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ESTER MARTINEZ

Managing Editor

#### The Future of Talent Management

hen CEOs lose sleep upon the resignation of a couple of high performing mid-level managers, then one realizes how important talent has become for the success of today's organization.

Talent is today at the center of business success and increasingly so. The challenges ahead are many - talent is in short supply, talent is becoming expensive, talent looks and thinks different from ever before and the equation between employer and employee has been changing much faster than the organization's policies, leaving the entire HR systems outdated.

Our cover story this issue, *The Future of Talent Management* aims to look at the most relevant trends that business leaders will be paying attention to in 2011. We spoke to CEOs, COOs and HR Heads across industries and have brought together some of the most important new trends in this crucial practice of managing talent.

This issue brings to you another skills development special with the article, *India's New El Dorado*, which dissects the Industry for Employability Education in India – the new revolutionary industry is expected to be worth \$80 billion by 2012. We spoke to employers and industry players about the current status of employability and employability education in India and the gears they are shifting to adapt to the new growth scenario.

Continuing with the series on change leaders by Dr. Pritam Singh and Dr. Asha Bhandarker from their book *In Search of Change Maestros*, this issue brings you the story of Sunil Bharti Mittal and how he revolutionized the telecom sector in India, with an exclusive interview of Dr. Singh's with the man himself.

This issue brings some new exciting sections - *The Counsellor* is a new section for us professionals to post career and ethical dilemmas to our guest expert, Vivek Paranjpe, Consultant and Strategic HR Advisor to Reliance Industries. We thank Vivek for accepting our invitation and helping the community find solutions in today's complex work environment. We also thank Elango R, CHRO, MphasiS for agreeing to become a regular contributor in *People Matters*, a request that came from popular demand.

We also have the pleasure of welcoming some fresh talent into the *People Matters* team. Rajlakhsmi Saikia joins us as Deputy Editor from another industry publication and Gautam Ghosh, recently ranked 2nd among the Top 25 global online Influencers in Talent Management by HR Examiner, joins us as Guest Editor. Together, we look forward to enriching our readers' perspective greater zeal and passion in the months to come.

As always, we would love to hear from you. Do write to us with your views and thoughts at editorial@peoplematters.in

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This issue of People Matters contains 80 pages including cover.

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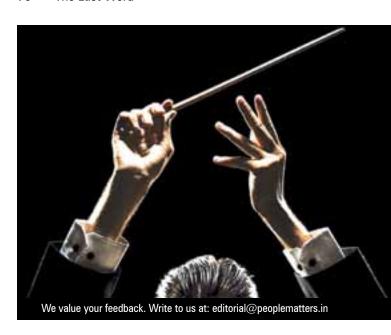
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#### Letters to the editor

#### A Question of Rights and Duties

In reference to your Jan-Feb cover story "Ethical Storm Brewing," I must congratulate the team for a very well-written piece. Our biggest problem as corporate, or as individuals, is that we talk about rights, and not duties. Rights mean what is in it for me, while duties mean what I can do for you. Rishi Sri Aurobindo said in 1908, that democracy is based on the rights of man.

Dharma is the Indian conception in which rights and duties lose the artificial antagonism created by a view of the world, which makes selfishness the root of action, and regain their deep and eternal unity. Dharma is the basis of democracy which Asia must recognize, for in this lies the distinction between the soul of Asia and the soul of Europe.' Ethical problems arise because everyone wants to make more money by any means. If a leader is honest, he will have the will to change things.

- Sanjeev Nayyar, Mumbai

#### A Timely Address to Ethical Problem

Thank you very much for addressing the ethical issues of the current business world. It is great to discuss ethical issues in the beginning of the year. It is very important, both in the private and government context. In this issue, the articles related to rewards and employee engagement has given new thoughts and ideas. Thank you for making the entire issue so valuable.

- Amit Acharya, Baroda



#### A Great Value-Add

I have been following *People Matters* for many months now, and would like to congratulate the team for the quality of articles that you publish. They are a great value-add to every professional.

- Ramnath Dixit, via email

#### Well Researched and Classy

It is a delight to read a magazine which is so well researched, believes in providing content, that is both, deep and wide, and at the same time has a classy sensitivity about presentation, design, and well spaced layout. You guys are clearly at the top of the heap!

- Rahul Taneja, Mumbai

#### Larger Player in Talent Management

The article 'B-Schools: Larger Player In Talent Management' in the Jan-Feb 2011 of the magazine is right as far as the selection of candidates for strategic vacancies are concerned, but beyond that,

when operational needs come into the picture, the candidate matters more than the school. Very happy to read your thoughts, the article was a very good read.

- Vijaya Kumar Reddy, Hyderabad

#### Changing the face of India

Referring to Last Word "When Capability is Accompanied by Ethical Behavior" in the Jan-Feb issue of *People Matters*, indeed very well said, and I strongly wish that the man of his personality (Mr. Narendra Modi) is worthy of leading India and can change the face of India in this decade.

- Kalpan, via web

#### Stress at Workplace

The article on 'Stress – Incompetence Conundrum' by Elango R. explains the reason for stress very well. It is timely for *People Matters* to have published this article as many of us can well relate to the scenario explained here. I could not agree more with the author. The corrective actions do lie primarily and predominantly with the individual for sure. However, this is a wake-up call to managers and decision makers too. We need also to be careful and perhaps smarter in designing success criteria.

- Janaki, via web

#### Creating Engaged Human Capital

Excellent and thought provoking article by Prabir Jha in the Jan-Feb issue of People Matters. If leaders try to understand the spirit of the content, I am sure they can easily create a pool of satisfied and engaged human capital.

- Noufal, via web

Send your comments at editorial@peoplematters.in

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## **UPDATE**

#### Too rich to work...too poor to manage inflation!

he fierce competition among companies to lure and retain their employees, especially at the senior and middle level management, has increased compensation packages and extra benefits. As salaries hit a high, many professionals are experiencing an early growth in their career and are contemplating early retirement. Experts offer three broad reasons for such decisions. Firstly, financial security makes people more open to the idea of retiring earlier; secondly, an early peaking in careers leads to a sense of fulfilment at an early age and finally, burnout or professional fatigue.

According to a survey by Max New York Life (MNYL), 65% of the respondents said that retirement planning was their prime concern. The sales data reflected that the average age of people purchasing retirement or pension plans has stepped down from 38 years in 2008 to 33 years in 2010. The survey results also revealed that the amount of money invested in a retirement plan has doubled from an average annual premium of Rs 15,000 (two to three years ago) to more than Rs 30,000 today. The trend is catching on,

and with good incomes and many good investment options available in the market, it is becoming plausible for executives to consider retirement options much before they turn 50, if inflation permits.

The contra-point here is that even though salaries are increasing, the actual purchasing power is flattening and in some cases even reducing. In a study conducted by Towers Watson on Global Talent Management & Rewards trends 2010, it was found that almost one-fourth of the companies surveyed in India have responded that "real wages" (inflation-adjusted wages) to their managerial-level employees have either been flat or declined over the last five years. Economic growth continues to drive increases in the nominal value of rewards in Asia including India, but still, these increases do not get reflected in higher purchasing power. "While India has an impressive growth rate which is second only to China's, the reason for the real wages being flat or declining is the high inflation rate that the Indian economy has been grappling with," the study said.

With inflation remaining high, those early retirement dreams might need to take a step back.

## 100 million manufacturing jobs targeted in the next 15 years

he manufacturing sector of the Indian industry should create about 100 million jobs over the next 15 years to sustain a high growth rate. At an industry trade fair in Bangalore, Planning Commission member Mr. Arun Maira said, "Since the manufacturing sector had jobless growth in the last decade, the Planning Commission has set a target for the industry to create about 100 million jobs by 2025 to fuel the economy and sustain the GDP growth rate over 9%." He also mentioned that the manufacturing sector's growth should be 2-4% higher than that of the economy to ensure that the GDP grew by 9-10% in this decade. "We followed the ideology of leaving it to the market, to create jobs. We need policies, not to protect any sector of the industry, but to encourage and nurture them, as Japan, South Korea and China did recently, and Germany and the US, a century ago," Maira said. Talking

about the challenges facing the sector to grow at an exponential rate, and create millions of jobs, he said the first issue was to overcome the infrastructure deficit, especially in transport and power, followed by urbanization, overseas funds, better governance, and simplification of procedures for land acquisition." The other challenges are development of hard and soft skills through public-private partnership, as the industry will require millions of skilled people for innovation and capacity expansion. Infusion of latest technology through collaborations and partnerships, including joint ventures," Maira emphasized.

According to a recent study by the Automotive Component Manufacturers Association of India (ACMA), the automobile industry is expected to grow at 25-30% over the next 5-10 years, which should be the main driver for manufacturing jobs. pm



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#### ILO worries over increasing joblessness

espite a sharp rebound in economic growth for many countries, official global unemployment stood at 205 million in 2010, essentially unchanged from 2009, and 27.6 million more than on the eve of the global economic crisis in 2007," the International Labour Organization announced recently. ILO pointed out that the global economic recovery is not translating into jobs, as world unemployment remained at a record 205 million for the year 2010. "The ILO projects a global unemployment rate of 6.1 per cent, equivalent to 203.3 million unemployed, through 2011," it added. Just over half of the unemployment occurring since 2007 happened in industrialized economies and the European Union, according to the UN labor agency. Many young people reaching working age have

also failed to find jobs. Despite a highly differentiated recovery in the worldwide labor markets, the human costs of recession are still with us, says the ILO Director General, Juan Somavia. In developing economies such as Brazil, Kazakhstan and Thailand, jobless rates have fallen below pre-crisis levels, the ILO noted. Besides the unemployed, some 1.53 billion people are trapped in "vulnerable employment" like temporary jobs. Figures for youth unemployment also looks discouraging, 78 million young people were jobless in 2010, up from the pre-crisis level of 73.5 million in 2007. "The weak recovery in decent work reinforces a persistent inability of the world economy to secure a future for all youth. This undermines families, social cohesion and the credibility of policies," he adds.

#### Social networking: A modern form of madness

e have always had numerous venues to socialise and keep in touch with people, but social networking websites like 'Facebook' and 'Twitter' are perhaps making people "less human" by isolating them from reality, a US sociologist has claimed.

According to Prof. Sherry Turkle of Massachusetts Institute of Technology, the way in which people frantically communicate on social networking sites can be seen as "a modern form of madness".

In her new book, 'Alone Together', Prof Turkle states that a behavior that has become typical may still express the problems "that once caused us to see it as pathological". She says that the reason why people are becoming isolated from reality, as a result of increasing time-spend on social networking sites, is because technology is dominating our lives, making us 'less human'.

These platforms give us the illusion of allowing us to communicate better, while technology is actually isolating us from real human interactions by keeping us confined to the internet world. "We've invented inspiring and enhancing technologies, yet we have allowed them to diminish us," she writes.

She gives the example of Simone Back, a woman in Brighton, who posted a suicide note on Facebook which was seen by more than 1000 of her 'friends', yet no one came to help her. Professor Turkle urges us to rethink the overwhelming role of virtual networking in our lives.

#### Corporate Appointments



Avinash Vashishtha, joins Accenture India as Chairman and Country Managing Director this January. He will work with the current Chairman, Harsh Manglik until he retires in August this year.



Global HR services provider Ma Foi Randstad has appointed **E. Balaji** as Chief Executive Officer for India and Sri Lanka business effective January this year.



**T. K. Kurien** is Wipro's new CEO IT Business replacing Girish Paranjpe and Suresh Vaswani. Kurien will lead Wipro's IT business and will also be on the company's Board as Executive Director.



Nivea India has appointed **Rakshit Hargave** as Managing Director of its Indian operations with effect from January 2011.



Sandeep Asthana has been appointed as the new Country Head of Sun Life Financial India effective January. He takes over from Venky Mysore.

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#### **In Search of Change Maestros** - Series **I**

## The Bharti Airtel Saga

The story of Sunil Bharti Mittal is an epitome of transparency, passion and compassion, the three guiding forces that enabled the organization to revolutionize the telecom sector in India, while keeping a constant eye on customer satisfaction.

Excerpts from the book *In Search of Change Maestros*<sup>i</sup> by **Dr. Pritam Singh** and **Dr. Asha Bhandarker** 



eing at the forefront of the telecom revolution, Bharti Airtel is all set create another landmark with the launch of its 3G services. The largest mobile services provider in India is now able to offer its customers the widest 3G network in India, in keeping with its core value of customer orientation.

Aptly compared to the story of David fighting Goliath, the story of Airtel's journey is an example of a rather small organization, taking a revolutionary approach, to emerge as a leader in the telecom industry, and placing a significant footprint on the global business arena. The story of this telecom giant and its architect Sunil Bharti Mittal is an epitome of game-changing moves, as rightly expressed in "In Search of Change Maestro" by Pritam Singh and Asha Bhandarker. Fearlessly questioning established business models, Bharti Airtel today is a marketing company, which has outsourced most of its activities, including technology. A step abhorred by many players, today the Bharti Airtel model is adopted by many who want to stay in contention.

What began with the purpose of manufacturing India's first push button phones in collaboration with Siemens in 1985, Bharti Airtel is today a result of Sunil Mittal's discovery of what the telecom sector had potential for. From a small beginning, Bharti Airtel has emerged as a gigantic player which is looked upon by the world for its innovative business models. The world's 5th largest mobile phone operator is undoubtedly a reflection of Sunil Mittal's game changing capabilities. It is astounding how he closely studied each opportunity to turn it to Bharti Airtel's business advantage.

In Search Of Change Maestro's unique approach in its empirical study revealed some of the most intriguing traits of this forward looking thinker. There are eight dominant themes which give a detailed insight into what went into the creation of Bharti Airtel, and the mindset and approach used by its architect:

Entrepreneurial Architecture: The stakeholders at Airtel emphasized Airtel's attempt towards evolving an entrepreneurial architecture which is matchless. Their approach is to continuously question the existing system and process, in order to find a better way of doing things. They constantly strive to redefine paradigms to evolve new business models which are more efficient, cost-effective, customer centric and afford Airtel its competitive advantage. This, in turn, empowers every employee to introduce newer ways of things to meet the company's goals. The interviews during the research brought out a strong emphasis on Airtel focusing on 'what they do best' and outsourcing everything else to those 'who can do it better'. Sunil Mittal emphasizes the DNA of Airtel's entrepreneurial culture to always seize the opportunity, and move

## Pillars of Bharti Airtel's Success

- Entrepreneurial Architecture:
   Continuously question the existing
   system and process, in order to rede fine paradigms to evolve new busi ness models which are more efficient,
   cost effective and customer centric
- Entrepreneurial Innovation:
   Nimble-footed and abhors bureaucratization; Airtel's key DNA ingredient is constructive destruction: Create Destroy Recreate
- Mega Vision with Winning Streak: Mega vision with equal passion to achieve
- Customer Always: Basing business decision with a primary focus on addressing customer needs and affordability
- People Power: Employees First, Customer Always
- Performance Excellence: Constant challenges and stretched targets create an environment for speedy execution without losing focus on quality
- Ethical Governance: Strong social conscience with all stakeholders; employees, customers, and the society at large.
- Mosaic Culture: Create convergence in thinking and approach among diverse people so they can work together towards the goal.

The brand 'Airtel' has been built over a short span of just over a decade, and the organization was able to do so because of its efforts towards continuously focusing on connect, trust and strengthening the relationship with its customers

Bharti Airtel today is a result of Sunil Mittal's discovery of what the telecom sector had potential for. The world's 5th largest mobile phone operator is undoubtedly a reflection of Sunil Mittal's game changing capabilities

steadily for growth. Marketing being their core competency, the company focused their strategy on marketing, branding, and positioning, quite explaining Airtel's clear communication strategy in the market today.

Entrepreneurial Innovation: The crux of this theme is to ensure a continuous emphasis on the mindset of the organization and its people to encourage innovation at every level. Telecom being a highly competitive industry, Airtel rightly understands its need to propel everyone to achieve the best in everything they do. As its employees affirm, Bharti Airtel survives on its 'Intraprenuerial' approach where every employee seeks to evolve to achieve more. The employees' clear understanding of this fact, is reflected in Bharti Airtel's growing market share, even in the global front. Described best as nimblefooted, and a company that abhors bureaucratization, many employees explain it better when they say "we have a small company's soul and we move with lightening speed". Sunil Bharti also propounds the concept of Creative Destruction: Create - Destroy -Recreate, which is an active ingredient in Airtel's DNA.

Mega Vision with Winning Streak: More than merely establishing a mega vision, Bharti Airtel showcases an equal passion to achieve. Their vision is to become the number one in the globe, and they constantly strive to increase the distance between them and their competitors. Employees credit Sunil Mittal for his passion and drive as reason behind their undying energy to achieve more, continuously.

Customer Always: A strong proponent of the belief that the customer is at the heart of business; Bharti Airtel has always based business decisions with a primary focus on addressing customer needs and affordability. The brand 'Airtel' has been built over a short span of just over a decade, and they were able to do so because of their efforts towards continuously focusing on connect,

trust, and strengthening the relationship with their customers.

People Power: Sunil Mittal's clear thought has built Airtel on the slogan "Employees first, Customer Always". When interviewed, employees said they are excited to work at Airtel because of its caring, friendly, and helpful, nature. Most specifically, employees are eager to work in the company because they say their MD makes them feel special, respected and valued. Such a scenario is unheard of as most CEOs would otherwise find it difficult to touch the lives for his people at every level. But the emphasis on people power and people emphasis at Airtel makes it worth the stay for all.

Performance Excellence: Along with empowerment, Bharti Airtel stresses upon clear and sharp accountability for all. Constant challenges and stretched targets create an environment for performance excellence. Bharti Airtel's Balanced Score Card Systems takes into consideration top line growth, market share growth, brand score, people motivation etc, which ensure a holistic approach aimed at continuous performance par excellence. Sunil Mittal empahises on the need for speedy execution without losing focus on quality.

Ethical Governance: Following Gandhi's principle of Satyammeva Jayate, Sunil Mittal expounds the belief within Airtel's system. 21 interviewees expressed that the one factor that distinguishes Airtel from the rest is its culture of extreme transparency, and ethical approach, in their actions. Ethical governance is a cornerstone at Airtel, and every member of the company knows they must not promise to the customer what they cannot deliver. Whether it is employees, customers, or some other stakeholder, Bharti Airtel believes in keeping a strong social conscience with the spirit of giving back to the society through the Bharti Foundation, which focuses on uplifting educational facility in the rural areas.

Mosaic Culture: Airtel has a mosaic culture given its diversity in gender, race, religion, industry experience or global exposure. The success of Airtel has been in their ability to create convergence in thinking and approach among diverse people so that they move together towards the larger organizational goal. Important factors that govern their practices include a win-win approach, respect for people, establishing co-partners, and valuing good ideas, while being upfront and adopting ethical practices.

In Search for Change Maestros, Dr. Pritam Singh and Dr. Asha Bhandarker, Sage Publications, 2011

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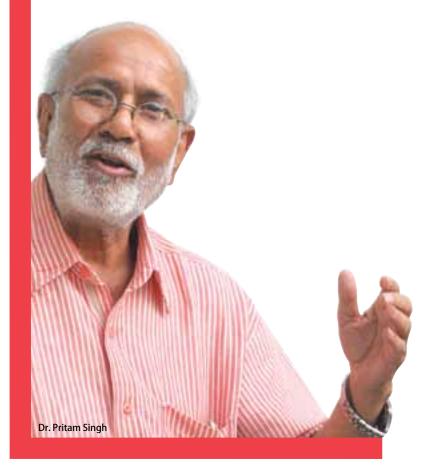
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## **Sunil Bharti Mittal** – The game changer, in conversation with **Dr. Pritam Singh**

Looked up to by many as the man who questioned 'the constant' to find out better business models, Sunil Bharti Mittal is a game-changer who dared to redefine the age-old telecom model and emerged a winner. His new approach of co-partnership and virtual integration are unique approaches in the telecom sector which has seen great success. The quantum growth that Bharti Airtel has witnessed in little more than a decade has been possible only because of the high passion and round-the-clock alertness of Sunil Mittal to take advantage of every opportunity that came his way. Personally, his high value centricity along with his belief in ethical governance, best described by the authors, is reason for the sustainable growth that Bharti Airtel enjoys today. The man reeks of excellence in every task he takes, which percolates through all levels in the organization. This ensures that every Bharti Airtel employee works with a self-credo of performance excellence, making the Airtel brand a global Goliath. Here is a snapshot of a detailed conversation with the man himself, on Bharti, life and more, as told to Dr. Pritam Singh, Author – *In Search of Change Maestros* 



**Dr. Singh:** How does Sunil Mittal describe Sunil Mittal?

**Mr. Mittal:** I am very passionate about my work. I am highly transparent, sometimes even at the cost of having setbacks because I am too transparent. I am not a trained professional, or a scientist, or a doctor or a mathematician, I am even not an economist, but I am an entrepreneur with a very logical mind. My biggest bug during my study days was my mathematics exam, and today the only person Akhil (Gupta) would like to discuss his business models is with me because, and I can't tell him that how I have reached the conclusion, but I can tell him where he is going wrong or right or what you are missing. He is amazed that I was not comfortable with mathematics during school, which is actually a big enigma. My kids feel the same way. Even when they were in school and they would come to me with their mathematics problems, I gave them the answer and when they asked me to explain how? I said I can't tell you that but that's your answer. So my brain is constructed in a different way, I go through logic rather than a formula.

**Dr. Singh:** How would you describe Bharti Airtel as a company?

Mr. Mittal: I think 'passionate' would be on top of my mind, along with 'compassionate'. A high degree of compassion inside, which comes in various forms – care for the longevity of our people, the weaker managerial cadre, and more importantly, the society. We are a very compassionate company. In some sense, we think of ourselves as in area of public sector, rather than the private sector, in terms of our approach. I would best describe Bharti Airtel as passionate, compassionate, and performance-oriented with a high degree of transparency, sometimes to the point which even hurts us. We are a 'team of stars' which is trying very hard to be a 'star team'.

We have great individual excellence, which is an upstart mentality where everybody is firing in their own way. They are energetic, goal-oriented and when pushed to a corner, they emerge as big fighters. We are very heavy on customer orientation and even touchy when a customer comes back to us saying he is not satisfied with our services. And at last, if I may say, for us, stock price profitability is not a goal, it is an outcome. The goal is really to build businesses which serve the customers, so when the stock goes up and down, it does not bother us. I don't know how much of this matches up with what else you have heard, but that's my point of view of how I see Bharti.

**Dr. Singh:** One thing that everyone at Bharti Airtel says – 'we are capable of enfolding the future into present'. What does it reflect?

**Mr. Mittal:** I believe if you keep your eyes and ears open, and if your quest is to see the future, there is enough in the present, which can foretell the future. Most of us don't want to see the future as very big, and therefore don't. We brought such transformational change with our IT and Network Services outsourcing.

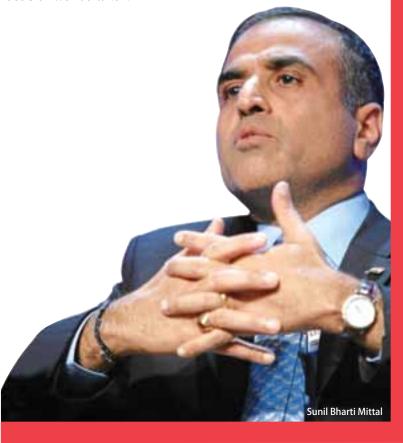
**Dr. Singh:** Manoj(Kohli) and Akhil (Gupta) both said that you question all the proven models of business, how did you do it?

**Mr. Mittal:** We exploded existing business models out of necessity, and this is one example. I knew we will collapse, so Akhil and I started building something. Of course it is risky and we went to the Board twice.

Everyone said I had gone mad to give my heart out to outsiders? Again I said this is not our heart, our heart is our customers. There was resistance from my CTO, and my CIO, and I said you'll not touch Akhil now, I am protecting him on this one, and we have to go forward. We went to the Board, and again there was resistance. I said I have rarely done this, I offer you my neck. If this model fails, I'll resign.

**Dr. Singh:** So everyone came around because of your personality and power of persuasion?

Mr. Mittal: I think it was bit of both, one is I would have never made a statement like this; I think the conviction was palpable on the table, and if there was any resistance that should have gone away because of my overpowering position in the company, and finally, I am the largest shareholder in the company. So they knew that if I am taking this risk, it is not just a professional risk, but also a personal risk that I am taking, and I am ready to bet on that. It was a very difficult transition, and that to my mind was boldest decision we had taken.



#### What Makes Sunil Bharti Mittal a Change Maestro



- 1. An entrepreneurial game-changer, a dreamer with a global vision
- 2. A powerful strategic thinker with excellent business sense
- 3. Outstanding connect with people, constantly respecting their dignity and empowering and enabling them
- 4. Highly result-oriented, with emphasis on the speed of decision making
- 5. An excellent integrator of vision, passion and action
- Created Bharti Airtel where entrepreneurial innovation, customer centricity, performance excellence, and ethical governance are a way of life
- 7. A value-based individual who is driven by passion and inspires people to dream big
- 8. Demonstrates traits of a complete leader for achieving competitive advantage, and building a global telecom giant

**Dr. Singh:** Can we say your style is reflective more of the wisdom of logic, than the technique?

**Mr. Mittal:** Yes, you put it quite right. Numbers just rise from the table, and come up to me saying, "I am wrong here, pick me up". So I have a very logical mind, which means that if there are things you are presenting to me, and one is not connecting with the other, I will not have to go through tables, and all that will straight away come to me. To me, therefore, whether it is numbers or arguments, you hit me back with your logic, I give you my logic back and we can fight on logic until we finally come to a very good understanding of our decision. I am personally very compassionate; one of the accusations against me is I don't take away the weak links in time and that sometimes hurts the company and I am aware of that. I am getting better in it but I have not fixed it.

When I was 18, just out of college, my father would tell me that if I can give five years of my time now to my dream, it would take care of the rest of my life. I never forgot this, and I did give those five years. While all my friends were in movies, dating, and travelling, I was just on my scooter, working hard

**Dr. Singh:** You say you have always been a dreamer. What do you dream these days?

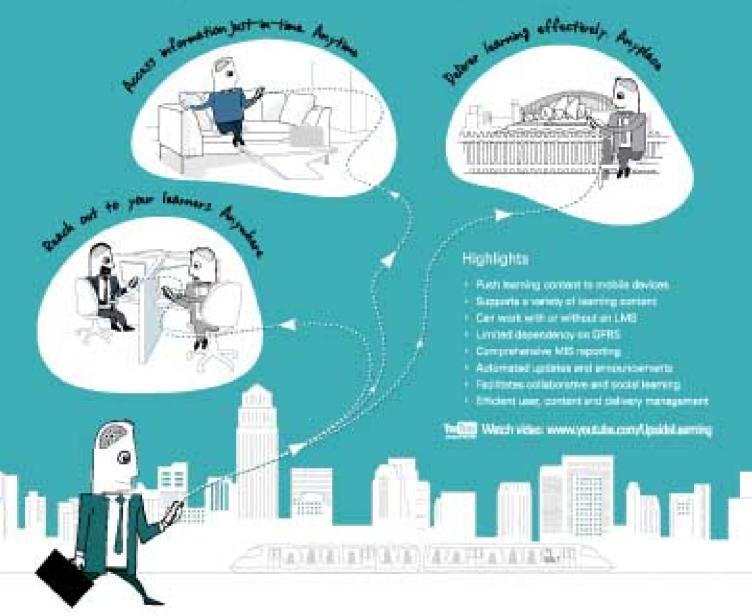
Mr. Mittal: I think it is more about the public sphere, about India, and where this country is going. But something that holds me back from not chasing these dreams is the responsibility that I have here. It's a fairly large job now of not only carrying the good work with Airtel, but also to build new businesses. My personal dream is international acquisitions. I'll still say I am a dreamer, but I am not dreaming much of business, although if you ask me describe myself, I'll describe myself as a dreamer.

**Dr. Singh:** To what extent has your father influenced your thoughts?

Mr. Mittal: A lot. He was a very intelligent man, and very rarely do you come across people who have such earthly wisdom, and are very sophisticated in their simple logic. He would be very comfortable in his khadis, sitting with heads of states at the UN Disarmament and talking with world leaders. When I was 18, just out of college, he would tell me that if I can give five years of my time now to my dream, it would take care of the rest of my life. I never forgot this, and I did give those five years. While all my friends were in movies, dating, and travelling, I was just on my scooter, working hard. He didn't live to see beyond my initial success, but he always knew that I'll be successful.

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# Cooperating a turnaround

**R.P. Singh,** Director (Human Resources & Legal), IFFCO, in conversation with *People Matters*, shares his experiences on the successful turnaround of the Paradeep Unit, and how this success has helped IFFCO emerge as one of the most successful global stories in the Co-operative world

FFCO has a very unique composition and governing structure. Can you take us briefly to the origins and evolution of IFFCO?

IFFCO is a multi-state Co-operative Society set up in 1967 with the help of Govt. of India, National Cooperative Development Corporation and about 57 Co-operative Societies as shareholders. We made a humble beginning with a very modest capital of 5.49 lakhs. The objective was that the needs of farmers, such as fertilizers, should be met through co-operatives. The first plant was set up in Kalol in Gujarat, and after that the second plant was set up in Kandla, again in Gujarat, followed by Phulpur and Aonla in Uttar Pradesh. Then on, we have only grown bigger and bigger. The factors that have contributed to our success is the commitment from our leadership, and the passion from our employees as they feel that they are working for the cause of rural empowerment, and not just for earning a livelihood. We started with 2 plants, then we had 4 plants, and after that all the 4 plants were expanded to double capacity. So in 4 locations, we now have 8 plants. After completion of every new project, another is taken up. We added another plant at Paradeep in Orissa,

by way of acquisition, in the year 2005. Today we have 40,000 Co-operative Societies as our shareholders, and our turnover is 18 thousand crores. We are the largest manufacturers of fertilizer in the country, in fact in Asia. IFFCO returned the entire government equity, and is now fully owned by the Co-operatives. It is a Board managed company.

You have recently ventured into many new businesses like mining, chemicals, milk production, insurance, and oil and gas; what is the strategy behind these investments?

IFFCO has a very unique strength, which is our cooperative structure and national presence, reaching the most remote rural areas across the country. The challenges we face with our business is that the fertilizer industry is highly regulated. The Government fixes the price of selling, and the cost of production is very high. On one hand, the cost of the raw material is very high as most of it is imported, while on the other, the purchasing power of farmers is very low. Therefore, the Government intervenes and decides the price based on the cost of production and subsidizes the difference between the cost of production and the



affordable price. We, thus as a business, live in a state of uncertainty. This triggered the need to diversify to leverage our strengths. In the year 2000, when the general insurance sector got de-regulated, we entered the insurance sector with a Joint Venture with Tokio Marine & Fire Insurance Company. Additionally, to realign our dependency on imported raw material, we have also done strategic investments in companies abroad to secure input supplies. We have recently acquired stakes in some of the foreign companies that will be our suppliers in times to come.

In 2005, IFFCO acquired the sick Paradeep Oswal Plant, when all odds were against the success of this investment. IFFCO's turnaround of the plant has made history in the Co-operative Sector. What made IFFCO take such a risky decision?

When we acquired the Paradeep Plant, at the beginning, it was the decision of our Managing Director based on his gut feeling. In a strategic stroke, our MD realized that if we were to build the plant from scratch, acquiring land will be actually more expensive, not an easy process, and there will be heavy resistance that will cost us time and money. Here we have a plant already built, the challenge was to turn it around and make it productive.

Oswal's plant was expected to be the Waterloo for IFFCO, our people took up the challenge head on and turned it around to the profitable plant that it is today.

I still remember when we visited the plant for the first time; we understood how bad the plant's condition was. With no drainage systems, all floated from rain water; the conditions of work were very bad.

The first thing we did was to ensure to all employees that nobody will lose their job after the acquisition. Everybody below the general manager grade was automatically retained

Oswal was expected to be the Waterloo for IFFCO. Our people took up the challenge head on and turned it around to the profitable plant that is today"

in the organization, and general manager and levels above, had to undergo a process of assessment to understand the fitment with the new organization.

#### How long did this transformation process take?

This process of transformation is a continuous process. We bought the plant in 2005 for a price of over Rs. 2,200 crores and we had to invest another Rs. 1,000 crores. We revived the production and took the plant to profit by end of 2008-2009.

#### What were the people challenges you faced during the transition?

We needed to work quickly so we engaged with the employees to nominate their representatives. Against common practice of industrialists, we encouraged creation of unions as we wanted to have a body that represented the employees which could work with us in the process of transformation.

## Outsourced labor in our Paradeep unit is amongst the most well paid and satisfied workforce

The people issues were many; on one hand, IFFCO had a very well-defined and solid career structure whereas there was no system or process in place for recruitment & promotion in Oswal's plant. We realized that the positions that people were holding were neither aligned to their qualifications, nor to their competencies. This was a big challenge as we had to refit everybody to the right level, grade and group, and that meant downgrading designations for many people. On the other hand, technology also needed to be upgraded quickly, but adequate skills were not available in the group of people we had acquired. We had to engage 100 of our retired employees and 200 of our employees from other plants to work together and upgrade the technology in the plant. They worked day and night to make it happened. Finally, the challenges with regard to outsourced labor were also huge as they wanted to become employees during this transition and have the same salary levels as the regular employees of IFFCO; this was not possible because of their nature of work and the internal structure of the plant. Finally, after many negotiations they agreed in contributing

to the success of the plant and to continue to work with us through contractors as they were working earlier. Outsourced labor in our Paradeep unit is amongst the most well paid and satisfied workforce.

Everybody understood that it was a question of survival of the plant. People also appreciated the fact that in case of Cooperatives, there is no profit motive, as all surpluses go back, either to the organization, or to the Cooperative Societies. Farmers are the owners of this organization, farmers are the consumers of this organization, and farmers are the custodians of this organization. Worldwide, everyone said that the plant was irreparable. We invested heavily in training the pre-Oswal employees, we took them at par to IFFCO's salaries, and as a consequence, everybody received a considerable increase in their take home. Eventually people understood that there was no going back and they had to join the team effort in making this plant survive and succeed.

#### How does your structure determine your functioning? How is decision making different from private or public sector companies?

We are a society of 40,000 cooperative members who elect their representatives to the general body from across the country. After the election is over, a total of 1,000 people are chosen and they then elect 11 directors to be on our Board. The Board has 30 members; 7 are Functional Directors, 11 are from the elected representatives and 10 are from the State Apex Co-operative Federation. Our network is spread all over the country through a matrix of employees, co-operative members, representative general body members and directors. This works as a system of checks and balances, for maintaining an ethical work culture in the organization. We have a very robust system based on dialogue; this is possible thanks to strong internal unions not having any external influence. For each production unit, we have recognized one 'recognized union' representing the workers and another 'recognized association' representing the officers. All unions and associations have a co-ordination committee which regularly meets with the top management, at least once every 3 months. The underlying culture is that all Board members, including myself, are available to our employees at any time and we have enabled several initiatives for employees such as a blog called HR Forum to connect with us directly, if they face any issues.



#### **BY FREEK VERMEULEN**

ow to set up a remuneration system that gets the best out of your employees continues to be a tricky – and sometimes controversial – topic. Whether it concerns laborers or top managers, it seems difficult to get it right. Individual incentives, team incentives, tying bonuses to firm-wide performance, quantitative metrics, qualitative metrics, stock options; all of them can potentially stimulate desired performance, but could also trigger all sorts of unintended and undesired behaviors.

What does not help is that management theory about remuneration often seems to be based on a set of completely erroneous assumptions about human behavior. And a theory with the wrong foundation can hardly make helpful recommendations.

#### Basic assumption: They will work more if I pay them more

Consider, for example, what we call the price elasticity of wages, as defined in economics, to capture the relationship between pay and employee effort. Simply put, we tend to assume it is positive: If people make a lot of cash per hour, we expect them to want to put in more hours. If we reduce the hourly wage, they will be less inclined to want to work many hours and, instead, prefer leisure time; catching a movie, go fishing, or crash out on the sofa holding a beer.

Of course, many people in regular jobs often have to work a fixed number of contractual hours (e.g. 9 to 5), so they do not really face this choice. Similarly, people who are largely judged based on their output, regardless of how many hours they put in (e.g. top managers, violists, and professors), do not get paid "overtime" so they also do not face this choice. However, in some professions people do. More importantly, this assumption – of a positive elasticity between hourly wage and number of hours someone is seeking to work – is the basis of much of the theory of remuneration, and therefore also influences how 9-to-5 workers are paid, and how top managers and violists are remunerated.

The slight problem is that the assumption appears to be wrong.

It is actually quite likely that, in reality (which is hardly the same as economic theory), people's price elasticity is negative: meaning, if they get paid a higher hourly wage, people start to work fewer hours.



## Why is it difficult to find a taxi when it's raining?

#### Rethinking employee remuneration

The remuneration system is built on the assumption that if I pay them more, they will work more, while human behavior (be it managers, laborers or taxi drivers) defies economics in this matter

#### No drivin' in the rain: NYC taxi drivers

A classic study on this topic was conducted by Professor Colin Camerer and his colleagues from the California Institute of Technology. They examined New York City taxi driver, who basically have to charge a fixed price per mile driven, but can determine for themselves how many hours per day they drive their taxi. They measured the relation between how much money they were making per hour and how many hours they were inclined to work on a given day. And basically what they found was that it is harder to find a taxi when it is raining.

"Eh...?" thou might think, and probably something like "of course it is harder to find a taxi when it is raining, because then they are all occupied". That might be partially true, and admittedly, what I used to think sheltering under an umbrella on a London street corner waiting (in vain) for a free taxi, but there is more going on. And that says something about the relation between remuneration and employee effort.

When it is raining, taxi drivers make more money, at least per hour. Because so many people want a taxi when it is pouring down – likewise when there is a Tube strike or a big convention going on – cabbies make more money per hour. That is because they do not have to wait long for a new customer or drive around empty hoping someone will flag them down; there is such an abundance of potential customers that they are hardly ever empty. Consequently, they make substantially more per hour when it is raining, than when it is a sunny day.

Economic theory would now predict that taxi drivers make longer days when it is raining because then they make more money per hour. Vice versa, we would expect that they go home early when it is sunny (to lie down in the park, play with their kids, or take up knitting – or whatever else excites taxi drivers). That sounds quite logical, right? But the only problem being that Colin's research pointed out that the exact opposite is true. When

#### **QUICK VIEW**

- Management theory on remuneration is often based on a set of erroneous assumptions about human behavior
- It is likely that, in reality, people's price elasticity is negative if they get paid a higher hourly wage, people start to work fewer hours
- NYC taxi drivers have to charge a fixed price per mile driven, but can determine for themselves how many hours per day they drive their taxi

#### People's price elasticity is negative: meaning, if they get paid a higher hourly wage, people start to work fewer hours

it is a sunny day, and taxi drivers are not getting much buck for their hour, they continue driving and make long days. Instead, when it is raining, and taxi drivers have a high hourly wage, they tend to call it a day early. They, en-masse, were doing the exact opposite of what economic theory would predict. And that is a bit of bummer for our whole remuneration system and theory, because apparently it is built on shaky grounds.

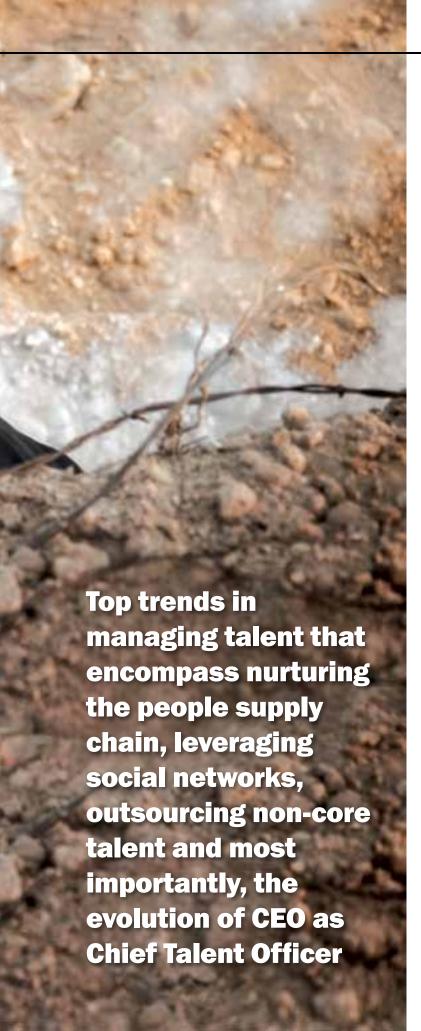
#### But why?

The question remains, why would they do that? Colin and colleagues speculated – based on a bunch of interviews with NYC taxi drivers - that people simply apply a different rule in their professional lives. They basically tell themselves, at the beginning of the day, that they have to make a certain amount of money and are then allowed to go home. And the taxi drivers continued driving till they had reached that amount. Some days, they (told themselves they) were lucky because it started raining and they allowed themselves to go home early. Other days - bummer - the sun stayed out and they had to drive longer to reach their target for the day. The vast majority of taxi drivers they interviewed uttered this logic; only one taxi driver said "drive a lot when doing well, quite early on a bad day" (the economists' prediction), and I guess that is simply because you always need one exception to confirm the rule.

What does this say about human behavior? In economic terms, this behavior ("drive till I have reached a certain amount of money") is plain irrational. As a matter of fact, Colin and his colleagues computed that by only adopting the simple alternative rule "drive a fixed number of hours every day", taxi-drivers could already enhance their income by 50-78 per cent. They could increase it with 156 per cent if they would just drive more hours when it is raining and less when it is sunny (which, incidentally would also enable them to spend their leisure time in the sun, rather than inside grumbling at the rain!). Plain irrational indeed, but, as we both know, people are not always rational. So perhaps it is also time to rethink how to reward them differently. [m]

**Freek Vermeulen,** Associate Professor of Strategic and International Management at the London Business School





ccording to a survey conducted in 2000, Bill Gates was among a small percentage (only 11%) of Fortune 500 CEOs who spent more than 50 per cent of their time on recruiting. 73% believed they should be spending only 10-20 per cent of their time on recruitment. 16% said 35 per cent of their time was enough, while 11% of CEOs said 50 per cent was the right amount.

n 2006, Unilever outsourced most of its HR services across the world to Accenture. As part of the agreement, Accenture will provide recruitment services, payroll administration, reward administration, performance management, workforce reporting, core HR administration and manage third party service providers. In order to provide Unilever with these services, Accenture would deploy and manage critical HR software applications for the client. Under the learning portion of the contract, Accenture was to provide content sourcing and development, program planning and delivery, learning system hosting, and management and administrative services.

011: Arun is a software engineer who is on his third job after campus in just four years. This time, however, when he is on the bench, he is not disengaged from his organization anymore. His organization has a "social network" which enables him to keep in touch with his colleague friends on projects, lead discussions about technology, and to take on special interest projects when he is not on any specific project. While Facebook and Twitter are banned at work, Arun thinks his company's social network is a great substitute. More and more Indian IT firms like TCS, Wipro and Cognizant have such social networks to tap into the discretionary knowledge of their employees.

n 1997, McKinsey & Co. published an article titled "The War for Talent" with data showing how talent was an intangible that separates high performing companies from the laggards. They also looked at demographic trends to suggest that over the next 20 years, the competition for talented people in organizations will get worse, as managerial talent will be less and less available. In India, of course, the issue is more complicated, as it is not just managerial talent we are grappling with, but also basic skilled workforce.

We can trace most of today's talent management initiatives to the suggestions given in the McKinsey article. Those suggestions include, instilling a talent mindset, creating a winning "EVP" (Employee Value Proposition, also referred to as "Employer Branding"), recruiting talent continuously, growing great leaders, and acknowledging and differentiating high performers (focus on growth, proportionately reward top performers and move out bottom performers).

HR leaders, who wanted to influence their organizations in a strategic role, grabbed the opportunity with both hands, focusing on the "high-end" work of Talent Management and outsourcing much of the "non-value add" administrative HR tasks to third party vendors, sparking off the HR outsourcing business.

These got reinforced by the business boom in India, with the export of IT and ITES services, and then the growth of domestic consumption.

And then 2008 arrived - and the recession in the West - and with it, the slowdown in India. The mild slowdown that India experienced caused spending on people issues to take a backseat. Why spend more on hiring and retaining, some felt, when people did not have options? Many a HR leader privately exulted at the change. It was a correction, most business leaders felt, that was much needed. And they heaved a collective sigh of relief.

However, as the McKinsey article authors had noted, there would be business cycles that would impact the short-term availability of talent, however the long-term reality would not

As companies are looking at increasing market share and acquiring costumers quicker than competitors, competition for talent is

threatening to derail growth

change much. And that reality is that there are more roles than people talented for those roles.

#### The Wheels Begin to Turn

Over the last year, things have returned to normal, a normal that in India represents in excess of 8% growth. As 2011 starts, business and HR leaders are gearing up for the changes they are planning to make to their talent management systems, structures, and processes. The triggers are many.

The nature of the workforce is changing as younger generations enter the workforce. Companies are cautious with their investments in a bid to keep control on liquidity; the macroeconomic spoilsport of inflation is looming large, and the consumer, who is suddenly not looking at splurging like (s)he did before.

Markets are also changing. Large MNCs which were still contemplating setting shop in 2008 are opening their India offices and launching their products and services, to one of the world's largest consumer populations.

#### **Talent Challenges Today**

The backdrop to talent management challenges and trends for the coming years is now simplistic and is defined thus:

Talent is in short-supply and is crucial for the business. As companies are looking at increasing market share and acquiring costumers quicker than competitors, competition for talent is threatening to derail growth for many companies and, in some cases, for entire industry groups.

Talent is expensive and is getting more so. Increasing demand in exploding industries of the day pushes up salary levels as talent supply pools become insufficient. Sometimes emerging industries start poaching even from other industries, leading to a ripple effect of talent becoming expensive across the board.

Talent is more mobile than it ever was. As Indian companies increase their global presence and exposure, building global talent becomes crucial to manage their operations both in India and abroad. Companies require leaders who have a global mindset and are able to adapt, extrapolate and take decisions relevant to each local market.

Talent come with many needs – ambition, fulfillment, connect etc. The new generation entering the workforce is transforming the world at work with a curious mix of ambition and the need for partnership & flexibility. Of course, this new generation is a reflection of the world around us - one with a greater emphasis on wealth and wealth-creators, enhanced means of communication & collabo-

### Companies are increasingly looking at bringing exceptional talent on board

for those roles that are core to their business as opposed to spending on talent across functions that are not so core to the business

ration, flexible working styles and avenues to perform in a virtual partnership environment.

Talent definition is also changing. The requirements from talent today go beyond the resume. Organizations are seeking a dynamic and constantly refreshed set of skills, competencies and sensitivities from the past because of the evolving the business environment.

In this backdrop, we look at the 7 most relevant and hard-to-ignore trends that 'Talent managers' - CEOs, HR Heads and Senior Managers – should pay attention to.

#### 7 Key trends to watch out for

#### 1. Predictive talent analytics

As more and more money is being spent in the areas of developing and acquiring talented people, organizations are no longer content with fuzzy ideas about their 'Return on Investment' (ROI). Forget return, some large organizations want to predict how people will behave before they spend their money on them. This is causing a few pioneering firms to look at data analytics and predictive analytics. Starbucks, Limited Brands, and Best Buy, can precisely identify the value of a 0.1 per cent increase in engagement among employees at a particular store. At Best Buy, for example, that value is more than \$100,000 in the store's annual operating income. In an HBR issue, Cognizant analyzed social media contributions on its internal social network, particularly internal blogs. It found that employees who contribute in the form of blogs were more engaged and satisfied than others, and performed about 10 per cent better, on an average.

An article in Businessweek magazine talked about an employee retention program developed by the software company SAS, which crunches data on

employees who have quit in the past five years, detailing their skills, profiles, studies, and friendships. Then it uses this data to find current employees with similar patterns, and flagging them off as potential attrition risks. Another SAS program pinpoints the workers who are most likely to suffer accidents. The Wall Street Journal in May 2009 (iii) reported that Google was starting to analyze data from employee reviews, promotion, and pay histories in a mathematical formula to identify which of its 20,000 employees are most likely to quit. Google said that the algorithm had already identified employees who felt under-used, which is a key complaint among those who contemplate leaving the company.

This view is echoed by Sanjay Modi of Monster.com. "Technology will help organizations move from present analysis on what is happening, to futuristic analysis of what is going to happen. The more capable the organization is in predicting what is going to happen, the better are their chances to be competitive in the market", he says.

CXOs and HR heads, at companies where employee expenses form a significant part of total costs, will increasingly need to think in terms of quantifying their employee initiatives – effectiveness of engagement programs, impact of engagement on performance, ROI from employee development initiatives, most likely profiles who need successor planning – and, act on the rational basis of such analysis.

#### 2. Backward integration in the people supply chain

As organizations run into a shrinking or slow-growing talent pool, with increasing competition, the only thing they can do to stop the wage bill from shooting through the roof is to come together and build more skilled and talented people at the entry level.

## KEY TRENDS OF TALENT MANAGEMENT

PREDICTIVE TALENT
ANALYTICS FOR INVESTMENT DECISIONS

BACKWARD INTEGRATION IN PEOPLE SUPPLY CHAIN

FOCUSING ON CORE TALENT & OUTSOURCING THE REST

4.
GETTING SOCIAL WITH
TALENT

LEVERAGING TECHNOLOGY TO INTEGRATE TALENT PLATFORMS

**6**JUST- IN-TIME TALENT

THE CEO AS CHIEF TALENT OFFICER



ndia Inc. is going through a phenomenal transformation in terms of business and the way talent is managed. This is no more true only for the IT/ITES industry but relevant across sectors. Business leaders are trying to solve a different set of challenges which has immense implication on their companies' talent management practices.

Firstly, managing global talent is becoming critical. There is a clear talent shortage in this pool of middle and senior leaders having global exposure. One can, of course, build internal programs to create rotations, and give exposure to working in different markets, but the fact that somebody is successful in one market does not necessarily mean he/she will be successful in another. What matters is not the exposure alone, but how quickly the person can learn, extrapolate, understand the nuances of each local market, and adapt to it.

Secondly, managing a generation that is technologically connected and savvy, is both an opportunity and a challenge. We must appreciate that communication channels like "Facebook" are important for people within the organization, to connect, collaborate, and allow for them to feel that they belong to a great workplace. Companies, including Genpact, are looking at creating the "Face-

book" environment within the company to capture that trend. While issues arising from this trend are in terms of security and privacy, as well as on the type of leadership required to manage these new realities.

Thirdly, and also related to the previous point, the increasing access to technology coupled with a higher desire from people to work virtually, is leading to the creation of a virtual talent pool. The organization structures have also evolved, to a more partnership model of operating, to adapt to the new trends. While reporting structures exist which are more formal, the informal ways to get things done is today becoming more collaborative and virtual.

Finally, the way to bring talent onboard has also evolved from the traditional employer-employee relations. Technology gives us an immense opportunity to innovate in talent sourcing and engagement. For example, Genpact has recently launched a social expertise networking site called "Solution Exchange", where experts from all over the world volunteer to be a part of the community and participate in virtual groups to solve real business problems. This trend is leading to a different way of accessing expertise, not through employment, but getting the best talent only when required from anywhere in the world.

This is the story that is being played out in the BPO (Business Process Outsourcing) as well as the BFSI (Banking, Financial Services and Insurance) industries. Organizations with large talent needs, like Genpact and ICICI Bank, have tied up with education providers like NIIT to create a highly skilled talent pool, to benefit themselves as well as most organizations in their respective industries. This is making organizations think long-term about collaborating with other organizations for developing talent pools while they simultaneously compete in the marketplace.

#### 3. Focusing on Core Talent

Companies are increasingly looking at bringing exceptional talent on board for those roles that are core to their business as opposed to spending on talent across functions that are not so core to the business. There are two main reasons for that: one being a general scarcity of talent, and secondly, that companies are growing between 20 to 30% and cannot afford not having the adequate core talent.

Hence they tend to concentrate in recruiting those key people, and focus their attention and resources on developing them. The consequence is that a marketing company will look at bringing in the best talent in the areas of sales and marketing, and a technology company will look at bringing technology experts, and so on. This obviously requires the company to outsource non-core functions, to be handled by the external experts, who specialize in those processes. "We are seeing a clear trend of companies looking at outsourcing to ensure they also have the best talent and systems in those areas that are non-core to them" says Tiger Tyagarajan, COO, Genpact.

At the HR operational level, there are two challenges, on one hand, the mandate is to become more effective, while on the other, there is a need to enhance employee experience. As HR people focus more on strategic roles like talent management, they realize they have to farm away from the administrative routine tasks like payroll processing and employee records management to specialists who can reduce costs, as well as increase efficiency in turnaround times by using scale. As a result, the Indian HR outsourcing providers are seeing high growth by focusing on HR service delivery for large organizations.

#### 4. Getting Social with Talent

As more and more students have grown up using Facebook and other social networking platforms through school and college, when they look at legacy email systems in large corporates with little or no external access to the internet, they get disengaged. Most of them then access these sites on their mobile phones.

In fact, there are quite a few Indian players, like Infosys's iEngage product to Qontext, MangoSpring, Cyn.in and KineticGlue, who offer SaaS (Software as a Service) based "social environments" to worldwide clients. World leaders in this space are Socialtext, Jive, Yammer and Socialcast. Now even large ERP vendors like Oracle and Salesforce, and software firms like IBM and Microsoft are building a social layer around their products, to enhance collaboration and communication.

Organizations which have to work with and engage today's generation will need to provide them with a technology ecosystem that is similar to the technology ecosystem they access in their personal lives. Clunky email systems and static intranets will cause a workplace to be labeled "not cool".

However, it is not just about the technology, but the values behind these tools, that organiza-

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tion would be wise to heed. These technologies accord primacy to the value of the great idea, co-creation, the wisdom of the crowds, and radical transparency. These values are what compete directly with most organizational cultures - based on command and control. Tomorrow's talent would want both the values to be congruent - old values along with new technology will merely work in the short-run. In the long-run it would be a waste of money.

#### 5. Leveraging Technology

As employees spend more and more of their work on technology platforms, they are going to leave digital trails about what they do and how they perform. The activity stream of the social intranet will meet the traditional talent management suite, and unless all aspects of an 'Employee's Life Cycle' can be represented in it, the dollars spent on it would be a waste. For example, an employee referral application on the company social network should tie into the Applicant Tracking System, or the recruitment process module of the HRIS, seamlessly.

#### Talent is a set of life experiences

#### **Dr. Santrupt B. Misra**

CEO, Carbon Black Business & Director, Group H.R. Aditya Birla Group

#### What are companies doing different today from what they used to do in the area of Talent Management?

Today, companies are attempting at defining talent differently. Talent is no more seen as just a set of paper qualifications and experiences, but also looked at as a set of life experiences. Therefore, companies are more willing for their employees to go for sabbaticals, to take time off to work on social projects, as these initiatives allow people to

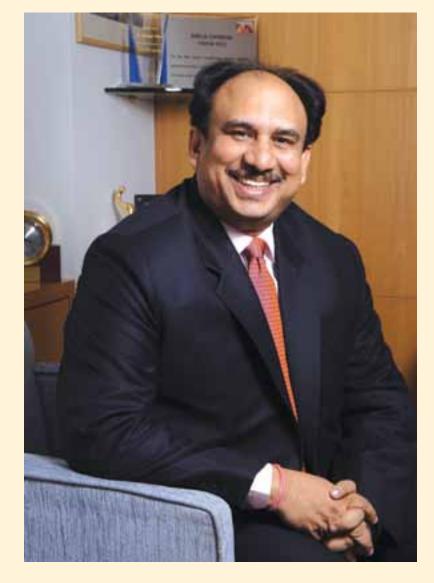
gain life experiences, and connect better with the society and the environment that the company operates in. We value unrelated business experiences which will help bring the right connect with the society. For example, in the Aditya Birla Group, we have management trainees taking 2 years off jobs to join the 'Teach for India' campaign, and we also encourage people in the middle level to help NGOs in building a new business model. We believe that experiences in these different settings will create different capability in our understanding of the environment that we operate in, such as, understanding community sensitivity, local customs, ethics etc, which can only happen through first-hand experience.

#### What, according to you, have been the triggers for these changes?

There are many triggers that are driving these changes: shareholders have become more demanding; businesses are no longer stand-alone entities but they are dominant institutions in the communities they operate in; their visibility has increased, and so their need for transparency has also increased; the standard expectations from business are much higher than before, in the presence of active business media. Overall, this has increased the demand on corporate leaders.

#### How are organizations adapting to the new needs of managing talent? What are the challenges for Indian companies?

There is actually nobody of knowledge to refer to when looking at talent management practices in this environment. Most of the learning of talent management comes from the West, and these are inadequate for an emerging market like India as the types of questions we are trying to solve here are very different from the West: How do you accelerate talent development to cope with the prevailing growth? How do we groom global managers faster? How do you equip your talent to deal with the need to deliver in a complex business environment that requires high visibility and transparency? If we hire trained talent from MNCs, how do we efficiently integrate them into our structure and culture? All these questions have been answered by experimentation alone, and unfortunately there is no documentation that has happened, and there is no body of knowledge to refer to.



And perhaps in the future, should also look at mobile integration, for the employee to easily check the progress of his referred candidate.

Most talent management systems are strong in one aspect of talent management, having grown from one module, and then developing the other modules. However, what employees and HR professionals need is an integrated system that seamlessly combines talent acquisition, talent development and career development modules, and where the data is dynamically kept alive by constant updation by the employee and mentors/supervisors.

#### 6. Just-In-Time Talent

This refers to talent brought in to address specific tasks for really short periods of time. Some examples of such just-in-time talent could be for getting their inputs on tactical choices or designing or focused answers around an industry. Small and medium businesses in the US use websites like Elance.com to invite freelancers to pitch for small jobs. On the other hand, firms like Gerson Lehrman Group act as platforms where large investment firms can tap rare experts across the world for an affordable sum like \$100 for an hour's conversation.

We expect large firms to increasingly need short-term talent and expertise, and will need to start building their own "expert networks", or partner with other firms to build such networks. In the future, the ability to attract creative individuals for specific consulting engagements will be critical for organizations.

#### 7. The CEO as the Chief Talent Officer

In themselves, the ideas suggested in McKinsey's 'The War for Talent' article were not revolutionary. Many of the most admired firms which were great places to work have been following these practices since a long time. The difference that the article did was that it made talent management a CEO-level priority. And it showcased that organizations which did not have a talent mindset could stand to lose as the "War for Talent" intensifies in the future.

And this made CEOs look at the HR function with new eyes. The talent imperative is forcing CEOs to increasingly discuss people issues - who are the people ready to lead businesses, who are ready to take over from them, and who are being groomed for business lines of the future. He will also need to know who the key talents are, without whom the competitiveness of the firm will erode. Is it the hot-shot sales overachiever, or is it the R&D scientist who is getting his fifth patent this year? Or is it someone else?

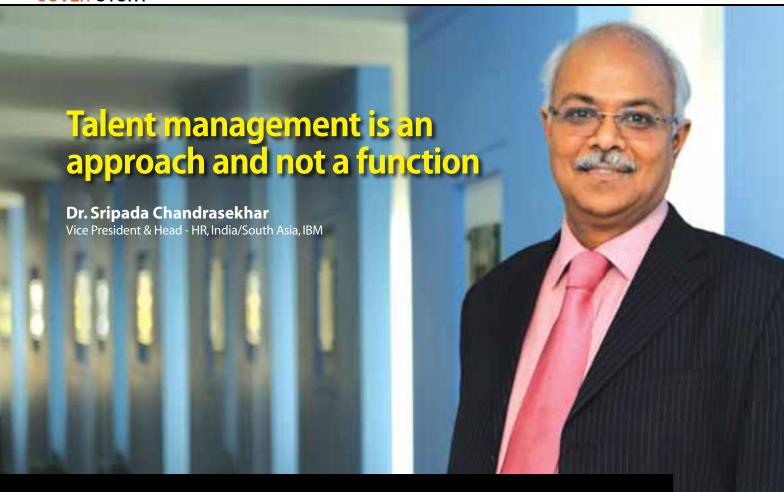
The trend in companies is to identify who key people who have special skills and losing them would set back the organization. Is it the DBA who knows the innards of the database unlike any one else? What's the risk mitigation strategy if he decides to leave? HR professionals and general managers will need to have anticipated questions such as these.

Sanjay Modi of Monster.com shares this sentiment. "30 to 40 per cent of the of the CEO's time will be spent in people-related issues and decisions. The reason is that talent is a business driver, so the CEO cannot take an eye away from people issues. The need for HR and the CEO to work together will intensify because the war for talent, like we saw in 2007, is back. Overall, I think what is new is the mind shift; issues like retaining talent, use of technology, focus on communication, will become central, to both the HR and CEO, in terms of understanding and sincerity to execute."

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Talent Management is more and more business critical to organizations, bringing with it, new visibility and challenges, for HR people. This new age also means that other business leaders and the CEO will seek to influence the 'Talent Agenda'. HR must welcome this reality and work to create an organizational culture where talent is accorded top priority. HR must facilitate members of the leadership team to act as talent ambassadors, constantly thinking of new innovative ways of building their talent and keeping a track of external talent. These factors are fast becoming crucial requirements in the process of creating "talent magnets" in each industry - companies with the best employer brand among peers will ultimately contribute to market leadership.

- Competing on Talent Analytics by Thomas H. Davenport, Jeanne Harris, and Jeremy Shapiro, HBR, October 2010
- ii. Data Mining Moves to Human Resources by Stephen Baker, Bloomberg BusinessWeek, March 2009
- Google Searches for Staffing Answers by Scott Morrison, The Wall Street Journal, May 2009



#### Why is talent management important today?

The obvious reason is, of course, the shortage of talent, both at skills level and at a fitment level. Talent management becomes business crucial when you need to find the right person for the right role, and right talent is in short supply. The more subtle part of the increasing importance of talent management is to drive economic value of talent. Having the right people at the right place results in desirable business outcome and talent has become a source of sustainable competitive advantage. Today, talent management is in the CEO's top agenda as business has come under the radar of the shareholders.

#### How can talent management ensure that the right people are in the right roles?

There are many models and frameworks that aim to address this issue. Only an integrated approach to talent management can lead us to successful allocation of resources. The real issue that organizations face is to be able to integrate the different parts of the people puzzle. From my experience, each part of the talent management process works well in isolation (be it recruitment, performance management) but they fail when not integrated on a common platform.

Another challenge in having the right people in the right role is that assumption that one needs to have a very deep understanding of the role itself. From my experience people understand jobs, levels, bands, and grades, but not

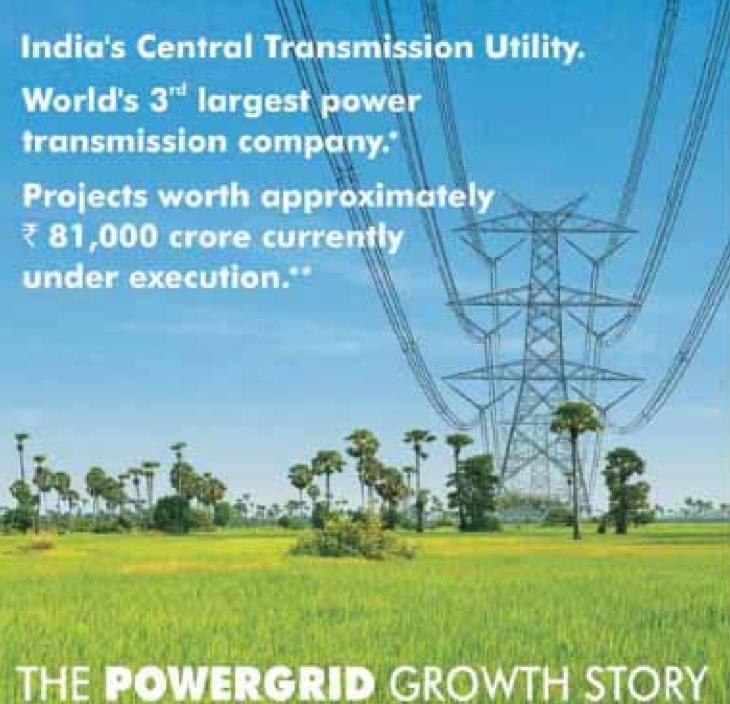
roles. Role is the set of competencies to perform a job and cannot be described just as level or grade. The consequence of it is that when we recruit, we look for similar experiences in the person's resume, under the assumption that if the person has done work in the area before, he/ she will be able to perform it successfully, even in our organization. Instead of looking for capability, we look for previous experience. People are more than just a bio data, and that approach also assumes that what we do today, we will continue to do tomorrow, which is seldom the case.

Companies need to look at their role inventory as a moving target, we need to keep updating and upgrading the same with a futuristic view on what the business will need in the future. If we get the equation right, one the one hand, the organization looking at their dynamic roles periodically, and on the other hand, assessing people abilities beyond their pedigree and bio-data, the choices will be right.

I think companies have a long way to go on finding this equation, not only in India but globally. Some have got it right, but nobody has perfected it.

#### What are the key elements for a successful talent management practice?

Success will not lie on the creativity or innovation of practices, but on its implementation. The differentiator between companies which do this well and those that do not, is that they focus on execution which can exceptionally support the growth of the organization.



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## 30 to 40% of the CEO's time will go in people-related issues

## Sanjay Modi

MD (India/Middle East/South Asia), Monster.com



he change in the pace of business dynamics is leading to compelling changes in the way people are to be managed. Today, companies need a single, centralized solution, for attracting, growing and retaining the very best talent; tools that can provide them a customized solution to develop and retain the talent that they have, to cultivate a more engaged, prepared and productive workforce. HR will have to understand the type of people the organization requires from the ROI perspective. HR needs tools to automate, manage and measure, the employment life cycle, from pre-hire sourcing through post-hire employee retention, via a single-source solution. Technology will become the real differentiator in the competitive talent market.

As businesses become increasingly virtual, the new challenge for HR will be to engage the diverse workforce and align them effectively to the business objectives. HR will need to implement a robust end-to-end solution that will serve as a common thread to integrate all employees across locations. HR will also have to run touch point programs, and engage employees consistently, through varied online communication programs.

Having a good reputation as an employer along with a highly committed workforce, can help organizations deliver significant competitive advantage to its business. As the workforce is getting younger, positioning one's organization as "employer of choice" will become a necessity in the times to come. To attract, retain and develop talent, organizations need to be consistent in their communication strategy, both with existing employees as well as with prospective employees. They need to communicate the uniqueness of their offerings, be it technology, compensation, cultural diversity or the HR policies. Employer branding helps in building loyalty amongst existing employees as well as in attracting the right talent.

Finally, another key trend that I see is that 30 to 40% of the CEO's time will go in people-related issues and decisions as the war of talent intensifies. CEOs are more focused on acquiring and nurturing the 'the people asset' as talent is a business driver today. Overall what I think is new is the mind shift; issues like retaining talent, use of technology, and focus on communication, will become central to both the HR and CEOs alike.



# If Adolf Hitler had the same skill set as Albert Einstein, would the world have had another great scientist?

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## The war for talent is back & with a bang

## Nishchae Suri, Managing Director, Mercer

India continues to show great promise for growth. It is the new reality and is here to stay. Organizations are placing their bets of high growth (in general ranging from 20-30%) involving capturing market share, creating new customer bases, and focusing sharply on customer retention. From a macro-economic point of view, India is also experiencing high levels of inflation. Rising interest rates, as a measure to curb inflation, are impacting liquidity, margins and profitability, creating pressure on the bottom-line.

How organizations equip themselves, and the choices they make today, will determine their future success. The organization's response to the environment has tuned to a new reality. So far it has been about execution in the present, more than looking into the future. While it has augured well this far, we have become increasingly better at our focus on results, and in establishing a performance culture. Organizations are responding in a number of ways. Some common themes that I have picked up in conversations with CEOs include –

Renewal - It is time to question and re-think the game plan. What should we do to be successful given the new business landscape? In many ways it is going back to the drawing board and building from scratch, particularly while critically evaluating the potential of the business to sustain a certain growth momentum. While they attempt at making this happen at the organizational level, leaders, in particular, are also looking at their own capabilities and skills, evaluating the validity in a bid to quickly adapt to the changing reality.

Flexibility - Being nimble has become a key requirement. It ought to be a part of part of the DNA of the organization. Organizations are building flexibility in their response systems today as never before. Flexibility in changing the organization's response in the context of a certain change in market dynamics, to customer behavior, as also to drivers of employee engagement, are increasingly becoming vital to business success. For example, policies today are not necessarily rules without exception anymore, but the application of 'now calls' for flexibility in different geographies, cultures and market conditions.

Speed - Agility and the capacity to react faster continues to be key for growth. This imperative impacts how the organizations are structured and decisions taken.

Balance - Organizations are equally focused on both short-term and long-term. There are parts of the organization that look at the quarter-on-quarter strategy and results, and others that look at long-term strategy and planning. This creates a healthy balance and tension in the way organizations decisions are taken.

## Talent management today is as much a social process

## Sonali Roychowdhury, Head - HR, Procter & Gamble

here are three major trends that I see shaping the talent management space: first, is the overall talent management approach moving away from the traditional "checking the box" approach of competencies, to more a social process; second, is the increasing importance of the use of technology specially as an integrator of all the functions in Talent Management; and finally, the relevance of diversity in the talent management strategy, going forward.

Talent management needs to be understood as both a formal and a social process. Traditionally, competencies have been analyzed following a formal structure, and primarily focusing on final results. Currently, it is a formal structure process, one-size-fits-all approach. Today, that cannot work anymore. We need to have a more targeted approach to be able to leverage the talent of different people and de-select those who do not fit a particular mould. Results are, of



course, important but how are those results achieved is also becoming equally important; that is why I think talent management today is as much a social process. The softer aspects of talent management will be the differentiators in the future. In P&G, we look at the numbers, the results, but also the way those are achieved. This focus on the process helps us identify skills that people have that could have been otherwise missed out. Our talent review process include senior leadership/ mentors/managers observing the individual in a series of assignments/ situations (key meetings, management interactions, accelerator experiences - often spanning years), from which they get intimate insights into 'how' results are achieved (context in which the results were delivered, influencing skills, peer interaction, collaboration across different cultures, social intelligence, ability to form and sustain productive networks internally etc.). This is then converted into an actionable assessment of potential, and destination roles, that the individual would be a good fit for. This results in customized talent plans for individuals and finds a fit for different skills throughout the organization. The future talent/ succession management process need to seamlessly integrate both the 'what' and the 'how', to grow the right leaders.

The second key trend is the use of technology to integrate all platforms in talent management. The use of technology today exists mostly in selection and hiring. Technology is not effectively utilized as it does not integrate all the pieces of the puzzle. Finally, diversity will continue to play an important role in the talent management strategy, specifically gender diversity. This is much talked about but I think results are not yet visible consistently. Companies will start looking at diversity, especially gender diversity in a big way as the business choice for accessing these talent pools becomes clearer.

## The new way of managing talent needs commitment from the top

## Ganesh Natarajan, CEO, Zensar

he primary change in talent management has been driven by the expectation from the employee side. Traditionally, people who joined the workplace were looking for a job, which is not the case today as people look for much more than a job. They are looking for engagement, challenges, and growth in their job, a fact that is true, not only in the IT/ITES space, but across sectors. This change requires organizations to focus much more on making the work experience exciting. For this, companies have had to be innovative to engage people at the emotional level.

In Zensar, for example, we have started many initiatives to bring people together, and empower them through a democratic environment. We run a program called "vision community", where everybody in the organization has the right to contribute to the strategy of the organization by giving their individual ideas, and those ideas when selected get materialized into projects, enabling people to work on exciting projects that give them visibility, even at the top. We are also hiring a full time person to be the Chief Joy Officer for the team. This person's primary objective will be to drive excitement among people in the organization, beside the regular responsibilities in handling HR policies and processes. You can see the shift that the HR Head is taking from only looking at HR policies and process, to be attempting to achieve the goal of focus on engagement and fun, along with the other work that needs to happen.

Overall, the focus that I see in talent management today, is to create space for spontaneous expression, where employees and managers can share and show spontaneity, and not be encapsulated in a program to be done in a given date and time. This new way of managing talent needs commitment from the top. It is crucial for the management to also walk-the-talk, to bring in excitement and spontaneity, and finally, a different way of embracing and valuing employee expectations.



# Transform for talent optimization

Increasing business complexity and the India growth story of has steered companies to realize the new essence of talent management as a revenue generating function, where organizations revisiting talent management techniques to ensure workplace productivity does not suffer



**BY N.S. RAJAN** 

he past couple of years have seen various macro changes in India affecting the talent management space, and giving rise to new trends in the 'talent management practices' that companies are imbibing. India needs to recover from the lost growth momentum as the economy now treads on a growth trajectory with an expected GDP growth of 8-9 per cent this fiscal. This in turn translates into immense growth opportunities for Indian companies which are once again geared to capture the market with their products and services. However, in this new innings for growth, technology, products & services alone, will no longer give a competitive edge to companies. There is a need for an ingenious set of collective talent, which is technically sound and operationally equipped. Along with other revenue generating functions, talent management too has become a strategic focus for organizations driving workplace productivity. The fast growing services industry has reduced the average age of workforce, and companies must identify ways to manage Gen Y more effectively. The huge scale of business corporations, and their global stature, has also led to a short supply of leadership as well as mid-level talent.

Additionally, the gap between demand and supply of talent has lead to an unprecedented movement of workforce. Organizations aiming to reach higher revenues in a much shorter time span, are poaching talent to equip their businesses with the right intellectual capabilities. Poaching of talent is also taking place at the senior level, a case in point being the power sector. With the US tightening controls, there is pressure on Indian companies to look at the domestic or other markets for business and talent opportunities. Companies are also looking at 'geo-diversity' and going forward, the diversity in talent will be a major challenge that companies will face.

These macro changes have paved ways for new trends being followed by Companies and HR. With enhanced attention to the people function, there is a clear trend towards upgrading the HR function to help match the pace of growth that companies are envisaging. Many progressive organizations, including traditional leaders, are attempting to make 'HR Transformation' an integral part of the larger business transformation, with talent management being a vital area of attention. Companies are devising strategic roadmaps for succession planning, for senior executives and

mid-level executives alike, by actively tracking the progress of high performers, and preparing them for future leadership roles. Today, there is an increasing realization that the most vibrant enterprises harness human capital through employee engagement and creating happy employees, leading to happy organizations and stakeholders. Intangibles leading to 'psychic income' is getting its fair measure of attention to create a culture and environment which can be a non-replicable differentiator. The changing demographics at the workplace is making companies draft flexible working policies, with emphasis on work-life balance. Where hitherto, organizations would settle for a 50-60% job-fit, they no more settle for anything less than 80-90% job-fit. There is an increased focus on building strengths around talent, with special emphasis on the diversity ratio during the recruitment phase. Global enterprises have a compelling need to create and run global talent management practices to provide seamless operations. This is also aimed towards rapid deployment of a mobile global workforce towards high growth destinations.

To address the needs of Gen Y, organizations are helping them maintain a work-life balance through facilities like 'House Repair', 'Concierge Services', 'Financial Loans', etc. The focus is on creating a work culture that promotes the concept of fun-at-work which has become a critical element. Companies are devising career roadmaps, customized pay packages and working policies, to suit the needs of employees. Employee-friendly policies and practices like flexi-time policy, work-from-home for 1-2 days a week, shuttle services from the metro to office, mandatory 15 days off in a year, day-care facilities, gymnasium facility, extended maternity leave, insurance policy covering two parents, employee recognition scheme, etc are increasingly being extended to employees.

## **QUICK VIEW**

- HR Transformation has become an imperative for all organizations which requires a strategic re-look at HR's role
- There is a need for an immediate focus on accelerated leadership development, at the senior as well as the middle management level
- Oganizations much go beyond employee engagement, to pay attention to the special needs of Gen Y for effective management of new talent

## Progressive organizations, including traditional leaders, are attempting to make

## HR Transformation an integral part of the larger business transformation with talent management as a vital area of attention

The emerging trend is looked at as an opportunity to develop the employee value propositions within organizations, to retain and attract the best talent. There is realization that monetary rewards alone cannot help in retaining and attracting employees, and companies are therefore deploying innovative tools and techniques to implement an effective talent management exercise. There is increased emphasis on development opportunities, aligned with succession planning for high performers, to develop a strong leadership pipeline. Identification of high performers is done through structured formats like assessment centers and other scientific techniques.

Companies like P&G undertake 99 per cent of their hiring directly from campuses, and follow the concept of 'building from within'. This helps them to inculcate the organization's culture in the employees from the beginning. The HR and senior leadership regularly interacts with employees through Web, Podcasts, Telepresence, etc, to communicate new business developments and advance career opportunities for employees.

Total Rewards has also undergone a change with employees demanding flexible salary components. An example being Bharti Airtel providing a 50-50 split between fixed and variable pay to senior employees. There is focus on employees' need for constant upgradation of skills, expertise and competencies, to deal with business uncertainties. Companies are creating mandatory on-the-job training programs for new joinees, filling 100 per cent senior positions internally, instilling a dedicated hiring program where 50-60 per cent of final hiring is done through summer internships, and remaining positions filled through fresh campus hiring. Post-downturn, organizations have become extra cautious on the quality as well as the quantity of talent. The opening of the job market and key talent scouting for better opportunities, has left a dent in the business operations of companies which do not have ready talent to replace the casualties.

**N.S. Rajan**, Partner and Leader – People & Organization, Europe, Middle East, India and Africa, Ernst & Young

# The treasure of a Nation is the talents of its people

**Dr. Wayne F. Cascio,** in his recent travel to India to film the Aditya Birla Group CSR initiatives in collaboration with SHRM Foundation, talks to *People Matters* about the different competencies that organizations will need in the future across the world



## hat are the changes in the macro scenario that are affecting talent management practices?

Firstly, across the world we are seeing a worrisome skills gap; this is true for India and also for the US. The American Society for Training & Development (ASTD) conducted a survey in 2009 and its data shows that as much as 79% of 1200 respondent said skills of the current workforce do not match the changes in company strategy, goals, markets, or business models. The study predicts that by 2015 there will be 60% of jobs that will require skills currently possessed by only 20% of the population.

Secondly, globalization has now become a reality as it affects every person across the world. Access to affordable labor and plentiful resources, combined with ease of travel and communication, has created global labor markets. This reality affects every organization regardless of its size. As a consequence, labor will also become more mobile, 500 million people (double the number today) will legally work outside their home country in the next 20 years and that will require greater focus on developing inter-cultural skills, flexibility and adaptability.

Thirdly, demographic and sociological changes will lead to a rise of the middle class in developing countries to such an extent that by 2015, the number of consumers in Asia's middle class will equal those in Europe and North America combined. Emerging economies will become a very important market for its local consumption potential.

## How have people's expectations changed?

People's expectations have changed dramatically; employees today want opportunities for continuous learning, they want to be rewarded differently for high performance, they want opportunities to work internationally and finally, they want flexibility in the way work is performed.

The generation born between years 1977 and 1997 has re-defined the workplace. They have advanced skills in 3 areas that are revolutionizing work – digital technology, interactive media, and collaboration

tools. They need to leverage on these skills at their work; and hence, other ways of engagement and development are required from their managers. There is a shift from the Train-Supervise-Retain format to a Participe & Partner approach, where the use of use social media, virtual reality, and other Web 2.0 tools are integrated in the learning process and into the working culture.

## What traits will the new workforce require, going forward?

Employees will need high levels of adaptability and personal initiative.

Adaptability, defined in its complete scope includes handling emergencies or crisis situations, handling work stress, solving problems creatively, dealing with uncertain/unpredictable work situations, learning work tasks, technologies, and procedures, demonstrating interpersonal adaptability, cultural adaptability and physically oriented adaptability.

## There is a shift from the Train-Supervise-Retain format to a Participe & Partner approach, where the use of use social media and other Web 2.0 tools are integrated into the working culture

Personal initiative, reflected in being self-starting and proactive in one's work behavior that makes the person persistent in overcoming barriers to order to achieve a goal. This trait is very important to produce outcomes like innovation, entrepreneurship, and outstanding work performance. An easy way to measure personal initiative is to ask the candidate: tell me what would you do if a colleague continually produced shoddy work that caused additional work for you? As he/she suggests solutions, ask the person if this does not work what would you do, this question is then repeated until the candidate runs out of ideas. This gives you a hint on the capacity to think creatively, and the level of energy in overcoming challenges to achieve the desired result.

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## Retaining key talent

## A road less traveled

Leadership coaching can bring immense value to organizations and lead to retention of key talent by providing a safe platform for top management to share anxieties and clear potential misunderstanding

**BY RAVI SANTHANAM** 

etaining key talent, particularly someone who would probably be the next CEO, is a key challenge to CEOs and even the Board. The often followed approach is a delicate blend of pull and push; encouragement and motivation through appreciation and expression of confidence, balanced by demand and push for higher levels of performance.

While there is great merit in such an approach, it neglects one reality; truly worthy talent is largely internally-driven and self-motivated.

What should the CEO and the Board do to retain talent that is internally-driven and self-motivated? Take away the dampeners to enthusiasm and motivation. Put in place catalysts instead. Easily said. But how is it done? Here is a real life case, which possibly holds pointers.

The learnings are self evident. Even the best of professionals can misread/misunderstand organizational cues, develop anxieties, and embark on a course which is a Lose - Lose - Lose for all! Intervention and support of a skilled external coach who helps develop a fuller understanding of reality by opening up their minds to a variety of perspectives and choose a pragmatic way forward, can be a Win - Win - Win for all.

Till today, inviting coaching and mentoring at the middle and senior management is a road less travelled. As this case illustrates, there could indeed be merit in organizations exploring this option; supporting their future leaders with skilled coaches.

harat, a talented Engineer / Manager, chose to return to India in mid 2007, after working in the US and Western Europe for nearly two decades, as the CEO of the Indian Operation of his then employer, a large US giant. Bharat's spouse, a highly qualified professional in her own right, and two school going children welcomed the move. They were finally settling down after a decade and half of moving homes every few years, across the Atlantic. It was wonderful for Bharat too. Leading a young team, developing plans for setting up a green field operation, in a vibrant economy was professionally rewarding. Seeing his family settling was personally satisfying.

Then came September 2008. Bharat's employer, the US Giant, had to apply for financial support under TARP, from the US Govt. and the nascent Indian operation, had to be abandoned. Bharat, had two options. Move back to the parent in US or find another assignment in India. Bharat chose the latter.

Few weeks later, he joined a medium sized Indian company as Head of Operations, with principal responsibility for all procurement & manufacturing operations, and reporting to the CEO. While it was a come down, from No. 1 to No.2, Bharat accepted it. The company belonged to an Indian Group, which had an excellent reputation of being good, clean and fair.

A year later, Bharat was feeling very good about his choice. The Indian group, true to their reputation, proved to be good and fair. The business was on a roll with big growth every quarter. Demand was strong. His team and he had been able to de bottleneck operations and steadily ramp up

One of the first few whom Bharat called to share the good news was the coach. His words "You helped me see things differently. You helped me see the full range of potential opportunities, the value of what I already had, and calmly pursue whatever more I wanted"

output. The family was flourishing. Bharat's wife had landed an assignment matching her interests. The children had settled nicely and were doing well.

Come April 2010 came the formal announcement; the CEO would be superannuating by the end of the FY April 10  $\sim$  Mar 11, and the hunt for successor was on. Bharat, was assured by the CEO and the Board that he was in the consideration set. While it was reassuring to learn that, Bharat was very troubled.

First, the CEO didn't seem to be taking much interest in all the things Bharat was doing to de-bottleneck the operation. Bharat interpreted this as coolness towards him. Next, for long term growth, the manufacturing system needed extensive revamping and modernization. While Bharat was developing alternate long term plans etc, the CEO wasn't getting involved or showing much interest. Bharat interpreted this as lack of faith in his judgment. Finally, Bharat had some differences with the CEO on the kind of organizational motivation systems and culture that needed to be created to sustain growth momentum and the dialogue was somewhat desultory.

Bharat felt himself as being at the cross roads again. Should he continue? Should he seek a change? If he is to seek change, should he do so in India or return to the US? If he were to move lock, stock and barrel to the US, would that be fair to his family? If he were to continue in the present assignment and someone else were to get appointed as CEO, would he be fair to himself?

By the end of May 2010, while on a holiday with his family, Bharat decided to seek help, of a Leadership Coach he knew

and had confidence in. He called and set up an early appointment.

Over the next few months, Bharat and his Coach met on three occasions for deep conversations. They jointly explored using Egan's Skilled Helper framework: 'What is going on?', 'What do I want instead?', 'How might I get to what I want?'

## What is going on? These were the questions in Bharat's mind

- 1) On the CEO not taking interest in manufacturing: Was it because he was cool to Bharat OR was it because he found Bharat handling it well?
- On the subject of organizational culture & motivational system: In Bharat's own view, the CEO wasn't doing anything unethical or improper.
- 3) Given that, can't two different professionals have two different approaches and both be right on a soft issue like this? On the balance wasn't this really the CEO's prerogative? Shouldn't he be respecting the CEO's prerogative?

Bharat realized that it was perfectly possible that the CEO was in no way inimical or antagonistic towards him. Having got this huge bubble out of the way, they moved on to jointly explored the following.

## What do I want instead? And most importantly what could Bharat proactively do to get desired outcome?

 Most desirable outcome: Bharat concluded that all factors, personal & professional, considered, landing the CEO's job in the present organiza-

- tion would be the most desirable outcome.
- 2) Looking ahead & learning for the future: Bharat decided to use the available time to gain relevant insights and learning from the current CEO. After all he had moved the business from a static to rapid growth mode. After all wouldn't the learning be useful, irrespective of whether he was chosen as CEO or not?
- 3) Contingency Plan: If, the Most Desirable Outcome doesn't happen for whatever reason, Bharat would have to make a change. Wouldn't it be premature and possibly counterproductive to initiate the process till succession decision gets made?

By early August, Bharat had internalized the above four points and was approaching his work with a more open perspective. The focus was on doing his job, learning whatever he could from the current CEO. Initiation of search for a new assignment was deliberately kept in abevance.

Come November, the Board invited Bharat to take charge as CEO in the new financial year, and formally communicated accordingly to the entire organization. Bharat was of course overjoyed. One of the first few he called to share the good news was the coach. His words "You helped me see things differently. You helped me see the full range of potential opportunities, the value of what I already had, and calmly pursue whatever more I wanted." pm



## **QUICK VIEW**

- MSMEs contribute 8% of the country's GDP, 45% of manufactured output and 40% of exports
- With business growth, challenges accentuate at all levels: product, pricing, people and distribution
- Entrepreneurs need to focus on strategic thinking, review, attracting and retaining talent and creating structures for delegation, compliance and auditing

# Professionalizing **SMEs**

As business consolidates for SMEs, entrepreneurs need to question the modus operandi of the organization to equip their structures, processes, and policies for the next level of growth

## **BY SUDHIR V. SOHONI**

n India, according to a January 2010 Report of the Task Force on Micro, Small and Medium Enterprises set up by the Prime Minister, there are about 2.61 crore enterprises of which a microscopic minority of 15.52 lakh units are registered. These 15.52 lakh units employ around one crore employees. Of these, 41,373 units are Private Companies and 8,216 are Public Limited Companies. MSMEs contribute 8% of the country's GDP, 45% of manufactured output and 40% of the exports. High growth sectors such as Textiles and Garments, Leather and Leather products, Auto Components, Drugs and Pharmaceuticals, Food Processing, IT Hardware and Electronics, Paper, Chemicals, Telecom Equipment, et al, have not only high growth potential but can also significantly contribute towards further increasing exports for the country thereby earning valuable foreign exchange.

Most of these companies are experiencing unprecedented growth. With growth comes responsibility and the need to manage, without being at the site of action all the time. This puts enormous stress on the entrepreneur. The entrepreneur, having experienced the joys of growth, now wants to plan for the same. Hitherto he/she was led by market forces in most cases, entering areas wherever opportunities for making money were seen. The key challenges, which come up in such scenarios are following:

- Getting the desired price for products/ services
- 2. Raising capital including working capital for capacity expansion and day-to-day operations
- 3. Price escalation of inputs including manpower
- **4.** Limitations in the execution of capabilities of key employees in most cases
- 5. Attrition of skilled and proficient manpower
- **6.** Supply chain problems relating to distribution and transportation, especially exports
- **7.** Capacity challenges

If one were to go deeper, the problem in many a case, rests with the entrepreneur himself. He/she is unwilling to adopt a hands-off policy. There are trusted loyal and sometimes efficient members in his/her team and he/she has either blind faith or no faith whatsoever. In both cases, he/she needs to double check on every activity. Most of the time, ignorance adds to the situation. The company goes from one crisis to the next. People take great pride in saying they have resolved a monumental crisis, but nobody bothers to ask, "At what cost?: Are we providing quality service to all the customers?"

## Opportunistic responses rule

A visit to any of these units for a single day is enough to assess the kind of chaos that exists. In such situations, how in the world will the entrepreneur ever have time to think about the future needs of the business? Or do some strategic thinking? There is no time for any meaningful review. There is no time to celebrate success or delve deep to diagnose a problem area. There is always a time to change tracks.

Most businesses have no concept of an Annual Budget, and are weak in measuring revenue and expenses with comparison to what was last year and what is this year. This is fundamental. Holistic data at company level is of no use. Data has to be by location, function, product or service, and any other unit which can be isolated for the purpose of accounting. Without access to such data, performance cannot be measured at all. How can accountability for performance then be ascertained?

## Here are some areas of reflection for leaders of these organizations:

1) In the areas of purchasing or scrap sale, the entrepreneur is deeply involved. As his business grows and becomes more complex, his expertise may fall short either due to incompetence or lack of time. It is then high time for the entrepreneur to sit back and evaluate options on how to go about it.

2) In the area of employment practices, the situation is even worse. Compliance with labor laws is marginal at best. Employment practices are non-transparent under the false belief that if letters of appointments, increments, transfers etc, were to be given, they would create liabilities in some way. And then the entrepreneur complains that attrition is a problem. Hence, only those who were with the entrepreneur at the commencement of the business stay on and the rest are in transit. The coterie does not allow induction of competence turning the whole exercise into a vicious circle.

- 3) Most companies, as they grow, realize that infusion of more qualified and capable manpower is the need of the hour. Efforts are made in that direction. But working conditions, lack of handing over key components of the position, lack of delegation and authority, et al, all lead to frustration in the new incumbent. Here, the importance of certain processes and systems with regard to management of business has to be correctly understood, which will lead to sustainability and growth.
- 4) In most companies, the review process is simply missing. Why? Because the entrepreneur feels that since he himself looks into

the running of the enterprise on a day to day basis, there is no need to waste time in meetings. This is furthest from being true. First, it is not humanly possible to oversee everything everyday even if you employ just 50 employees. Second, there are power centers which hold all good and bad data and information to themselves without realizing the implications on the business. A robust review process, which accurately measures relevant and important performance parameters is an absolute prerequisite to sound management.

5) Most of these organizations are designed over a long period of time and determined by competence and skill sets of people rather than by a logical fit. So empowerment does take place for the chosen few. But what is this empowerment for – being the conduit to the owner of the company for any personal problems or favor at the time of increments and promotions? The empowerment is not necessarily in relation to work areas or for delivering an outcome.

## The problem in many a case, rests with the entrepreneur himself.

He/she is unwilling to adopt a hands-off policy. Most of the time, ignorance adds to the situation

6) More often than not, there is no audit undertaken and this precludes any chance of detecting errors or any act of fraud. Even if material reconciliation is done, it may not always be possible to be verified with a complete physical stock taking exercise. All this obviously leads to arbitrary adjustments.

Although there are many more concern areas, the intent is to highlight a few representative areas without being exhaustive. The question that one can ask is – what is the real scope and potential then for our country to become competitive in global markets? As a country, we can achieve a greater amount if remedial steps are taken in this direction. We have to, not only incorporate the right processes into our small and medium enterprises, but also ensure their successful implementation.

**Sudhir V. Sohoni** is Founder Director of Purple HR Consulting Private Limited



In the current business environment, the approach of a company to its market place is 'glocal' and from therein emerges the need for understanding the local culture of the region and preferably, catering to those needs through local talent

## **BY RANI DESAI**

lobalization today is a fact of life; and all companies, from the biggest to the smallest, work in the global market place on a certain scale. In today's fast-paced times, it is imperative for an organization's growth to penetrate and expand into various regions and countries. However, with this expansion come a number of challenges for maintaining the core values of an organization and common policies across locations. To give you a simple example, a company like McDonalds is present in more than half the countries in the world, but wherever you go, you would have the same happy arches welcoming you, and the same Ronald McDonald waiting to play with your kids.

It's commonalities like these that ensure that a company's working across the globe are similar and makes customers feel like they are working with the same company, be it in the USA , Europe or Asia. While the branding of the company, its common purpose (business), policies and approach to customer relations give the external world a sense that they are working with the same company – these are just superficial similarities. For a company to be truly one, there is a deeper need for the integration of its people working across geographical and cultural boundaries.

In the current business environment, the approach of a company to its market place is 'glocal' and from therein emerges the need for understanding the local culture of the region and preferably, catering to those needs through local talent.

## **QUICK VIEW**

- The new approach of a company to its marketplace is 'glocal'
- There is an urgent need to understand global corporate cultural differences and invest in human resource integration
- Implement global training programs to avoid business loss due to cultural insensitivity and improved job satisfaction and retention of overseas staff

# The world is flat, but colorful

The objective of a company is growth, and organizations which want to grow can have only one personality or character, which is the desire and the vision to succeed, expand and create value for self across markets and geographies. If this is so, the integration has to happen through a common vision for the organization, communicating the said vision, and showing value for both the entities (parent and local) on the benefits they derive from each other. Moreover, the integration has to happen at the structure level - authority and empowerment, policies, systems and procedures. There must be an integration of rewards and awards, of incentive plans, and of processes in delivery teams, topped by mutual respect for each other's culture and understanding the silent language of thought.

Therefore, to achieve success in a global marketplace, the challenge of all businesses, regardless of their size, is to understand global corporate cultural differences and invest in human resources integration. Employee integration should result in (i) increased productivity, (ii) greater employee engagement, and (iii) better flow of ideas across regions. For

companies operating on a global delivery model this becomes even more important to ensure smoother communications and working of teams.

To a very large extent, the onus of building a globally-integrated workforce lies with the HR function of a company. HR, along with the line function has the responsibility to ensure that the workforce is educated on what globalization is, how the company will leverage from it, and what it could mean for the employees.

Coordination forms a fundamental element of HR for keeping all locations integrated. This can be achieved, either by having one primary HR department and independent local HR staff, a centralized HR system where the local HR is dependent on the primary HR department, or a single HR department with no local HR. Developing an appropriate HR plan forms the basis for aligning offices in multiple locations.

Differences in language, culture, regulatory norms, and technology might contribute to variations in HR practices in different countries. However, HR departments outside the parent company should be involved or

## **GLOBAL INTEGRATION @ GEOMETRIC: KEY INITIATIVES**

Monthly Newsletter: We have a monthly newsletter that goes to each Geometrician irrespective of whether s/he is sitting in one of our global offices or at a client site. This newsletter carries business updates, location news, events, notes, from the Founder and the CEO, and light features. Through corporate stories (notes from Founder, CEO, BU Heads), employees are informed of where we are as a company and where we intend to go; technology features help connect people with the common love for technology excellence; and lighter stories about celebrations or company culture bring in a cultural sensitivity and global mindset that is critical to company working in multiple geographies.

**Little Geometrician:** This is an initiative to connect with all employees on an emotional level. Launched in November 2009,

in conjunction with Children's Day celebrated across India on November 14, we hold an annual global drawing and painting contest for children below 13 years. The initiative had an overwhelming response from all locations like US, Romania, Germany, Japan, China and India last year, and an even greater response this year. The winning entries were used in creating our corporate New Year cards and select entries were made into desk calendars for all employees across all locations. This gave a chance for families to be involved with Geometric, employees were proud to share their children's talent with the organization and felt appreciated when they saw the entries being used for designing corporate greetings.

**GeoMom:** This is an initiative to connect with all the lovely mothers within Geometric. All mothers in the Geometric eco-system, covering employees, employees' mom or spouse who is a mother, are called

upon to share some funny, interesting, bizarre and brave experiences, anecdotes or incidents they encountered with their children.

**Proud Geometrician:** For recognizing and appreciating Geometricians globally, who have contributed to the organization's success through their dedication during their tenure - 1 year, 3 years, 5 years, 8years, 10 years, 25 years. Although Geometric as a company has not completed 25 years, we have a number of employees who are a part of our acquired company and have continued to stay with us. This makes them feel that they are a part of the same company.

Initiatives such as Little Geometrician and GeoMom connect with the emotional aspect of our lives which is common for all people – it is what makes us human, and I believe touching the human aspect in employee integration is the key to its success.

communicated all strategic HR decisions. This will also give them a sense of being vital spokes in the wheel, and that sense of being a part of the organization will translate in their dealings with local employees.

It is imperative to recognize the crosscultural boundaries that people work in. Striking a balance between a strong corporate culture and local cultural differences will lead to an unswerving corporate culture. A strong corporate culture will help override geographical and cultural differences. Policies and regulations of the land may also differ and may require to be customized in accordance with the culture of that territory. However, certain policies will require flexibility, keeping in mind the culture of that particular country. An acquired company may have a very different working atmosphere when compared to that of the acquiring company. Therefore, today while acquiring a company,

A strong corporate culture will help override geographical and cultural differences. Policies and regulations of the land may also differ & may require to be customized in accordance with the culture of that territory

the due diligence not only includes the financial viability of the company but also the cultural cohesiveness. During acquisitions, it is advisable to first understand the culture and working environment of the acquired company (you never know, you may come across a good practice that can be inculcated within the entire organization), and slowly bring about the change. A big bang approach of suddenly overhauling how the employees in the acquired company worked will lead to resistance to change; and integration will be challenged.

Policies on religious tolerance, business confidentiality etc. must be uniform throughout all locations. Employees should be clear on the 'what' is to be achieved but how it needs to be achieved can be left at the discretion of the particular location. So also the policies on sexual harassment, gender inclusivity and diversity have to be commonly implemented. Therefore, the entities have to build their own culture, and identity to say

this is how we will be and this is how we are.

Human behavior is influenced by the culture of the society/region they live in. Being emotionally intelligent and having an understanding of cultures will help HR choose the right person in different locations. Practices that work in one location/office might not be acceptable in another.

It is not just important for HR to understand these differences but the entire organization, and especially those working with teams across geographies. Cross-boundary working requires an effective team. HR plays a key role in supporting cross-boundary working by employing various team-building processes and making sure these 'virtual' teams are in tune with each other. New recruits should be trained to think in terms of 'we' and not just 'I'. It's also advisable for people to travel to various countries, to understand and be aware of the culture and language of the country. International protocol, language training, food and cultural understanding are just some of the macro topics for training. Working around cultural roadblocks will help develop a practice that is most effective.

Firms are implementing special global training programs, the reason for doing this is to avoid business loss due to cultural insensitivity, improved job satisfaction and retention of overseas staff, and enabling a newly assigned employee to communicate with colleagues abroad. Providing training for employees not only helps them develop their skills and knowledge, but it is also motivational and a building block to organizational success.

However, everything discussed above would not be as effective unless there is a strong thrust towards internal communications. Keeping offices clued in on the happenings or decisions taken in the parent company keeps communication transparent and smooth. Newsletters, common workshops, open houses or celebrations bring people together, virtually and emotionally. In this digital age with video conferencing, communicating with all locations need not be a problem. Although varied time zones can be a barrier in getting everyone together at the same time, care can be taken while planning an initiative so that it does not inconvenience any geography. Communication and people-centric-initiatives also help connect the company better through the common global language of emotions and aspirations. m

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Labour"

# The industry for employability education India's New El Dorado

The new industry expected to become India's largest revolution with an estimated private education spend by 2012 of \$80 billion is an exciting field for skills development experts, private equity players as well as large industrial conglomerates – who all will win this lottery is still a far cry

**BY RAJLAKSHMI SAIKIA** 

erchance a blessing in disguise, the huge employability gap in India has opened doors to a sea of opportunity, hopefully for the larger good of the nation. Just as many small players jumped the bandwagon to try to contribute their bit to address the problem of inadequate employable skills facing India, a new industry may just be India's next revolution. If you take a look at the complete supply-chain ranging from school (K 12) to the employer (the employability industry), there is an array of problems at every stage of the supply-chain, and this has catapulted many interventions, both at the private and government level. The new emerging industry of employability education is an example of a problem being efficiently turned into an opportunity, resulting in an influx of multiple players to address specific gaps, making it a growing industry where every big and small player is vying for their own space.

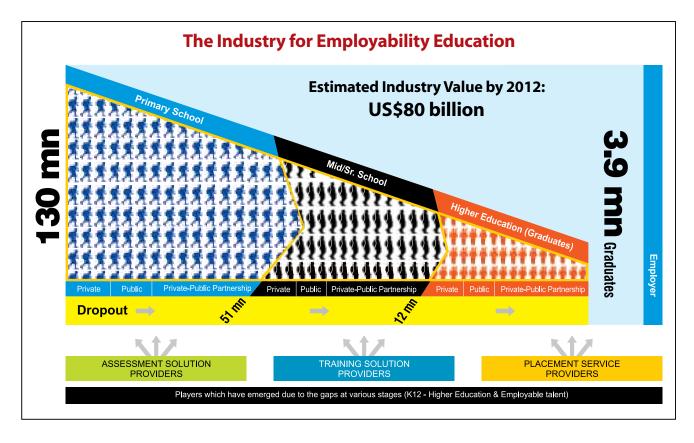
## A new industry taking the lead

The existing supply chain is in a state of dilapidation as education is a highly subsidized commodity. To enable the social objective of 'education for all' in India, government regulations have made school education, and in many states, even college education, free, to a great extent. This practice in turn has put education into a vicious circle of inadequacy – free education and subsidized facilities, leading to poor

attraction of good teachers and better systems coupled with poor governance, leading to poor quality of students who are barely employable. The gaps created at every stage has today become a business opportunity which promises to transform the unemployable into employable - thereby attempting to answer corporate India's skill gap (refer People Matters story 'Where are the people?' - Vol.1, Issue 2, March 2010 - to learn more about the grave shadow that befalls employers today). Companies have mushroomed at every stage to provide some kind of employability led skills development and training. But because of its unregulated nature, students, while being spoilt for choice, are misguided in deciding which company will help them afford their dream job. The interesting fact is that the education industry has begun its long march to market level, where increasing number of players are seen entering this space - creating the new industry of employability education.

## Follow the money

The industry of employability education, at its present state, is only the tip of the iceberg. Given the dismal state of the government-run schools and institutions, the private sector has taken a speedy entry into this sector, and the market for formal education (K-12 to Higher Education) saw a growth of \$40 billion, with another \$10 billion in the non-formal (preschool, coaching centers, multimedia/ IT to schools



and colleges, vocational studies and the book market) segment in the private education market in the last decade<sup>i</sup>. The opportunity that the industry brings along is huge, as research shows the present market of \$50 billion is expected to grow to the tune of \$80 billion by 2012 (private education spend)<sup>2</sup>. The education industry has started its march towards the market, but the presence of multiple players, and its complex and unregulated structure will take at least a decade before the industry can identify who would be the large players in this game. We have also seen many private equity players showing great interest in this sector. Following suit, we have seen recent cases where players like Lighthouse Funds funded \$10 millions to iDiscoveri and Centum Learning being funded by Mayfield India to the score of Rs. 40 crores, along with many other large industrial conglomerates initiating their entry into the education sector. Players like HCL, Jindal Group, Birlas, have already played their cards to ensure they are not left behind in the race for India's new El Dorado! Investors are actively seeking a stake in India's skills development and employability training education market.

The growth prospect the new industry brings is stupendous, and has seen small and large players entering this space to capitalize on the opportunity. While the Indian education industry itself is a highly regulated body (though it lacks in governance), the influx of players in the informal segment has been haphazard and therefore the new ecosystem that is being formed lacks clarity in terms of the contribution of each player to the larger goal of addressing the concern of skill inad-



Source: NSDC, 2010

equacy in India. The new ecosystem comprising formal and informal education providers will go through change as the industry moves towards the proposed \$80 billion market. And it may take another decade before we can identify the billion dollar companies that will emerge as market leaders.

The NSDC (National Skills Development Council) Report 2010 depicts the educational funnel for India which shows that one in ten students from grade 1 make it to graduating from college, while merely 25 per cent of them are ready to enter the workforce. The dropouts in India continue with nearly 79 million dropping off at the elementary level, 15 million in the middle school and 5 million in high school. Further, while 6.4 million appear in the class 12 exam, only 3.9 million graduate every year (NSDC report 2010). In the absence of adequate vocational schools and other skills learning facilities, this soaring number of dropouts will only add to the problem of inadequate productive

## The root cause for poor employability in India is poor school and college education. The obvious reaction of people in the face of such a problem is to identify alternate ways to solve it

workers for corporate India. This opens doors to many players fast emerging to fill the gaps in the form of, either embedded solutions to make the present system better, or after school/college solutions, to create employable candidates that corporate India requires. As a result, the industry of employability education includes service providers who address the three important trajectories to the problem at hand - assessment, training and placement (used by K-12, Higher Education and the Employability Industry to fill their respective gaps). Each of these solutions have relevance in more than one level of the defined education levels which makes it a crisscross movement and ultimately, spanning a new industry. This format, while it is a business opportunity worth \$80 billion (by 2012), is equally maddening for the students given its unorganized state. Lack of regulation of this new space makes it difficult for students to decipher who to trust. The fragmented nature of the industry has led to the emergence of many players, and it is difficult to point who is credible and who is a cheat. There is a need to devise a way to defragment the system, but the question is who will bell

the cat? Many players believe a possible solution would be to have an embedded system where the service providers connect with the schools and universities in helping them upgrade themselves to be able to bridge the skill gap. Perhaps such a solution would be helpful only in the smaller towns where the state of affairs is poorer, but the challenge remains in integrating the whole system to address the root cause of this problem.

The root cause for poor employability in India is poor school and college education. The obvious reaction of people in the face of such a problem is to identify alternate ways to solve it. The industry is cramped with people offering interventions after school which is available at an extra cost to the student, but there is no surety on whether all these players have the right intentions, and so the student is unfortunately left prey to the ills of the system. This is in fact an excellent example of a sector which is over-regulated but under-governed, thus leaving ample scope for loopholes. Many have gone a step further by saying that partnering with the existing schools and universities to upgrade their system through an embedded approach is the way, as it may save the student from being exploited to a great extent. But whether or not this really addresses the root cause of the problem is still questionable. A thought – if schools and universities are in the space of education, should they not be experts in delivering education, and if yes, why should they have to depend on an external party?

India has been churning out graduates, MBAs, engineers, and other post graduates for over a decade. Projecting from NSFC's statistics, this would also imply a large unemployable pool of working age, who require aid. This itself makes this market very promising. There is no doubt that this looks like the next big revolution that India will witness, probably creating parallel business opportunities as we go along. But there is need for a more strict governance system for these emerging players; else the solution may just meet the same fate as its original problem. There is a need for someone to take a view of this complex ecosystem from '30,000 feet above the earth' to clearly see the key stakeholders in this earth, i.e. the education authorities, the government, schools, universities, and small and big skills development players. There is an urgent need to integrate the efforts of all these sub-systems, so that they all speak the same language and strive for one primary objective of creating employable individuals. The different stakeholders, governed by different bodies at present, has resulted in each one speaking a different language, so while they began the journey to solve the same problem, their individual objectives have transformed through time.



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## **Education Facilitators**

## Dilip Chenoy,

CEO & MD - National Skill Development Corporation

SDC is following a specific approach to address the prevailing skill gap as reflected in the National Skill Policy 2009. To address this concern, they have initiated a detailed and multi-pronged approach. NSDC has taken up the mandate of identifying skill gaps in the formal and informal sectors. They are encouraging the private sector to set up large scale skills development programs, and have already funded 22 projects which will work towards providing the answer to the prevailing skill gap with the help of a planned intervention. Present statistics state that India has 38 billion people who are needed to be skilled. The present deficit in skills training facility is huge as we are required to skill 30-40 million people per year, whereas the current capacity is only 4.5 million. The 22 projects that NSDC has already funded will help in creating a sustainable skills development infrastructure, which if rolled out as planned, will be able to effectively provide skills development opportunities to 7 million people annually. Another problem that India is facing is that the present skills that are being taught (in schools and universities) are very different from that which is required in the corporate sector. In our attempt to identify the loopholes in skills available at every stage, NSDC is undertaking a sector wise competency mapping and assessment. We are trying to support this ecosystem in a systemic manner by funding projects that will enable continuous skills development.

## **Mark Parkinson**

Director - The Shri Ram School

ducation today is a big industry with a lot of money to be made off it. The government has increasingly undermined the autonomy of private unaided schools, so many don't want to run schools because it is a big responsibility and lot of work. So what we have is a large number of service providers who want to only concentrate on one or more competence, and sell it as a product so that they can be part of the growth in the education sector.

When these "vendors" make their presentation, they expect a speedy turnaround and an immediate decision, but for a school like Shri Ram which has 4,000 students and 400 teachers, everything is planned like a business, up to a year ahead. An inclusion of a vendor solution or package would mean dropping an existing module which is not an easy decision. I do not think a school should outsource any of its core requirements. If education is not one's core competence, one should not be in the education space. So the answer lies in developing the structure and operation of the school and not seeks 'vendor' help to fill the gap. Every time the school outsources a certain competence to an external vendor, it will never be able to build on its core competence. The Shri Ram school has its own ethos of excellence in delivery and the



system enables and empowers every teacher and student to delivery high quality. Yes, if a vendor has a solution that is not Shri Ram's core competence, we may think of outsourcing. In recent times, there are approximately 5 companies marketing their modules on physical education (PE) in schools. And PE being a concern area in many schools, it may see acceptance. But if the vendors are providing an embedded solution for the school's core competence in education, it will lead to the school's inevitable dependency on external factors, which is not in any case the answer to our problem of skill gap. Yes, if the question is about outsourcing teachers training, that would be welcome. Further, any inclusion (addition) to the present school curriculum may result in fee inflation. Such practices only reflect that we are seeking quick fixes, rather than providing a real solution, and so have stumbled upon these creative options which do not address the real problem. Moreover, India has a vacuum in the quality of leadership development opportunities available for school principals. Many principals in schools today may have been very good teachers, but have limited exposure to how to lead and build an Institution. Schools and colleges are about longevity and 'Institution building' and for this they must develop their own competency, lest outsource them to the many vendors.

## **Amit Bhatia**

MD - Aspire India

ducation in India, like hockey, has a rich legacy, and a challenged present. The good news is that, unlike in hockey, education is no longer neglected, as seen from the many proposed legislative reforms (Right to Education Bill, NCHER Bill, NARAHEI Bill, Educational Tribunal Bill, Foreign Educational Institutions Bill, Universities for Innovation Bill). These proposed changes are meant to make the \$80 billion education market in India (\$30 billion government spend, \$20 billion private school education, \$20 billion private higher education and \$10 billion private vocational education, coaching classes, etc).

India needs to embrace skills and employability-oriented education. Industrialization, globalization and now digitization, has dramatically changed the way the world works, and how jobs and careers are defined. A skills-based education system can catalyze Gross Enrollment Ratios beyond the meager 12 per cent currently. Access and capacity must be augmented through private and public investments as India needs over 100 universities and 10,000 colleges in the next 5 years. Moreover, it is no secret that only 25 per cent or less of our graduates and post-graduates are employable.

Embedded Education will benefit India most and allow focus on the root cause and fix the supply-chain, instead of interventions post-school and college, through private centers. Aspire's growth from 0 to 30,000 students in just 3 years is largely due to the success of our Embedded Education model. For a child, the cost is least and benefits highest, when he/ she gets the right assistance inside the school. The challenge with the Embedded Education lies in the complexity in choosing the right vendors, as suddenly institutions are spoilt for choice. This opportunity is like the 19th century Gold Rush in the US with hundreds of startups jumping into the fray. And they have good reason to do so - the top 10 companies in education account for only 1 per cent of the \$80 billion market.





## **Employers' Perspective**

## **B. Santhanam**

President – Flat Glass, South Asia, Egypt & Managing Director, Saint-Gobain Glass India; Chairman – CII National Committee on HR

India is facing a gap in the quantity and quality of people at all levels, and more at the base of the pyramid. While 12-14 million jobs are created each year, our capacity to train people is less than 4 million. To bridge this gap, the National Skills Mission, announced by our Prime Minister, is working towards accelerating vocational skills training in India. Those at the base of the pyramid are poor and depend on their daily wages. Any vocational training that is long-term in nature (in the absence of an alternate source of income) will be unattractive to them. This has a major impact on the base of pyramid jobs.

Saint-Gobain Glass India has interventions at different levels to address these concerns. For the base of the pyramid, we have the 'Modular Employable Skills' – a one month training program conducted in our premises to make illiterate, unskilled persons, industry-ready, while paying a daily wage. The program addresses softer skills like industry safety, industry hygiene, self esteem, ability to work under supervision, etc; which is e-enabled with a simulation training platform, like the 'Forklift Operations Simulation'. For Junior Management, we hire Diploma holders who are trained through MKT<sup>2</sup> (Manufacturing Knowhow and Technology Transfer) - an internal self-tutored simulated e-learning program (which reduces training time from 2 years to 6 months), and they must score 80 per cent before they can commence work. For skill enhancement at the engineer-level hiring, we have e-learning courses in various fields of Sales, Marketing, and Technical Know-How. The Saint-Gobain Glass Academy is an innovative initiative for training our partners in aspects of Glazing, Processing & Fabrication. It has a rating system, which has been accepted by in the industry as a mark of quality. We have joined hands with the Government of Tamil Nadu and initiated a curriculum change to include a six weeks training program (at a mere cost of Rs.6000 per student), which makes students eligible for automatic placement in a Glass Fabrication Industry. In another partnership with the Bureau of Energy Efficiency (BEE), we train in the area of Sustainability, Energy Efficiency and Modeling. All these programs follow a standardized, structured, simple, scalable methodology that is IT and web enabled.

## **Bunty Bohra**

MD - Goldman Sachs

ith respect to human capital, I believe that past performance is a good indicator of future performance. If an individual has a track record of 'demonstrated success' – irrespective of the field or discipline – it is likely he/she has the work ethic and commitment to excellence that will have far more bearing on his/ her success over the long term than specific domain knowledge they possess today.

In India, hiring decisions tend to be based on a narrow view of vocational qualifications rather than a broad-based assessment of capability.

Employers have a myopic focus on academic credentials, so that is exactly what the educational system endeavors to deliver. Therefore, soft skills such as communicating with impact and working collaboratively are de-emphasized in the formal curriculum as well as in the overall academic experience.

To break this pattern, the employers and the educational institutions need to work in tandem. Corporations need to widen the aperture through which they evaluate prospective candidates and take a diverse view of talent rather than seek narrowly defined skillsets. For example, when looking for someone to fill an entry level corporate finance position, the tendency in India would be to look exclusively for those with accounting or MBA credentials, whereas a Western counterpart would consider liberal arts, engineering or natural science backgrounds as well. Further, companies need to consistently challenge their employees with stretch assignments and responsibilities to ensure that the key capabilities which define success are developed over time and through experience on the job. For their part, educators need to enrich the academic experience with a wider array of course options and outside of the classroom experiences as well as modify their placement processes to prevent from becoming degree factories.

Technical proficiency is critical to an employee's success but their ability to develop quality content in a manner that is additive to a firm's culture and deliver it for maximum acceptance has a geometric relationship with their ultimate effectiveness.



**Sridhar Ganesh**Director HR & Lead Director – Diversified Business Group, Murugappa Group



would like to address the concern in two parts from the stand point of employees and talent.

In terms of employees, at Murugappa we have been able to source people for our various requirements in manufacturing and other businesses from the large pool of people who make themselves available every year for employment. Once they join, we have a very robust on-the -job training programme that ensures they are skilled up appropriately. In fact, these efforts combined with our long standing employee relations record help us in achieving healthy productivity targets.

The story is quite different when it comes to talent – which also includes the leadership pipeline. In this area we face the same challenges as the rest of the industry. According to the NASSCOM-McKinsey report only 25% of graduates from professional courses including engineers and MBAs are employable. I believe, this needs to be addressed right at the root level, i.e., the quality of education imparted. We need to consciously raise the standards of measure from entry to exit. There is an urgent need that Education and Industry sit together to work out a road map to address this issue.

At Murugappa, we had put in place very vigorous 'Learning and Development' modules that have been operational for some time now. This has proved a very good investment and we rely heavily on them to meet our current and future needs of talent. We also through our L& D efforts, address the skill gaps. Also looking at the long term, we are working with select institutions in skill building of students through project work and internship programs. We have also stepped up on-campus student interactions to improve their understanding of the industry expectations.



# Nurturing leadership at childhood

We can create leaders to meet the growing need of the global competitive platform, only if we are able to introduce the essence of leadership right at the formative age. In a conversation with *People Matters*, **Sean Covey**, Senior VP - FranklinCovey talks about the scalable approach to nurture leadership right from school

hat drives you to explore the teen and the youth segment of the society?

Being a football player, it gave me an opportunity to interact with teens and youth on a regular basis. And I also wrote many books on them, and that is how I started to get involved with the youth. As an organization, we can and we have to do a lot in the field of education. I feel passionate about the young because they are so valuable and teachable, equipped to change, pick habits fast, and therefore, a large part of our company is focused on helping kids grow.

## So what is the basic premise behind Franklin-Covey's initiative towards promoting education in various parts of the world?

The idea is to promote 'Personal Leadership'. We focus on the idea that you are in-charge of your life; you can choose to be happy or miserable – it is your choice. You are capable and have it in you to do anything you like. At the same time, you need to follow certain principles that govern human effectiveness such as accountability, responsibility, patience, teamwork, and collaboration. We are trying to inculcate these principles into the education system, so that these principles are instilled in people right from the young age.

## How would you rate the level and standard of the Indian education system vis-à-vis other APAC nations?

In India, there is a mandatory 'Right to Education' for every child. This is very good and the Indian education system is headed in the right direction. But there is a lot of disparity in schools - there are some very good schools while some others which are still struggling. The situation is quite like that in the US which also has a lot of disparity in schools. APAC countries like Japan and Singapore are much more uniform in their education system.

## In India, the quality of education imparted in private schools is far better than in the government schools. Do you think a dialogue should be initiated with the government to raise their bar?

Most of the work we do around the world is with public schools. Our focus is more on the kids and the development of their personal leadership. I am not here to comment on whether the government should or should not take a stand. But I strongly believe that every child needs good quality education and all our efforts should be directed towards achieving this objective.

## How is FranklinCovey contributing to the growth of the education sector?

FranklinCovey has been in existence for the last 20 years, and our partner in India is one of the fastest growing. Historically, we have been involved in the corporate world, which has been our main focus where we work in the areas of leadership development, and employee productivity. So our expertise has been at changing human behavior, and the two words that mean the most to us are 'leadership' and 'transformation'. Companies often hire us to train their leaders so they are able to transform their companies. Since the last five years or so, the educators have also started picking our services, and suddenly we have a division that is fully focused on education. So we are involved in transforming all kinds of organizations, including educational. We work with government entities, the corporate as well as the education sectors.

## What are your plans to transform the education sector?

To answer this, I would like to tell a story. There is an elementary school in America, which is failing and is about to be shut down. The Principal is desperate, and attends the 'Seven Habits Of Highly Effective People' workshop. During the workshop she realizes that this is exactly what we need to keep the school running. She goes back and asks her boss to give her another year to transform the school. She created, what she calls, a leadership school. By leadership, she did not mean to train the top 2 per cent, but she believed that every child is a leader. In three years time, it became the number one school in America. She came back and told us how our leadership workshop helped her transform

the school. All she did was that she integrated the seven leadership habits into the education imparted to children there. When we saw this, we captured it and created a process 'Leader in Me', which is now followed in 450 schools across the world.

## Can you explain more about 'Leader in Me', and how does it work?

The program provides professional development for the teachers. Teachers are taught how to set achievable goals, collaborate, resolve conflicts, develop vision-mission statements, et al. The program also talks about leadership development for the students. We try to instill the feeling of 'leadership is doing the right thing even when nobody is looking' amongst children. We teach them to be leaders in their class, amongst their friends and even at home. We create an operating system, and provide material to schools and children, to facilitate the program.

Our expertise has been at changing human behavior, and the two words that mean the most to us are 'leadership' and 'transformation'"

## What are the broad challenges facing the education system across the world?

Firstly, it is hard to change what people have been practicing for several years and there is always resistance to change. Secondly, there is challenge in funding, as schools do not have the money to do anything besides simply running the school. So whenever schools plan to take up any other activity, they either have to raise money themselves, or look for corporate sponsorships. Another challenge is that schools run on monthly programs like 'performer of the month', 'flavor of the month' etc. Whereas, we provide a simple three year process which requires a change within the system for it to be effectively incorporated. We also face challenges pertaining to teachers. They enter the field with a lot of enthusiasm to change the lives of children, but it fizzles out in a few years and they lose hope in the system.

## In which countries have you implemented the 'Leader in Me' program, and what are your expectations from the Indian market?

The program is being implemented across the world, and we have schools in Mexico, Australia, Canada, Thailand, Japan, Singapore, Indonesia, et al. The hope here is to convert bad schools into good schools, good schools into great schools and great schools into greatest schools. We hope to see our effort in India help in furthering the education system here.

## **BY SANDIP MALLIK**

ny company that believes in building leaders helps its people to reach their full potential. In my experience, whenever we have asked employees what they really want from their work, most often the answer is that they want to do a great job and have the ability to grow. Development is a basic need for people, and if an organization does not take it seriously, it is not likely to survive.

The best performers are always hungry for new knowledge and experiences. They are clear thinkers who are agile learners, and can quickly apply new knowledge to action. Most importantly, they are able to deliver results, even in new situations. Along with the need to enhance their knowledge base, agile learners also look for challenges and continuously push themselves outside of their comfort zone. Pushing oneself to try new avenues can be a little daunting if one is accustomed to success, but it is undeniably a trusted way to build confidence and upgrade oneself with changing times. An agile learner is in the practice of constantly testing the existing skills, as well as developing new ones. Their inclination to do better pushes them to seek feedback on their performance, so they can steadily improve the quality ladder in whatever they undertake.

## **QUICK VIEW**

- Development is a basic need for people, and if an organization does not take it seriously, it is not likely to survive
- Along with the need to enhance their knowledge base, agile learners also look for challenges and continuously push themselves outside of their comfort zone
- The performance management process should develop a plan for each aspiring leader and ensure he/ she receives the right training and development

Inculcating a commitment to learning is tougher than it sounds. We are all busy people with constant demands on our time and attention. It is one thing to consider talking with clients or employees about their needs or reading a thought-provoking book or taking a course to sharpen our skills, but how often do we actually make the time to do these things?

When developing leaders, an organization should look for four key attributes:

# Building leaders from Within

An aspiring leader in any company is one who is constantly looking for opportunities to develop his or her skills. It makes sense in this context that if we want to do the best for our customer, we need to be the best that we can be

- Critical thinkers who examine problems carefully and make fresh connections
- Individuals who know themselves well and are able to handle tough situations deftly
- Those who like to experiment and can deal with the discomfort that surrounds change
- Deliver results in first-time situations through team building and personal drive

An organization which is serious about building leadership will look for people who aspire to be leaders and try to create a diverse mix of skills, background and talent. Such an organization will place a strong emphasis on growth and development, giving every employee a fair opportunity to talk about their career plans and their potential opportunities. An organization seeking to build and encourage leadership, should keep in mind the following:

- New employees learn about the values and corporate responsibility program through the induction program.
- The performance management process should enable the organization to development a plan for each aspiring leader and ensure he/she receives the right training and development.
- Use a variety of training methods, for example, development centers, 1:1 coaching, management skills programs and more.
- Offer a platform for innovative eLearning.

It is important that all employees feel that their talent and contribution is recognized, for which every leader and manager is responsible for creating the environment where employees can give their best, feel valued, and build competitive skills for the future.

Team leaders play an important role in nurturing leadership by creating a learning environment within the team and helping employees find their strengths, as well as learn how best to apply them. A team leader is able to set the tone for leadership development by encouraging an environment where the deserving are praised and allows the team to beat any challenge it is faced with.

Successful leaders recognize what is important for them, the business and the individuals in their teams. The organization must support their leaders, reward them for successfully developing



## Success factors of leadership building at Aviva

- 1. The promise: Enabling every employee to say "At Aviva I am recognized for who I am, and what I contribute matters."
- 2. The values: Performance, Progressiveness, Teamwork and Integrity, capture day-to-day behaviors, in dealing with each other and with our customers.
- 3. The customer: Bring prosperity and peace of mind to our customers through our vision 'One Aviva'.
- 4. Leadership: Leaders provide inspiration for teams to flourish. We reward leaders for their success in developing teams and encourage regular feedback between leaders and team members.
- 5. Career Development: Help employees to maximize their potential through growth and development initiatives, and the opportunities of working across the globe.
- 6. Praise and Recognition: Recognize each individual's talent, and help people develop their strengths constantly.
- 7. Treating People Fairly: Fair treatment to everyone employees and customers.
- 8. Teamwork: Work together to maximize our potential.
- 9. Diversity: Provide the opportunity to work with people from diverse cultures and backgrounds.
- 10. Corporate responsibility: Lead the way in environmental and social responsibility, and expect our partners to hold the same standards.

Every member must be engaged and excited with their role in the overall success of the company, and this can be achieved through effective leadership, fair rewards, and listening to employees, before acting on feedback

their teams and encourage regular feedback between leaders and the team members.

Another key aspect of building leadership is to attract and retain the best available talent. A company must have a fair recruitment policy to attract the right people. Getting the right people onboard will further strengthen the leadership pipeline of the company.

To enable people to attain their full potential, they need to be exposed to new experiences. At Aviva, employees can choose from a number of development approaches based on what is most appropriate for them at the time. While the ratios differ from companies to companies, Aviva aims for effective development through a 70:20:10 ratio (70 per cent learning from experience - projects, assignments, moving within areas; 20 per cent learning through others - feedback, coaching, mentors; and 10 per cent learning from instruction - formal courses, reading, online articles)

In order to successfully build leadership within the company, it is essential that all employees embody the company values at all times, and the company should provide a culture of strong individual and team performance, in order to facilitate leadership development. Every member must be engaged and excited with their role in the overall success of the company, and this can be achieved through effective leadership, fair rewards, and listening to employees, before acting on feedback.

Sandip Mallik is Director - HR, Aviva India

Many questions arise at this time of the year for HR professionals

How should we structure our rewards package going forward?

What are the trends in our industry?

What are our competitors doing?

What combination of base, incentive. ESOPs should our organization maintain?

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# Let conviction shape your career

Why professionals need to introspect when choosing a career appropriate to his/ her life space

## **BY PRABIR JHA**

ver the years, I have had numerous opportunities of meeting very talented but disillusioned people, who are confused, and possibly even already derailed in their careers. Many of them have had impeccable academic credentials, and on a fast track in their career. Then from nowhere they seemed to be losing that very edge they felt was theirs for posterity.

I was once undertaking a career design workshop for some very successful sales managers, and was shocked that virtually all of them came into that industry by pure serendipity! None had planned to be in that industry, and happy accidents got them to 'walk-in' for an interview. Once inside, they just stayed on, becoming reasonably successful, but not neces-

## **QUICK VIEW**

- The inability to ask themselves tough questions leaves even the very successful managers unfulfilled and unhappy
- Everyone has a choice to lead a life of convictions, or one of mere consequences. Regrettably, most of seem to decide from the latter paradigm
- Very often we are conditioned by societal and parental influences, when it comes to choosing our education streams, vocations and even work location

sarily fulfilled, with a deep-seated emotional state of under satisfaction.

Likewise, there was a successful business manager, who had also been an expatriate leader in his organization, but was suddenly facing a dead end. He was obviously earning a lot of money, but felt stuck in life. Helping him find his true career anchor, we discovered that philanthropy and social work was what he really came alive doing. And all his past years suddenly looked hollow, even though, to the world he may have been very successful.

I see a similar experience on campuses as very bright minds struggle to make their minds up about their career. This has been a growing trend in recent times. Very often, six months after the campus placements, HR Heads start receiving resumes from the very people who had declined their offer for more lucrative opportunities, only to realize some months later that they were culturally not compatible with the organizations they had chosen. And this happens year after year!

What may be possibly going wrong? Reasons may be many, including the ability to manage career transitions, inability to 'let go', the failure to be effective people leaders and so on. But the reason why they are stuck in the wrong job, discipline or company, is because of an incorrect call they made in the past. And very often, rationalizing why they cannot extricate themselves from it all - perhaps the money is great, or his lifestyle or even the family needs it to be that way. Very typically, it is consequence-led logic, but at the end of it all, the inability to ask tough questions leaves the person very unfulfilled and unhappy. A convenient path, but is finally, inconsequential.

Very often, we are conditioned by societal and parental influences, when it comes to choosing our choice of education streams, vocations, companies and even work locations. Nothing wrong or unusual about it. The problem is, that while most of these decisions very significant they are guided by a de-risking mindset or sharp stereotyping. Everyone must study science after high school, whether or not one enjoys it. One must do engineering irrespective of his or her aversion to the subject. What if something were to go wrong? And we may make sub-optimal choices and choose to do something that we were not naturally born for. Even worse that we give up the option of doing something that we could have excelled in. And then we justify our choices looking back, else blame someone for a wrong turn taken and even living with it for years.

All of us have an option - to decide or be decided about. Similarly, we have a choice to lead a life of convictions, or one of mere consequences. Regrettably, most of us decide from the latter paradigm. Imagine a fish trying to climb a tree. Maybe it will learn and even be successful. But a fish was born to swim. What all it could have done had it done just that?

We are all destined for a certain success. If only we knew what we want, and enabled ourselves to become more self-aware. No case studies are written about mediocrity. They are always about successes and even more failures. How then can one choose to build successful and happy careers that are suited to one? It does not have to be something that works for everyone else. If only we dared to follow our convictions, and not weigh everything in consequences.

How can we discover our true career anchors? What possible lines offer us greater learning opportunities? What are our deep passions? What are the values that are very dear to us? Why do we fear doing something that seem counter-intuitive to the world? Why do we prefer to tread the beaten path? Perhaps the answer is because we chase consequences like money, lifestyle, titles, and power. However, careers that are not built on deep convictions either, never give the expected consequences and so leave us as mediocre, or even if they do, they leave a void of not having lived life to its fullest.

But there is hope. I also see an increasing number of professionals who are choosing what they want to do. A former civil services batchmate, an alumnus of MIT, discovered his passion for teaching and is now a happy and well respected school teacher of Mathematics! There are many who choose to give it all up to chase an entrepreneurial dream, in the area of their passion. There are newer vocations emerging, many are also financially rewarding. There are civil servants now willing to give up the trappings of power, to fulfill deeper aspirations. There are young software professionals setting up libraries, or even opening canine care homes. There are MBAs who are going to rural towns to set up self-help groups for women. These are the exceptions that are choosing to build a different future. They have dared to dream, and lead a life of self-belief. These are people who are willing to trust their gut, and not be something for someone only to regret years later and wish they could have done something they always wanted, but never dared to.

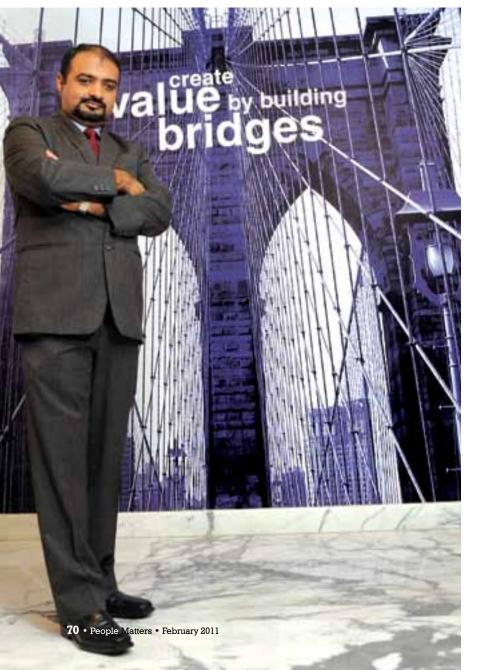
There is a need for us to take that moment to stop being part of a herd. Pause and introspect. Set our dreams in line with our native strengths. Lead a life of convictions, and not a life of consequences. After all, what is the point of building a career that was inconsequential to our larger lives? Our career space must ideally have a significant overlap with our life space.

**Prabir Jha** is the Senior Vice President and Head-HR of Tata Motors. The views expressed here are purely of the individual. He can be reached on prabirkumariha@vahoo.co.in



# I don't want to be a Superhero!

Just when you thought you had everything sorted in life and career, wait for your seven year old to introduce you to your new life and the need to move 'posts' and change the mental picture of yourself



**BY ELANGO R.** 

v earlier column on 'Stress -Incompetence Conundrum' (15th January, 2011, People Matters) talked about the individual's unconscious incompetent state when they take on more responsibility to advance the career ladder. The story defined the direct relationship between increasing stress levels experienced by many, and the increasing number of heart attacks in the corporate sector. This column drew many perspectives from the corporate fraternity, but one question, from a rather reticent colleague, stood out and led me to reflect further into the matter. I am quoting her literally, she wrote: "Some of us find interesting options to bridge and reskill but many of us are never able to reconcile, and this turns into bitterness, negativity and ultimately stress, all of which zap the mind and body of its energy! So how do I

## **QUICK VIEW**

- Over the years we change and our mental picture of who we are does not match with what we have become
- Understanding who we have become, moving goal posts, and changing our reference points, will help us reconcile the capability aspiration mismatch better
- We may not get out of the mismatch

   but it will help us not get stuck in
   the stress incompetence conundrum

reconcile when I know that I will not be able to meet the aspirations I set out to meet?"

Oh my God! How does one respond to such a statement, and keep it optimistic? Fortunately our time was up, so I could get away with the promise to get back to Ms. Reticent later. With this question playing in my mind, I went home that evening, not knowing that I was about to walk into another equally tough question from my 7 year old son. It was a question day for me.

"Appa, do cows give milk through the year, or only when they have given birth?"

I tried getting out of it but he pinned me down with, "You know everything Appa! So tell me". Thank god for Google, I was able to maintain the façade of knowing everything, and staying a hero.

But this stayed with me, and I knew that very soon he would realize that I do not know everything, that his mum than me is better at changing the bulb and fuse at home.! It was quite stressful! I would love to be his hero forever but I knew my capabilities would be exposed soon.

I realized Ms. Reticent had the same question. What do we do when there is no bridge that will close the capability-aspiration gap?

I will never be able to figure out how to change the bulb, learn all the trivia, and have all the answers. My son will soon start seeing that I am no superhero, so I was quite upset at knowing I may have to give up being my son's hero?

They say there is nothing like a crises to get you thinking, and here is what I came up with in response to Ms Reticent's question and my dilemma.

First, we accept that it is the law of nature that we will all play out Peter's Principle. My son will outgrow me, the job will outgrow me, my batchmates will out-perform me, andthe list is endless. I can either continue to allow this to fester, turn to bitterness, and ruin me, or attempt the following:

Acknowledge that you are not who you used to be – Over the years we change and our mental picture of who we are does not match with what we have become. And as we progress, we are less likely to receive feedback. A friend of mine narrated the story of an ex-army captain who worked with him. When my friend gave the captain feedback that he is not action biased, and spent too much time questioning what needs to be done instead of just getting it done. The captain was very upset and expressed that in the army we do not question orders, but we execute. He said, "I have been in the war front and known for

## **Reconciling capability-aspiration gap**

- 1 Accept the law of nature; accept that your son/daughter will outgrow you, the job will outgrow you, your batchmates will out-perform you
- 2 Understand who we have become; that our mental picture often does not change at the same rate as we change in reality
- 3 Moving goal posts; we can move our aspirations to align to who we are
- 4 Changing our reference points; we can adapt to roles as the environment evolves

## What do we do when there is no bridge that will close the capability-aspiration gap?

my action bias!" What the captain did not realize was that his behavior had changed since his move to the civilian world, but not the mental image he carried of himself. Fortunately for him, after the initial shock and resistance, he listened and changed.

Change your goal posts - Like in the case of my aspiration to be a super hero for my son. I can sulk about him outgrowing me, or I can change my aspiration and his confidante, turn adulation into respect, and become somebody he trusts. At 14, maybe he does not need a superhero, but he just needs his adolescent grunginess. Likewise there are parallels at work. I had a colleague who recently moved to HR. I was perplexed as she always abhorred HR and wanted to be a CEO. On questioning she said, "You grow up, you realize what you are capable of" I let it be at that.

As always it is easy to say, though tough to do! But I am glad, if you got through till here you are thinking of managing and bridging as options. Understanding who we have become, moving goal posts, and changing our reference points, will help us reconcile the capability - aspiration mismatch better! It may not help us get out of the mismatch – but it will help us not get stuck in the stress – incompetence conundrum.

Good luck. m

**Elango R is** Chief Human Resources Officer at MphasiS. You can read the authors blogs at http://agastyaelango.wordpress.com

For those of you who have not read the earlier column, please read it at http://peoplematters.in/articles/learning-curve/stress-incompetence-conundrum>

## IIM Kozhikode - International Symposium on HR and Leadership Challenges



he Indian Institute of Management, Kozhikode (IIMK) held an International Symposium on HR and Leadership Challenges on the 28th & 29th of January. People Matters was the media partner for the event. An internationally reckoned management institute, it strives to develop an innovative academic environment through synergy with the

industry and academia. India is at a cross road where there is an emergent interest in establishing businesses in India while at the same time Indian businesses set base abroad. It is also a country unique in many ways, the most prominent being the diversity we see in its people, language, culture and many of the paradoxes we live with. Given this scenario, managing businesses and especially managing its people, requires a very pertinent understanding. This symposium addressed the unique challenges that organizations face in managing employees in the Indian context. The speakers of the symposium addressed the unique challenges that organizations face in leading and managing employees and businesses in the Indian context. The presenters for the symposium included industry leaders and few well-known academicians who work in these areas. The symposium featured 2 major components; invited talks by industry leaders, and well known academicians on the sub-themes, and panel discussion by industry leaders and well-known academicians on the sub-themes.

## NHRD Talent Acquisition, Engagement & Retention Conclave

■ ational HRD Network, supported by NHRDN Mumbai Chapter and in Association with GD Goenka World Institute organized a one-day session on Talent Acquisition, Engagement & Retention Conclave in Mumbai on 21st January. Research conducted on excellent organizations revealed that the infrastructure of human resources systems and processes for the successful organizations is a coherent mosaic of connected, complete, and consistent assessment, planning and development tools and, methods. This means that performance appraisal, assessment of potential, competency evaluation, career planning, training & development, selection and, compensation must be linked and act in cohesion. The session's focus was around how companies should make talent management a top priority and create and continuously refine their employee value proposition, and source and develop talent systematically. Eminent speakers from the industry shared their views and expertise on this topic. The session included presentations and discussions

around topics like; The Talent Edge: A Strategic Approach to Talent Acquisition, Employee Engagement, Compensation & Benefit Practices, HR Technology and Social Media@Work and Talent Management Best Practices.

## AIMA – National Summit on Emerging Trends in Compensation and Rewards

All India Management Association conducted a two day national summit on the Emerging Trends in Compensation and Rewards. The key objective of the summit which was held in Mumbai on 21st -22nd January, was to provide an end-to-end solution to the concept of management of Compensation & Benefits from design to delivery. It aimed at providing a platform for HR professionals to play a bigger role and depart from the traditional role and contribute as a business partner in setting the strategy for the organization in challenging times, more specifically in the area of Compensation and Benefits. The summit had varied industry leaders in the field sharing their experiences providing insights to help understand

how top organisations manage their compensation process as well as the latest trends prevalent today.

## **NHRD - Talent Management**

ational HRD Network, supported by NHRDN Pune Chapter organised a one day session on Talent Management in Pune on 03rd February. The session was conducted by Dr. Audrey Smith, Senior Vice President of DDI's Executive Solutions. The session covered various topics like driving a synergistic "leadership pipeline" approach for leadership identification, assessment, and development, how to create a truly sustainable People Growth Engine, ensuring more business focus, holistic success profile and meaningful engagement and accountability of key stakeholders and decision makers. It also stressed on forward-thinking organizations around the globe which work towards elevating talent strategy to a true business strategy. Best practices and practical tips were shared for building a long term talent management roadmap, fuelled by synergistic assessment, development and performance management practices.

For more details on events and trainings please visit www.peoplematters.in/events or connect with Nikhil Chandna at nikhil.c@peoplematters.in

EVENTS	DATES	LOCATION	ORGANIZED BY
29th Annual National Conference 2011	14-16 February	New Delhi	NIPM
Talent Management in the New Decade	17 February	Mumbai	ERA
HR Leadership Dialogue 2011	18 February	Bangalore	E 18 / Network 18
Edenred – People Matters Total Rewards Conclave 2011- Mumbai Chapter	23 February	Mumbai	People Matters
International Conference on "India Emerging: Opportunities and Challenges"	25-26 February	Greater Noida	IBA
Conference on "Just Power – Aligning To The New Economic World Order"	2 March	New Delhi	AIMA
Edenred – People Matters Total Rewards Conclave 2011 - Delhi Chapter	4 March	Gurgaon	People Matters
Bangalore HR Exchange Strategic HR Leaders Forum	17 March	Bangalore	Kenexa

**Note:** Please note that this list is not exhaustive. We update this information on a regular basis. Please visit our website www.peoplematters.in/events for more information on events. If you wish to share information about upcoming events, please contact Nikhin Chandna at nikhil.c@peoplematters.in

People Matters aims to bring updated information about training programs available in the areas of Leadership and People Management. This is not an exhaustive list and we are always on the look out for outstanding programs. Please mail us at editorial@peoplematters.in to share more learning opportunities with the rest of the readers.

TRAINING PROGRAM	DATES	LOCATION	ORGANIZED BY
CEO Focus 2011 and Beyond	16 February	Hyderabad	Husys Consulting
Building High Performance Teams	17-18 February	New Delhi	Dale Carnegie
Learning Center Workshop on HR Competency Framework	17 February	New Delhi	NHRD
Advanced HRM-Corporate Mission HR	17 February	Hyderabad	Husys Consulting
8th Faculty Development Program on Recent Advances in Research Methods and Data Analytical Tools	24-25 February	New Delhi	AIMA
Leadership Training for Managers	24-26 February	Chennai	Dale Carnegie
PMP Training	09-12 March	Bangalore	QAI
Benchmark Six Sigma Green Belt Training	12-13 March	Chennai	Benchmark Six Sigma
CII Business Excellence Training Module	15-17 March	New Delhi	CII
Certification Program - Introduction to Expatriate Compensation & Benefits	17-19 March	Mumbai	People Matters

Companies who wish to enlist their training programs or advertise with us may contact Rahul Singh at rahul.singh@peoplematters.in or call +91 (0) 124 4148102



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# DISCOUNTS



We introduce in this issue, "The Counsellor", a section to find expert answers to professional, personal and ethical dilemmas that we encounter at our workplace

Our Expert, VIVEK PARANJPE, Consultant & Strategic HR Advisor to Reliance Industries

## THE COUNSELLOR

Dear Sir, I am a HR Manager of a company which has 200 employees. My CEO does not trust the employees as a result of some past experiences he has had which has deterred his confidence in people. He thinks everyone is out to defraud the company, and this mindset has led us to create many policies which are not entirely appreciated by the employees. While he instructs strict compliance to these policies by the support staff, he allows the revenue and sales operations group to enjoy a relaxation. The support staff has approached me questioning the sanctity of these policies, given this difference in approach to the different teams. My CEO is not open to feedback, so I do not know how to communicate the concern to my CEO. Please advice.

An organization's culture evolves as a result of several experiences that the entrepreneur or the top leadership gains over time. Practices and processes are a reflection of the core values and beliefs prevalent in the company, which further guide the strategies and the vision of the company. While it is undesirable, it is also not unusual for one to swing to an extreme, merely because of a bad experience.

Organizational processes must be built with appropriate checks and balances for better effectiveness. Empowerment and delegation of authority must always be coupled with governance and risk management components embedded within the system. In your question you said "he lets the revenue and sales operations group to have their way". This is perhaps because he has more trust in the leaders of these groups, which is good news. But, at the same time, you must ensure that this organization also has the right governance (checks and balances) in place. If not, it is your duty to nudge the CEO towards creating the same.

As a HR head, you should strive to coach, support and guide your CEO. You must learn to empathize with him in order to understand why he does, what he does. Have patience and slowly nudge him towards trusting his people across the company and he will probably come around. You say that your CEO is not open to feed back - I am not so sure about that. If your feedback is supported by adequate data, facts and wise counsel, and is presented in the right fashion, I am sure he will listen to what you have to say.

But the question is - do you have enough credibility with your CEO? If not, you must first work towards building your own credibility with your CEO. Do not write him off without putting in efforts at your own end. Facilitate the right communication across the

company to explain the need for having the right checks and balances in place, instead of saying "my CEO is wrong".

Dear Sir, I am a HR Head of a family-owned company. This company follows a strange practice of selecting those people who belong to the same religious group as the owner, whether or not they are good for the post we are hiring. This has resulted in creating a strange organization where we have a mix of very good professionals and very poor ones. This has led to the better people leaving the firm. I feel frustrated, and feel like quitting as well, although I have been here only for 7 months. What should I do?

To have an inherent bias in selecting people is not unnatural and the same is true when people tend to hire from one's own community or religion. As HR professionals we have to accept that such human tendencies will exist. The fact that some part of the organization has some very talented professionals shows that the entrepreneur and the family do value meritocracy, where it is absolutely necessary.

As the HR Head of the company, you must help your CEO to understand the importance of meritocracy and diversity, coupled with the need to create an inclusive work environment. If you believe that the religious biases are coming in the way of organization's effectiveness and disrupting the work environment, try to present the case to your CEO in an objective fashion - substantiate your feelings with data. Culture will take time to change; but a business case, presented with the right facts and figures, will expedite the process of change. Have patience and work towards it.

Further, changing jobs may be the easy way out for you, but you must remember that every organization has its own challenges, issues as well as opportunities. Try to make a positive difference! Do not look for the easy way out.

Dear Sir, The Head of Accounts Head and the Financial Controller in my company are required to work together, but they cannot stand each other and therefore, they are unable to work together, thereby interrupting the workflow. While the Head of Accounts is an experienced and knowledgeable person, he does not want to commit to a decision. The Finance Controller, on the

other hand, is a much younger individual who does not think before emailing or saying anything, to anyone, and therefore their personalities are clashing. While I have tried to talk to them separately, as well as together, their issue seems to be only getting worse. They are now also involving other department heads in their issue. What should I do?

From the information that you have stated before me, it is not clear to me how your organization is structured, and hence difficult to respond to your query. However, interpersonal conflicts in workplace are not unusual. But if such conflicts exist in the leadership team, they can have an adverse impact on the organization and its productivity. I am guessing that both gentlemen report to a common boss, perhaps the CEO or the CFO. As HR Head, you need to work with their common boss, and try to understand the root cause of the conflict. You should try to focus on the root cause rather than on the symptoms.

If it is an organizational issue that is causing the sore relationship - such as a role overlap, or non clarity of roles - you need to fix that first as conflicts are bound to happen in a case. Find out who can influence them inside the company, and use his/her help to bring some sanity in their relationship. Coaching and counseling from you and the common boss should help. If that does not work, you may want to address it directly and clearly to both of them together. A direct confrontation also helps many a times and may just be a better approach in this case. You could share with them the facts and data to show how their relationship is counterproductive. Most adults who are reasonable and logical will change with such an intervention.

Vivek is a Senior HR professional with over 35 years of experience, ranging several leadership positions, in India and abroad. He leads his consulting practice since 2003 and presently works as a Strategic HR Advisor to Reliance Industries, and is also an independent Director on the Board of Motilal Oswal Financial Services Ltd. Prior to this he was based at Singapore for several years where he was Director HR - Operations at Hewlett Packard for the Asia Pacific Region.

Allow Vivek to clear your career and professional dilemmas by writing to us at ask@peoplematters.in



TEJASVI MOHANRAM Editor-in-Chief Director - Tetra Media

## THE PROFIT-HUNGRY ENTERPRISE Vs. THE SELFISH, CONNECTED INDIVIDUAL

hat might have been a shocker once is now a well-known fact - facebook may be more popular than search; and facebook is definitely more popular than sex. In less than 5 years, facebook has become a big part of most of our lives - we live on it, live off it and importantly for the site, we spend time on it. It is a testament to the genius of the platform that more people today search for help with facebook addiction, than with cigarettes; people have searched for "internet facebook addiction" 121.8 million times in recent days!

We love our virtual social networks, we connect through them 'regularly', we contribute 'regularly' and we lurk 'regularly' – regularly, here implying "as much time as is needed to reveal the part of my personal life I am comfortable revealing...and as much time as is needed for me to soak in the lives of my buddies that they are comfortable revealing".

This is where companies might have a problem - you see, the evil empire pays people to work for profits and hence assumes a certain monopoly over time. There are few bosses who would not have a problem if one were to 'step out for a quick smoke', 10 times a day (with typical elevator—and-coffee time, that would add up to roughly 2 hours a day!). If an average employee spends 60 minutes per working day on facebook, would that not be a bigger problem for any company?

As an individual, I fiercely stand by freewill and all that baloney; but as an entrepreneur with 25 people working in the company, I have slyly decided to jump the fence. And how? We blocked and banned facebook at work. Not twitter, not myspace - just facebook. As we now slide precipitously down the best-places-to-work lists, let me do some quick explaining. The reasoning was simple - knowing that your best friend's hair is a mess or learning that your college buddy is eating the best beer-accompanied-lobster, is not going to contribute to our top line or our bottom line. And yes, facebook is allowed after 7pm!

But then, the reasoning need not be as simplistic as that. First is the realization that there is an entire generation of people who feel cut-off without facebook. Second, even the most ardent bean counters among us would agree that its use in harmless doses adds to employee fun/happiness. And that the excuse of company data privacy does not hold, as there are surely better unregulated means to share company data with the outside world, if a smart employee were to put his/her heart into the cause.

So, would a 10-minute-per-hour 'smoke-break' for facebook use help? I am not entirely convinced - there have been stories of employees protesting facebook bans that initiated an hour-a-day time, which has now been slowly and gently relaxed into a free-for-all throughout the day. Either way, this is not a comprehensive solution - merely a cold war-like compromise. And then, what do you do with all those smartphones?

What is interesting is the trend of large companies to come up with their own internal facebook-like applications that help employees connect with each other, discuss and contribute to projects, and importantly, provide employees with a platform that feels similar to the ones they are used to outside of work. The success or failures of these projects may give us some understanding of why we participate on social networks in the first place - is it to connect usefully or is it to while away time passively? If it is the latter, then none of this is going to work.

Finally, I am not sure if there are any middle paths here - it is very clearly a Jack Nicholson vs. Tom Cruise situation (A few good men). And we all know how that ends! This battle is just getting started and promises to get vicious at our workplaces. In the meantime, I dread thinking of the day when a competitor's recruiter calls one of my good guys - "We will raise you by the current rate of food inflation...and psst, they allow facebook at work!"



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