



From Storming to Performing: *Steering Organizations towards Excellence in Turbulent Times*

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India

- World markets are shrinking
- India's share needs to be protected from the crisis
- Strategies Indian companies adopt
 - Merge-acquire
 - Foreign direct investment
 - Adding exports /international trade
 - Branding abroad
 - Globally placed supply chains
 - Redundancy planning
 - Reduction of costs
 - Internal profit maximisation



OUR RESEARCH REVEALS CHALLENGES FACED BY CEO'S

TECHNOLOGY

- Adoption of technology developed in other countries
- Investment in bringing technology to India

RISK MGMT

- Credit/currency/financial risk
- Market risk
- Operational risk

MANPOWER

- Attraction of global managers
- Managers mindsets
- Retention of talented employees
- Management of diversity of cultures
- Compensation management for global careers

GOVERNANCE & ETHICS

- Conformance with legal requirements on foreign soil
- Holding up to international scrutiny
- Due diligence of operations abroad
- Constitution of Boards with Independent Directors

Challenges for Indian CEO's

MARKETS

- Creation of brand equity abroad
- Channel management
- Competition from global brands
- Competition from local brands in other countries

QUALITY MGMT

- World class business practices
- Product and process quality assurance
- Six sigma standards
- Conformance with local quality standards

MGMT OF CHANGE

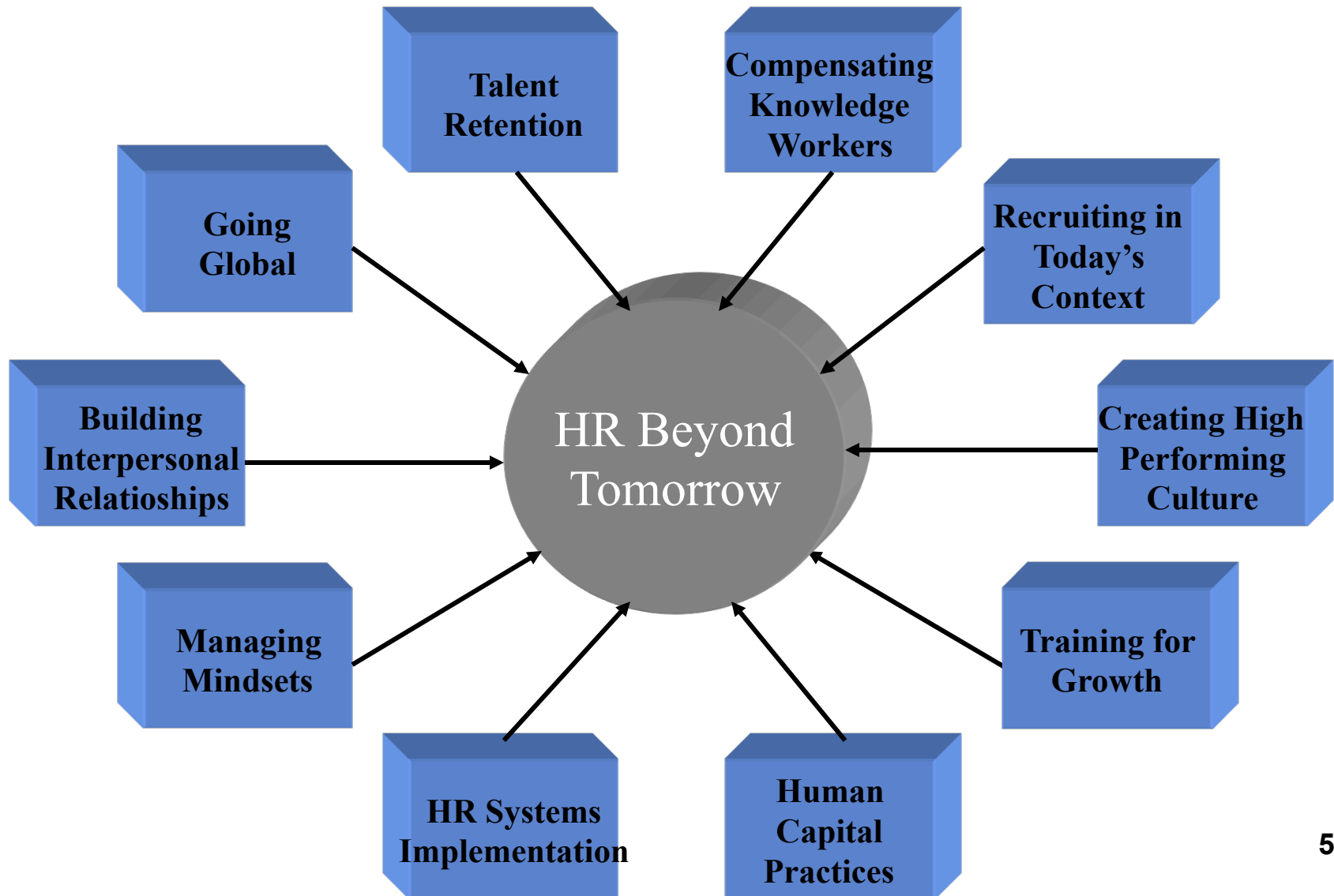
- Mindsets of existing managers
- Bringing in flexibility
- Changing old leadership styles
- Aligning with world class

Survey responses of 45 CEO's indicate the following rankings:

1. Markets
2. Manpower
3. Technology
4. Quality Management Systems
5. Governance and Ethics
6. Risk Management
7. Management of Change and Organization culture



OUR RESEARCH REVEALS CHALLENGES FACED BY HR MANAGERS



Our Survey Results

HR Challenges Survey – India, May 2006				
Rank Order of Importance (n=57)				
	HR Challenge	Rank in order of importance	% of top response (#1) rank	% of bottom response (#10) rank
1	Creating A High Performing Culture	1	47	3
2	Talent Retention	2	28	0
3	Recruiting in Today's Context	3	22	0
4	Managing Mindsets	4	6	8
5	Training for Growth	5	6	0
6	Compensating Knowledge Workers	6	3	8
7	Building Interpersonal Relationships	7	6	14
8	Going Global	8	6	22
9	HR Systems Implementation	9	6	28
10	Human Capital Practices	10	0	17

Some Basic Laws of Nature

- Opposites co-exist
- Cycles of existence
- Entropy and evolution

Nature of Organisations

- Organizational metaphors
 - Organisation as a wealth generating machine
 - Organisation as a network of relationships
 - Organisation as a network of mutual benefits
 - Organisation as a living organism
- Contemporary views
 - Learning organisation
 - Ethical organisation (corporate governance)
 - Other emerging viewpoints

Nature's Way

The story of
the wise old
man



Lessons from the Wise Man

- It is important to differentiate high performers from average and poor performers
- Average performers are those who meet expectations and are valuable. This message is important
- Poor performers need to be brought in line through Total Rewards strategy



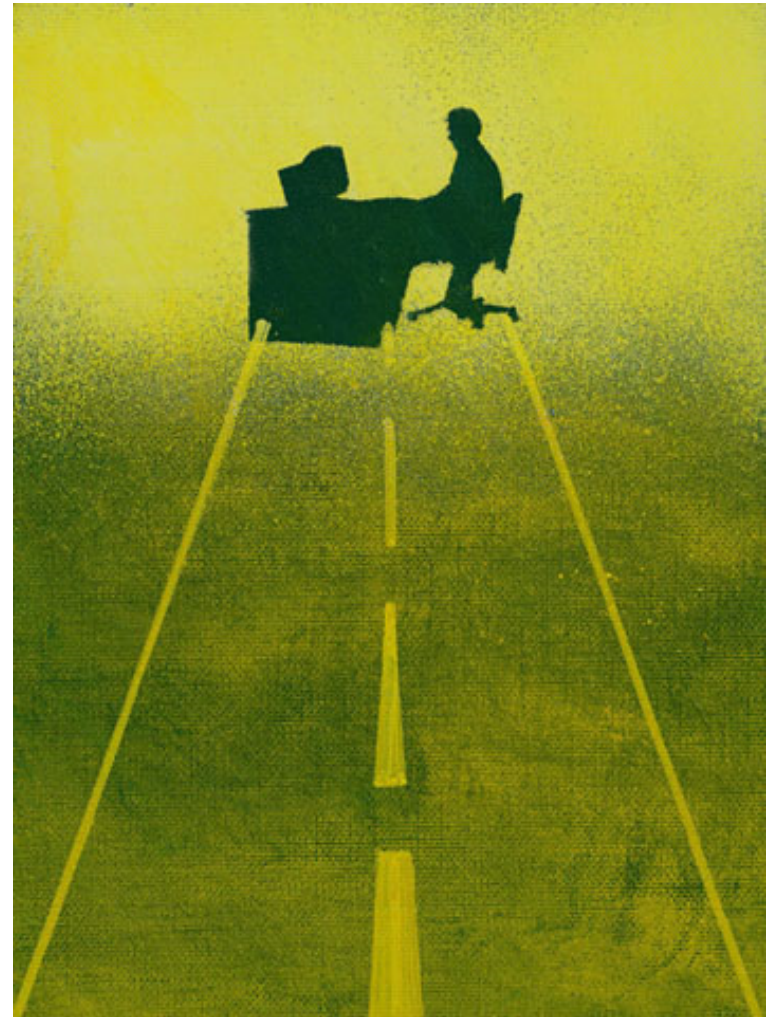
High Performers (A)

- Maverick personalities
- Driven by Achievement
- Don't always go by the rule book
- Usually on the periphery of the system
- They make a quantum difference
- Drive high-performing organisations



Average Performers (B)

- Valuable people who meet organisational goals and expectations
- They are the backbone
- They need to be recognised and valued
- Mentoring and coaching inputs work well with average performers to motivate and anchor in the mainstream of the organisation



Poor Performers (C)

- Message of development and improvement in performance levels needs to be given
- Need to invest in turnaround
- Incentive plans help in bringing their performance to acceptable levels
- Need intensive and special performance counselling

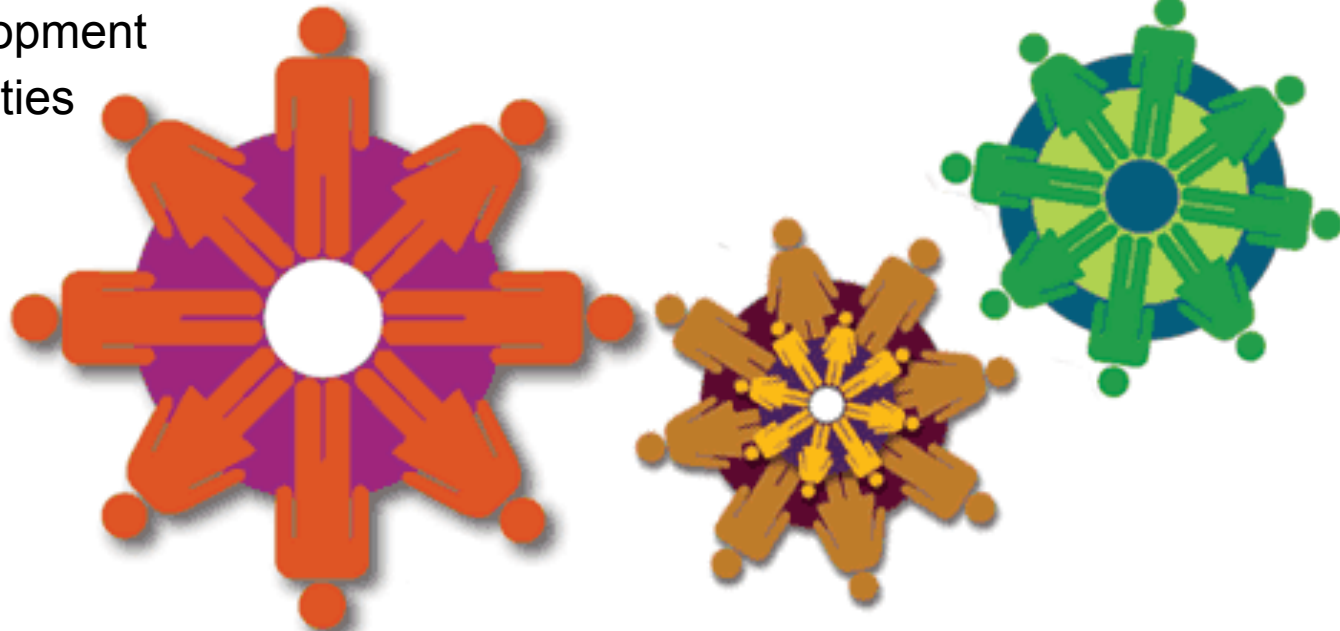


*The Successful organizations will be those that
are able to quickly turn strategy into action: to
manage processes intelligently and efficiently: to
maximize employee contribution and
commitment*

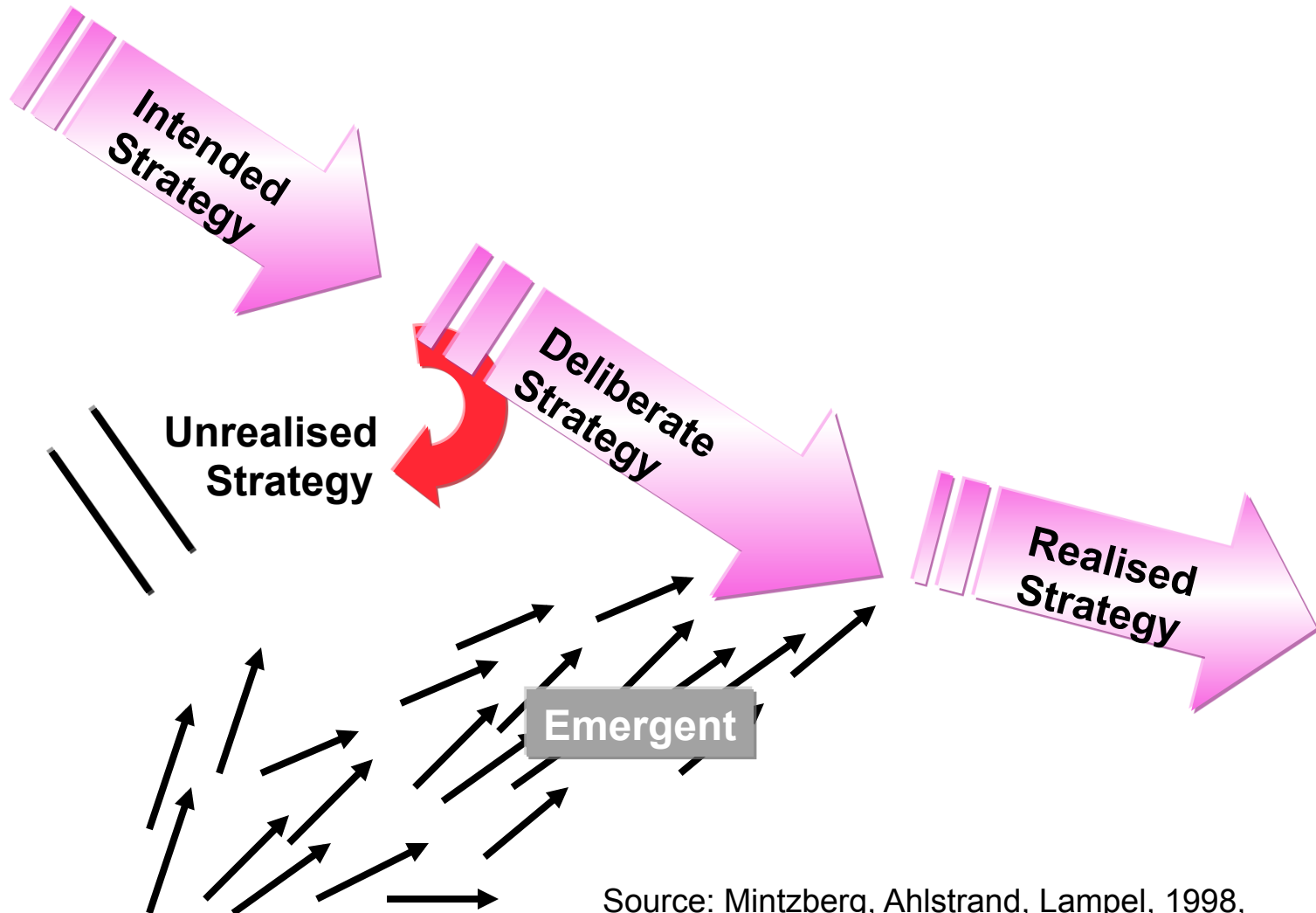
- Dave Ulrich

Strategic HR Initiatives

- composition of workforce
- employee contribution to quality, competitiveness
- empowerment
- rewards and incentives
- flexible contracts
- sources of recruits
- learning, training and development
- downsizing
- manager development
- equal opportunities



Deliberate and emergent strategies



Source: Mintzberg, Ahlstrand, Lampel, 1998,
Strategy Safari, Prentice Hall



Corporate-Level Strategies

Stick to the knitting - focus on core business Diversification

- **Related** : similar areas - build upon existing divisions
 - synergy & core competencies
- **Unrelated** - portfolio business in new areas

No declared strategy?

- Corporate failure? Implicit strategy?
- Avoid resource-consuming activity
- Disdain for formal planning but reliance on consistency of behaviour at all levels.
- No frills, non-bureaucratic organisation
 - No recipe to decrease flexibility, block learning & adaptation
- Tension between control & discretionary freedom.



Global HRM Strategy

■ Global:

HRM diversity for different conditions

- single, standard scheme across all countries?
- adaptation & acceptance of national differences?
- values, ethics in decision-making

■ Domestic:

- Common national schemes?
 - public sector institutions?
 - Common professions/occupations
- personnel system discretion for semi-autonomous divisions to take advantage of local circumstances?



HRM Developments - the Next 10 Years

- Continuing competitive, customer-orientation, resource and change pressures
- Full-employment and continuing change
 - in structure, attitudes & values of “post-modern” workforce?
 - Work, leisure, retirements, life-style
- More systems & technical management with "soft" justifications
- Tension between
 - state regulation of employment relationship (UK/European)
 - desire for flexible labour markets
 - **turning back the clock on old industrial relations** - individual vs. collective orientations
 - Responses to national + local labour market shortages
 - IT, engineering, education, health care
 - New UK residents

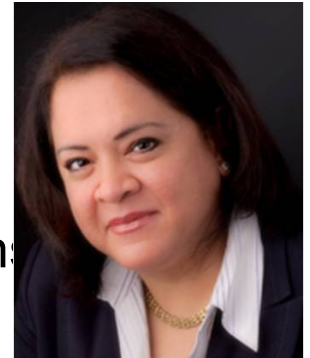
Continued calls for

- willingness to change + business orientation
- individual responsibility + strong team working
- use of initiative + learning continuously
- commitment to organisational objectives, processes & programmes
- going the extra mile - giving discretionary effort – willingly
- skills development
- climate of regular, systematic involvement
- positive psychological contract based on trust, fairness & delivery of "the deal" at work group, departmental and company levels
- organisation cultures in which employees believe their employer will look after their interests
- reward - fairness of process and relativities
- skill development, upgrading and self value/worth
- relationships with managers, directly & cross-functionally
- security ? with the same employer or individual mobility?

HRM Developments - the Next 10 Years

- | | |
|--|---|
| <ul style="list-style-type: none">■ more out-sourcing■ line-manager as own HRM practitioner■ Intranet and Internet usage for<ul style="list-style-type: none">■ HRM Help-desk■ Training & development■ Recruitment■ PIMs & data mining■ Hot-desking■ Continued emphasis on individual
* team performances + metrics | <ul style="list-style-type: none">■ Battle to find & sustain the soul of dispersed, driving organisation■ Recruitment<ul style="list-style-type: none">■ Telephone & video conferencing■ employee tests?■ up-grading education & training for career path■ litigation by the aggrieved■ continued confusion over training & development■ Improved workforce abilities?? |
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