by considering it as "The Most Well Diversified Business Enterprise".
- Very recently (2013) Shashi Kiran Shetty's reputation reached a new height when the Maharashtra Chamber of Commerce, Industry and Agriculture gave him the coveted award for Global Indian Maritime Personality
- The above milestones were testimonies to the components of successful venture planning namely rational assumptions, sequencing of proper events, a planned review schedule, efficient resource allocations and rewards based on the actual results.

Listing Key Milestones

At the risk of some amount of repetition we can list the following milestones bringing light the outstanding enterprise spirit of Shashi Kiran Shetty, CMD of the Company.

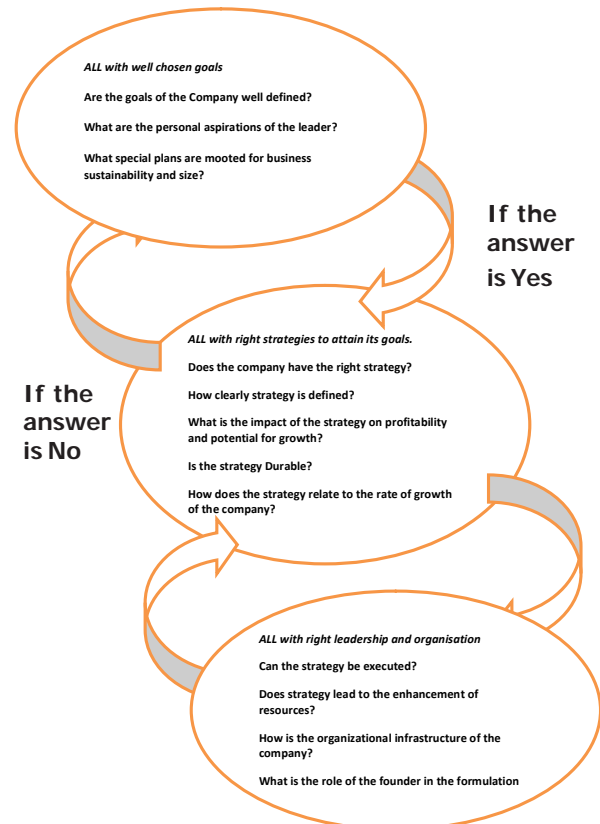
1993	Incorporated as Allcargo Global Logistics
1995	Entered into LCL consolidation as an agent of ECU Line
2003	Commissioned CFS at JNPT
2006	Acquired ECU Line. Listed on BSE and NSE.
2007	Forayed into freight forwarding by acquiring Hindustan Cargo Commissioned new CFSs at Chennai and Mundra
2008	Blackstone acquired 10.4% stake in ALL by converting warrants
2009	Started operations as 3PL player commissioned ICD at Pithampur
2010	Raised US\$ 23.5 million through QIP. Acquired 2HK based entities.

Literature on entrepreneurship drives home the fact that a successful entrepreneur has his own guide to the big issues. He must make a bewildering number of decisions, and he must make the decisions right for his company. It is necessary for him to begin and also to proceed with a framework for choosing priorities and also for making rational decisions about the future. Writing on business and its beliefs Thomas Watson Jr. (1963) observe that a company's central belief or core values are central to its success (6). Success, in his

view, comes through a sound set of beliefs. Beliefs must always come before policies, practices, and goals. However Watson argues that if an organization or a company has to meet the challenges of a changing world, it must be prepared to change everything about itself except beliefs as it moves through corporate life. The only sacred cow in an organization should be its basic philosophy of doing business. All the available records and reports clearly reveal that ALL has grown from success to success without sacrificing its basic beliefs but with its basic philosophy of doing business with ingenuity and innovation.

The entrepreneur who has an ambition for his onward march should use that framework to evaluate his company's position and trajectory often- not just when problems appear. Exhibit No 5 provides a framework which can help an entrepreneur with ambition.

Exhibit No: 5 Framework of key element of success of the Alcargo Logistics Limited (ALL)



The leader of ALL never failed to define the goals of the Company. He worked with personal aspirations which helped to formulate suitable plans from time to time. In expanding its activities he adopted right strategies. Due to right strategies implemented at right times the profitability of the company enhanced as revealed by the Annual Report for 2011-12. No doubt the strategies chosen were durable leading to positive long term impact. The heightened growth rate of the Company is what the founder has been able to attain. At various stages of the execution of the right strategies the founder Shashi Kiran Shetty was able to secure the cooperation of the employees in his Company. Again we may quote the Annual Report for 2011-12: "Your Company believes that winning of such recognitions was due to the hard work, passion and spirit of team work of the employees and thoughtful leaders, whose novel thinking and innovative approach have led them to attain excellence in their field. These awards are the testimony to the commitment to the stakeholders of the Company and seamless integrated logistics solutions".

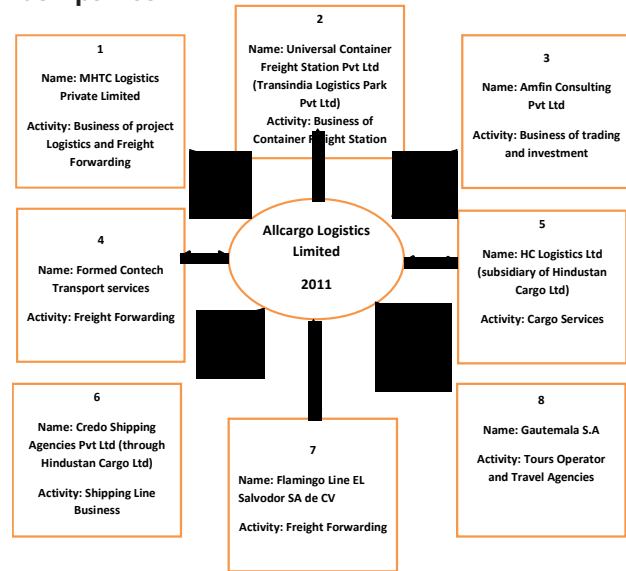
Subsidiaries with Transparency

The ALL and its subsidiaries have been maintaining the virtue of transparency with which the confidence of the shareholders could be maintained without any disturbance. One of the creditable indicators of the performance of the ALL is that it is always ready to make available the annual accounts of the subsidiary companies and related information to any member of the Company and its subsidiaries who may be interested in having access to the same. The annual accounts of the subsidiary companies are kept open for inspection by any investor at the registered office of the company and its subsidiaries.

Exhibit No 6 is instrumental in revealing that today the ALL has been able to make a mark in foreign countries like Sri Lanka, El Salvador, Saudi Arabia and Gauthemala. In India in recent years the services sector has been able propel the growth process. The services sector has been both the growth promoter and growth driver. The ALL and its subsidiary companies have

contributed their might to the growth momentum in the Indian economy by providing various business and transport services as revealed in Exhibit No 3.

Exhibit No: 6 The ALL and its Subsidiary Companies

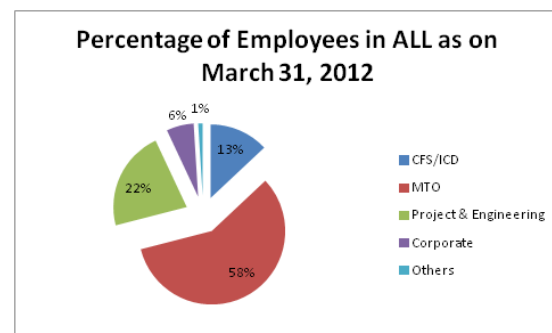


Welfare Measures for Employees

The Company has a well planned human resources policy which is being reviewed and updated to meet the requirement of changing circumstances.

Exhibit No 7:

Business	%
CFS/ICD	13%
MTO	58%
Project & Engineering	22%
Corporate	6%
Others	1%



Subsidiaries with Transparency

The ALL has unique distinction of safeguarding and promoting safety and healthy environment for its employees. Every possible protection is extended to them to save them from any possible loss and/or damages. The specific policies direct towards the goal of promoting the safety of the employees are Drug and Alcohol Policy, Occupational Health Policy, Driver & Vehicle Safety Policy, Mobile Telephone Policy, Smoking Policy etc. the Annual Report for 2011-12 makes special mention of the following safety measures taken at various places:

- 1) The Company conducts Fire & Safety Drills
- 2) All fire hydrants are monitored carefully
- 3) All equipments are tested periodically
- 4) Safety awareness campaigns are being held regularly
- 5) Audits for safety measures are conducted
- 6) Training programs are being conducted for all CFSs employees
- 7) Employees are provided with measures of medical health checkup
- 8) Safety alarms are installed
- 9) All equipments are compulsorily ensured with PUC.
- 10) RTG are being put into use
- 11) Each equipment is put through quality audit and testing
- 12) Green initiatives to protect the environment.

With the help of the above measures the Company has been able to secure the cooperation and confidence of its increasingly large number of employees. No doubt the sense of involvement and participation of employees have helped the Company to diversify its operations. This has contributed a great deal to the standards of ingenuity and innovation of the Company marching towards further success. Planning for quality has become possible with the cooperation of the employees. Quality planning, quality management and quality implementation have become an invariable sequence of steps in ALL. The CMD of ALL firmly believes that people are the greatest assets and the

employees in this company are naturally included in the category of people deemed as assets.

Corporate Governance in ALL

The ALL has been enjoying the benefits of corporate governance in this connection a special mention needs to be made of the disclosures made from time to time. There are disclosures on materially significant transactions. All the stakeholders are informed about details of non compliance, if any, with regard to capital market. Disclosures on accounting treatment and risk management will help the stakeholders to know the ground realities in ALL. The requisite certification from the Managing Director (CEO) and Chief Financial Officer as required to be given under Clause 49(v) has been placed before the Board of Directors of the Company, on quarterly and annual basis. The Company has complied with all the mandatory requirements as prescribed under Clause 49 of the Listing Agreement. All these measures have undoubtedly helped to maintain transparency.

The Company has assured that the person who is appointed as an Independent Director has an requisite qualification and experience which would enable him to contribute to the company in his capacity as an Independent Director. The shareholders' rights are given wide publicity in the reports of the company and also in the widely circulated newspapers. The directors have been trained to play the role in a useful way. The services of highly qualified auditors are availed as per Section 341 of the Company's Act of 1956. The company has formulated and adopted the Ethics and Grievance Policy to safeguard the interest of the employees. All the relevant information is easily accessible to the stakeholders. The management discussion and analysis report constitutes a part of the Annual Report of ALL. Timely payment of dividends and publication of data relating to share prices are all important in the company. Certificates from authentic agencies reveal that the company has complied with the conditions of the corporate governance.

The Annual Report for 2011-12 of ALL gives a list of various types of risk that a company faces. Economic risk, competition risk, trade risk, regulatory risk, liability

risk and execution risk are obviously the challenges for the company. The adoption of the good corporate governance practices has enabled the company to convert even the formidable challenges into opportunities of success. To quote the Annual Report for 2011-12 again, "with superior methodologies and improved processes and systems, the Company is well positioned to lead a high growth path".

As a part of good governance practice the ALL has internal control systems. These systems go a long way in ensuring efficiency of operations and the adequacy of safeguards for assets. The company has a system of control to facilitate optimal utilization of all resources and strict adherence to laws and regulations. There is an exhaustive budgetary control system in the Company to monitor all expenditures against approved budget. The internal audit system has helped a great deal for improving the effectiveness of risk management. The top management and the audit committees make evaluations periodically to plug loopholes if any and also to improve upon what has been already done. The outcome of all these good governance practices is that the ALL looks to a radiant tomorrow.

CSR Initiatives of ALL

The need for Corporate Social Responsibility (CSR) has its roots in the fundamental moral thought- "what and how much has been given back over and above what you have taken from society". CSR is often referred to as business responsibility- in other words an organization's action on environmental, ethical, social and economic issues. Now the country has accepted inclusive growth as its primary goal. It is now admitted on all hands that the government alone cannot meet the challenge of realizing the goal of growth characterized by inclusiveness. Though CSR is moving beyond charity and philanthropy into a professional face, it cannot become a social acceptable goal unless the corporate sector considers this as an important obligation. After the passing of the Company's Bill 2012, it has become mandatory for corporate entities to adopt corporate social responsibility. In other words what was once voluntary has become law.

The ALL has been since many years contributing immensely with its CSR initiatives. Remembering the

nobel thought of Robert F Kennedy that the future is the work of our own hands, the Annual Report of ALL for 2011-12 boldly state that the ALL has been investing in the youth of tomorrow by creating opportunities for them today. The important CSR initiatives of this company may be listed:

- Investing in college and school infrastructure;
- Offering scholarships to under privileged students;
- Helping schools to decrease the dropout rate of children by providing financial support, guidance and mentoring;
- Encouraging environment friendly policies of social service institutions;
- Donating liberally to the Cancer Society and Mother Teresa Foundation for helping the blind people;
- Organizing eye camps through Lions and rotary Clubs;
- Wild life preservation

The CSR initiatives have become inseparable parts of the value systems of ALL. In this connection we can do no better than quote the Annual Report for 2011-12: "At Allcargo, we believe that for an effective CSR, it has to be the ethos of the Company and built into its value system, reflecting in every interaction that the organization has with each of its stakeholder. And we endeavor every year to do more for our society, our youth, our environment, our stakeholder, in an attempt to change every life that we touch".

ALL led by an inspiring and dynamic CMD. The progress of ALL was not achieved in a vacuum. It is the result of tireless efforts, spirit of adventure, ambition and the unique ability to guide fellowmen which its CMD Shashi Kiran Shetty has been constantly exhibiting. In him we find a leader with vision whenever required. His policies show that a true leader is one who empowers people who work with him. As early as 1941 Mary Parker Follett gave a graphic description of leadership through vision. To quote, "the most successful leader of all is one who sees another picture not yet actualized - who sees the whole rather than the particular, organizes the experiences of the group, offers a vision of the future, and trains followers to become leaders".

The rise of Shashi Kiran Shetty from a modest beginning to the present stature is like a guiding star to the youngsters. After having worked for a shipping agency with his knowledge of economics Shashi Kiran Shetty started Allcargo Global Logistics in 1992, now ALL, which has its operations in five continents. Over the years the company built capabilities in the Non Vessel Owning Common Carrier (NVOCC) business and Multimodal Transport business. Acquisition of ECU Line- a Belgium based company which was five times their size, in 2005 helped the company evolve into a global player with 189 offices in 89 countries. All this has become possible because Shashi Kiran Shetty believes in innovation. He is an innovative entrepreneur. In his famous book the Theory of Economic Development, Joseph Schumpeter (1883-1950), a professor of economics, belonging to Vienna School of National Economics gives a seminal account of innovations and their impact. Innovations, according to Schumpeter, consist in the practical implementation of knowledge, ideas, or discoveries, and rely, therefore, not on inventiveness as such, but on entrepreneurial abilities. Schumpeter further states that profit of a business enterprise can be explained as an outcome economic dynamism. This economic dynamism manifests itself in the introduction of new products or production methods, in the opening up of new market or in organizational changes.

The ALL has been able to grow ever since its birth through expansion and diversification, thanks to the ceaseless innovative spirit of its CMD. In his own writing titled "How I Did It" published in Business Today in 2011 Shashi Kiran Shetty has rightly pointed out that novel ideas put into practice from time to time could unfold opportunities and growth and development of the Company. Here is his vision: "My vision is to turn ALLcargo into a billion - Dollar Company by 2014-2015. I also want to institutionalize the business so that it can be run by those who succeed me, whether they are family members or professional CEOs. Even after all these years, I still love what I do. Finally, that is what makes the difference".

At a very young age Shashi Kiran Shetty has associated himself with important business, educational and social service organizations. Today he has the wisdom of experiences accumulated by him in all those institutions. He was a member of the board of the Mumbai Port Trust, Co-Chairman of the Transport and Logistics Committee of the Indian Merchant Chambers, Vice President of Association of Multimodal Transport Operators of India, Trustee of Sahyadri Engineering College Mangalore and Chairman - Education Committee of Bunts Sangha, Mumbai - Anna Leela College. Shashi Kiran Shetty is a strong believer in CSR. The impact of this belief is seen in the support extended by ALL to education, environment, health, sports and women empowerment. If the good corporate governance practices are embedded in the action plans of ALL today, it is attributable to the initiatives of Shashi Kiran Shetty.

In James Macgregor Burns we find a very effective writer on leadership (1978) he identifies two vital strands of leadership- Transformational Leadership and Transactional Leadership. Transformational leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Transformational leadership is driven by trust, concern and facilitation rather than direct control. Burns says that Transformational leadership means elevating, mobilizing, inspiring, exalting, uplifting, exhorting and evangelizing. The multi dimensional growth of ALL is no doubt the outcome of the quality of transformational leadership in Shashi Kiran Shetty who could inspire, elevate and uplift all the teams in the company marching ahead towards further success.

Needless to say that Shashi Kiran Shetty has the attribute of transactional leadership also which involves leaders in clarifying goals and objectives, communicating well in order to plan tasks and activities with the co-operation of their employees, so that wider organizational goals are met. The Annual Report of ALL for 2011-12 containing a special chapter on management discussion and analysis brings to the fore

the benefits of the special attribute of transactional leadership exhibited by its leader at various stages of its growth. Thus we have no hesitation in saying that Shashi Kiran Shetty combines the two elements of leadership elucidated by Burns so that targets, results and procedures of the zooming ALL are developed and shared.

The case of ALL demonstrates that leadership can be instrumental in innovative organizational planning which can lead to expansion and growth of an industrial organisation. The acceptance of the basic principles of corporate governance and inclination for CSR activities of ALL could make this organization socially relevant. The success of ALL was basically the accomplishment of a single person who could win the confidence of his employees with sense of involvement made this success possible. Thus case study of ALL holds significance for its unique and socially useful performance, deserving attention of researchers in social and management sciences.

Notes and References:

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JKSHIM Contribution

