BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

Excellence with Values

25 YEARS
Bridging Business and Society

Art &
Science
of Developing Leaders

‹ Gurgaon ‹ Chennai
‹ Mumbai ‹ Kolkata

2012-13

in association with

AON Hewitt

NHRD NETWORK

People matters

Contents

Editorial Team:
• Dr. Manosi Chaudhuri   • Ms. Neha Arora
• Ms. Deepa Paul   • Ms. Komal Preet Kaur
• Mr. Rajat Batra   • Mr. Rishab Kumar
• Ms. Saloni Bhatnagar   • Ms. Sonam Srivastav

"If you want to build a ship, don't drum up the men to go to the forest to gather wood, saw it and nail the planks together. Instead, teach them the desire for the sea."
- Antoine de Saint

Prof. K K Sinha is an Economics Graduate and Post Graduate in Personnel Management / LSW (Gold Medalist, University of Patna). He has worked in HR for 42 years and held leadership positions in organizations like SAIL, NTPC, Reliance Energy, Reliance Infocom and Reliance Industries Limited (NMSEZ/HSEZ), and as the Director, Group HR , JPL/ Jindal Steel & Power. He has received extensive training in Human Resources from Harvard Business School, Templeton (Oxford), Michigan Business School etc.

He had been associated with National HRD Network and is also a Fellow of All India Management Association. A keen learner and HR thinker and innovator, he also tailored and executed change in Corporates , also working with international level Consultants like Mckinsey, Hewitts, Mercer, E&Y, AT Kearny , to name a few.

On his retirement from Corporate world , he is working as a Professor and Head of HR in the leading Business School, BIMTECH, in Greater NOIDA. He is a visiting Corporate Trainer, and a Consultant.

BIMTECH is an ever growing Business School that has been working on its strategy of continuous improvement. This has led BIMTECH to reach a level of excellence in just over two decades. To reach this level of seventh ranking amongst India's top ten private B-schools and in top 20 of India's combined list of B-schools, has indeed been a journey with all rigor, speed, passion and commitment to its Vision of "To be known for developing ethical global leaders and entrepreneurs striving for sustainability and inclusive growth". While moving on this challenging path of contentious development, apart from presenting brilliant youngsters to the pool of tomorrow's Leaders in the Business, year after year, we thought, it would be an interesting offering to the pacific world of academics and at the same time the dynamic world of corporate, to examine and explore a live and one of the most critical subjects of contemporary significance particularly to the Business world, with the involvement of seasoned corporate Leaders and also learned luminaries of the academic world...

We thought that with rampant, all round and high speed changes, nothing could be more relevant than the challenge of developing Leadership as a subject, though so much has already been written about Leadership.

In the Davos Business Summit, at the turn of the millennium, one of the major issues coming out as a major concern for the new millennium was the crisis of Leadership in all walks of business and governance and the world would need to actually work in a focused manner to meet this crisis. We are already feeling the pinch of the shortage in the business, accelerated today by high ever-changing business realities like globalized market, sensitive customers, easy availability of capital, regularity shift, changing workforce profile, rapid technological changes, etc.

Under the circumstances, corporates particularly will have to identify and work ever innovatively on critical success factors of not only cost, quality, speed, delivery, learning and innovation, social responsibility, etc. but primarily on development of Talent and Leadership.

Today the imperative for senior Leaders is to keep actualizing the talent in themselves and also in the band and also rewarding how leadership is required to be developed or is being developed in successful and winning organizations. People have been identifying competence that are basic ingredients in Leadership and also defining and penning down the roles, styles and attitudes of successful and delivering Leaders.

As a subject of scholarly inquiry, scholars have for long been grappling with questions pertaining to leadership - who leaders are, what makes them tick, is it their personality or education, or is it being good role models, have they risen to be a leader or are they just born with it, or is it the life experiences that make a leader? Further as an exciting area of scholarly pursuit the subject of

> **"The final test of a leader is that he leaves behind him in other men, the conviction and the will to carry on"**
> - Walter Lippmann

Art & Science of Developing Leaders

‹ Gurgaon ‹ Chennai
‹ Mumbai ‹ Kolkata
2012-13

leadership has been debated for long as to whether the phenomenon of developing leaders is an art or science. While there are schools of thoughts which believe that developing leaders is a science, there are others who are of the opinion that developing leaders is both an art and a science. It is being increasingly argued that given the complexity of the phenomenon called leadership and its multidisciplinary nature, the process of developing leaders needs to be looked at from multiple lenses.

Traditionally, leadership skills were thought to be something people are born with; implying that leadership is at least in part about being genetically lucky. However, situational theory would have it that leadership is primarily a function of the situation, and that anyone could be a leader in the right conditions. It is argued that leaders are rarely born because they often do not carry any legacy, nor are they necessarily from great families. People who have initiated and propagated great changes are seldom there because of a birthright. They emerged as and remained great leaders through their own merit; beginning with a decision to take on leadership and a determination to lead a cause that they believed in. Further, if leaders are born, leadership development may be a fruitless endeavor.

Going by the philosophy that leadership is not something with which one is born, it is not inherited - it is something one decides to do; then to some extent there must be an art or science or a mix of the two to perhaps develop leaders. For effective leaders are made, not born, they learn from trial and error and from experience and are in the present Indian context. The second biggest priority for CEOs is developing leadership pipeline while for the CHROs across organizations the priority is leadership pipeline development.

We thought along with the National HRD Network and our eminent Knowledge partner Aon Hewitt, that BIMTECH will offer a platform in the leading cities for great corporate Leaders and learned academics to share their rich experiences and deliberate on the "Art and Science of Developing Leaders", so that organizations, be the academics or corporate, who have been in the business of Talent and Leadership building for decades, share how they built up confidence, knowledge and ever working on the process of developing Leaders in their organizations. This led BIMTECH to create a platform in the shape of the HR Roundtables in order to bring over some of the best in the country for sharing with the Business world their best. While structuring the four HR Round Tables on this contemporary theme of Leadership, we have used a format and attempted two separate subthemes as "Building Global Leaders in Uncertain Times" in Gurgaon and Chennai; and "Succession Planning: Preparing the Organization for Growth" in Mumbai and Kolkata. Though it has not been so water tight, since the subject itself is so dynamic, and the Panelists so rich and laden with experiences; the overall comprehensive theme of Leadership tends to encompass and touch upon these themes.

This Booklet captures and presents in brief, very rich experiences, successful and tested practices, learnings and brilliant insights of great Business and HR Leaders from varied sectors in business and the academics in the country.

Happy Learning!

Prof. K K Sinha
Professor & Head, HR Area
Chairperson, Centre for Management Development,
BIMTECH

A Masters Degree in Commerce and Doctorate in Business Management from Agra University, Agra, Dr. H Chaturvedi has more than 35 years of experience in teaching, research and administration. As a former Director with the All India Council for Technical Education (AICTE), New Delhi, a statutory body under MHRD, Government of India, he has been associated with the formulation of policies, planning, regulation and control of Management Education as well as other disciplines under technical education.

Dr. Chaturvedi joined Birla Institute of Management Technology (BIMTECH), New Delhi as Director in 1999 and launched full-time post-graduate programmes in insurance, retailing, international business and sustainable development. He has been instrumental for forging linkages with 40 B-schools and universities of Europe, Asia, Africa and the USA.

Dr. Chaturvedi is a founder member and the Alternate President of Education Promotion Society for India (EPSI), a national platform for eminent educationists, education service providers and edu-entrepreneurs. He is also the president of the Alumni Association of Agra University (AAAU) and Ranganathan Society for Social Welfare and Library Development (RSSWLD), Uttar Pradesh.

It is a matter of great pleasure to put forth the proceedings of four HR Roundtables on the theme "The Art & Science of Developing Leaders" organized by Birla Institute of Management Technology (BIMTECH), in association with Aon Hewitt and the National HRD Network. Our institute has special interest in leadership development and more than 500 industry leaders have been part of this series. All these events held at Gurgaon, Chennai, Mumbai and Kolkata were addressed and graced by leading thought leaders and trail blazers from the Indian business who have been actively engaged in nurturing and developing leaders. They represent a wide spectrum of leadership development activities happening in the Indian Business at a very hectic pace. Their views and experiences on these occasions are extremely relevant since the organizations represented by them, currently or in the past, have been known as "leadership laboratories".

All of us are well aware about the spurt in leadership development activities in India during recent years. There have been frantic efforts in big Indian as well as foreign companies to develop leadership quickly at all levels in the organization. The reason of this recent spurt lies in the current growth trajectory of Indian companies. Many Indian companies are growing at a rate which is mind-boggling. Companies which grew at 3 to 4 percent per annum for the first 30 years of their history, have grown more than 150 percent per annum in the last few years. Infosys is a prime example of such a company, since it increased its manpower 25 times during the last 11 years.

There are examples of several companies which have expanded phenomenally during the last 5-6 years, from Pan-India operations to manufacturing in 5 countries and doing business in 30 countries, increasing their manpower five times more than the number of people they had ever hired. Selling targets are being set anywhere between 100 to 300 percent as compared to the previous year. Both Indian companies as well as MNCs are under tremendous pressure to develop leadership at all levels in the shortest possible time. Such unprecedented and discontinuous growth brings to the fore, both opportunities and challenges.

As a business school, we have been doing some research on leadership development in India during the post-liberalization regime. We have found that everyone in leadership development supply chain including companies, consultants, academic institutions and leadership coaches and trainers have been busy on their respective agenda. There has not been much of dialogue among these constituents. The purpose of organizing HR Roundtables under the theme "The Art & Science of Developing Leaders" is to bring these stakeholders on a common ground, to collate their experiences, to share processes, to look at best practices and to predict the future roadmap for leadership development in India during the coming decade.

All Indian companies are currently facing a big dilemma while managing their leadership development activities. The big dilemma is whether to pursue traditional approaches such as organizational restructuring and reengineering, or to adopt new ways of developing leadership competencies. The workplace of 21st century is characterized by greater complexities, uncertainties, ambiguities and interconnectedness. Generation Y employees are far more demanding and they seek challenging meaningfulness and purpose in their work life.
Hence, old notions of positional authority and management by command are fast losing their relevance. An observation of a

> ❝ **Great Leadership is not about having all the answers - it is, more often, about having the courage to ask the critical questions** ❞
> - Robert S Kaplan

recent study by the Hay Group on best companies for leadership is very relevant, "Leadership in 21st century is about leading at all levels, not restricting it to a title. As organizations become flatter, the best leaders are learning that they must check their ego at the door and become increasingly sensitive to diversity, generational and geographical issues."

The Harvard Business Press published a fascinating research done by four professors of Wharton viz. Peter Cappeli, Harbir Singh, Jitendra Singh and Michael Useem. The title of their book is "The India Way – How India's Top Business Leaders are Revolutionizing Management". They had interviewed 105 Indian CEOs from 98 companies during 2007-09. Authors of "The India Way" have attempted to define how Indian CEOs lead their organizations and develop leaders. According to them, The India way is characterized by four principle practices: holistic employee engagement, the improvisation and adaptability of managers, creative value delivery to customers and a sense of brand mission and purpose.

Another interesting research work is titled "A New Terrain of Leadership Development – An Indian Perspective". It is authored by Meena Surie Wilson and Ellen Van Vessor from Centre for Creative Leadership (CLL), Asia Pacific. They have used LOE (Lessons of Experience) methodology of CCL, USA to conduct research studies in India, Singapore and China to find out how leadership is learned and developed in Asian companies. According to this study, Indian companies can use the 65-30-5 Thumb Rule for developing leadership talent i.e. companies should provide a mix of 65 percent of challenging assignments, 35 percent of development relationships and 5 percent of course work and training to emerging leaders. For companies that want to unlock leadership potential, giving challenging assignments to potential leaders is central to learning to lead effectively. Developmental relationships, and to a lesser extent course-work and training, also contribute to leadership development.

In his book, "Dare to Lead – The Transformation of Bank of Baroda", Dr. Anil K Khandelwal, former CMD, Bank of Baroda has beautifully depicted that large scale transformation is possible even in a 97 year old public

sector bank, if the CEO shows courage to change the status quo and mobilize human capital within the organization. In the chapter titled "My Leadership Code", there are good mantras about leadership development like, two 'C's of leadership (credibility and courage), Identify the Great among the Good, Reflection is Key to Effective Leadership, etc.

The introduction to Robert S Kaplan's book titled "What to Ask – The Person in the Mirror – Critical Questions for Becoming a More Effective Leader and Reaching your Potential" starts with a quote, 'Great Leadership is not about having all the answers – it is, more often, about having the courage to ask the critical questions".

As a responsible B-School, at BIMTECH we have been emphasizing the need of developing ethical global leaders levered by our credo "Excellence with Values". We are of the opinion that developing leadership in any organization means understanding the gene code of leadership in that organization, and then building a framework for the selection and identification of most suitable candidates for future leadership roles. These future leaders will require right kind of exposure, experience and training to take up challenging roles in the organization. At the same time, we have several questions in our minds regarding leadership development in the Indian context. How to bring about a balance between leading self, leading others and leading the business? For learning leadership, should we confine to classroom training or shift it to the arenas of the workplace? In what ways are the learning styles and capabilities of Indian leaders different from the Western leaders? Can business, society and governments in India learn from each other for nurturing and developing leadership models at all levels? To what extent are Western leadership models relevant in the Indian context? We seek answers to these questions in our series "The Art & Science of Developing Leaders".

Dr. H Chaturvedi
Director, BIMTECH

Top Leadership Engagement:
The Key to
Organizational Engagement

Mr. Ajay Soni
Practice Leader, Leadership Consulting - Asia Pacific
AON Hewitt

It was a cold night of 1945, and the World War II was raging in the biggest human massacre history had ever witnessed. The Allied Forces planned a massive offensive on the German forces, which if successful, would decide the course of the war in their favour. The Allied Military Chief, Dwight D. Eisenhower knew, that it was not him, nor the leaders who had taken the decision, who could win this mission, it was the soldier on the front who had that ability. The trusted commander, just before the offensive, visited all 500 units, met each soldier who would be a part of the mission and motivated them himself. The soldiers, with only 70% odds against surviving, went into the war with a zeal never seen before, emerged victorious to change the course of history. 70 years later, leaders still remain the critical link in engaging with their teams and ensuring the 'wars' each day are won!

Organizations today realize that Top Leadership is the key to Employee Engagement. Engaged Top Leaders successfully drive Employee Engagement across all levels in the organization. Hence, it is critical to understand the factors that drive Top Leadership Engagement and enable an environment that facilitates these factors, ensuring a motivated, driven and "Engaged" Top Leadership team.

Engaged Employees drive Business Results

Engagement is the state of emotional and intellectual involvement in a group or organization, the extent to which an organization has captured the 'hearts and minds' of its people. Aon Hewitt's research over 1,500 organizations from its global engagement client and Best Employer* database found that organizations with greater than 65% of their workforce Engaged have a significantly higher level of financial performance, especially around Productivity, Customer satisfaction, Quality and Employee Retention.

The Engage-O-Meter shown here shows that organizations with high Employee Engagement have significant Total Shareholder Return, (TSR) and employees add value to the organization whereas in organizations with lower Employee Engagement, employees actually erode value of the organization.

Hence, achieving higher Employee Engagement has become a business imperative for organizations today to gain an unmatched competitive advantage through their people. However, research shows a very critical factor driving Employee Engagement in India.

Top Leadership drives Employee Engagement
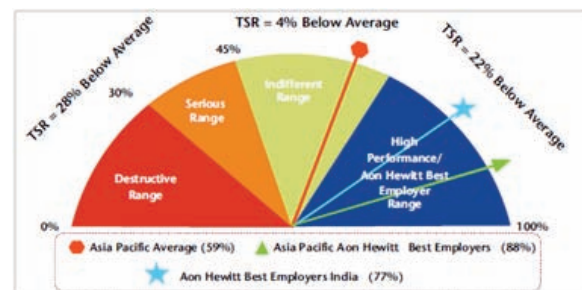
Our research shows that high performing organizations have a critical competitive advantage which is inimitable, a highly engaged Top leadership team. In fact, 95 percent of Top leaders in high performing organizations are engaged and hence strive to achieve business results.

While this difference in engagement is significant at the Top, what really tilts the engagement game in favour of high performing organizations is the fact that engaged Top leaders actually "pull up" engagement at all

subsequent levels in the organization. Our analysis shows that the gap between the best performing organizations and the rest widens at lower organizational levels. Top leaders in high-performing organizations do a better job of engaging others, particularly middle management levels. And it does not stop there: engaged managers are more likely to build engaged teams, translating into better business results.

What engages Top Leaders
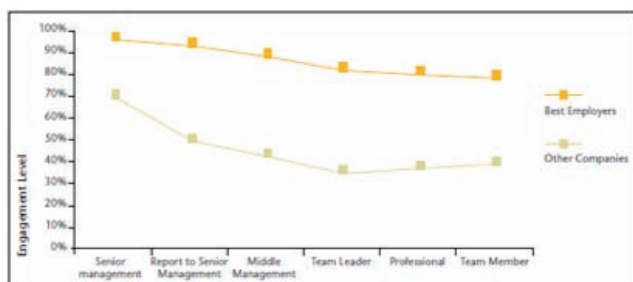
While organizations realize that Top Leadership is the true custodian of Employee Engagement and an engaged Top Leadership would in fact have a multiplier effect on engagement of all layers below them, they face the one most critical question in this aspect – what engages top leaders. Top Leaders as a demographic group are very different from other employee segments. Not only do they hold the most critical positions which have the highest impact on business, but also their decisions may impact the entire industry and even economy as a whole.

Our research shows that certain key drivers influence engagement at the top. While some drivers, if improved, create significant increase in engagement at the top, some drivers may impact engagement negatively. This means that while we need to strive to improve the "Positive Impact Drivers", any dip in the "Negative Impact Drivers" could significantly result in a dip in engagement levels.

Leaders at the top need excellent Career Opportunities and Recognition for their work. Not only do they want to be valued by their team, but they also need to be assured that their personal goals are aligned with the organization's brand and reputation.

Moreover, leaders at the top are extremely sensitive to experiencing a Sense of Accomplishment from their work and relationships with their teams. A dip in these "Negative Impact Drivers" will decrease the engagement levels at the top significantly. Hence, the key to an engaged top leadership lies in an organization's ability to create an environment that not only improves the "Positive Impact Drivers" but also continuously sustains the "Negative Impact Drivers".
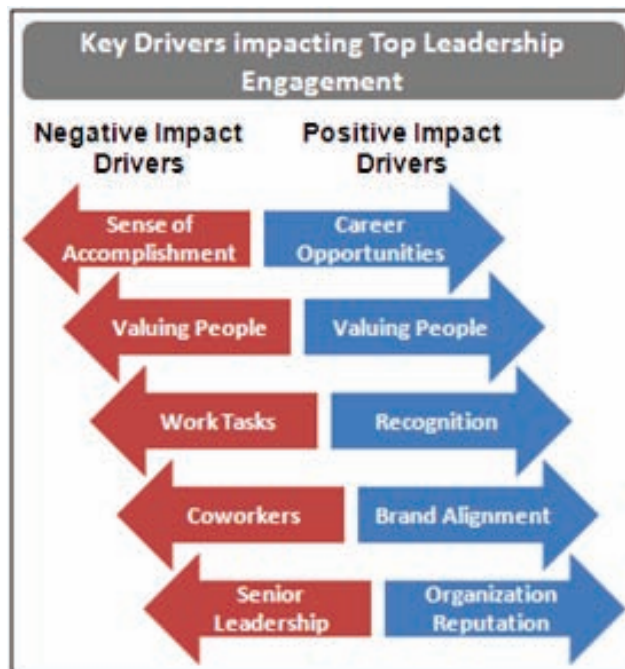
Achieving Top Leadership Engagement

Our research shows that organizations strive to create an ecosystem conducive to engaging their Top leaders by creating opportunities for them to "Grow, Accomplish and Connect", three themes that aim at creating satisfaction on all the drivers impacting engagement at the top.

"Grow" - Building Enterprise Leaders through Exposure

P&G's CEO AG Lafley served multiple roles across the United
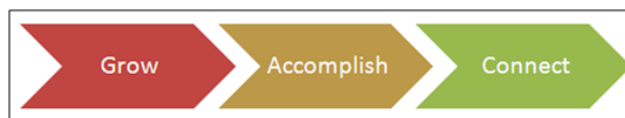
States of America before he took up the Top role. Unilever provides a multiple geography exposure to its management team to create capable, sensitized business heads with the larger picture in their minds. The core Top team at Infosys never had one defined role. They would juggle between different roles to create synergies between business functions, enabling the organization to reach a higher level.

To ensure that the Top leaders drive the organizational goals in synergy, organizations realize that they need exposure to multiple business functions and geographies. This not only enables the Top leadership to understand business at a higher level, it also sensitizes them to different cultures which in turn creates value for the business as a whole and goes a long way in
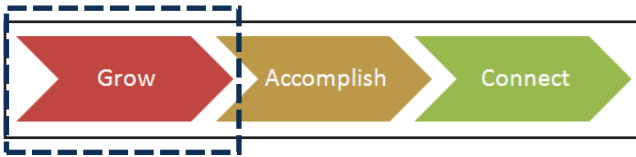
building a sense of "Personal Growth" in the leaders.

In Aon Hewitt's Top Companies for Leaders*** research, it emerged clearly that leading companies strive to create cross functional, cross-geography experiences for their leaders. Leading organizations have clear mandates to enable exposure and cross-functional cross-geography movements which are tracked closely by the Board. 80% of the Best organizations use rotational assignments (formal process to move leaders

Top Companies enable movement of leaders across different functions, businesses, or geographies	Global Top Companies	Global Others	APAC Top Companies	APAC Others
	91%	45%	68%	35%

through a series of departments or regions) for leader development as opposed to 57% of the Rest. Cross functional assignments have become a necessary part of career development at 92% of the Best vs. 59% of the Rest.

As Indian organizations expand their wings across the world in a spate of acquisitions and expansions, the opportunity of providing Top leaders the exposure they aspire for and which would transform them into enterprise leaders, is here and now.

"Accomplish" - Creating Leadership for Greater Good

Nandan Nilekani, Former CEO of Infosys and the man behind the mammoth UID project, says he feels the same way he felt when he started Infosys together with his friends, the only difference being that the stakes are higher in this case. "I thrive on challenges and new intellectual issues. I had to show that I could execute something outside my normal world. So there was that desire to prove myself again." The other was the feeling that "I needed to give something back to the country" says Nilekani.

While top leaders need a sense of fulfillment from their work, nothing excites them more than a challenge. Top Leaders are a

set of high achievers who are experts in their own domains. However, they aspire to make a difference and create a legacy for themselves, by giving back to the society. To ensure that their Top Leadership does not get jaded by their day-to-day work tasks and experience, a sense of accomplishment from their work, channels for creating value for the society and working towards the larger good need to be ensured by organizations.

Be it the goal of building a sustainable enterprise owned by Unilever's leadership or the commitment of the Tata's Top leaders to business ethics, organizations continuously ensure that their Top Leadership has a sense of responsibility towards the greater good and this in turn aligns perfectly with the leader's need for adding value to the society.

"Connect" - Creating a "Team" at the Top

Our research shows that while Top Team engagement is impacted by individual growth and accomplishment to a great extent, feeling a sense of "connect" with the organization and their co-workers is also a critical driver of engagement for top leaders.

Organizations ensure that their top team connects frequently, be it to articulate strategy for the organization or a capability development initiative. In a global FMCG organization, Senior Executive Seminar (SES), a 2-week residential program assembles their top talent, offering them the unique opportunity to shape their future, gaining important skills, insights and relationships that will support their growth as

leaders.

Also, organizations today enable Top leadership connects with different employee groups to sensitize the leaders on grass root concerns and also build a sense of connect within the Top leaders with all levels in the organization. A leading logistics player in India has a unique "Feel the Pulse" program, where every member of the Top leadership team is mandated to spend one working day with the frontline couriers as they go about their routine activities to develop appreciation for the challenges faced by that level of employees and build a connect with the front line employees.

In Summary

Top Leaders are the role models in the organization and set the tone for the cultural values, skills, strategy, and expectations of

their organization. They actively model desired behaviours and personally represent the leadership brand to internal and external stakeholders. Take Jim Skinner, the CEO of McDonald's. His passion and commitment for leadership is tangible. Talk to him for five minutes and you'll have a clear sense of what leading the way means at McDonald's: "I'm brand McDonald's walking. Walk the talk is so important because people have so much belief in their leaders here, that's always been the case."

As our research tells us, Top Leadership engagement needs to be treated differently from that of the Rest of the organization, driven by the Board, CEO and HR Leader. If an organization can ensure that its Top Leadership team is able to "Accomplish, Grow and Connect" every single day, it can harness the immense potential of its employees to create a buzzing, achieving and sustainable enterprise.

Aon Hewitt Research:
*Aon Hewitt Best Employers 2011: Aon Hewitt's Best Employer in India 2011 study, was our seventh Best Employer study in India and marks the completion of a decade of this research in the country. Over 200 leading organizations in the country, across industries, of varying sizes and differing ownership participated in the study this year. The result of the study was recognition of the 25 Best Employers in India and a massive repository of engagement best practices data and learning for Aon Hewitt and clients alike.

**Benchmark Organizations: Aon Hewitt studied results of the group "executives and senior management" across 211 organizations in India where we have conducted engagement surveys over the last 2 years. We classified these results into

organizations which have overall engagement scores of greater than 77% (the Aon Hewitt Best Employer Engagement Score 2011) and those below 77% and studied trends about top leaders within these categories. We call the first category "Benchmark Organizations" and the second "Others" to truly understand what these organizations are doing differently to engage top leaders.

***Aon Hewitt Top Companies for Leaders

References

- http://en.wikipedia.org/wiki/Dwight_D._Eisenhower.
- http://www.artofmanliness.com/2012/05/22/leadership-lessons-from-dwight-d-eisenhower-1-how-to-build-and-sustain-morale/
- http://en.wikipedia.org/wiki/A._G._Lafley.
- http://www.forbes.com/2010/01/07/forbes-india-nandan-nilekani-governtrepreneur.html

BUILDING GLOBAL LEADERS
in UNCERTAIN TIMES

Mr. Ajay Soni
Practice Leader, Leadership Consulting - Asia Pacific
AON Hewitt

The only thing certain about the current age is its uncertainty.

India recently closed its 163 year old Telegraph service; it could not compete with cheaper and more convenient modes of communication. Starting from the advent of e-mail in 1982, technology and innovation took 3 decades to make the iconic Telegraph redundant.

In 2009, the social networking site 'Orkut' captured the Indian market with 17.5 million users. In 2010, Facebook turned the tables on Orkut with more than 27 million users (a more than 100% increase from the previous year) and zoomed to the top position. Though 2009 seemed to confirm Orkut's winning position, it was dethroned within the next 12 months. Uncertain times indeed.

No matter how successful or seemingly secure any business appears, it cannot take its longevity for granted. A broad statistic reinforces this fact emphatically: More than half the companies that were industry leaders in 1955 were still industry leaders in 1990. But more than two-thirds of 1990 industry leaders no longer existed by 2004.

As is evident from these instances, the current times are not only uncertain but are also changing at an ever-increasing speed.

Every industry is a global industry

Globalization has reduced the size of the world as physical boundaries melt away and the world comes closer. This interconnected world is ever changing; the confluence of economic, social and technological changes is shaping it in new ways. Therefore, today the numero uno position for any industry is anything but static. Organizations, whether local or multi-national, have to walk the tightrope between being profitable and embracing the disruption due to seamless technology, faster transport and all pervasive communication.

Take the example of the Cement Industry in India. Cement being a heavy commodity, is limited to reach markets in proximity to the manufacturing setup. In India, the industry was fragmented with few national players, strong regional players and many local setups. When Holcim, the world's No 2 cement player, teamed up with Gujarat Ambuja to buy a majority stake in ACC, it transformed the cement industry in unforeseen ways. Holcim introduced global level management, modernized plants and improved operating efficiencies. ACC's operating profit margins increased by more than 70% within 4 years and all other cement manufacturers in the country were truly thrown open to global competition.

On the other hand, The Mexican cement giant CEMEX adapted itself to changing times. It responded to globalization by expanding globally (acquisitions); at the same time, reducing diversification and concentrating on its core products. Today it stands as an example of a masterful exercise in managing strategically in the face of uncertainty.

Dealing with globalization

The above sections tell us that leaders today need to deal with uncertainty not only in the local context but also in the global context. Leadership practices and expectations may not have been aligned to create a global leader historically. As the world comes closer, it is essential to cultivate a global leadership DNA that embodies leadership that will assure success in the increasingly global world. The essential traits of a leader, factoring in the standpoint and complexities of globalization, result into a Global Leadership DNA.

This Global leadership DNA is not limited to head honchos alone. All leaders across organization levels need to thrive on, deal with or survive this trend of globalization. A top-level leader must thrive on globalization in order to

Leadership DNA	+	Globalization	→	Global Leadership DNA
Competencies that link customer brand and strategic priorities of the organization		Viewed from a Global perspective		Competencies for Global Leaders
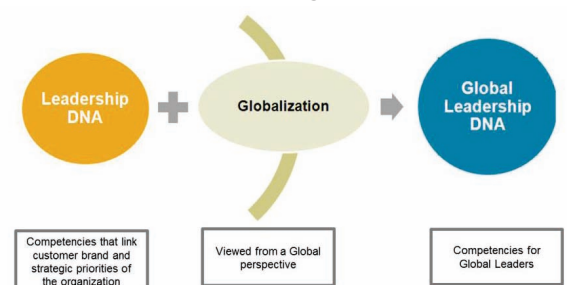
foresee global challenges and leverage global opportunities and to create long term vision, strengthen competitive edge and pursue business opportunities. A middle level leader who routinely deals with customers, suppliers or peers from other countries, has to deal with globalization to work successfully with virtual multi-cultural teams. Even a leader with purely local responsibilities has to understand the emerging economic scenario which affects local operations so as to survive in the Global Village.

The new age leader must pass the litmus test of adaptability and cross-cultural competence to be a successful global leader. Based on research and insights from Top Companies for Leaders, we have identified 3 pillars for successful global leaders: A global mindset that helps the leader to understand and adapt to dynamic global conditions of economic, social and political uncertainty. The ability to redefine self, to adopt new attitudes and styles, is critical to success in multi-cultural teams. Lastly, successfully managing the differences that arise in the face of cross-cultural amalgamations and functioning effectively.

Building Global Leaders

A business head of an MNC's Asia operations was unhappy about the fact that the high potentials selected by him were

repeatedly turned down by the global heads based in North America. The reason cited was that the Asian participants did not participate openly in discussions and were unwilling to share their opinions, thus exhibiting a lack of interest or knowledge. The participants, who had been brought up in an Asian system had been taught that 'Silence is Golden' and not arguing with another person is a way of showing respect to him/her. They could not adapt to the openness of American culture and thus failed to make an impact. What could this organization have done differently?

TCFL 2011 Asia Winners

95%   Senior executives act as role models to support what

the organization wants to be known to its external stakeholders

95%   Committed to investing in leaders in all geographies in which they operate

Therefore, in the example above, if the senior executives had worked towards broadening the participants' perspective or had taken cultural context into consideration before planning to invest in leaders in all geographies, they would have attained better results, just as the TCFLs.

Today, Organizations are investing in programs related to cultural sensitivity and international exposure to ensure that their employees lead their business successfully on the global front as well as in every domestic market. They believe in practices of global exposure, strategic interaction, internal leadership training, and cross-business/cross geography rotations to name a few. The main practices followed by TCFL winners to combat the uncertainty of current times have been summarized in the diagram:

Globalization has created an interlocking fragility. A small change in one corner can have a humungous bearing on a business elsewhere. It is thus not surprising that Top Companies for Leaders overwhelmingly consider global business experience as the most critical skill for future success. Uncertain times call for a leader who can steer the organization

with the constantly changing tides of time.

Qubein's discerning insight that 'change brings opportunity' holds true in today's times. Every leader knows s/he must embrace this opportunity; success will come to those who know how to do so.
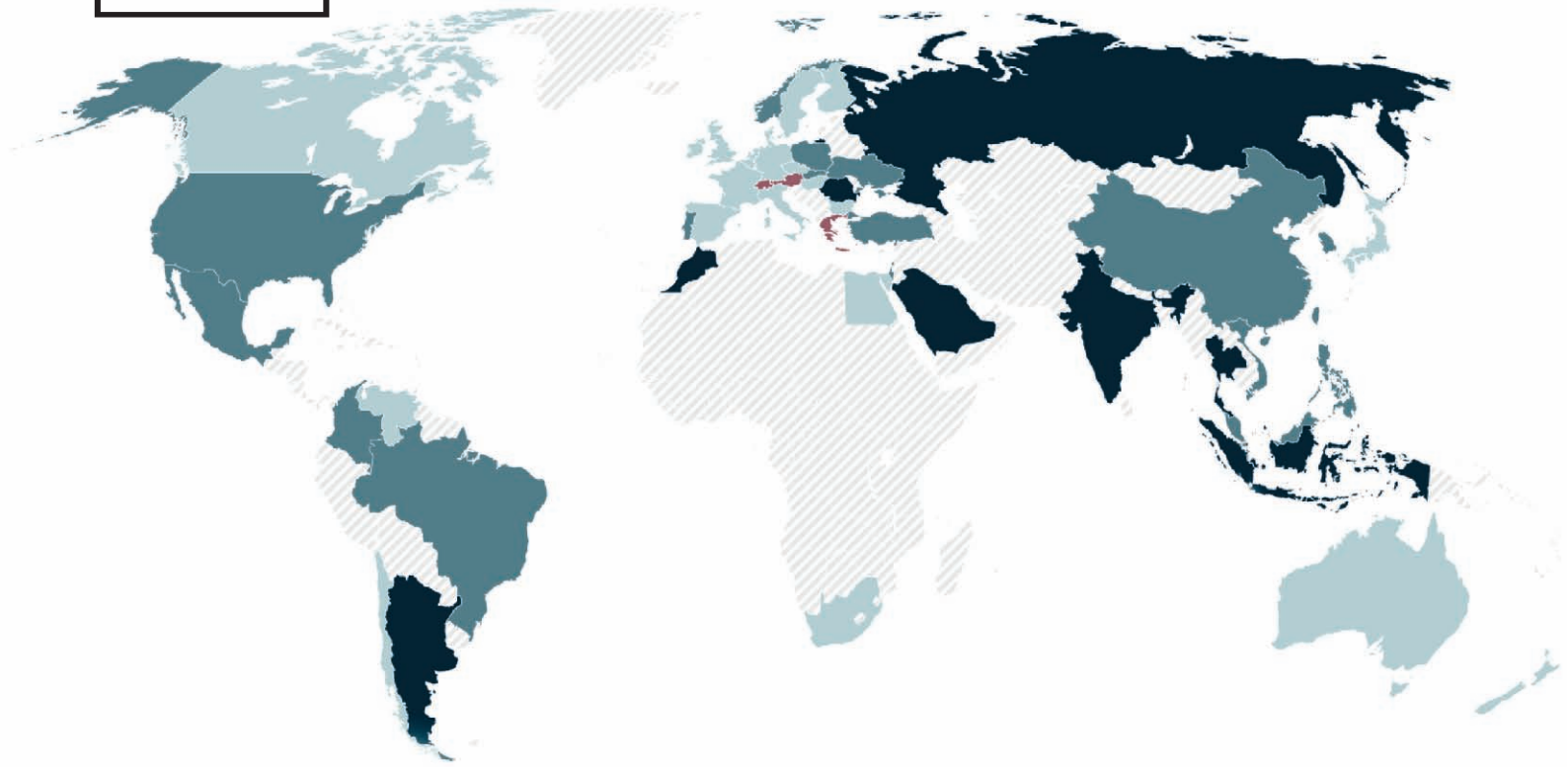
Building Global Leaders
in
Uncertain Times

Today's global economy has created a complex, dynamic and uncertain environment for business organizations. The changes due to globalization and liberalization of economy, recent global financial recession and economic crisis in Europe have created a lot of uncertainties in the world of business. This has not only changed the competitive landscape of business, it has also changed the way in which leaders must conduct business. The leaders need to learn how to deliver results in uncertain times. Their old mental models of managing business need to be challenged. They have to acquire higher order skills of leading change.

The world of business calls out for principled and courageous global leadership. Global leaders, who are in executive jobs with some international scope, must effectively manage through the complex, changing, and often ambiguous global environment. In a turbulent and uncertain global economy, all nations and businesses need to develop such leaders who can adapt to quantum change whilst trying to ensure the survival and prosperity of their organizations. Given the strategic importance of their tasks, leaders need to learn the art and skills of managing business situations having international ramifications. The best response of the leaders is to see the crisis as an opportunity for a better and saner world with essentially creative human beings. It is a major opportunity for HR, as

\\
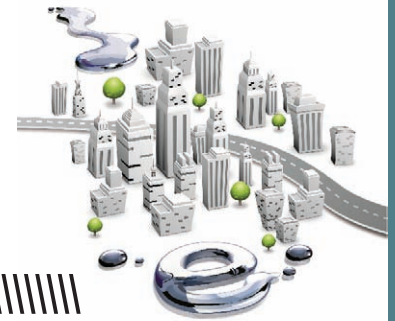
facilitators or internal consultants, to help their organizations develop leadership for uncertain times. Organizations, today, need servant leaders who see themselves as global citizens.

The leaders need to understand how organizations actually change. Organizations require direction in order to change and adapt through informal social networks, as much as through formal structures. Change in organizations can be designed, as per our imagination; but it can also emerge out of a situation. Therefore, leaders need to do two things exceptionally well. First, they have to offer an appealing message about purpose, values, vision, direction and culture. The second thing that they need to do is to enable the organization – to respond, adapt, create, re-create and replace itself as a living system. They need to be absolutely honest with people about the situation and set and articulate a clear, consistent and inspiring strategy, determined by fully involving stakeholders and people "on the ground". This requires the skills of creating a culture that releases the energy and spirit of everyone in the organization.

In order to be effective in responding to the challenging and uncertain situations, the global leaders need to develop certain vital qualities such as an open and rigorously questioning mind that welcomes contrary and diverse views; humility; courage and integrity; self-awareness; and not being resistant or in denial. Modeling such behaviours for others is crucial. Because of the degree of complexity and uncertainty, a more complex approach to leadership is needed today than in the past – not so much a heroic approach but a more enabling one.

In the present business scenario, the role of a leader should involve better situational understanding and determined execution. Leaders with a strong determination and the desire to excel will surely be instrumental in building a quality organization. Development oriented leaders have an interesting blend of knowledge, vigour and determination towards

achievement of desired goals. They have broader roles to play in organizational transformation. The essence of leadership in global business organizations is to instil inspirational instinct among people for quality output. This purpose can be achieved only through acquired understanding of the environment. Team effective leaders are efficient improvisers with excellent learning aptitude.

Leadership is best learned by doing, rather than talking about it and then trying to do it afterwards. In order to develop art and skills to handle complexity and ambiguity and thrive on uncertainty, leaders need to plan and implement strategic change, reflect on what they have done, cope with the complexity and uncertainty of it, and develop the skills required. They have to experience how change emerges in a living system; that transformation can be encouraged but not controlled; that chaos, confusion and resistance are part of the process of creative change and adaptation to a new situation. The approach has to be long term and for "real time" leadership development, an explicitly holistic approach, integrating mind, heart, spirit and body are needed.

Leaders need to be motivated by their values and passion to create a better world as well as the survival and prosperity of the business. They have to empower themselves and others to take leadership. They must work for creating a sustainable business with triple bottom line in mind; profit, people and planet. They must realize that their leadership and their development are the key to bringing about transformation, and not only about doing good, but avoiding what harms the world.

Dr. P Nayak
BIMTECH
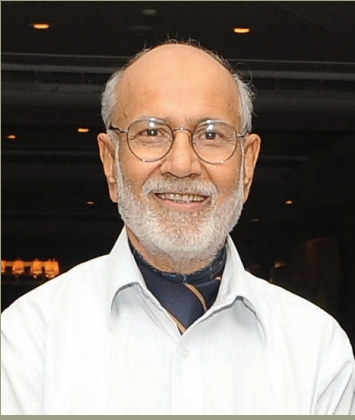
BUILDING GLOBAL LEADERS
in UNCERTAIN TIMES

Dr. Pritam Singh
Director General, IMI

" *Business world is no more business; it is a war* " »

A thousand years ago, Buddha made a statement that strategies don't have any meaning, and nor do words. It is the context that provides meaning to strategy, words or actions whatever you want to call it. I think that I would not like to go about contextualization in terms of the globe. I will like to make only one point: What is the business world today? Business world is no more business; it is a war. That is why if someone comes and tells me I am a marketing manager, I say that you are wrongly defining your role. You are a Marketing warrior. If someone says that I am a Finance Manager; I say you don't understand the world. So I think that today, we require warriors. The whole world has become a war. It is the rule of the jungle. So I see Darwinian decadence. I am using not the word Darwinian Theory, but I am talking about Darwinian decadence, where a tiger thinks about his survival for today and tones up to run faster than the deer. And so does the deer. Those who can run faster than others, they will survive. Those who don't run faster than the others, they will die down. And I would also like to make one point here: Let us try to see what great Indian leaders have done. It is high time that the world should learn something from India. How long shall we go on imitating America? How long shall we go on imitating Europe? Europe has collapsed. America has collapsed. If there were such great leaders in Europe and America, they would not have collapsed; why did they collapse? At least India hasn't collapsed so far. 5% growth rate is not a bad growth rate. I am not talking as a government spokesperson to justify what is happening. But what I am trying to say is that how long are we going to be followers?

A Brief Profile

Padmashri Dr. Pritam Singh is the Director General of IMI Delhi. He has spent his entire life tirelessly doing what he does best: awakening students, academia, corporate heads and policy makers to raise the level of excellence to the next level. As the chairman and member of several policy-making committees and bodies of the Government of India, he has stamped his perspective on policy issues that surround both management education and corporate management in India. He sits on the Board of more than 50 reputed private and public sector organizations, helping them to initiate the change process and charter a winning corporate strategy.

Mr. Rajeev Bhadauria
Director-Group HR, JSPL

A Brief Profile

Mr. Rajeev Bhadauria, Director - Group HR, JSPL, has a diverse experience of over 28 years as an HR Professional, both in the public and private sector. Rajeev's decade long stint in NTPC saw him rising from an entry level HR executive to become the youngest Regional HR Head, leading NTPC's largest region in terms of the generating capacity and workforce. Rajeev has also worked with Reliance Infrastructure (then BSES) back in 1995 where he was the Head of Corporate HR.

66 *The magnitude of the change and the complexity of the change is absolutely disruptive and unmanageable* 99

Let us start with what is global leadership and what is called uncertainty and how is it impacting the business today. A lot of things have happened in the past 10-12 years. And I feel that too much of history has happened in too short a time. It all started in 1998 when globalization was the business driver and the technology driver was the Y2K bug. There was intense interactivity and we had this technology called the internet which was a global tool to communicate. It really made the global world possible in terms of economy, commerce and business. Business prudence and the canons of financial commercial propriety all grew from a global perspective then onwards. But that was not enough because people wanted their resources also to be managed globally. And then came the ERPs, the PeopleSoft, the J.D. Edwards, the SAP, which are still state of the art technologies. It followed with virtual organizations and in response; in fact, people started creating and supporting the BPOs and the KPOs. There was a dot com boom and a dot com bust. Too much of it happened in too short a time. Till the Lehman Brothers occurred, when there was total insanity, there was no capability on our part to differentiate between what was prime and subprime. And the whole world suffered thereafter.

However, then there was something which was construed to have happened the way it happened. Probably, we failed to see that by 2008 the business driver itself had changed. And what we talk about uncertainty today, its basic premise lies in the fact that today the business driver itself has changed to being continual change itself. Globalisation is just hygiene stuff. If you are there, you are there; if you are not, you don't have much to lose because there could be a concept of global mindset but working locally. When we talk about the demise of the western curve or India-China curve in the western parlance, this thing becomes quite a great reality. But that is beside the point. What created continual change? Because of this intense relationship between technology and business, what is happening is the parameters are changing not sequentially anymore but simultaneously. The magnitude of the change and the complexity of the change is absolutely disruptive and unmanageable. So I think if we talk around the competencies of agility, we require the agility of systems, processes, methods as well as people who are dynamic to the extent that they can manage this change and be comfortable with it. Because otherwise, forget about sustainability and prosperity, even survival would become an issue. So leadership, especially global leadership, has to have that global stealth which is unique in this kind of a changing, dynamic environment.

DEVELOP
WISDOM LEADERSHIP

> **" I think time has come for India to go back to our ancient traditions and wisdom and develop wisdom leadership "**

Mr. D. Bhattacharya
Senior Executive Director-HR, IFFCO

I have an advantage that I work for an organization which is already a global leader. So I would like to share a few practices of bringing Indian management at the workplace. When you are talking in terms of leadership and the crisis of leadership, perhaps we have forgotten a few things. If you see a true leader, we have the Indian models of servant leadership which nobody talks about today. So there are some Indian models which talk about a holistic education. I don't think there is any western model which has spoken about how to have a higher mindset level. Only perhaps Indian models have this concept. Talking about culture, development of the mindset, it is the hard fact today that unless and until we know how to develop this kind of mindset of the people, which is an exercise by itself, we just cannot talk about intellectual learning. So unless and until you connect the mindset of the people with the organization, I don't think this problem can ever be resolved. The whole western world has failed. I think time has come for India to go back to our ancient traditions and wisdom and develop wisdom leadership. Lord Krishna is a wisdom leader. Whatever he did was all for others. So why don't we have the leadership model of Mahatma Gandhi discussed in this forum? Unfortunately we don't discuss about it.
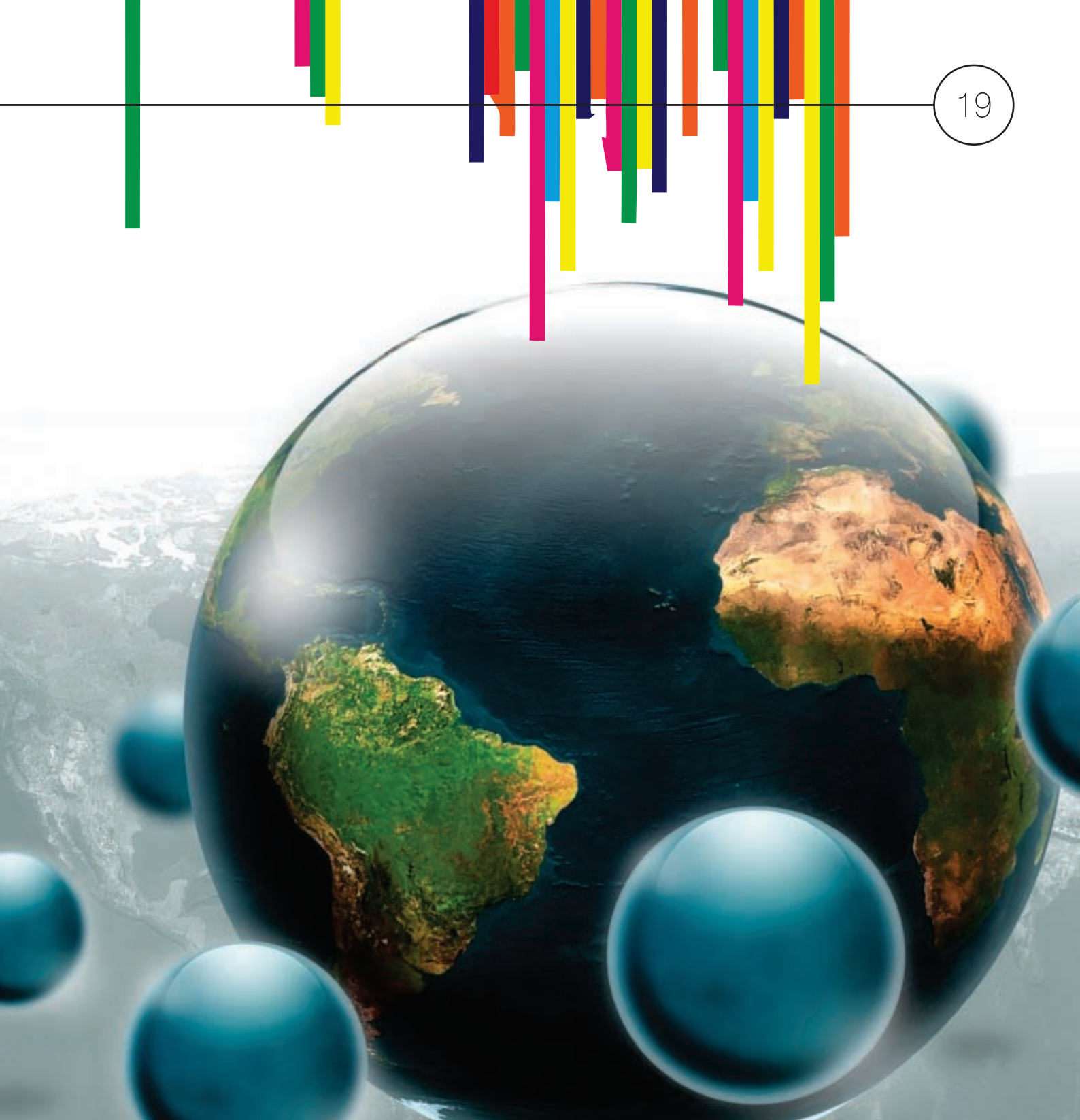
A Brief Profile

Mr. D Bhattacharya is Advisor Training and Development, FMDI, IFFCO, Gurgaon. He has over 36 years of experience in the field of Industrial Engineering and Human Resource Development. He holds a Bachelor Degree in Industrial Engineering and a Post Graduate Degree in Business Administration. In addition to this, he holds a Diploma in Training and Development from ISTD. In IFFCO, he has conceptualized and implemented numerous interventions aimed at nurturing employees at all levels. All these have helped IFFCO to improve structure, policies and processes. He has attended various National and International Seminars and has taken lead role in bringing together various Cooperative societies worldwide by organizing programmes and study visits for sharing best practices and culture.

"The change is fast and the drivers are agility, adaption and renewability"

I would divide the past six decades into two segments: first 50 years and the last 10 years. I think the first 50 years were more in a push mode where we could pre-empt, see the market, forecast, sit in the boardrooms and plan the vision for 5-7 years. But today the global economy and liberalization has posed a lot of risks as well as given us the opportunity which pushed us so to adopt many changes in the field of technology and the speed of information. I think the speed of information which has happened in the last 10 years has surpassed last 50 years. And these kinds of changes are putting us under enormous amount of pressure. Everywhere I am getting impacted by the global economy. The change is fast and the drivers have changed completely. There are only three drivers now: agility, adaption and renewability. Renewability means how much I have been able to renew myself and that is more of a short term to medium term; and sustainability is more of a long term perspective. I think these are the things which are happening and we have to gear up ourselves. The need of today's leader is to think global, talk about more multicultural, talk about more adaption and be more people-centric wherein we focus on important areas.

Mr. Deepak Bharara
Director- Corporate HR, Lanco Infratech ltd.

A Brief Profile

Mr. Deepak Bharara is the Director - Corporate HR at Lanco Infratech and takes care of people processes across the Group. With over three decades of experience working with multinationals and big business Indian groups, he has held leadership positions at Eicher Tractors, Indian Express Group, Samtel India, Whirlpool India, Bharti Group, Jindal Steel, Aditya Birla Group and GMR. He holds a master's degree from Faculty of Management Studies (FMS) with specialization in HR and people management and an L.L.B from Delhi University. He is well versed with the infrastructure industry and has contributed to operational efficiencies along with customer service orientation that is aligned with commercial acumen.

" *The key is to understand how you are connected with the rest of the world* "

Fortunately I come from the consulting world as much as I come from the industry, so I have seen both sides. I have seen Indian companies as well as the ones set up across the globe. So I think today the key is to understand how you are connected with the rest of the world; which means that if today I am in the Indian economy, my line of business is going to get affected irrespective of whether I am in India or South East Asia or Europe or the US. Connectivity forms the basis. So all this uncertainty that we talk about, is actually swings in the economy that we are facing. My understanding is that anybody who is global would be able to do a kind of an analysis, a correlation, a regression kind of a thing, that this is something that happened in Europe and this is how it is going to impact me sitting here in India. If you are able to do that, you are truly global in your thinking.

Mr. Rajesh Rai
Director- Corporate HR, Lanco Infratech ltd.
Director-HR, Expedia India

A Brief Profile

Mr. Rajesh Rai is presently the Director of Human Resources at the travel industry giant - Expedia. He has led the Human Resources function for Benetton India, and advised on HR aspects of other regions in Asia Pac & Australia. Previously he has been associated with organizations such as Arthur Andersen and Ernst & Young, in the field of Human Resource Consulting. Rajesh was also associated with Adobe Systems India, where he managed HR for its largest R & D Centre outside the United States, in Noida.

Building Global Leaders during Uncertain Times

Uncertainties have become a very common trend in the world of business with the economic cycles becoming shorter and shorter and finally fluctuating up and down once every week. Everything has become unstable, everyone changing including the CEOs and all the stakeholders running behind short term objectives irrespective of how the economy is. Shareholders want profits this quarter, next quarter and eventually every quarter but the prices of shares should never drop down and the employees chasing bonus has left the CEOs with no other choice than thinking for short term gains with no vision. In his book titled 'Leadership in the Era of Economic Uncertainty: The New Rules for Getting the Right Things Done in Difficult Times', published in 2009, Ram Charan shares that the leadership challenges in such uncertain environments majorly include cash and credit crunches, shrinking budgets, collapsing markets, sinking workforce morale, disappearing suppliers and nervous stakeholders.

For greater insight, the practitioners need clear answers for the following questions: Who are global leaders? What are the challenges that they face? What are the challenges to develop a leader in uncertain times? How to develop them? All these questions need to be carefully addressed for revitalization of organizations in uncertain environments.

All the global and multinational companies face a common problem of defining and developing leaders who could manage their global business strategically. Global leadership does not just require multilingual skills and managing business abroad; it involves managing business in an integrated way in all the parts of the world following different set of cultures, customers, suppliers, regulations and economic systems. It is the successful management of business at multiple locations with one overarching objective. Hence the global leaders are the ones who develop a multi-perspective outlook about business and leverage all the differences to build strength in the organization. They enable others to grow materially, emotionally and intellectually and in doing so, they grow. They communicate, review, discipline, and appreciate at the times if necessary.

Big or small, constructive changes are always required for the growth of any company. The future always being uncertain, any change that is brought in the organization becomes a risk that the leader decides to take. Taking such risks during uncertain times has always been a challenge for global leaders. Only when the leader feels secure, he will be able to look into others. Only a leader whose reference point is others and not him, who takes care of the other stakeholders, becomes a fortune magnet. During the times of uncertainty, distractions are common. Once the leader starts chasing the distractions, he loses his original purpose; he loses sights of what he wants. It is important to keep in mind the objective. This challenge has been ever staying in the field of global leadership as the magnitude and frequency of distractions are comparatively higher for them.

It is highly necessary for the leaders to "Walk the talk" both with the customers and the employees. Even during uncertain times, customers remain the king and employees are first. During the hour of crisis, we may forget about the customers due to the internal challenges leaders face. But it is not necessary that our

competitors will also forget this fact. It is a challenge for the leaders to stay in touch with the customers irrespective of how worse the situation is. The same applies with employees. It is essential to maintain a harmonious relationship with employees by understanding them, caring and being responsive.

A lot of CEOs may be exposed to such unstable situations for the first time and it is natural for such leaders to search for the panic button. But these situations demand quick decision making. Making decisions without thinking through often does not end well. Staying calm and focused helps them to stand on their feet and make smarter decisions. But how many global leaders stay calm during uncertainties is questionable.

When the firm fails to develop young leaders, and the average age of leaders cross 50 years and cultural changes happen, there happens a talent gap between the leadership requirements and the capacities available with the company. Talent gap also refers to the talent that is not tuned to take up the important responsibilities. The inability to retain the talent increases the talent gap. It is necessary to invest to develop and more importantly retain your leaders. It is not as simple as the introductory training that we give to new joiners through video conferences and presentations. We talk about the investments that have to be made in terms of time and mentoring and not to forget the monetary expenses. For leaders to be developed, after hiring them, at least a time of three years is invested by the current leader to make them fully aware and understand their key roles and responsibilities and the culture of the firm. This may also require various executive leadership programs by leading business schools. This means cost. During the uncertain times, the focus changes and cost cutting comes in to play and the process gets interrupted.

Struggle always starts when leaders have to be relocated, either from the side of leaders or from the management. The management usually does not let people go; be it a new location or a new project. The senior management a lot of times feels that the next generation is not yet ready to take up the key roles and due to which only a small percent of young people may have been scaled up. But then the different ways of younger generation is what the company wants most of the time during uncertainties. Majorly, firms are unable to explain what "Global" means. Unless a clear definition for going global is developed, it is not possible to create the roles and responsibilities for global leaders which is the basic necessity to develop them.

Uncertain times demand the culture of collaboration. During the uncertain times, it is necessary for different viewpoints in a discussion for better decisions. Nothing like constructive criticism! And neither this culture nor such a team can be developed overnight when we face the uncertainties. So it is necessary to develop the quality in the leader to appreciate others' point of view and work in such a culture. Good communicators will help build trust within the team and bad communication will cultivate the uncertainty. Communication style differs from person to person and so also from firm to firm. So it is necessary that the style of communication that is suitable for the culture of the firm has to be developed in the leaders.

Technology has developed so much that we never have to remember anything anymore. Intelligence is not unique any more. You want to learn something, Google it! You forgot something, you can Google it! You want a starting point to start thinking, Google it! But there is still something that you can't Google! It's the emotional intelligence; the most needed quality during the hour of crisis. The ability of the leader to stay calm and human during the bad times of the business is highly appreciated by the team mates. So this is something which the firm cannot afford to miss out!

It does not end here. Developing leaders is no more a luxury; it has become a part of survival. When we talk about developing talent, it does not end with the "Ready now" generation. The leader should be able to mentor his next generation and bring him at par and not all the leaders possess such qualities from the very beginning. So it is also necessary to develop the responsibility in him to assess and develop talent. For any business, there can be no rule book. Rules do exist but they exist only in a context. Hence fixed rules are not possible, what is possible is fixed Principles. There will be one overarching principle. It is essential to develop the adaptability to culture and psyche of different regions and apply the appropriate leadership.

Thus, leadership at uncertain times requires utmost patience and perseverance for understanding the immediate organizational need. There is no shortcut formula for handling uncertainties as different leaders are required at different time with a reflexive mindset. A right introspection at the right time will help in administering change in the organization for infusing performance driven culture. Ultimately it is the balance sheet acceleration that matters.

Prof. Navin Shrivastava
BIMTECH

> **"The ability to connect emotionally is a very important part of defining a leader"**

Dr. Richa Pande
Director - Business HR, iGate

Global leaders would be the people who can connect, like Chanda Kochhar. In addition to that they have to play a very important role of enabling, engaging, and connecting with the people. Any leadership strategy which has to run successfully needs to have a buy-in by the people in the organization, who have to the support the leader. So, I would say that the ability to connect emotionally along with connecting the dots is a very important part of defining a leader. I would like to add that optimism is also a distinguishing competence for a leader. During Patni-Igate integration we observed that in the current state of uncertainties, giving optimism to your workforce is important.

Creating global leaders has to start early. In our organization, grooming of leaders starts from project manager level and we focus on how to bring them on a fast track through a mentoring programme. The performance review mechanism is also different from other organizations, with the true focus being on how we are grooming leaders for three years from now. Here I would like to mention that in the west, mentoring is a

A Brief Profile

As Director – Business HR at iGate, Chennai, Dr. Richa plays a role in Business HR function. Additionally, she is also the Location HR. Besides these, she is involved in a number of Corporate HR initiatives – from design to implementation phase.

As Business HR her focus is on employee engagement, business engagement and customer engagement. During the merger of iGate and Patni computer systems in 2011, her entire focus was on integration of People issues - motivating and retaining those assuming a new dimension.

A doctorate in Organizational Behaviour, Dr. Richa began her early career as a Faculty member, before she moved into the corporate world and has since then occupied several responsible positions as Manager HR with Ernst & Young, Delhi; Head-HR, Pentafour Software / Pentamedia Graphics, Chennai and Group Head - HR with Mahindra British Telecom, Pune.

formal programme whereas in India the organization may not have launched mentoring as a formal programme; but it still exists. Coaching and mentoring is inherent in Indian culture; right from the time of Dronacharya. A lot of coaching and mentoring that happens in organizations is informal. While in the West there is a formal system of mentoring; in India, most of the time, it is done informally.

> **The will to succeed and the will to keep trying is the fundamental DNA of a leader**

Mr. Sridhar Ganesh
Director -HR, Murugappa Group

There are different ways of defining a global leader. The first is a geographical sort of meaning; a global leader is one who straddles responsibilities across countries. The second is how do you come out of your manner and confines and take a global view of what is happening; whether it is quality, HR, or IT; what do you bring to the table. How do you have a mindset, how do you have a set of beliefs which make you think beyond the confines of your workplace and how much do you understand about what is happening in other parts of the world. I think the third is a sense of balance. Every leader needs to have a compass. It is not only about taking but it is also about giving. So for a global leader, the balance is in terms of what you replenish this world with, in terms of what you have taken away as resources and advantages. Every business is surviving because it has some advantages; otherwise it would not be surviving at all. So for me, that is what a global leader is.

Let me talk about two types of scenarios. When I used to work for this chocolate company, THE chocolate company in India, we had a global operation. We were 6 billion GBP (pound-sterling) and when you are looking at such processes which are global, what applies in the UK applies to Russia, to Poland, to India, to Pakistan and so on. Research has demonstrated that the competencies of leadership have nothing to do with culture. It equally applies in Malaysia as much as it applies in US. So, I think when you talk about the mindsets in terms of some of the competencies, I think a lot of them are global in terms of what they bring in; whether it is a mindset, whether it is about renewing yourself and renewing where you are, or whether it is about common leadership processes. So I think across the world Cadbury Schweppes or Cadbury, would source cocoa beans from Ghana and if you did not understand that economics of Ghana or those parts of Africa, you cannot make good chocolates. So therefore you need to understand globally, what are the dynamics of how a supply chain works, what exactly happens to the prices, how you get your competitive advantage and at what points of time do you buy and when you manufacture. So I think a lot of this is global and therefore I believe the consumers are global and what you deliver is also absolutely global.

I can take another example from the sugar business, which is a very old business in our country. We have always thought that we are a sugar company which is perhaps in Tamil Nadu or perhaps in south India and that brings in certain competencies and questions, pressures in terms of efficiency, in terms of your financial parameters of what you deliver. If you change that lens a little bit and say that you are also competing with sugar companies in Brazil, you are competing with sugar companies in Vietnam, Cambodia and Ethiopia, then you are changing the mindset to say what therefore the metrics of measurement of performance are. That is where we were not there and now we are sort of getting there. It is a journey and I think it will take time. We have not matured as an organization yet, but the search is on and the journey is on and hopefully in the next 4-5 years we should be a truly global player in terms of that business. So the two examples, one from a very developed sort of economy and the other from an emerging market scenario, illustrate the need for a leader to have a global perspective.

There is a bit of a mindset change and the orientation difference between the East and West. Having worked outside India, I have observed these basic differences. For example, if an Indian buys a mobile phone in India, he would start using it straight away. The instruction manual will never be referred to. If you were in UK or somewhere else in the west, chances are that the manual would be read first and then the phone will be used. I think the disciplining of the mind and the way we approach things is a bit different.

I confess that I am a Capricornian, so I am used to being a little contradictory. I don't think there are global and glocal leaders, there are only leaders. Leaders in India are not much different from the world. We have Gujarat in India which shows 18% growth and Kerala at the same time which slides back 5-6%

every year. It is all about developing good leaders. They will perform well subject to some situations and languages etc. Leadership can't be taught in a classroom. You have to experience it for yourself. It is all about being there and making the mistakes and learning from them, and having the self belief that one day Swaraj will come. The will to succeed and the will to keep trying is the fundamental DNA of a leader.

I am a believer of spirituality and spirituality is a part of leadership. I am a disciple of the Chinmaya Mission. There are three golden circles of life. The first outer circle is what you do; the one beneath is how you do, and the innermost core is why you do. All leaders are leaders because they are able to articulate why they do what they do. People do not follow leaders for what they do; people follow leaders for why they do. That is where spirituality comes in, in my view. A Martin Luther King was followed not because of what he did on that famous morning in giving that call in saying, "I too have a dream". Mahatma Gandhi and Mother Teresa were also followed for why they did what they did. Apple is a great leader because of why it does what it does. The model compass of leadership is about why you are doing certain things. That is what the spirituality and the model compass talks about. Each of us has a compass and a north star which is the conscience or morality, inner voice or alterego. Somewhere we seem to have lost out on our morality, which is why spirituality is going to become more prevalent.

A Brief Profile

Mr. Sridhar Ganesh is currently the Director – HR and Lead Director for the Diversified Businesses of the Murugappa Group and a member of the Murugappa Corporate Board. He has more than 30 years of varied experience prior to joining the Group.

Mr. Sridhar is also actively involved in development of Business Strategy, overall supervision for Business Results and Governance.

He is also on the Board of Carborundum Universal Ltd, Parry Murray, UK and Adrenalin eSystems Limited, a subsidiary of Polaris, an IT major.

A Physics graduate, and an Alumnus of IIM Calcutta, in his early years, Mr. Sridhar spent 16 years with Cadbury Schweppes PLC (currently Kraft Foods). With Cadbury India Limited he took over the leadership for exports for Africa, India and Middle East and moved to the UK. Thereafter, he took over as their Learning & Development Director for Europe, Middle East and Africa. He has significant experience in the areas of governance, business strategy and leadership development.

Mr. Sridhar is a member of the Advisory Council of Loyola Institute of Business Administration (LIBA), the Academic Council at XISS, Bhubaneswar, Member of the CII National Committee on Skills & Human Resources and a Member of the Expert panel of Coaching Foundation of India.

Sanmar group's largest businesses have hardly any exports and therefore very limited exposure to what is happening with global customers. But this scenario changed five years ago, when we acquired companies in Germany, Egypt and USA. And two things came to my mind about who is a global leader. If a person were to look at the whole world as one country, this is a person who would be comfortable as a leader, operating in any country and therefore the key thing to be effective globally is to have a global mindset.

The world is one country which means that irrespective of where I am placed, I need to be successful. I'll just give an example to illustrate this. One of our largest acquisitions and investment has been in Egypt and we invested in Egypt about four years back. We acquired this company for $300 million and the project that we have put in is for $1 billion. So obviously the new company was far bigger than the one that we acquired. A team that was put together was of seasoned professionals. I would think probably the youngest person in the senior leadership team was 45 years old except for the M.D. and the Vice Chairman; the Vice Chairman being in

Ms. Sarada Jagan
Deputy MD-HR, Sanmar Group

"Adaptability to new situations is important in these changing times"

charge of the project and the M.D. for operations and functions. Other than these two, nobody had worked abroad. Most of the project team, the technical team, had worked in factories and probably not even lived in a city for many many years in India. There were problems in the first year from work culture perspective because working in Egypt is very different from working in India and this was a pre-revolution phase. I remember that during the first couple of trips when I was there, there were complaints that we can't work here and we need more people to work. The things which we do in one hour in India would take one day in Egypt. That is how they work there. There is nothing right or wrong about it. In two years we have learnt to understand them, work with them, get work out of them and be successful. I would say that the scenario pre-revolution and post revolution period, we have handled it exceedingly well. The leaders have done really well. There have been several occasions when we have been challenged to the core; mentally, physically, managerially; however, this team has stayed together and managed it. That is possible only if there are some intrinsic leadership competencies, skills, and traits, to manage without being taught to do so, without any coaching

or mentoring. They have learnt to renew themselves with a global mindset.

Prior to that, what we have learnt is to have a robust system of identifying talent. Personally I don't think there is any difference in the competencies of a leader of an organization and a global leader, but the emphasis and texture can change depending upon the situation, the context and the culture. So we have altered these competencies every now and then. So in our minds what we call as integration is what you call connecting the dots. One's performance is the main proof of one's competence. So, one performs better if they are given tasks according to their competency.

Adaptability to new situations is important in these changing times. Personally I think that a leader manages change and he should be successful in managing uncertain times as much as he is successful in managing good times.

A Brief Profile

Ms. Sarada Jagan is presently Dy. Managing Director - HR at The Sanmar Group, Corporate Division. Additionally, she is also responsible for the group's Corporate Communications, Administration, Safety and Public Relations.

During the last 15 years she has conceptualized and implemented several HR policies, processes and practices including manpower planning, recruitment, performance management, training and learning, talent management initiatives for retention and development of talent; IT enabled systems for better internal customer service besides, several in-house communication initiatives.

A Post Graduate in Mathematics and B. Ed., Ms. Sarada, who started her career as a Maths teacher in Junior College, went on to become the first married lady to join the PG program at IIM (A). Her career span of 27 years includes heading the Management Consulting Division of S B Billimoria & Co., Chennai; Head of Commercial and HR at Elgitread, Coimbatore; Head Marketing and HR at Maxworth Orchards.

She has won several awards like Indra Super Achiever Award 2004, Women Super Achiever 2011 and Women at Work Leadership Award 2012, etc.

> **"** *Apart from diversity, a global leader needs to be comfortable with complexity and ambiguity* **"**

A Brief Profile

As the Executive Director of Great Lakes Institute of Management, Chennai, since April 2004, he has played a key role in making Great Lakes one of the top 20 institutes in the country.

Prior to joining Great Lakes, Prof. Sriram was the Chairperson, Executive MBA and Professor of Strategy at S. P. Jain Institute for Management and Research, Mumbai.

With a Masters in Marketing Management from NMIMS, Mumbai, over the last two decades, Prof Sriram has consulted extensively in India and abroad focusing on Strategy, Structure and Systems for leading businesses such as Mafatlals, Bajaj Group, IDBI, Marico, Jyoti Structures, Herdillia Chemicals, Bhor Industries, STP, etc.

He teaches Business Policy & Strategy, Economics of Strategy, Management Control Systems and Strategic Cost Management for MBA and corporate executives.

Prof. Sriram has been a member of several Committees of CII and FICCI Education Committee.

In the year 2010, he was awarded the "Outstanding B School Director" by Association of Indian Management Scholars (AIMS).

Prof. Sriram was involved in a research on "The international competitiveness of the Indian industry", sponsored by ASSOCHAM, which was instrumental in improving the competitiveness of Indian Industries. He has also contributed to the "Intellectual Property Rights and its impact on Pharmaceutical Industry", a study commissioned by OPPI (Organization of Pharmaceutical Producers of India).

Prof. S. Sriram
ED, Great Lakes Institute of Management

and whether you are able to be global in terms of creating an organization which is global and creating a leader who is global. The basic DNA or the kinds of processes are more or less similar throughout the globe, though there have been aspects like conceptualization of culture. The way you identify, groom and develop a leader may be almost similar irrespective of different cultures. Now when it comes to organizational side, it is pretty much restricted to my own personal education. In a smaller way an example I can think of is the person who is about to run Hershey in India. He is an American, new to India, but the way he got involved in the Indian culture is impressive. Our students did a project at Hershey. He would insist on going with the students to distributors and retailers. I could see him training on his position which is really global. These are the examples I can share of the people who are walking the talk. These are the things which to me mean global.

Apart from diversity, a global leader needs to be comfortable with complexity and ambiguity. Since our country is chaotic, many of us are more qualified than the westerners. The ability to put up with uncertain situations is a great asset. Coupled with that being decisive, acting on instinct during uncertainty is another important competency. A certain amount of paralysis prevailing is worsening the situation and being decisive during these times is important. Risk taking ability is the keynote as ability to face uncertainties makes you a global leader. Other than that, to survive these tough times, the ability to jump in with 60-70% confidence in terms of the facts, figures and analysis and still do better than the competition, calls for an ace performer. So the ability to stick your neck out and say that despite the lack of information it is going to work is based on conviction.

The best way to groom leaders would be to push them into the pool. Giving them a challenging opportunity, and forcing them to jump in and letting them get that experience no matter whether they are successful or unsuccessful. Mentor them and find out who would really stretch and take the plunge and try to get things done. Success or failure in the process doesn't matter. We generally talk of three type of quotients, I.Q. (Intelligence Quotient), E.Q. (Emotional Quotient) and S.Q. (Spiritual Quotient). I.Q. has to do with the business, E.Q. has to do with the organization and people and the S.Q. has to do with the community as we make an impact on it. Because of that impact, we have a responsibility towards the constituents to organization and the community at large. If you excel in I.Q. and E.Q., you create an organization, but if you excel at S.Q. too, you create an institution.

I never got the opportunity of running a corporation which was trans-border or global in nature. However, I am running a business school which is supposed to be producing talent which is supposed to be global in nature. To me global leadership would be having utmost comfort with diversity. Diversity could come in any form; it could be diversity of gender, race, colour, religion, culture. The more you are comfortable with diversity the more you are preparing yourself to be global in nature. As a matter of fact we often ponder upon this because in our business school the by-line is 'global mindset Indian rules'.

There are two perspectives to a global mindset. First perspective is having one's own vision of being global. If you look at Mr. Ratan Tata and his whole scheme of things, he did things nobody could have even thought of. The kind of acquisitions Tata could make around the time of 2004-2007 is amazing. When we are talking about a global mindset it is the ability to think global and the courage to have global targets. This is what is called as the hardware aspect of business. The software aspect has to do with the organisation and its people

Leadership

Ms. Sabita J
Associate Vice President-HR, Steria India

A Brief Profile

Sabita is Associate Vice President - Human Resources for Steria Limited, at the Chennai Centre. As Centre HR Business Partner, her role is strategic advisory apart from being responsible for HR Operations. Sabita's endeavor at Steria is to position HR as a trusted advisor in strategy formulation and a strong partner in execution.

During her 18 years of professional association, Sabita has performed a variety of strategic roles encompassing Talent Acquisition and Management, Performance management, Competency building and OD interventions, apart from staffing. She is also a Certified Thomas Profiling Professional from the House of Thomas International, UK.

Sabita is a frequent speaker at prominent B'Schools, The ICAI, Chennai Chapter, and at the National Women Leadership Forums and Engineering Institutions in India.

Sabita has received the "Woman Super Achiever Award" from the Employer Branding Institute, India and the Special Recognition Award from NASSCOM, for her contribution to the HR Fraternity in the IT/ITES space, among several others.

She is the Chairperson of the Nasscom HR Forum, Chennai Chapter and in this capacity has been responsible for launching various leadership sessions.

To me, a leader is a person who, very simply put, walks the talk. Someone who actually leads right from the front, who is able to embrace diversity, who is able to walk across and be respected, who would and could be respected in any culture, in any organisation, or any of the divisions across the globe with the same sort of respect that he would get on his home ground. Given that we have all seen globalisation impacting business, what is important in a leader is how he is able to carry his forte, and how does he confront or how does he move through uncertainty, with the same finesse that he would do when he was in a very certain situation. And to me a leader is someone who is actually willing to take the risk and applaud risk-taking behaviour amongst his own workforce. So, very simply put, a leader is actually a person who gains the respect of the people, not by virtue of the position that he has, but by what he does and how he carries his team together.

Going by what I have seen in the industry and what I have heard is 'think global, act local'. Thinking globally is a key competency and when I say 'think global' I don't mean preaching and talking high, but somebody who understands the necessities. For example, my company works in 16 countries, and we have this principle called "Vanasyacharya", according to which anything that we do in one country should be implemented around the globe. But that doesn't actually work. A leader would have to think 'What does it really mean?' Looking at one example of performance appraisal system; if one looks at the European countries, they have prominent unions and they don't quite believe in the PM (performance management) systems as they don't like to be poorly graded. We tried it in Germany, Italy, Spain, etc., and it misfired as the unions created a huge problem. So thinking globally, we should be implementing things while being sensitive to the global needs of our workforce.

Then comes appreciating cultural diversity; which includes appreciating the

different needs of each region. So any policy, guideline or principle has to be different according to different geographies. We also need a global leader to be technology savvy; entailing how to leverage technology to bring a change in the organization and how to carry along a workforce which is extremely intelligent. We have done this through the "innovation box" where people down the line come up with their innovative thoughts. These people return with feedbacks saying thank you for acceptance of their suggestion. Building partnerships is another key competency. Today we have organizations where we have customers, vendors and partners at the same time. So carrying these people along with you and ensuring that the objectives of the organization are met becomes important. The next competency is sharing leadership; wherein we have people who have been leaders in the past, future leaders and leaders in the pipeline who are being currently groomed. So with three generations of leaders in one workplace, sharing of visions and also planning for the future is very important.

I work for a Software organization which used to be erstwhile Xansa, rebranded now Steria. This company is into the IT space and a majority of the times what we look across are budding leaders and there is a huge gap between the leaders of the past and the leaders of the future. Now many a times you see there are a lot of people who come back to you and say A or B organization is implementing this stuff. So we did have a situation when somebody came back to us and talked about the performance appraisal system. This thing happened three years back and that was just about the time when the acquisition was on the cards. So sitting in HR, we were all required to mull over and see what performance management system suited us the best. So here was a situation where somebody came to us and said I want you to work on a succession planning tool; I want you to work on how we can actually carve a new generation of leaders and he was willing to do everything. He wanted HR to come up with one of those very bombastic plans. And we did. We did a survey of 10-12 organizations, and came back and said that there is nothing called one size fits all. So we need to customize something for what we are doing and then we employed a lot of external consultants in the process too. At the end we came up with a wonderful system which was supposed to identify strengths, help people overcome their limitations and of course ensure that the goals of the organization are met. Now what happened at the end of it all was that everything came up according to the plan except that

> *A leader is someone who is actually willing to take the risk and applaud risk-taking behaviour amongst his own workforce*

within three months all our robust plans fell apart.

I would not blame just one gentleman for that but I would believe that he should have set the culture of coaching and mentoring in the organization. What happens is most of us have very rich experience, table it all down very beautifully in one presentation, but when it comes to practically coaching people, the next layer and the next segment, it is extremely important to have coaching and mentoring go hand in hand in organizations to ensure you have a robust performance management system. Because end of the day, performance management is not about pin-pointing somebody's faults, it is about how you get people to operate from their position of strengths and not from the position of weakness. So, here was a leader, I would still like to call him a leader because he came up with big plans and he came up and said that I don't think you need to be focussing so much on coaching and mentoring and like most of us in HR would agree that we do propose but then the leader disposes. You need to learn from examples and learnings of other organizations and at the end of the day you are willing to take the risk and say that we have the potential today and we have done that. We are looking into the system and said let's look at the nine point grid which is performance versus potential. We have identified people who are high on potential, high on performance and these are the people who've been coached and who've within the organization been professionally certified as coaches and mentors for the rest of the organization.

We have the bottom up approach and identify talent from the right segment. Getting the fast-trackers to choose their own mentors worked for us. We have the concept of a career manager and an assignment manager who is identified using set criteria. There is a very rigorous 13 week grooming programme. These fast-trackers are grouped together and then they are asked to handle live issues; issues plaguing the organization. Some of the most interesting solutions come from people down the tier. They think of cost-effective and out of the box solutions.

Ms. Radhika Gopalkrishnan

Practice Leader,
Leadership Consulting,
Aon Hewitt India Consulting

Career
Management

What do you think is the most critical factor in improving employee engagement? If you said "pay", then you are wrong. According to the Best Employers study conducted by Aon Hewitt, "career opportunities" stands out as the no.1 driver for improving employee engagement. What this means is, organizations which focus their energies on providing growth opportunities for their employees, create a highly engaged workforce and achieve better business outcomes. This was also reinforced by our Gen-Y* study from which "clear career opportunities for a long term career" emerged as the most important driver in selecting an organization. In fact, one of the best ways to ensure that the employees' demands are met without having much impact on the bottom line of the company is to embrace strong career management practices.

Is career management just the immediate next move?

Career management is not just about the immediate next move. It is an ongoing process of preparing, implementing and monitoring career plans primarily by the employee with significant support from the organization while ensuring that both individual development needs and organization's goals are met. IBM, a big believer in "purposeful experiences" considers several moves beyond just the immediate next move as a clear indicator of success. It has created different types of mobility assignments purposefully to avoid fulfilling of a role by an expat. CEO and Senior Leaders meet every month to review "Cascaded Moves" in their business unit - moves needed for blockers, high potentials, and expatriates. These moves should be made even more thoughtfully now considering the kind of options employees have elsewhere. What might seem like a good immediate move might not be the right move

for the long term.

Stepping up your employees' careers

Every organization must diligently manage its career management practices in alignment with the business priorities and employee needs. According to us, there are 4 key things that make up a sustainable career management framework provided that they are all executed effectively.

A. Career Philosophy
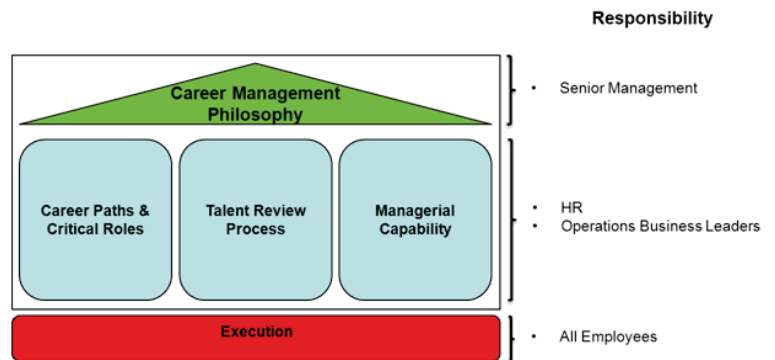
Figure 1: Components of Career Management Framework

Every organization has to realize the fact that business needs and priorities may be quite different from employee goals. The organization is more concerned about growth, revenue, profits and productivity, while the first preference of employees is their own development. Hence, it is absolutely necessary to articulate a clear strategy to connect business needs and employee goals to ensure a sustainable future for the organization. Organizations should provide a strong

foundation for employees to achieve their career aspirations by providing them support through policies, processes and infrastructure.

An ideal career management philosophy should take into consideration the following:

Align career moves to current and future business needs: Today's dynamic business environment requires organizations to devise strategies which not only cater to the current needs but also to future requirements. Top companies for leaders have gone a step further in cascading their strategies right to the employees. For example, a large Pharmaceuticals, Biotechnology & Life Sciences Company realizing the importance of capturing market in the emerging countries has designed a leadership development program to help employees understand the need for a global mindset and aspects of business operations outside their home geography. This also helps in implementing the best practices followed elsewhere in their own region. The program has proved to be extremely popular and is demonstrated by high critical talent retention rates.

Provide a variety of experiences: Organizations should include not just upward progression and lateral movement, but also growth within the existing role, growth within the function and growth outside the function. This ensures that employees get a variety of experiences.

Take into account professional aspirations: Many organizations often seem to have career management practices that are solely based on business needs. However, they fail to realize that the most critical factor for the successful execution of a strategy catering to a particular business need is meeting employee aspirations. Keeping this in mind, a large ITeS organization has institutionalized role changes every 24-36 months based on both individual career aspirations and business needs. Over 2500 career moves have been documented which brings clarity to the employees about their career progression.

Take chances with your employees: Organizations wouldn't be able to realize the full potential of its employees unless they take chances with them. They need to believe in them and continuously push them outside their comfort zone. Top companies for leaders like HUL, ICICI and Wipro believe that talent should be given challenging positions even if they are only 60% ready. This is a way to embrace risk taking culture in the organization which can be driven down to the entire organization.

B.   Career Paths

Aon Hewitt Research shows that in India, people leave organizations due to limited growth opportunities and role stagnation. Employees want options at workplace. Every employee has his/her own preferences and have different notions of career paths. While some employees are happy being individual contributors, others want a diverse set of experiences at the workplace. Hence, a one size fits all approach doesn't work. This calls for customized career paths for every employee in the organization irrespective of the level of the employee.

Four questions need to be asked while designing a career path framework.

1.   Where does the employee see himself/herself in the next few years?
2.   What kind of roles does he/she prefer?
3.   What skills/competencies does he/she have/ like to have?
4.   How flexible is he/she in terms of work hours/ location/kind of projects, etc.?

A career pathing framework should define probable career movements, from any identified unique role to other roles, based on the above pre-defined criteria. These movements can be both:
*   Horizontal movements:
    *   To a target role in a different SBU/ function/ location, which is equivalent in grade to the source role.
*   Vertical movements:
    *   To a role which is higher in grade than the source role. This can be in the same or different SBU, function, location or role profile.

For example, an Indian conglomerate has created a career portal for employees where the employees can check all possible career paths (horizontal, vertical, within and outside the function) for their role. The portal also explains the skills, knowledge and experience required for every role which ensures that employees take initiative in planning their careers, look at roles beyond upward progression and have meaningful development conversations with managers. This kind of initiative helps establish a clear line of sight for new recruits and provides a long term career plan.

C.   Talent Review

Organizations need talented people a lot more than talented

people need organizations. In fact, 60% of the organizations surveyed in the Aon Hewitt top companies for leaders study stated "shortage of leadership talent" as their most critical challenge. It is also increasingly becoming difficult to buy talent, with yearly pay increases. Hence, building talent internally has become a critical factor for many organizations. However, one thing that organizations need to remember is that, efforts of developing talent can go waste if the right talent is not identified. Thus, a robust talent review process is indispensable.

1. A top down approach to talent review process

While most companies have realized the criticality of a robust talent review process, very few companies know how to embed it into the core philosophy of the organization. Here comes the role of a Leader. Leaders need to influence, inspire and drive people towards a common goal. They need to balance short term investments with investments in resources necessary to build critical capabilities in employees. This calls for a top down approach in which all the initiatives related to career management are driven by the top leaders and adopted by the entire organization.

For example, P&G's chairman and former CEO, A G Lafley, personally grooms 150 potential presidents and function heads. He also regularly reviews their assignment plans and ensures their involvement in board meetings.

2. An inclusive talent review process

Most organizations hold a narrow point of view that the talent review process is only for their high potential employees and critical talent. But these organizations fail to realize that having talent review process right from the entry level will help the employees develop themselves over time, thereby adding great value to the organization in the future.

3. Looking at Talent from Multiple Lenses

Choosing the right assessment tool is critical to organizations in identifying the right talent. A combination of assessment tools can provide a holistic and comprehensive view of talent. This also removes the bias effect and minimizes the errors that might occur when a single assessment tool is used.
Today 100% of the top companies use a 360 degree tool on the leadership DNA. ICICI looks at 360 degree on their Leadership DNA for talent review forums. However they don't become prisoners to the data and the leadership team is ready to junk the data in favor of managerial judgment.

4. Individualistic choices in talent review process

A robust talent review process should ensure that the individual needs of the employees are met in addition to the organization's goals. Employees also need to be given the opportunity to design their own path to development. The intensity of the talent review process needs to be varied across levels depending on the culture of the organization and employee preferences. This involves choices that are made available at each stage of the talent review process.

5. Are Your Best...the World's Best?

In the era of globalization, organizations not only need to analyze how their talent stacks up against the talent in the industry but also need to see how they are positioned to take on global talent. Organizations need to enhance the capabilities of their talent to tackle challenges at a macro-economic level.

D. Managerial Capability

Aon Hewitt's research shows that 'Manager' driver in the 'Best Employers' has a high correlation impact on top engagement drivers - Careers, Recognition and Brand Alignment. Also, there is a high correlation impact (0.9) of 'Manager' driver with the 'Strive' factor of engagement which means managers ensure "that employees are motivated to contribute more than what is normally required to complete the work". Therefore, strong manager capability is important not only for a highly engaged workforce but also for effective strategy execution and business results.

The role of managers is central to various levers of engagement and thus helps develop a highly productive workforce. Organizational culture is most effectively driven top down and line managers play a significant role in ensuring effective cascading. It is important for managers to understand the criticality of their role, derailment factors and the impact it has on employee engagement. Effective managers can drive the desired culture across their teams much better and hence across the organization. Employees leave managers not organizations; effective managers not only lead to better retention of top talent but also develop a climate where all members can contribute positively.

Organizations need to build managerial capability across 4 core functions:
1. Building a cohesive team
2. Driving employee performance
3. Coaching and developing employees
4. Recognizing and rewarding the efforts of employees
At P&G (a large household and personal products company), managers are held accountable to ensure that the team members are ready for the next career move. They look 5 or 10 years out and identify positions that are most likely to be

open due to retirement, etc. These become "destination jobs" for high potential talent who receive "planned experiences" (i.e. running a global business, international assignment, etc.) to help them reach the destination in a given time period.

In an increasingly competitive world, future of your business depends on the quality of human capital that you have.

Figure 2: Building managerial capability

What value can a strategy add if you can't execute?
Adopting the 4 principles outlined above in the career management system can only make space for you on the competitive map. In order to create a differentiated brand for all the stakeholders and realize the value add from these initiatives, there needs to be a maniacal focus on execution. The CEO, himself has to be the driving force behind all the initiatives undertaken with significant responsibility and accountability of all the senior leaders and the HR. Only organizations that executive their career management programs effectively can keep their employees engaged and add value to the organization.

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." -Sun Tzu

References

1. *Top companies for leaders, Aon Hewitt, 2011*
2. *Best Employers, Aon Hewitt, 2011*
3. *Designing a dual career track system, Robert Tucker, Milan Moravec, Ken Ideus*
4. *Career Ladders, Pathing and Planning: Some Neglected Basics, Elmer H. Burack, Nicholas Mathys*
5. *Integrated career systems for the 2000's, Yehuda Baruch*
6. *Let's get realistic about career paths, James W. Walker*
7. *High Impact Succession Management, Corporate Leadership Council*
8. *Managing careers in large organizations, Wendy Hirsh, Charles Jackson, the work foundation*
9. *Key career conversations your managers need to have now, Caela Farren, Mastery Works*
10. *Competitive Career Management Practices, Rita Allen, Career Management, Insights, Fall 2005*
11. *Career development in best practice organizations: critical success factors, Natalie Lam, Lorraine Dyke and Linda Duxbury*
12. *Developing talent: How career opportunities drive business performance, Right viewpoint, Melvin J. Scale*

Succession Planning: Preparing the Organization for Growth

The most admired companies recognize the strategic advantage of investing in career succession planning programs. This helps employees chart their career paths and develop their skills and is a win-win situation for the employee as well as the organization. The company-wide programs ensure that when people move up in the ranks, the next lines of managers are ready to take the role.

Not only should the employees invest energy on the development of their skill sets but they should also understand the relevance of transferring their success by delivering rock solid transition plan, including their replacement. These programs not only provide orderly transitions, but also provide relief in the ongoing war of talent. As an organization finds it easy to identify the potential qualified candidate for the role and train successors from within, it also brings a sense of belongingness to the people who wish to move up the ladder, thus benefitting both.

However, successor training at the individual level is challenging because of lack of time or zeal; the successful companies are trying to weave successor development in the organization mindset. The best firms are beginning to formalize the linkages among performance evaluations, development, feedback, coaching and succession planning. In the Leadership Investment, Robert Fullmer and Marshall Goldsmith quote General Electric's Chairman Jack Welch as saying: "Corporate owns the top 500 people in the company; we just rent them out to the businesses."

So to encourage managers to train people not just for their own positions, but for leadership positions throughout the company, GE uses a performance appraisal system that gives negative marks to managers who hold back talent. At Royal/Dutch Shell, the individual drives her own career path with the input (as opposed to direction) from their line manager and human resources. As a result, succession planning becomes a shared responsibility instead of a mandate from corporate headquarters.

The flip side of the entire programme is non-availability of time with most of the managers, as they are either busy with their routine work or they are in a hurry in preparing themselves for the new role. This sometimes results in shortsightedness in deciding and picking the right successor. The role of an organization increases in preparing all the stakeholders in understanding the relevance of the program and the approach towards it. One simple announcement does not work.

What happens when companies fail to respond towards the career succession programs? Answer is quite evident; it results in losing the most potential talent to their rival competitors. If they fail to develop their junior subordinates into more leadership roles, it results in low engagement among employees and very importantly, there is less number of leaders to steer the organization and ultimately this causes their business to underperform. In turn, not only their companies suffer, but it also impacts their career goals.

India Inc. is facing a big challenge in succession planning due to various reasons. First and foremost is the fact an entire generation of top leaders and first generation entrepreneurs are going to retire in the next 5 to 10 years. Secondly, exponential growth of many business houses and PSUs in India require leaders waiting in the wings to take on the leadership role. Thirdly, the available pool of senior management professionals is being offered lucrative global roles in MNC to work abroad. Finally, there is a discernible trend of many young leaders choosing either to initiate their own start-ups or moving out from the corporate sector to join development sector or social enterprises. These trends put together are becoming a big challenge to the India Inc. in the matter of succession planning.

The road for preparing a strategic map for career succession program in Indian companies is challenging, but not impossible. There are companies which value building human assets internally rather than poaching the decision makers from rival companies. The notable ones are Hindustan Unilever, TATA Group, HCL, WIPRO, ICICI, ADITYA BIRLA Group, NTPC, ONGC, to name a few. Their emphasis on developing their people reflects their values, philosophy and earnest desire on building their organizational capabilities and is successful in delivering their promises to their stakeholders.

The current year has seen several young leaders taking over the regimes of leadership from veteran leaders. These young leaders have brought in a lot of energy, enthusiasm and hope for India Inc. We have several examples like Cyrus Mistry in Tata Group, Rishad Premji in Wipro, Alok Kirloskar in Kirloskar Group, Shravin Mittal in Bharti Airtel, Aditya Mittal in Arcelor Mittal, Vikram and Arjun Oberoi in EIH Ltd. and Priya Agrawal in Vedanta Group. Their induction in their respective groups is an indication of "Catch them Young" as the succession mantra for India Inc.

While developing effective strategies for grooming future leaders, Indian companies can learn a few lessons from some of the best companies of the world. Few years ago, the CEO Magazine, in partnership with the Hay Group identified the "Best Companies for Leaders" (Top 20 in the world). In a survey of 1250 organizations, about the effectiveness of leadership development, respondents were asked to suggest names of three companies from which they would most like to recruit leaders. Results of the survey indicated that the top companies were 3M, P&G, Coca-Cola and HSBC Holdings. These companies surprisingly have a common approach in succession planning and leadership development. All have formal, in-depth development programmes for future potentials, and they practice coaching and mentoring. This is also followed by action learning, with in-depth feedback and assessment. All these companies created cultures that make leadership development a priority.

The succession planning helps the company to navigate the growth and change without unnecessary losses in productivity. But, the question remains daunting, that many companies are still struggling to implement this program smoothly. India Inc. has still a long way to embrace this and learn how to transfer the baton to the next generation. The success mantra for any organization is to make their managers learn the art of delegating and nurturing the young talent to grow up the ladder.

Dr. Nitika Sharma
BIMTECH

SUCCESSION PLANNING

Basically, the most important thing for any CEO is 'two rabbits running in different directions; to catch them on a day to day basis'. One is market share, and the other is productivity. The disruptive changes which are taking place, the longevity of CEOs and chairmen and all has gone down drastically. I will give you one example. One of the premium magazines comes out with the list of best young CEOs and about 4 or 5 years back, the list I traced, I knew a couple of people and let me tell you 80% of them had lost their jobs in the next 8 months, because the standard of excellence is going up. Giving results in the short term, and mid-term and long-term planning of succession are again rabbits which are going absolutely in different directions.

Innovation is one competency; I have handled innovation for six years. There are so many facets of innovation, which are required in different markets, different situations, different economies, different products and different industries. Which competency do you need? Change! Whether you want to grow in market share, you want to grow in profit, or you want to grow in developing economy? Absolutely different change skills are required. So that is what I say there is intent, but it is more of intuitive things which really work out. I am a student of history. Let us take any historical king's kingdom. The takeover, the succession planning, where the people are limited, either the sons or the brothers of the king will take over; there is a huge blood bath! The king's mind was clear on which son will take over, but when he dies who takes over? An absolutely different person. So in this situation of disruptive changes, unbelievable things are happening in the business world. The dwarfs are taking over the giants! Did anyone think that TATA Steel with 3% market share will take over Corus with 22% market share globally? The skills required of the CEO are absolutely different. No one can presume what type of CEO or chairman you need. So these are the realistic challenges and let me tell you that most of the people have to survive for their day to day targets, the board is not going to leave anyone who is not achieving his business results!

The fact is that in countries like India and China, there is a huge dearth of leadership. I am in touch with a lot of global companies and sometimes they do talk about the CEO role for various things and it is difficult for them to get those leaders as the type of exposure they want and the type of future challenges they will face, are absolutely unthinkable right now of most of the people in leadership roles.

A Brief Profile

Dr. Y V Verma
COO, LG Electronics India

Dr. Yasho V Verma has taken over as Chief Operating Officer of LG Electronics India with effect from 01-01-2010 and is now looking after business operations of the Company from his earlier role as Director HR & MS for LG India. He joined LGEIL as VP (HR & MS) in 1997. With effect from 01-01- 2008, he was elevated as Executive in the LG Global hierarchy. He has been the first Non-Korean to reach this level in LG Global hierarchy. Dr. Verma is an Engineering Graduate with Post Graduation in Business Administration and PhD in area of Organizational Behavior from Indian Institute of Technology, Kharagpur.

He started his career with TATA Steel in Jamshedpur and worked for around 15 years. He is with LG Electronics for over 12 years. He was rated as 'HERETIC' by Business Today and GALLUP and covered on cover page of Business Today, a prestigious business magazine in India in 1997. He has delivered several lectures in India and abroad and has addressed boards of prestigious companies in India and abroad viz. ITC; JK Group; Ispat Group, Bangkok. He has visited London Business School, Seoul University, Wharton Management School and Philadelphia for Guest lectures in addition to premier Management Institutes in India. He has been conferred Honorary Fellowship by All India Management Association for significant contribution towards professional management. He is also member council of Management of All India Management Association.

He is President, Consumer Electronics and Appliances Manufacturers Association (CEAMA) for 2009-11. He has authored a book 'Passion - The Untold Story of LG Electronics'. He is also the Honorary Editor for Journal of Projective Psychology and Mental Health by Anchorage USA.

"Putting a person on the job, holding him accountable and giving him empowerment is the biggest learning tool in preparing a future leader"

Secondly, the global excellence parameters have come to India. Either you achieve these parameters, or you are finished. Now the challenge is to identify the competencies required. If you are talking about change, then a leader should be a good manager of change. It is a very simple word to put, but there are so many elements of change and at what time which element is more critical needs to be understood. Let me tell you, I have been an HR person throughout. I had worked out, in my company at all the levels, a 5 year career plan with consensus of the people. A couple of people left since they weren't happy with it. Our attrition went down to 1 %, which used to be on an average 20%. The issue is to get it executed. I had to actually play a line role, and my word was sort of final. But these are very extreme cases and these are not very healthy cases. So the challenges are another thing.

I have a very strong belief that learning and developmental things have very limited utilities. I have seen people, they give you only 3-4 % value addition. Putting a person on the job, holding him accountable and giving him empowerment is the biggest learning tool in preparing a future leader. Facing tough situations is the biggest training; not training and development. I am a training person, but let me tell you, it doesn't work at all. It is not skills; it is the mind-set, it is the attitude and it is how courageous you are to take a decision in an unpredictable situation. These are the qualities that matter, not the tools. I have seen many good companies using those tools and messing up their organization. Please understand, unless a person is accountable for making a person a leader and improve his performance, no tool works. Accountability is the most powerful thing for training people and making people responsible. Tools don't work; they are theoretical, and how many tools are there which have been changed according to the Indian culture and the type of challenges which we face? Which tool globally takes care of that? Not one. I am not talking in a diplomatic way, these are the realities.

Research has shown that the most ineffective type of organization is boss driven, medium is system driven and the most effective are customer driven. The most effective organization is customer driven, with a mad boss. He has to be a mad boss, because only when business is disruptive it is going to survive. Lots of times people are fed up with their mad boss. So, leadership doesn't mean positive leadership in a true sense of getting people aligned. It is about getting results in short term, mid-term and long term. For long term and mid-term it has to be total alignment. Let me tell you if your boss isn't mad, very soon your business will die.

SUCCESSION PLANNING
ladder

A Brief Profile

Prof. Indira Parikh is the Founder President of FLAME. She was a faculty at IIM-Ahmedabad for over 30 years and Dean from 2002 to 2005. She has taught at INSEAD, Fontainebleau (France) and Texas A&M University. She has specialized in organization development and design, and institution building. She has designed and offered management and leadership development programs in public sector, private sector and multinational organizations. She has been a consultant to various national and international organizations. Prof. Indira Parikh is also on the board of several companies. She is a coach for many leading and upcoming organizations. Her current work focuses on facilitating learning and development of Management and employees across levels in the context of organization's growth. Prof. Parikh has been honored with several life time achievement awards both nationally and internationally. She has written numerous articles published in National and International Journals and is the co-author/ author of several books.

Prof. Indira Parikh
Founder President, FLAME

When the qualities of the individual and the requirements of the organization align themselves, you have a person in position of responsibility

The definition of succession planning uses two words. One is pipeline, and the other is the ladder. Both have very similar templates of succession planning. And the minute you put it as a ladder or as a pipeline, you have narrowed the concept of what succession is all about and what leadership is all about. An organization is a pyramidal structure, and people have to go from one level of the organization to the other level of the organization. And then if you take that pyramid as a mountain, there are so many pathways to go up. But we have much standardized templates which take the people to the concept of succession planning.

Now if we say that there is a whole pool of people available, and people can actually move in the direction of growth and take responsibility and they have a spark, the chances are that it will become very different. Organizations, in my view, in the last 40 years that I have been in academic field, use learning and development and lots of training programs to prepare people to take positions of responsibility; to take positions in which they can take charge and take the organization forward to growth, to competencies, to capabilities, productivity and all those kind of things. So if we start categorizing which level of succession planning we are doing, then the input and the investments the organization makes are very different. The people who are in those positions are also very different. For example today's generation is going to become leaders of tomorrow or take high positions of responsibility; they are very different from all of us. And that is because the generation that will become leaders are fourth generation of free Indians, and fourth generation with prosperity, with booming India, respected India, they are looking for completely different things. Many of us who are in positions have taken a path which has been very well laid out on what it means to be successful; but today it is very different. Organizations have invested lot of money in young people. They start out from right at the entry level, taking them and sifting them as they start following the path; and there some people who start at the middle level and take them forward. There are some people who say I know he is the one or I know she is the one and take them. So there are very many different paths. Let me share with you one experience that I have; I was working with a leadership group, doing leadership mapping. There were around 15 people and the CEO asked who among these people will be the next person in the leadership role. I did not have any clue about their levels, and I spotted one person based on the mapping and I said that seems to be the person, and they said impossible. Few years down the line, that person reached the leadership role. So when the qualities of the individual and the requirements of the organization align themselves, you have a person in position of responsibility. So there are two ways of succession planning - formalized and spontaneous; and which way we work at what point of time, depends on where the organization is, and all of that has multiple elements.

Many a time, people have outgrown their past roles, but they actually haven't registered it in their minds. The role that the HR people play or the role that the leadership play is to just lift these people and say actually what they are doing. People get used to doing whatever they are doing but not really put the language of the new role that they are playing, and what happens is that individuals continue to think about themselves in ways which they have already outgrown. So how does one propel these people and definitely one is accountable; and definitely one way is putting them into the deep sea and say okay now move and deliver. There are many ways to help people just grow out of that inertia of thinking about themselves in certain ways.

The benefit of succession planning is that the entire language of the organization changes and it becomes more of a strategic language. People then talk about the direction in which the organization is going. They talk about what they can contribute; how they are going to work together. The teamwork becomes better. They focus on how the organization can grow and how they can make a difference. So this is what the investment in succession planning does. When the organization says that we are preparing you to take larger roles in the future, you find that rather then it becoming what we are getting and not getting, it becomes very much future and growth oriented.

SUCCESSION PLANNING key

SUCCESSION PLANNING

Succession Planning

A Brief Profile

Mr. Vivek Paranjpe is Group President HR, of Reliance Industries Limited since 2009. He also worked in Hewlett Packard from 1998 to 2003. His last role was to lead the Integration of Compaq into HP for Asia Pacific Region. He started his career with Hindustan Lever in 1975 and worked with few companies in India like ICIM, Hotel Corporation of India and Johnson & Johnson.

Mr. Vivek Paranjpe obtained his B. Sc. Honours degree from Fergusson College, Pune in 1973 and he did his Postgraduation from XLRI Jamshedpur. He was a Gold medalist in 1975. Currently his professional engagements include Independent Director, on the Board of Motilal Oswal Financial Services Limited since January 2011 and Advisory Board of Motilal Oswal Private Equity Fund.

Mr. Vivek Paranjpe
Strategic HR Advisor,
Reliance Industries Ltd.

"It is all about creating a climate in the organization which has got humongous enablers for people to grow, rather than saying this is the ladder"

Succession planning is a great concept, a great idea, a great framework; but in real life, very rarely does one see succession planning. I have worked for the past 36-37 years and I have never seen succession planning. What one has seen is developing a pipeline of leaders and talent so that they are ready to take positions as and when they become available. And this is an ongoing activity any corporation has to undertake depending on the ageing of employees at different levels of hierarchy, depending on the attrition rate at different levels of hierarchy, on what your growth plans and growth strategies are, you got to continuously keep developing talent as and when a position becomes vacant. That is what I have seen happening and that is what I have seen working exceedingly well rather than saying so and so person is retiring in 2014 and two people are being prepared for that; I have not seen anything working in the latter manner.

Let us say, growing at the rate of 30 %, I will be so many times bigger and I will need five more leaders or six more leaders. I know I have got attrition, so I need two more leaders. So, I know that I need about 13-14 strategic leaders in next three years' time in my organization and these 13-14 strategist leaders will come from the next line of leadership. So I have got to identify high potential people amongst them, I have got to work upon them, help them become right leaders so that as and when those positions fall vacant, I have the people ready. So it is not something that you leave to God's will. It happens with a plan, but not for a particular role; it happens for a bunch of roles.

I am not against theoretical concepts. Don't mistake me. Succession planning is something which I have learnt and even taught in XLRI as a visiting professor. What I am saying is succession planning is a great theoretical concept which gives us a good foundation for thinking. But in real life it doesn't work; those concepts are exceedingly useful and valuable, but not for the actual succession planning, saying that I have a site president who will retire in 2014 and I am preparing person A, B and C for that role, because I have a large organization. Maybe, 4-5 presidents are retiring, maybe 2-3 CEOs are retiring; total 8-20 people are to be developed for which I have a pool of 30 people. Now, any one of them can take over. So, succession planning gives me great ideas and concepts but does not necessarily say that this is the position. This is my experience.

In the interest of business continuity, I think our leaders are pretty intelligent and know the importance of succession planning. Again it is an assumption that leaders are resisting creating successors. Leaders are wise people. They know the importance of business continuity. They know they have to develop leaders so that they can take over. I think that is not an issue at all. The issue comes in succession planning. Succession planning is not resisted. What is resisted is, 'Am I creating a leader for position A, B or C, or whether I am creating a pool'. Both are succession planning according to me. But when we talk about succession planning, it is assumed that we are creating leaders for CFOs retiring in 2014. No, we are not. We are creating great finance professionals and one of them will become the CFO.

Flatter organizations have created a very interesting climate. With the emergence of the knowledge economy, with the emergence of internet, and the aspirations of people going up, the organizations have progressively become very flat. If you look today, I am the CHRO of Reliance Industries; more than 700 employees are in my department. There are only five levels between me and the lowest level HR professional. Between the lowest level engineer and Mr. Mukesh Ambani, the maximum number of layers would be eight. With this kind of system, this whole concept of career ladder has gone. Today, it is a zigzag career. You really have to move from one role to another. I could have ten pay-bands but not necessarily the levels. So, it is all about creating an organizational climate; that is where the focus of HR should probably be, and that is what I have seen since almost 1990s with Hewlett Packard and Reliance. It is all about creating a climate in the organization which has got humongous enablers for people to grow, rather than saying this is the ladder. And those enablers are in the form of having outstanding managers who become career counselors, coaches, advisors and so on and so forth, creating an HR organization which creates the foundation programs, supervisory development programs, competency ladders, etc. so that people get the benefit of all that and they are not starved of fundamental training. Creating a climate wherein people can do their own assessment. So it is all about creating enabling environments, so that people can blossom the way they want to blossom. I can't decide that this is the way so and so person will grow. Let the person decide how he/she wants to grow, depending upon their aptitudes. Aptitudes keep evolving and changing. Opportunities keep becoming different. So I think it is all about creating an enabling environment and that is where the whole focus is supposed to be. I think employees feel very delighted the moment they see that they can grow anywhere they want.

I would like to talk about the whole concept of succession planning in a macro context and not in a context of just an organization. Recently, there was an article which said that India has slipped in the global competitive index by three places and the major reason for this slip is the lack of infrastructure. So if you look at it from a macro point of view, there are some sectors which can make a big difference and create an impact on this country. One has to see whether there is some paucity of talent in these sectors or whether there is enough talent; whether we are spending enough time and effort for creating enough leaders in that area; is the career planning and succession planning process robust?

Second, if you look at it more specifically from a company perspective, I think it ties in very strongly with the strategic plan of a company. So it is not really a human resource initiative alone, it has to tie with the strategic plans of the company for the next 3 years or 5 years or 2 years or 10 years and how many leaders you need to develop in that perspective. I think a very important debate perhaps can be on, 'Should there be an emphasis on domain expertise when we talk of succession planning? And to what extent should it be emphasized when you do career or succession planning? How important is it in sectors like infrastructure and how are management and strategists, thinkers, HR folks, functional folks contributing to developing people?'

My learning in life is that 'theory' actually comes from the word 'theatre', and the word theatre means where you practice and therefore, our being cynical about the effectiveness of a process, because of the challenges doesn't necessarily reduce the importance of that particular process. Yes, the challenges are many. For example if the business is growing at a very fast pace, then making a theoretical succession plan that X or Y or Z will be a successor, one, two or three persons will be ready after three years or five years or six years, because the job itself has grown so much or the role itself has more internationalization. Yes, those are challenges. But at the same time, I think it is important to put forth, both internal contenders as well as external contenders. And, I think it is very important to respect longevity in an organization. Some of the rhinos of the organization have been very successful and weathered all kinds of storms over so many years. They have become successful only because of longevity and because there has been, whether it is a serendipitous discovery or an incidental discovery, there has been succession planning. Leaders have come there and leaders have occupied seats which have been left behind by others. So therefore, for the longevity of an organization and especially those who have managed to survive all kinds of storms, I think it is a very, very important process.

I would not say that succession planning remains a theory. I mean, we are now getting into a place where we are taking positions on whether succession planning is theoretical or practical. I think it is something we are discussing since it is an important strategic tool for an organization to maintain its competitive edge. The only question we need to figure out is what are the challenges and impediments in succession planning and how do we address those.

One of the challenges very clearly, is managing the expectations of those who are not anointed as successors and come to know through either the grapevine or through a formal process that they are not. Second, where the role itself changes very rapidly because of the growth of the organization, you find that all the planning efforts have been extremely laudable but the strategic emphasis of the role means a different domain, geography and competencies; therefore how do you utilize all the investments that you put on a particular person and also create a set of expectations. Third, I think that there is a theoretical situation where you have a laisez faire organization where people can move in a very non-obstructive manner, from one department to another, one function to another. Obstruction comes only if the bosses say we cannot relieve you or when there is shortage of talent. There is an on-the-job portal where the job is advertised and you can apply and you move up. In such cases of course, the planning needs to be extremely fluid and you need to have a constant process and it is not just the senior people, but at all levels. So doing that, when there is a talent shortage, it brings us closer and closer to my colleagues to win the argument that it is purely theoretical. One has to be careful to balance out where to draw the line.

One of the things I have learned is that if you look at a competency set, it is attached or anchored around a band or a grade. That is now giving way to anchoring it around a role. And now even graduating further, anchoring around a certain person. Models have worked about competency mapping for a particular grade or band and many companies use that. I think it is time to look at whether we can make competencies work around a role and also around a person who has been anointed for a particular role. So that, I think, is something worth thinking about. A portfolio of competencies is more important than making a model of any particular consultant or any particular organization. A portfolio which is flexible, from which you can pick up a menu, which is tailor-made for a particular person.

To me succession planning has a domino effect. If you make a succession plan for a particular individual at a senior level then there is a chain; and the extent to which an organization is able to manage that chain, either through internal job posting or by recruiting in time; is one very specific measure. The other specific measure is of course how long is the vacancy vacant and if it is vacant for too long then obviously one has to tweak its competencies and look at a different set of people. So I think these are the two ways to measure the effectiveness of succession planning. The third perhaps is getting into an inorganic growth situation, like an acquisition. Do you have a leadership pipeline, a succession pipeline, which can allow you to pick a person from the pool and anoint him as a future chief executive of that operation?

> **❝*A portfolio of competencies is more important than making a model of any particular consultant or any particular organization*❞**

Mr. Yogi Sriram
Sr. Vice President-Corporate HR, L&T

A Brief Profile

Mr. Yogi Sriram is Senior Vice President - Corporate Human Resources, Larsen & Toubro Limited. He has 35 years of experience in the Human Resources Development function, of which 20 are in Leading Human Resources teams in companies of major significance. He is a member of the board of the Power Independent Company and a permanent invitee on the Hydrocarbons Independent Company Board in L&T, Director on the Board of a JV Company of L&T in the GCC, besides leading a world class Institute of Project Management. He is the Corporate Head of HR for all businesses of L&T.

He has an Honours degree in Economics from Shriram College of Commerce, Masters in Personnel Management & IR from the Tata Institute of Social Sciences, L.L.B. from the University of Delhi and M.B.A. in Organizational Behaviour from the Faculty of Management Studies (FMS), University of Delhi, a Diploma in Training and Development from Indian Society for Training & Development. He is accredited in psychometric testing techniques such as MBTI at NTL Maine US, FIRO-B and has gone through extensive training in personal counseling (Karkuff Model). He has completed a Certificate Course on "Appreciative Enquiry" by participating in two workshops delivered by Prof. Ronald Fry, Chair Professor in Case Western Reserve University, Cleveland Ohio. Mr. Sriram had been admitted as the first HR professional in India as Fellow of the All India Management Association. Mr. Sriram is on the board of AIMA Council of Management (Governing Board) representing the Fellow Members.

He is the Vice President of the Bombay Management Association and President of the Mumbai Chapter of National HRD Network (NHRDN). Mr. Sriram has led the HRD function in Asea Brown Boveri Limited and has served in BP (British Petroleum) as H.R. Director (Africa, Middle East, Turkey & South Asia) covering 3 continents and about 40 countries and the Taj Group (Hotel arm of the TATA's) as Senior Vice President - Human Resources before rejoining L&T. His areas of interest are succession planning, career sculpting, team coaching, talent management and change management, having successfully contributed to the architecture and execution in these areas in leadership roles, in very large and diverse organizations. He has published papers in journals of international repute and has built a reputation as a successful thought leader and implementer having laid the foundation for most of L&T's signature leadership programmes.

A Brief Profile

Mr. Rajan Dutta is a Management Graduate from Chandigarh, a Post Graduate Diploma in HRD from Ahmedabad and Training & Development from ISTD, Delhi. He has held senior level positions over last 27 years of work in companies like Modi Xerox, RPG Enterprises, Idea Cellular, Bharti Airtel and Lupin Ltd. He is currently the President-Corporate HR, working with Reliance Communications Ltd., Mumbai.

A Human Resource facilitator, Trainer, Job Evaluator & Total Quality Management specialist, Mr. Dutta has successfully introduced and implemented some of the HR & TQM interventions to bring about transformation and change in organizations and professional bodies that he has been associated with. He has been part of the top leadership team to implement the best HR practices with the objective to enhance productivity and efficiency of the company and the people. Mr. Dutta has also been associated with a large number of Professional Associations in various capacities in National HRD Network, National Centre for Quality Management (NCQM), Delhi Management Association, etc.

He has been a member and regular speaker at various HR Committees in CII, FICCI, ASSOCHAM, AIMA and several other professional and educational institutions in India and abroad. He has authored and contributed to various newspapers, magazines and books in HRD and TQM. He has been recognized and rewarded for his professional contributions by several organizations and associations including the Top Ranker's award for "Best HR Professional & Intellectual Icon".

> **" One can measure the effectiveness of succession planning from organizational attrition, but quantification of succession plans is something which has not been done "**

Mr. Rajan Dutta
President-Corporate HR,
Reliance Communications Ltd.

Succession planning gives us a guideline; a model; and there are lots of models which are available, which also offer a certain discipline for managers where they can work in planning out careers and talent. And, as business has to thrive, it is important that you also have leaders and talent to achieve those businesses. The other thing that is important is, succession planning is not only related to the apex management, but it needs to be at every level.

The issue is that for offering special assignments, job rotations, training and support, how much time are managers willing to invest when talent longevity is very small or people's retention is a question mark. Organizations also find that they need certain freshness to be brought in and hence, off the shelf talent is also there in abundance; hence the question of organizations deciding whether to go for a long succession plan or not. Even when you have succession plans, there is a threat of actually losing out other talents when people get to know that there is one person who has been identified for that position and there is a threat of losing out the other key talent because of that. So the question is how much of commitment does the top management and the top leaders have in implementing the plan.

After having put together a plan, it is also important to engage and involve all the relevant managers to go through the assessment process. Have a plan or a tool which is very transparent and known to the team members. It is important to share the plans with the people for whom you are making the plans for the future, having a buy-in with the respective managers for the development plan. Investing on their training and development, capability building and planning for the next succession is very critical. The commitment from the management team, that the people who have been identified, we would be willing to commit and have these people to offer those positions as and when time comes.

It is very important that rather than getting into super specializations, get into creating doctors who not only can see just the left ear and the right ear, but doctors who can actually be bench strength for now and for future. The second is the implementation of managing and creating credibility and the way to do it is just demonstrate and make few things happen; build the culture and you will see things falling in place in the company.

I think the effectiveness of implementation can only happen through accountability and I think that is the crux. It is actually an issue from both sides. One, from the top management having a commitment and supporting in making things happen. Secondly, HR Managers also need to take ownership and have this accountability. They need to have the courage to stand up to what they live for and make things happen.

One can measure the effectiveness of succession planning from organizational attrition, but quantification of succession plans is something which has not been done. Effectiveness is all about knowing how is the planning affecting the organizational attrition. And that is one relevant measurement. The other is the continuity of the top leadership which sustains the growth of the organization.

Succession Planning: Preparing the Organization for Growth

Succession planning is a structured process for identifying and preparing potential successors to assume new roles. It generally entails assessing and discussing a talent pool, identifying high potential employees for further development, and providing them with opportunities to prepare for leadership roles. There are several reasons why organizations are investing in the succession planning process: lower costs to fill vacant positions, greater chance of leadership success, better retention of talent and greater investor confidence. Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. The company recruits superior employees, develops their knowledge, skills, and abilities, and prepares them for advancement or promotion.

The long term success of any company correlates strongly with its ability to develop strong leadership skills of its workforce that ensures the continuity of leadership and the growth of business. Paying attention to hiring the right people who share the vision and priorities of the company is the key. A deep understanding of the industry they are in and using that know-how to anticipate the needs of customers are must-have traits. Generally, companies must invest in its people across the organization, by ensuring adequate training, skills development and providing opportunities in a way that exposes them to new challenges and markets. The three key attributes that make a good leader are clarity of communication, integrity in the way they work, and maintaining consistency in everything they do. Leadership succession is certainly a difficult matter for any company. Without sufficient thought, planning and grooming, the company is doomed to face greater challenges. Home-grown talent is the safest bet for continued growth as the new leaders would be aligned with the company's values.

Succession planning is an important part of HR where talents are identified, assessed and developed to be ready to assume key roles within a company. Having a succession plan is vital to the success of the organization because the individuals identified in the plan will eventually be responsible for ensuring the company's ability to tackle future challenges. These potential candidates must be carefully selected and then trained and developed to give them the skills and competencies needed for the business environment of the future. Because a company's success often depends on its workforce, succession planning should usually be initiated at the start of a company. An early start can be the defining moment of a successful business endeavour. Many companies believe succession planning only to be necessary in times of need. However, when sudden vacancies of key positions arise, it is too late to start preparing potential talents. Time is needed to go through proper screening, qualifying candidates for key positions and training is, of course, necessary to prepare that person for the responsibility.

The ultimate goal of succession planning is for the company to be staffed at all times with the right number of people with the requisite skills. The reason that no well-run company can ignore succession planning is that the consequences of not being prepared to replace key positions will create a hugely negative impact on an organization's ability to achieve its goals, strategic targets, and to overcome challenges.

A sudden exit by a senior leader due to any reason, with no time for replacement, can create havoc for an organization. However, if dealt with care and courage, such instances can prove to be the best learning periods. For example, in 2004, James R. Cantalupo, the then Chairman and CEO of McDonald's, suddenly died of a heart attack. Within a day, Charles H. Bell was declared as the successor. After a struggle of six months due to major health issues, Bell gave his resignation. The company, however, due to its strategic succession planning, faced the situation with a brave face, and appointed James A. Skinner as the CEO. It is important

here to understand that anticipation and preparation for the unforeseen need to be adopted by every organization.

Also, it is not just the sudden departure of the top management that affects an organization, but sudden vacancies at critical positions, can have an adverse impact on the sales figures, productivity, and market relations. Today, organizations are realizing the importance of succession planning. Transition Management or succession planning is not a very challenging process. What is crucial is the level of discipline with which companies implement these processes. They may find a suitable person from internal human resources to take charge temporarily or bring back ex-employees suitable for the vacant position. They may also appoint leaders with less experience to roles providing increased learning and involving less responsibilities or look for talent outside.

A robust succession plan may not only increase the resilience of the organizations, but also make leadership development a success. It helps in determining the suitable people out of the talent pool and preparing them for achievement, at the personal and the organizational level.

Undoubtedly, the role of board members is paramount in the succession planning of critical positions. However, the importance of the HR Department in this regard cannot be ignored due to its close involvement in the corporate strategies and the training and development of the employees. Any transition management plan ought to be aligned with the HR objectives of the organization.

Apart from finding the ideal resources, the HR department acts as a bridge between the management and the employees. During emergencies and turbulent times, the responsibility of eliminating any miscommunication or stopping the rumour from spreading, falls on the HR Department. Employee sentiment needs to be dealt with very carefully. A lot of times, the succession planning initiatives fall short of their intent.

Industry leaders agree that internal talent pool is the best resource for filling the vacant positions in times of emergency, as they are well-aware of the organizational culture and business difficulties. Also, external hiring may have an adverse impact on compensation costs, work culture and employment terms.

The grooming process for the leaders should be designed keeping in mind the demands of the future roles. Tools such as assessment centers and 360^0 feedbacks can be used for evaluation purposes.

The organization, RPG, adopts an innovative approach of job rotations for all senior leaders, thus allowing lots of exposure. Grooming saves an organization from regressive work culture and incurring losses due to high turnovers.

Every organization and its leadership team should plan well around succession, in any eventuality, including emergencies. Also, the evaluation of the process should never be ignored so as to bring revisions and improvements in future plans. A successful succession planning program therefore should include the support of the company's CEO and its senior management. It should include a process of training, development and performance assessment to clearly define what the company's needs are in the next five, ten or even fifteen years. It should try to define the critical positions that should always have ready talents to fill at all times; to identify high potential performers that can be trained up to step into those critical positions; and simultaneously, identify who is more likely to depart. There should be a clear communication with potential successors and monitoring of the successor's development.

Retaining talent and developing future leaders is one of the biggest management challenges companies face in India in modern times. Clearly defined career paths, succession planning and company culture are some of the main reasons ambitious employees stay with an organization. It is therefore important that companies are clear about the qualities they expect of their future leaders.

Succession planning can be implemented at all levels and the value of mentoring should never be underestimated. High potential talent needs to be developed and clearly mapped to the organization's growth and key strategies. Each individual should have a development plan designed and be given opportunities to develop new skills, knowledge and experience in different geographies, and have clear leadership development training outlined.

Prof. Jaya Gupta
BIMTECH

business is
StrategiC

&

good **HR** processes
are a must

A Brief Profile

Mr. V C Agrawal joined the RPG Group (now it is RP-Sanjiv Goenka Group) as President – Corporate HR in November, 2010 to lead HR function of the Group. He is also Group's Management Board Member. Before joining the Group, Agrawal was Director (HR) and Board Member of Indian Oil Corporation Ltd. for five years. Simultaneously he held the charge of Managing Director of IBP Company, a subsidiary of IOCL. He was also on the Board of Chennai Petroleum Corporation Limited.

As a part of the leadership team in IOCL and IBP, he handled key responsibilities of overseeing the strategic business growth and HR strategy. He also led the Corporate Communication, PR and CSR initiatives of the Company. While on IOCL's Board, he was responsible for various strategic initiatives such as driving the new vision for IOCL, formulating master plan "Vision to Reality", articulating core values, introducing online Performance Management System, overseeing the smooth merger and seamless integration of IBP and BRPL with IOCL.

An alumnus from IIT Roorkee, Agrawal worked with IOCL for a long period in Operations and Human Resource Management functions at various locations. Agrawal has been actively associated with many professional bodies and Institutions such as AIMA, ASSOCHAM, ISTD, MDI, UPES, Petrofed etc. in important positions. He is a Fellow Member of All India Management Association and member on Board of Governors of International Management Institute (IMI), India.

*"It is the deep belief in your people;
that people can stretch, people can work,
and people can deliver;
that gives you the confidence to take the risk"*

Mr. V C Agrawal
*President-Corporate HR,
RP Sanjeev Goenka Group*

I have been fortunate to work on both the sides of the table. I have worked for the public sector, trans-public sector in senior position and now I am looking after a diversified role. There is a lot of difference between what knowledge we have got, what actions we do and how do we behave. This is my personal experience and there is a lot of hypocrisy in that. Coming to practices in public and private sectors, there are basic differences in the structure and I will mention five key differences between public and private sector. Firstly, in the public sector, the retirement age is fixed at 60 years, i.e. the person will have to retire ahead of the month in which he completes 60 years. So, it is well-known that we will have to have a person ready to take that position. As compared to public sector, in the private sector, it is comparatively flexible; it can be 60 years or 65 years.

Secondly, in the compensation structure, particularly from the middle management to the senior management, the compensation package in the public sector is much less. So it is not possible to have the people from outside for that purpose and therefore, it is compulsory for the public sector to develop its own people, further up to the topmost position.

Thirdly, engagement level in the public sector is very high and the compensation structure is very low, and if not all, some of the people know their market value but generally, they continue in the public sector up to their retirement age and therefore, the engagement level is quite high. Because public sector will have to find their own people who can occupy their senior positions, their training and development is very strong because they don't have any other option other than developing their own people.

There are various practices in the public and private sectors as far as the career planning and succession planning are concerned. Some of the organizations have very good systems of career planning. By career planning, we had prepared sufficient data for succession planning; whereas in other organizations, people say that if somebody continues

for more than five years, then he desires for the top position. This was not the case 10 years, 15 years back. Although CEOs and other top management people are saying that career planning and succession planning are very good things, but at the same time, it is very difficult to find people who have completed more than five years in the organization. Therefore, a lot has to be done between what knowledge we have got and how that knowledge has to be converted into action and into our behaviour.

As far as risk-taking is concerned, you will have to take the risk whether you are selecting the internal person or an external person. The only difference is if you are selecting an internal person, the risk is calculated; when you are selecting the external person the risk is not known. Generally, there are the cultural issues which come up. It is very difficult to assess whether the new person will fit in culturally in the organization or not; hence the risk is high. It is the deep belief in your people; that people can stretch, people can work, and people can deliver. It is that belief that gives you the confidence that yes you can take the risk.

For retaining the people in the organization, two things are very important. Firstly, if the business is strategic, the organization should grow. If the organization is stagnant, it will be very difficult to retain people in the organization. Secondly, good HR processes. Good HR processes include good career planning and succession planning also. If a particular organization always recruits people from outside at senior levels, what will the people inside the organization think? Why should they stay back in the organization? Therefore, good HR processes including career planning, succession planning, along with the business strategy; all are necessary to ensure that the organization grows.

When you get critical positions in the organization which gives a lot of value to the way the organization grows, then you draw up the development and the job rotation and see how the person moves. People have their own career ambitions and their career ambition does not necessarily match with the career planning which the organization is trying to do today. Please remember that when a good talent walks into your office today, he is sitting with one or two offers which offer them better designation, better salary, or maybe better location. And here you are showing him a leaflet saying that I have this for you and therefore you hang on with us. I don't think this will work in the current situation as there is a fundamental talent shortage in the country. Most of the organizations do not have the required talent which should be there, keeping in mind where the organization wants to be five years from now or ten years from now. If you do not have the talent pool in the organization, you are going to search from the same market which is not going to help any organization. Every organization should ensure that it has sufficient number of talents who can go and occupy leadership positions.

Hence I agree with the fact that career planning is the key. Today people are not looking only at salary, position or location. They are also looking at where do I move, what career I get, what experience do I get, how do I add value to myself? So a bigger issue of succession planning is what is the organization doing today for retaining talent. My attrition in senior management is less than 1%, while my attrition in middle management is less than 3%. There is fundamentally something different that this organization is doing whereby they are able to retain the talent. Succession planning has to be looked at right from your recruitment strategy. When you are recruiting talent, one should be very clear are we recruiting this talent for this job and next level or are we recruiting this talent for the job and managing the succession planning for the leadership position. That decides what kind of people will come into the organization and then you can give a career to people coming from different backgrounds, because everybody need not go to the top. You need talent to manage the bottom of the pyramid. You need talent to manage the middle management and you need talent to manage the senior leadership as well. HR has to play a key role here.

It is always good to bet with the known angel than to try with an unknown one. One must also try and understand in the organization why somebody is referred for that particular position, because there are a lot of undercurrents when people issues come in. I think today what is happening around

is that shelf life of products is reducing; shelf life of talent is also reducing. Therefore companies have to bet on taking talent from outside and also relook at the culture; if it is not ready to take that, to work around there, so that if you recruit the talent from outside your culture doesn't throw it out. At the leadership level, when an organization is recruiting talent from outside, they have to create a culture conducive for the person to excel. In the war of talent, I would still bet on a 80 – 90% ready person from outside rather than a 60% ready person from within.

I think it becomes a top driven agenda, how do you try with people at various levels in the organization so that they become efficient. I think it is a cultural issue. I think it can happen only with the CEOs and the leadership in the organization. We all know that there are more undercurrents which have to be mitigated. Also today, look at any organization, the way they are growing, each organization requires some sets of unknown angels without which you cannot progress what you want to achieve because no organization today is sitting with the pool of talent which can get them their vision. So I think organizations have no choice but to see how the two co-exist. Also when you are recruiting talent in the system, one very important thing is do not recruit a guy on his capability alone. You have to look at the guy who is coming from the culture and background whereby they can see that a person will succeed. Therefore the HR has to play a tremendous role.

When succession planning happens, one person will get it and another will not get it. The larger issue of succession planning with respect to who gets what in the organization is, how does the organization treat the person who does not get that, that is very critical, and do we still respect him for his integrity and talent. Also it depends on whether the organization continues to invest in that person for his capability building, and gives him a meatier role for not getting the position; we see a sense of being wanted. I think that has to be clearly demonstrated by action. So I think organizations have to work on processes and systems whereby people feel that yes going by there I am better than the others. That sense of pride itself holds on to the talent.

"*Today people are not looking only at salary, position or location. They are also looking at where do I move, what career I get, what experience do I get, how do I add value to myself?*"

Mr. Nadeem Kazim
*Director-HR and Personnel,
Exide Industries Ltd.*

A Brief Profile

Mr. Nadeem Kazim is a post graduate in Personnel Management & Industrial Relations from Xavier Institute of Social Services. He started his career with Ballarpur Industries Limited in 1986 in the space of Personnel & Industrial Relations. He moved to Tata Steel in 1991 and served them for 18 years in various capacities. He played a lead role in IR, HR and L&D assignment. He played a pivotal role in designing and introducing innovative HR practices for Tata steel.

He joined Exide Industries Ltd as Executive Vice President in January 2009. He was elevated as whole time Director in the Board of Exide and designated as Director (HR & Personnel) effective from May 2011. He is also on the Board of Directors of the subsidiary companies of Exide Industries, i.e. Chloride Metals Ltd; Chloride Alloys India Ltd and Chloride Power System & Solutions Ltd. In the current assignment he spearheads Corporate HR and strategic IR initiatives for the company. Besides Human resource function he is a Director Incharge for the two Subsidiary company with CEOs reporting to him.

He has introduced many pioneering people and HR practices in the company. Mr Nadeem Kazim is a visiting faculty to various institutes in India. He has delivered talks in the national and regional level seminars and conferences. He has authored several articles in professional journals. He is a life member of several professional bodies. Mr Nadeem Kazim has a dynamic profile developed over 26 years; first in the space of Industrial Relations and Human Resources and subsequently as a senior corporate business leader.

Mr. Anil Sinha
President-HR,
Aditya Birla Group

> ❝ *The attrition level of people in whom we have invested is far less as compared to others* ❞

A Brief Profile

Mr. Anil Kumar Sinha started his professional career as Management Trainee, in SAIL in the year 1980 in Personnel & Human Resources Function. He worked in various locations of SAIL starting with Rourkela Steel Plant from 1980 – 1981, SAIL Corporate Office from 1981 – 1991 and from July 1991 – July 1995 at Bokaro Steel Plant.

From July 1995 – October 2004 he worked as Director of Human Resources and Administration in Timken India Limited (Tata Timken from 1995 – 2002). Tata Timken started as a Joint Venture between Tata Steel and Timken Corporation of US, world leaders in Tapered Roller Bearing. During the 9 years in Timken, he was also responsible for the Supply Chain function of the Company. Also, during the tenure of working in Timken, he had the opportunity to work for 2 years in Timken's manufacturing facility at China and for a year in South Africa.

In October 2004, he joined Hindalco as Vice President - HR at Renukoot. Since October 2008, he has been working as the President of Human Resources of Hindalco at Calcutta. This role involves guiding and leading the HR and IR function of 9 units of erstwhile INDAL and 4 Greenfield Projects of Hindalco. He was also involved in due diligence process during the acquisition of NOVELIS by HINDALCO.

He has presented papers at several National Forums like National HRD Network, NIPM, CII, AIMA, FICCI and institutes like XLRI; SIBM, Pune; IMT, Ghaziabad; and Kolkata University on various aspects of Human Resources and Industrial Relations. He has represented employers' group on various tripartite bodies like National Standing Labour Conference of the Government of India and internationally at various ILO fora. He is a life member of NIPM, IIMM and the National HRD Network.

Succession planning has evolved; it is not something which has happened in the last 3 or 5 or 10 years. It has evolved over a period of time. In the 80s and the early part of 90s, it was largely the public sector where the industry and most of the business was; and privatization subsequently happened. The early stages, when I go back to my days in SAIL, succession planning was even there that time, when you would say that to become the department head, you would have to move across at least two sections; to become a functional head, you must have done at least two departments and to become a plant head or to become the head of a unit, you should have done at least two functions and to become a managing director, you should have seen at least a couple of plants. So this was how it was thought in those days.

Now a decade later, it was largely confined to the senior management team and if I recall my Tata Chemical days, it was the management team of 5 or 7 people who were the driving force behind the entire succession planning exercise, besides lot of times by gut feel. There was not much support in terms of analysis and DSEs, which were not very common at that time. So gut feel and all those things also worked. I do remember in my nine years at Tata Chemicals and Timken worldwide, for general manager and above, 90% of the positions we were able to fill up from within; so it worked and there were programs to support that. Now, sitting here and talking about succession planning today, it would mean a lot of things. A lot of organizations are engaged in finding and developing a

talent pool, taking them through development and assessment centres and making sure that they go through a structured programme, so that you have the leadership pipeline where you get the people from. At the same time, it is not limited to that. Each organization does identify its KM critical positions and looks at it differently for the different positions that it is supposed to fill in the next 3 to 5 years, those coming up as a new project or growth and expansion and then how do you fill it up, identify people.

A lot of times what we have seen is that in the process of identification, quite a few would be from the talent pool and there would be few who are outside of the talent pool as well and then go through a process of again integrating what you are doing with talent management exercise, the individual development plan; integrating it with what you do as a succession planning exercise as well. So, because it could entail things like moving to another unit, moving to another role and things like that, so it is sort of all integrated and it is not one or the other.

Earlier people used to take a lot of pride in saying that they worked for a particular company for 30 years and all those things. Today, as they go through several interviews and if your CV does not reflect 5 – 7 changes in the career, then it means that there is something wrong with you. People would wonder why you have stuck with one organization only. So, succession planning in this scenario becomes even more challenging. A lot of times you would find, like I am in the aluminium industry, I would find myself doing the succession planning for Vedanta, because I confirm the people, he comes with the money bag and takes away my people in whom I have invested so much. So an issue linked with succession planning and as important is the pipeline of induction.

Induction of people to my mind is an integral part of succession planning, whether it is from the campuses or whether it is through lateral. I am not saying induction of people from outside at a leadership level. Talking of Greenfield projects, we did not have the expertise to manage large numbers. Induction at the junior most level is also an important aspect because you are losing people there as well. So cadre building is also important.

Wherever the risk is less than 50%, it is important to take risk with the internal person. Many a times when we hire from outside, what is our interaction with him, a few hours, a day, and then we decide that he is 100% fit for us. Then quite a few times I have seen it boomerang that he does not turn up. We thought that he was 80 or 90% of the requirement, but in reality, in certain cases, it does not work out that way. So there is a risk involved in taking an external person also. As a

philosophy in the Aditya Birla group, our leader Dr. Santrupt Misra, is strongly driving that wherever there is a risk which is less than 50%, we should always go in for an internal person. The element of risk is comparatively lesser in larger organizations.

We have been more comfortable taking risk with the identified 15 – 20% of the people, but we have taken risk with people outside that as well. But many a times, there was a person identified for a role but we still thought that there were at least a couple of years to go before he could do all that. But circumstances were such that he came and things were advanced by a couple of years at least.

One of the good things has been the people in whom we have made the investment. There the attrition level is far less as compared to the general industry. Because they see, they have a line of sight; they see the company is putting so much in us that it gives a sense of value, that I am being valued in this organization. The other aspect is not just that which will keep the people with you and I am mentioning something that normally you get paid for performance at the end of the performance cycle depending on the rating what you got. In our group, and especially in Hindalco, we also value talent. You have been identified as a talent and you get paid additional for that as well. Now that could be in different forms; it could be long term 5 years, 7 years, 10 years or even on an annual basis so those are the type of things which you need to supplement it with.

To a certain extent I think in India still today money is important and even if it is 1 or 2% more than what anyone else is getting, the very fact that the person is being valued, there is an extra premium. I have seen a lot of people who get opportunities from outside but have preferred to stay back because of other reasons; because of the culture of the organization, they have been there, they see a side for themselves. What do you do with the rest 75 or 80% of the team? One of the things which again has helped here is the fact that the talent pool needs to be dynamic as well; it is not that it is a birth right that today if I have moved in here, then I am going to be here my entire career. If someone is showing good performance and he is showing potential, he can also go into that. So, I think that the dynamism of that pool is also important.

> 66 *If you define succession as someone who can take the job only if he or she is 100% ready, my guess is you will run an organization that will always have scarce talent* 99

Mr. T K Srirang
Sr. General Manager,
ICICI Bank

A Brief Profile

Mr. T K Srirang, Senior General Manager, is responsible for the Human Resources function of ICICI Bank. He has been with the Bank since 2001. His responsibilities include shaping HR policies for the Bank and driving these policies and processes across various business groups within the Bank. Before ICICI, he has worked with Coca-Cola India Limited, Ford India Limited and ICI India Limited.

He has a total work experience of more than 17 years. He has done his Bachelors in Industrial Engineering from Bangalore and Masters in Personnel Management and Industrial Relations from Calcutta. He has led various initiatives in areas like Leadership Development, Performance Management, Organization Restructuring, Competency based Recruitment, Mergers & Acquisitions and Employee Relations.

Succession planning is largely an organizational game. I am not so sure whether organizations are here to build careers of individuals. ICICI is in the business of banking. Exide is in the business of batteries. That is their fundamental business. They are not into the business of giving careers to employees. Succession management is a purely organizational process. You do it because you have got to survive in this world. You don't do it because you want to give careers to people. I promote people and grow people because the organization needs them to take these positions. It is incidental that the promotion also creates an excitement in you. I don't promote you only to make you happy. It is the by-product of the process rather than the product itself.

Second, succession management fundamentally rests on the philosophy of the CEO. That is very crucial. It also depends on the risk taking ability of the leader. You have two kinds of organizations. One, succession management is defined as someone who is as close to what a job should be, with almost the person ready to take that job and then only you give that job to that person. The second is, are you ready to give that job to someone who is only 60 – 70% ready? Are you ready to bet on that person? These are very philosophical issues. That can decide the extent to which you define scarcity in the market. If you define succession as someone who can take the job only if he or she is 100% ready, my guess is you will run an organization that will always have scarce talent. But if you are willing to bet on people like you are willing to bet on markets, like you are willing to bet on products, even if they are half-ready or a little more than half-ready, my guess is you actually have a problem of managing too many options. There is abundance of supply.

There is very low preference for risk-taking and it is not easy. While it is easy to say that you take these people, I know for sure that when you are the CEO of an institution or when you are the Business Head to place a bet on the next person, who in your mind is only 60 – 70% ready is not easy,

because you are risking the institution. But if you are not comfortable, and you don't do that, you cannot grow. From 2001 onwards we have grown from a 6000 strong organization to a 60000 strong organization. As a group we are 100000 employees. Most of us have grown within the organization. Almost all my directors, all my senior general managers, including the managing director have all grown within. I know for sure, including my job today that I am not 100% ready. But the organization has taken a call and I am doing it. My team members are also not 100% ready for their jobs. But we had to take those calls and move those people up. The underlying philosophy of succession management is about the risk taking ability and that I think is the CEO's call. If the CEO is comfortable, I guess that will happen.

As an institution there are going to be parallel structures that are going to operate around that person. The person is not going to have a free run in any job. If I were to look at the Head of Corporate Banking, Head of Risk, or Head of Retail Banking, large institutions run in an environment where there are multiple functions who actually take a decision finally. There are inherent mitigating factors in every organization by virtue of the environment that takes over that person. If that environment does not co-exist, then I agree it is a 0-1 game. If every person you may put there can go right, there is a one person who can go wrong, and that is a very difficult proposition. Hence you need to have an environment which is comfortable and there are other people assisting and this person is not going to be the sole person who will be protecting this cause. Hence there are very many factors in large institutions. That I think is the reason why a WIPRO or an ICICI would benefit from.

I think for organizations, the comfort is to go with the person who has worked within. The reason is simple; the person understands the ethos of the organization and most importantly is considered to be a part of the system. There are situations where you may have to go out for a VP, general manager or equivalent positions. It is not easy at all. In large institutions it is difficult for a person to succeed on his own. I am not saying that these people can't succeed but I think there is a 50% chance of success. The first tendency of the organization or the environment is to reject the person, because he is unlike us; but I think as an institution you got to have mechanisms of supporting these people and that is where the system comes into play. I can tell you for sure all people who come into those levels, I think we go out of our way to support them. We don't really assess them for the first couple of years because we know it is too early for us to assess them. We give them time. It is only after the second year that we actually start evaluating them in the race. In the first two years it is unfair to assess them because the person would need two years to settle into the system.

Some of the processes that the companies like the Tatas, ICICI, and Unilever talk proudly about are that they go to campuses to hire their next CEOs. I think it puts in the serious question; the process. I know first of all that our faith that you recruit CEOs from management schools is non-existent. For the simple reason that they do not last beyond five years; so there is no career that I can see for them. So the whole career charting that we talked about, where we are going to be fifteen years from now, I think it is impossible because for that you need to work in an organization for fifteen years. Second, even from the organization's point of view, every five years your organization almost transforms itself. It is almost impossible to tell a person that what you will be ten years from now. It is almost impossible for me to envisage ICICI of today in 2001, 2005 and 2008. Now when job roles are going to be subordinate to the strategy of the institution and strategy of the institution is going to be determined by what are the market forces at that point of time, it is almost impossible to tell a person what you would be doing then. The limitation of this is that I can only tell you that you are ready now for the leadership position in the ICICI group but I cannot tell you as to what these positions are because those positions would come up depending on the structure, depending on the strategy; but if you are one of the persons in the list, the chances are that you may get those jobs.

I think clearly signalling to those set of employees that they are separate or special is a factor by itself. Clearly linked with it are career options; grow those people within those jobs. Competition is definitely another factor. I think, a combination of these two factors across organizations, HR should keep signalling, either formally or informally, to say that you are the chosen one. I think the chances are that there are fewer people from there who would look outside for options. There are consequences of people who are not going to be there in that list so finally when I make this call to make one person take this job then there is another person in the list who is going to have the consequences of not being there. So attrition and retention is going to be a struggle, though less of it in this group. I am sure as we grew we have worked in all these companies as long as they have good structured compensation plans and long term succession plans. I think they do play an important role.

NOTES

NOTES

" ...and the *journey*

Continues.... **"**

Art & Science
of Developing Leaders

‹ Gurgaon ‹ Chennai
‹ Mumbai ‹ Kolkata

2012-13

"ART AND SCIENCE OF DEVELOPING LEADERS" 2013-14

LOCATION	DATE	SUBTHEME
Delhi	2 Aug, 2013 Friday	Leading Change – What Transformation means
Hyderabad	13 Sep, 2013 Friday	Is your leadership science right?
Mumbai	14 Nov, 2013 Thursday	Leading Change – What Transformation means
Pune	17 Jan, 2014 Friday	Is your leadership science right?
Bhubaneswar	7 Mar, 2014 Friday	Is your leadership science right?
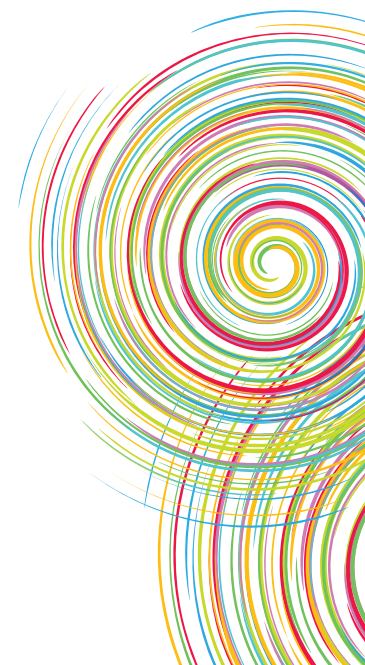
Glimpses

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

Excellence with Values

25 YEARS
Bridging Business and Society

Plot No. 5, Knowledge Park II, Greater Noida (NCR), U.P. - 201 306
Tel: +91-120-2323001 to 10, Fax No. : +91-120-2323022/25
Website : www.bimtech.ac.in

I'M ADVTG. 9312431409