FROM STORMING TO PERFORMING:
Steering Organisations Towards Excellence in Rough Waters

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Indian companies today are on the edge of the cliff. The ongoing global financial crisis seems to have impacted India though not as hard as other countries. The nature of the impact varies across sectors and the ones that are surviving are those which are in non-export oriented domestic economy and traditional sectors like pharmaceuticals, agri businesses, and other such areas. Also, it is interesting to note that there are many business conglomerates which have a diversified portfolio and these are the ones that have managed to spread the risk very well.

The fallout of this churning is what can be labeled as "forming" and "storming" stages of globalization, to borrow a term from the Tuckman model of team development. People in organizations find it harder to get along with each other since collaboration is superficial and prone to cracking up. Boss-subordinate relationships show lack of inspiration as authority is seen more as control oriented. Employee frustration and dissatisfaction is high as organizations call for more output than ever before. Systemic discipline breaks down as political and hidden agendas subvert organizational mission and purpose. Individual people become centers of power in an informal pecking order that emerges in the wake of a crumbled hierarchy. As the organization does quantitatively better in turnover, profits, market capitalization, market share, it paradoxically does poorer on all qualitative indicators. Rough waters provide for rough sailing and only the rough survive. If change can be predicted by models of sociologists and social psychologists, then things are likely to bet worse before they get better.

In the chaotic rough and tumble of the times today, the strategies that will steer the organization to higher levels of performance and build consistency and continuity will have to be different from the past. They will need to revisit the business purpose and not lose sight of it along the way. A small closely knit team at the top will need to keep organizational sustainability in mind. Space must be created for the maverick performers who redefine performance levels. External environment and stakeholder satisfaction will have to be more real and less of an image building exercise. Measures and metrics need to be passionately enforced to the extent possible. Operational excellence thus built needs to be transcended and strategic excellence needs to be built.

Aspirational and charismatic leadership needs to replace dull and fossilized control-oriented management. Role models of excellent practice need to be pulled out into the limelight as examples to follow. Organizations need to be deeply committed to fostering membership and belongingness to rekindle a spirit that is dying and giving in to the forces of cynicism. An inclusive climate needs to be nurtured to bring in diversity of ideas.

THE INNER CIRCLE

Employee turnover is not limited to the rank and file but now pervades senior management also. It is often seen that CEO's and others in top management are becoming increasingly prone to the habit of job hopping. When a senior manager who has been around for many years leaves, it destabilizes the organization not only in the operations that she managed but also in the institutional and cultural values that she symbolized. This is more serious if the manager happens to be the CEO or occupies a significant key role in the company. Many organizational mentors realize the value of building a core and cohesive team at the top for the long term. Investment in maintaining these relationships goes beyond the material and true institution builders seek human relatedness that goes deeper. The core team acts as an inner circle which provides a stabilizing and anchoring force that keeps the company ship on course during rough weather.

REWARDING EXCELLENCE

Every organization has its share of people who are driven purely by their sense of achievement. They stand apart from the rest of the crowd, head and shoulders above the rest. They are restless souls in search of the next adrenalin rush that comes with scaling a newer and higher peak. They redefine performance parameters and take the organization to the next level. The down side is that these people who are thought and practice leaders are the envy of the rest of the pack who do not like them. Organizational group dynamics invariably play a knock-out game and the "A" category performers find themselves on the periphery of the mainstream. Their competence is valued by the competition who seduces them with open arms. The excellent ones are the first to leave in the changing flux of what is called organizational politics. With them go the organization's opportunities for moving up the performance curve. Efforts to retain such high energy people would mean opening up the windows of opportunity and giving them a free hand, protecting them from organizational game players and, supporting them in times of need. They need an occasional warm personal note of appreciation of who they are and not what they achieve. They glow when they are deeply valued in their being and this takes them to conquer higher peaks. Special strokes are needed for these special folks.

HOW REAL IS YOUR IMAGE?

What does the organization think of itself? How do employees experience the organization culture? What is the nature of the encounter of the customer? How far removed is all this from the image we project?

Companies go to B-school campus putting on the road show that speaks of how great a place to work it is, mistakenly assuming that a fat salary and a smart work office is all there is to employee satisfaction. Likewise customers are wooed with attractive packaging and great advertising. Investor relations seem to be more about share prices and market capitalization rather than 'real' performance. Its time to stop the turmoil that comes in the storming stage and put in place delivery mechanisms that create a match between the claims and the experience for all stakeholders. This is not a mean task to achieve but the process is simple. Improve the organizational reality and stop making false claims. Nothing like a liberal dose of authenticity.

CHASING THE NUMBERS

Measures and metrics need to be passionately enforced to the extent possible. If you don't know how deep the water is or how much it is, how will you 'manage' it. The numbers help align, track, prove, inform, and educate all in a language that is universally understood and comparable over the years and across divisions, companies, sectors, etc. So, Key Performance Indicators will give us true and accurate indication of extent of achievement of people, Incentive plans will link these performance measurements to monetary rewards in ways that rationalize the most irrational decisions. Specific, Measurable, Achievable, Realistic, Time-bound goals make for smart functioning that will bring method to madness and move corporations towards more seamless functioning.

BEYOND MANAGEMENT

To cope with the increasing pace of work, all sorts of tools and techniques are being practiced. Organizations are rushing to put in place the new process and procedure that will enable performance. ERP, Balanced Scorecard, SAP, People Soft, and so on, enables the organization to put in place the newer more complex procedure that will ensure correct management of data and information that will make the organization move up the curve. Global supply chaining promises to rid you of all the irritants and headaches caused by improper management procedures and move you to higher levels. But the reality is different. The link between organizational performance and better procedures is yet to be established. The procedures provide operational excellence which is the starting point for building a good organization. The investment of effort in building operational excellence is mandatory in today's times to avoid mismanagement. But there is a need to go beyond management excellence. It was not only Warren Bennis who spoke of the Leadership Advantage, but starting from Lord Krishna's treatise on the Mahabharata battlefield, Chanakya's Arthashastra, which spoke of strategic excellence beyond just good management, which makes all the difference.

The bigger picture, the larger vision, the grand game plan, the battle strategy, is what provides the winning advantage to organizations. The ability of the organization to carve out a strategy based on information, competitive intelligence, playing for the long term, all count to increasing chances of success beyond management. The competitive edge comes from transcending management processes and the human value-add that leadership brings. That is when the organization does better on quantitative measures as well as qualitative measures.

INSPIRATIONAL LEADERSHIP

Today, as India lies on the brink of an economic revolution that is going to escalate exponentially into the global world, there is a crisis of leadership that will drive the change needed. Eavesdropping on canteen gossip in neighboring offices reveals a lack of faith in management and leadership. Management processes that are only about planning, controlling, directing, create bosses that are control freaks and suppress individual impulses, creating crises of talent retention that are the nightmare of the HR Manager. The need of the hour is for the savior who will redeem the masses and restore faith in the system. We need to create a leader who creates followers.

Legends are written in boardrooms across the world about charismatic leaders building corporate empires, turning around ailing companies, managing miraculous change. These are the leaders that are omnipotent mystical heroes who are value driven. Whether it was Jack Welch, or JRD Tata, Donald Trump or Dhirubhai Ambani, Kenneth Lay or Harshad Mehta, John F Kennedy or Jawaharlal Nehru, Adolf Hitler or Osama Bin Laden, all used their persona to move followers into action. Without the charisma, leadership is dull, fossilized and needs to resort to evasive and manipulative games to survive. This further alienates the populace and distances the leaders from the reality of the masses. Leadership that is insecure in its competence builds fences and coteries around itself to create comfort zones of operation. This exaggerates the social distance with the real constituents who land up fighting with each other. The ability of such leaders to manage internal dissent and to deal with civil protest from the citizens is very limited as they are increasingly not in touch with the real issues. Office politics becomes the predominant occupation of employees and organizational purpose gets compromised in the bargain.

The need is for charisma to create faith and inspiration in the followers and align all to the challenges of the situation. Someone to look up to - a hero or a savior. History and mythology is replete with examples of when some realized souls have arrived to redeem the situation. Perhaps the time has come for such leadership to retrieve the organizations from the brink of chaos and anarchy.

CREATING HEROES

Role models of excellent practice need to be pulled out into the limelight as examples to follow. There is no perfect person but each one has some examples of talents, competencies, skills and best practices. Lauding these examples reinforces the message of the management to the employees. People know what kind of talents are valued in the organization. Bringing out the best in a few people, brings out the best in all.

Giving recognition and space for growth of the right kind. Inhibiting the wrong behaviors and reinforcing the right ones. Heroes are sometimes born, but when we don't find any heroes around, it is better to create some. Living heroes that live simple lives, but do something that makes them special.

FOSTERING BELONGINGNESS

Organizations need to be deeply committed to fostering membership and belongingness to rekindle a spirit that is dying and giving in to the forces of cynicism. The increasing figures of high employee attrition is symptomatic of a larger malaise of alienation. Employees find it difficult to commit themselves to organizations today, not because human nature has changed, but because organizations have changed. Despite all calls for HR to retain talent and hold on to key people, it is still difficult to find anchors of relationships that last and create a social pull to belong. We are breeding an increasingly competitive tribe of people without knowing that the unintended consequences is also increasing selfishness, and an "I" mentality that creates open battlegrounds instead of soil that nurtures seeds of relationships. It becomes each man for himself battling his or her own way in life without any thought to creating constructive and supporting relationships. There is a need to foster teamwork, nurturing relationships, and reasons to belong and return to work on Monday. Commitment to task, system, institution and the people that populate the organization, is a spark that needs to be protected from the winds of turbulence. People need to feel secure now, more than ever, in their jobs and their daily existence. In an era when small investor's bank balances and share portfolios have been wiped out it is the organization that needs to step in to assure each person of continued sustainability and stability.

Man is born with a strong need to belong to groups. It's a herd instinct that came in early in Darwin's theory of evolution. There is a kinship that keeps people going when the water is rough. Keeping the social bonds alive is paradoxically more important in tough times than when the sailing is smooth.

DIVERSITY OF THOUGHT AND ACTION

The workplace is a melting pot, not a cookie cutter. Its like an ecosystem where life thrives in all its diverse colours, religions, regionalisations and so on. There are so many ways of looking at situations and a richness of action that lied embedded in diversity. Today, when there is a need for adaptive, global level of response within organizations it is this big diverse resource which will retrieve organizations from the brink of extinction. Democracy, transparency no longer translates into majority representations, but

inclusivity is the order of the day. People need to be given their personal space for achievement to flourish and overdose of command and control management processes need to be managed to release individuals from oppressive and suffocating work places. There will be more and more need for people to be included in actions and decisions that affect them and contribute to creative solutions to problem situations. Such an inclusive climate needs to be nurtured to bring in diversity of talent in times of need.

Perhaps the time has come when many CEO's today realize the fact that their success lies in proper people management policies that align performance to business direction. The words "HR as a strategic business partner" are now a reality. Companies are creating talent pools and pipelines that will assure supply as forecasted by the future of business, The war for talent and the internal battles to retain key people have the HR managers running hard just to stay in place. Return on human capital investment will only increase as the HR managers get their act together.

It is now time for organizations and for professionals to perform, more than ever before. the churning has separated the wheat from the chaff and only the best and most competent will survive.

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Aneeta Madhok, MBA (XLRI), PhD, CMC, GPHR. Is a global management professional. She is the Director of Open Spaces Consulting (Private) Limited and the Chairperson for the International Council of Management Consulting Institutes. Dr. Madhok graduated with a degree in Psychology Honours from Delhi University and completed her MBA in Human Resources and Organisation Development from XLRI, Jamshedpur. After having extensively worked for eight years in all areas of Personnel Management and HRD, she undertook doctoral studies and completed her Ph.D. in the field of Managerial Leadership and Work Motivation in 1991. Dr. Madhok looks for opportunities to translate management practice into

theory and vice versa. She is keenly interested in the ways that individuals integrate themselves with organizations and group dynamics in teams. Her research and consulting work has led her to provide insights and management process solutions to several leading organizations. She has to her credit over 70 publications including refereed articles, consulting projects, newspaper articles and book reviews published nationally and internationally. She is also the Past President of the Institute of Management Consultants of India, fellow of Sumedhas Academy for Human Context, a Certified Management Consultant and has been the recipient of scholarship awarded by the Foreign Commonwealth Office of the United Kingdom, and the Best Management Teacher award of the Bombay Management Association.