



Excellence with Values

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY



Art &
Science
of Developing Leaders
2013-14

DELHI

HYDERABAD

MUMBAI

PUNE

BHUBANESWAR

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Prof. K K Sinha

Professor & Head, HR Area
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K K Sinha is a Graduate with Honours in Economics 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 Steel Authority of India (SAIL), NTPC, Reliance Energy, Reliance Infocomm and Reliance Industries Limited, and as the Group Director, Human Resource, Jindal Steel & Power. During his tenure in NTPC, where he was Director (HR) for 8 years, he transformed the HR processes and the work culture, enabling NTPC to be ranked as the "Best Employer" and one of the "Great Places to Work" consecutively for 3 years.

He has received extensive training in Human Resources from Harvard Business School, Templeton (Oxford), Michigan Business School, Tata Management Centre, IIM, Ahmedabad, IIM, Kolkata and ASCI, Hyderabad. He has also been invited to deliver talks in many academic institutions in India and abroad including Auckland University, Martin Hautus – The Pacific Peoples Learning Institute and Cornell Institute of Business and Technology, New Zealand.

A keen learner and HR thinker and innovator, he also tailored and executed change in Corporates, working with international level Consultants like McKinsey, Hewitts, Mercer, E&Y, AT Kearny to name a few.

On his retirement from active Corporate world after 42 years of sojourn, currently, he is working as Chairperson – Centre for MDP and Head - HR Area, in the leading Business School, BIMTECH, sharing Corporate perspective and experiences with the budding leaders...He is a visiting Corporate Trainer. He has also been working as a Consultant in a number of corporates like NTPC, Viraj Profiles, NTPC-SAIL Power Company, UltraTech/Aditya Birla, REC, Damodar Valley Corporation, Adani, to name a few.

He has written a Book, sharing experiences of transforming HR in mega PSU in the Power sector NTPC Ltd, "My Experiments with Unleashing People Power", which has been rated in Business Standard's The Strategist top five.

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 level of seventh ranking amongst India's top ten private B-schools and in top 20 of the India's combined list of B-schools, has indeed been a journey with all rigors, 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 subject 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 issue 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 work force 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 latent in themselves and also in the band of leaders all over whether leading from front or middle or behind. Researchers have been researching, advising 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 question pertaining to leadership - and 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 leadership has been debated for long as to whether the phenomenon of developing leaders is an art or science. While there are school of thoughts which believe that developing leaders is a science while 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.

If 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 thus bold enough to make a decision when they are faced with a defining moment.

In the present Indian context, the second biggest priority for CEOs is developing leadership pipeline while for the CHROs across organization their 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 confer 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 platform in the shape of the HR Round Tables in order to bring over some of the best in the country for sharing



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

with the Business world their best. While structuring the five HR Round Tables on this contemporary theme of Leadership, we have used a format and attempted four separate subthemes for the five HR Round Tables, as "Leading Change – What Transformation means" in New Delhi and Mumbai, "Is your Leadership Science right" in Hyderabad, "Leadership – The India way" in Pune and "Driving Innovation and Building Diversity" in Bhubaneswar. 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!



Dr. H Chaturvedi
Director, 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 five 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 Delhi, Hyderabad, Mumbai, Pune and Bhubaneswar 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. 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 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 principal 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'.

Organizations require direction in order to change and adapt to changing situations. Recognizing the need to change, and acting on it, can be difficult decisions for leaders and managers to make. Change requires the 'management' of people's anxiety and confusion, or conversely their excitement and engagement. Leadership at uncertain times requires utmost patience and perseverance for understanding the immediate organizational need. A right introspection at the right time will help in infusing a performance driven culture. According to Prof. Dave Ulrich, the globally renowned management guru, 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.

The heads of many Indian businesses believe that national growth is essential for their own profitable expansion. Also, India has a long-standing tradition of companies committed to social betterment through philanthropic giving and investment in



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

infrastructure near their facilities. Indian business leaders care as much about national purpose as about financial results. They think broadly and act pragmatically, setting grand agendas and then repeatedly testing through trial and error what works and what does not. Given the enormous and intensely competitive domestic market and the country's discerning customers, Indian business leaders have of necessity learned to be highly creative in developing their value propositions, delivering entirely new products and services with extreme efficiency. They place special emphasis on personal values and on having a vision of growth and strategic thinking. In addition to serving the needs of their stockholders, like CEOs everywhere, they also stress broader purpose.

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".



Case for Building a Leadership Pipeline: NTPC



Prof. K K Sinha

In one of the seminars on leadership, before sharing my views on leadership, I asked the audience comprising middle and senior level corporate executives, to list out the three most critical attributes of an ideal leader as per their opinion and experience. Some of the attributes listed were as follows:

- Visionary
- Highly energetic
- Emotionally intelligent
- Humble
- Highly passionate about goal
- Global mindset
- Inspiring
- Ethical
- People oriented
- Ambitious
- Achievement oriented
- Excellent communicator

After listening to them, I recalled the anecdote of the Six blind men and an Elephant, one of the most common fables and shared it with them. Six blind men decided to feel an elephant. The first of them touched the side (belly) of the elephant and said it felt like a wall. One of them held the tail of the elephant and said it seemed like a rope. The third man held the trunk and said it was like a python. The fourth man touched one of the elephant's huge legs and said that it definitely felt like a tree. The fifth man touched the tusk and said the elephant seemed to be like a pointed spear of some wild animal. Finally, the sixth man touched the ears and declared it to be like a fan.

Like the blind men who were forming their own conception of the elephant as a rope or tree, etc., as per their feeling and experience of touching whatever they could. All of them might have been right as per their perspectives and experience but they were detailing only one aspect of a large and complex animal. I explained that the subject of leadership was quite similar to the story. It is like

beauty... One can keep describing it endlessly but will know it only when once it is seen. Nobody seems to have all the answers on this vast and complex subject. Leadership is essentially a subjective phenomenon and there cannot be a single perspective on this. However, we do have enough evidence in the corporate, political and social arena to have a fair assumption about what makes a good leader.

Leadership, as one of the most critical factors for business success, needs no explanation. Only people can make your organisation a success and to unleash the people-power, we need leaders who can identify the adequate people, inspire commitment, motivate them to give their best and take the organisation to heights of excellence.

On searching the internet, one may come across almost 3000 books, articles, research papers that are written world over every year pertaining to Leadership. We have enough knowledge available on this subject. Few years back, the importance of leadership had also been established by many empirical studies on business excellence. Jim Collins in his research based book, *Good to Great*, covering about 1400 companies listed in Fortune 500 between 1965 and 1995, says that the first factor for transition from Good to Great companies was Level 5 leadership in which he describes the hierarchy of leadership characteristics and states that the most ideal and the highest level is Level 5 leadership which is characterised by a "Paradoxical blend of personal humility and intense professional will". Such leaders are self effacing, quiet, reserved, have a very high ambition for the company, etc. I developed a liking for this model called the Level 5 leadership and wanted to develop this model amongst the leaders of NTPC, whether being developed right from the beginning, level after level, or through organised succession plans at higher levels.

One could quote from countless researchers and leaders, everyone sounded right, impressive and best. There have been a number of studies on leadership including the one undertaken in the state of Ohio, University of Michigan studies, and a number of theories have been developed on the subject of leadership including the Trait theory, Behaviour theories, Contingency theories, etc. Besides, a number of concepts on leadership like transformational leadership, servant leadership, etc., have been studied from time to time. In fact, leadership is one of the most talked about, most written about and still the most intriguing subject. Every time we hear about a new theory, there are new paradigms challenging the old ones.

Common Attributes of Leaders

Before I talk about certain characteristics, I would like to talk about certain common myths about Leadership. There are plenty of myths, but there are three which I find are the most critical ones that we need to keep in mind while motivating people to make the best of their Leadership potential:

- Leaders are born and not made
- Leaders are high profile people with big personalities
- Leaders have a brilliant academic background

In my life, I have been particularly inspired by a few leaders from both, political and corporate world, which include Mahatma Gandhi, Konushuke Matsushita, founder of the Japanese company, Matsushita Electronics, later National Panasonic, or Darwin Smith of Kimberley Clark. Indian corporates also had such exceptional parallels like J.R.D. Tata, G.D. Birla, R.P. Goenka, Dhiru Bhai Ambani, V. Krishnamoorthy, E Sreedharan and the likes. In NTPC, where I served for more than two decades and on the Board for over 8 years we were able to identify good leaders in all roles, functions and characteristics. Some of them were: D.V. Kapur, P.S. Bami, Rajendra Singh, R.V. Shahi, Pran Nath, M.L. Mallik, M.A. Hai, Ojha, Bala, and a few more. They built NTPC as a great Organisation with a wonderful vision. When I started working on refreshing and re-energising NTPC People strengths, we took Organisational Leadership and Organisational Development as our major agenda. For Leadership Development, we planned to develop leadership as a most critical enabling factor, while always focusing on building of a learning Organisation. We wanted to emphasise the following key roles in our leaders who were to take these responsibilities:

- Leader as Designer – Design the governing ideas of the organisation: the Vision, purpose, mission, strategy, etc.
- Leader as a Talent Manager – Identifying right people, putting them in right roles, motivating and developing them.

- Leader as Commitment builder – Gaining commitment towards achievement of organisational goals by sharing and inspiring Vision, recognising performance, celebrating success, communicating openly and freely, etc.
- Leader as Change Masters – Preparing people for changes: building capability for continuous learning, innovation, etc., to be able to face change effectively.
- Leader as Teacher – Builds/develops Leadership skills in the organisation at all levels, acts as role Model and catalyses development in the pipeline. Similarly, while developing leadership, we were following few planned interventions, to emphasise developing the few characteristics of a Leader, which most of them already had or had potential to develop:

Humility – So as to respect others and their ideas; learn at all times
 Passionate – Having energy to adhere to goals, determined to persevere in the face of difficulties

Emotional Strength – To take bold decisions, to maintain right balances

Integrity – conscious adherence to values

Creativity – Looking for new ideas, better ways of doing things

Concern for people

I rarely came across a single person who had all these characteristics, that were needed to transform an organization, but there were many potential leaders with a willingness to learn.

Building Leadership in Organisations

Though leadership is critical, it is a fact today that leadership abilities are scarce in today's corporate world. Playing the managerial role demands knowledge and skills to manage complexities which may not be the difficult task. But finding leaders who possess a vision, versatility, emotional strength, understanding, execution and people orientation was a challenge for business organisations. Research studies and cases had shown that leadership could be developed and more than the classroom, leadership was developed on the job. Many successful business leaders are often heard mentioning a strong mentor or coach who had played a key role in their development.

Three important ways of building leadership in business organisations would include:

- **Selection** – identifying the set of leadership competencies suitable for the organisation and then selecting the people with these competencies at various levels including CEO level.



- **Training and Development** – Developing leadership competencies among the employees through regular training, management development programmes, interventions like 360 degree feedback, Coaching, Mentoring, Development centre, PMS, Thomas profiling, Hogan development tools, etc.
- **Developing and providing supportive environment** – Supporting the environment and role rotation and challenges, where the leadership capabilities can flourish including creating culture of entrepreneurship, initiative and risk taking, values actualisation, etc.

These were the areas of focus for creating and adopting a leadership Development model to move the Organisation forward along with an effective leadership.

Leadership Development at NTPC

NTPC had taken a systematic approach to leadership development at all levels. We strongly believed in creating a leadership pipeline and have always laid strong emphasis on it.

Planned Interventions

Apart from regular need based interventions, the Company carried out planned interventions for transition at various levels. It included Executive Development Programme for Supervisors to Executive cadre; Foundation course for Dy. Managers level, Capsule Course for Manager; Enhancing Managerial Competence (EMC) for Senior Manager; Advanced Management Programme (AMP) DGM and AMPs with Global exposure for AGMs/GMs and so on. The structure and design were developed by PMI with the organisation's focus on exposure for the identified roles, responsibilities and abilities.

Enhancing Managerial Competence

A three week programme for Senior Managers with an aim to sensitise them with the changes being brought within the Organisation, with special reference to business of the power sector, enhance capabilities to understand strategic issues and to develop holistic cross functional competencies.

Capsule Course on General Management

A two week programme for Managers with an aim to provide an understanding of current issues of economy, industry and Company and to develop managerial skills and an integrated perspective of management function.

Foundation Course in General Management

An 11 day programme for Dy. Managers to provide an understanding of the basics of General Management and to create awareness on various

Management theories like team working, communication, delegation, etc. These were conducted at all the Plant Employee Development Centres or in Regions.

Strategic Management Initiative in Leadership Effectiveness (smile)

A programme was developed and organised by PMI for Executive Directors and senior General Managers to address the critical organisational concerns and to formulate an action plan to address the issues that ranged from Business development, financial management, creating performance oriented culture through effective leadership, etc.

Rhythm of change

An outbound programme was also conducted on similar lines as mentioned above for General Managers to formulate action points for effective learning and Organisational Development.

Business Unit Head Programme

A 5-day programme for Business Unit Heads (GMs) with an aim to develop their capacity to identify the challenges of change and the skills required for proactively managing the same.

Advance Management Programme

A 3-week programme for senior executives at the level of DGMs/AGMs conducted by ASCI, Hyderabad and MDI, Gurgaon. The objectives of the programme were to enhance awareness of the key challenges in the rapidly changing business environment, to provide an overview of state of the art in Management thoughts, practices in functional areas, to provide a conceptual exposure in formulating strategic plans for the organisation and to develop Personal action plans using approaches that would work in the organisation.

Further, in all these planned interventions, sessions were set aside to provide inputs on the Vision and Values of the Organisation, its corporate or strategic plan with challenges, and the plan of transformation undertaken with roles of each level. Senior Executives like Directors, Executive Directors, and General Managers, etc., were involved in attending these sessions with a view to share their understanding and passion with others. These interactions became very powerful inputs for not only generating the needed alignment of all levels to the roadmap, but also for a better understanding of the requirements from people at all levels. The programmes were successful in bridging the gaps in communication which were so much needed in order to move them all in one direction, towards the one goal envisioned for the Company.

Besides the programmes and interventions mentioned above, some other specific initiatives for leadership development were taken, which are as follows:

Development Centre

Development Centres were introduced in 1999 for middle level executives to identify developmental needs for higher responsibility levels by assessing the gap between required versus possessed levels of competencies, and by providing an opportunity for development which was subsequently addressed through specific interventions.

Feedback was given about their strengths as well as the developmental needs. The inputs of these DCs were also used for improving the inputs in the planned interventions. Initially we wanted to bring out individual or even group gaps in competencies by introducing Assessment Centres, but our idea was not to create apprehensions and fear in the minds of people as to how these gap assessments would be used. Hence, we initially made them optional and shared the results only with the individuals concerned, suggesting that they may use these diagnostics or assessment outputs for self development, voluntarily discussing with their superiors, HRD or EDC for a future development plan. In order to generate acceptability, we had to make this programme into a non-invasive development initiative. A similar strategy was adopted to introduce other initiatives like 360° feedback surveys, etc. We were aware of the prevalent cultural status and wanted to introduce these initiatives intended to bring about changes in the performance culture smoothly, changes that were founded on grounds of trust.

360° Feedback System

A 360° feedback system had been started for senior executives in the level of AGMs and above and was planned to be cascaded to lower levels of executives first on a voluntary basis and later as a compulsory requirement and as part of PMS, to improve objectivity and enhance development of individuals. It involved seeking feedback from peers, direct reports from superiors besides assessing the regular feedback, as per the PMS, from the direct reporting officer. There were apprehensions in the association and even in some individual executives objected to the introduction of the system, but everyone was gradually won over. Senior Executives at the level of General Managers, Executive Directors or Directors/CMD started appreciating the process and the results of the programme. When T.V. Rao presented my report on the 360° Feedback System, I found it quite interesting and useful. Areas of self development were identified and feedback in the form of

suggestions was adopted as an agenda for development. At least the programme was successful in raising issues and concerns, and made the management conscious of their needs. I recall sharing the results with my colleagues in line and HR.

Training on Performance Feedback and Counseling Skills (preface)

To supplement the efforts for a transparent and an open culture and to effectively achieve the intent of performance management, a specific training programme was launched for building counselling and feedback skills amongst senior managers/DGMs, the critical mass of the leadership positions responsible for managing and creating high performing work teams.

Director Level Competency Framework

Keeping in view the long-term business strategies and plans as articulated in VISION – 2017, the leadership competency framework of board level positions was re-considered and a new leadership and competency framework was evolved with the help of M/s Hewitt after an extensive interaction with the top management. A thorough examination was conducted focusing on Job descriptions, the changing Power scenario and regulatory regime/framework, best in class global practices and the future growth plans.

Hogan Development Survey as Part of Succession Planning

NTPC takes the credit of having pioneered the use of Hogan Development Survey – a state-of-the-art psychometric tool – for assessing the leadership style and behaviour of General Managers as part of Succession Planning by providing input to the top management. Developmental plans for these levels, based on the Leadership Challenge Report, were also initiated and structured. The initiative was widely accepted by both the participants as well as the top management.

Global Exposure Through Foreign Training

In order to develop world class competent power professionals, the initiative of global exposure through foreign training was being pursued vigorously with the allocation of a clear budget every year. With this initiative, efforts were made to develop functional competencies in the new business areas such as Hydel, Distribution and Technical competencies in Operation and Maintenance, Erection and Commissioning, and global leadership perspective in key leadership levels by sending executives to reputed global organisations such as EPRI USA, EDF France, CDG Germany, Global Business Schools such as Harvard Business School, Kellogs Business School, etc.



Executive Directors and Directors were allowed to be partners in their development journeys and were to select a useful foreign training programme in the Institute of their choice, for acquiring the best of required learnings and desired developments.

Leadership Development System (LEADS)

A system, namely LEADS had been conceived for senior executives that included Assessment and Development Centres and 360° feedback tools. In addition, systems like Succession Planning, Hogan Development Inventory and Strategic Management Initiative for Leadership effectiveness were used.

Succession Planning

A conceptual framework for Succession Planning was devised whose cornerstone was the assessment of core competencies to determine gaps, required skills, and to identify what positions needed succession planning. Formal professional development opportunities were provided through job rotation, job enrichment and job enlargement. Generalised career paths were also drawn up so that the focus would not be on isolated positions. The overall strategic plan of the Company determined the positions that would be included in the succession plan. A matrix was created showing performance, potential, development opportunities and exposure. These were used to place people in leadership positions at different levels in the Company.

Objectives

- To grow leaders from within: Home grown talent
- To identify key leadership positions
- Individual growth and advancement
- Prepare right people for key higher positions at right time and managing transition
- To maintain continuity in leadership roles

Principle

- Succession Planning: 2 levels below Board level positions.
- Identify competent persons based on performance and potential
- Those who were willing to assume responsibility
- Those who had a balance service of 2 years.

Conscious Creation of Real-time Leadership Opportunities

Opportunities of growth and expansion of the organisation normally offer opportunities of people growth. Growth comes from growing in the same business through green field or brown field expansions. These create fairly good opportunities of growth for people, particularly by creating new leadership positions. However, greater challenging roles appear when companies have diversified, but within the same sector. These were instances where there was a general comfort of business management, and at the same time provided an exposure of top leadership positions, like CEO and Board level for company executives. We had pushed the strategy of growth within the sector by entering into other critical areas in the energy value chain. NTPC went on growing subsidiaries and strategic partnership for more than two dozen companies, creating positions of CEOs, MDs and a whole list of positions for Directors, wherever a Board was constituted.

The opportunities created through more than two dozens of subsidiary companies involved a lot of excitement and an enormous scope of learnings for our people in senior positions – to get rotated to driving seats and to also explore appropriate developmental opportunities. We always kept the Succession Plan updated and connected to such postings. Around 20 companies created then and later, were successful in providing immense opportunities of Leadership Development exposing more than 100 senior level executives to Board level opportunities and leadership responsibilities.

We have seen large companies taking such strategic decisions to grow their talent into leadership positions through such strategic initiatives which NTPC adopted. However, we were like parents – to guide them by holding their hands to enable growth and success by true empowerment.

Conclusion

We were conscious of the fact that in the present complex corporate world a single leader or even a group of leaders would not have been able to steer our organisation ahead, but that we needed to develop leaders at all levels. The Company needed to develop Shared Leadership and build up leaders at all levels. John Maxwell gave a good illustration of Shared Leadership in his book *Developing the Leaders Around You*⁶ by talking about Geese. When geese fly in their 'V' formation, the leader's role changes frequently. We needed to gradually push the culture of mutual trust, creating a solid ground for shared leadership, where the vision becomes more important than glorifying personal leadership.

Further, Leadership style (Authoritative, democratic, affiliative, coercive, task oriented, etc.) should be contextual or situation specific and specific to circumstances. Daniel Goleman,⁷ advocated the criticality of using emotional intelligence by leaders to be successful. He, based on the research of more than 3000 executives about the leadership style that yields best results, concluded that the leader who gets the best results do not use only one particular leadership style but a combination of different styles, depending on the type of business situation. So there needed to be flexibility in style, and in our training we emphasised on developing this acumen in our leaders under the development programme. Our idea was to always learn from the best research on the subject that used to bring learning from a large number of tested practices in organisations, bringing success, and spreading the learning in order to not only building individual capabilities but as an organisational capability as a whole. Learning, developing and practicing became a way of life, contributing towards a grand performance culture based on focused values of mutual trust, continuous learning, and commitment to bring excellence all over. LEADS developed specific and individual plans of development of leaders and generated leadership inputs required by the organisation.



Demystifying the Leadership Challenge

in Asia Pacific

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&

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The emergence of Asian companies on the global stage has dramatically changed the nature of Leadership in Asia Pacific and has exposed organizations to a new arena of competition. The results from Aon Hewitt's 2009 Top Companies for Leaders study points toward a flux in leadership dynamics around the globe. While American and European companies historically led the market in attracting, retaining and developing leaders, our 2009 research results portrayed a different picture. Asian companies are moving at a much faster pace than their Western counterparts in developing their leaders, with India at the forefront of this trend.

Leadership development in Asia is more aggressive. As a result of Asia's sharp increase in growth after the global downturn, organizations in Asia are facing multiple challenges, including shortages of executive talent, increased expatriate costs, an increased demand for qualified local executives, and a greater need for leadership training. Our research shows that organizations in Asia are not shying away from managing the complexities of this "new economy" and are moving aggressively to develop and prepare the next generation of leaders. During an interview for the Top Company for Leaders study, the CEO of a large Indian organization told us that, "During the recession, we optimized costs and cut excess flab in various sections of our organization. We even took a cut in our compensation; however, one aspect that we did not compromise on was the investment in developing our Leaders and top talent. Twenty-five percent of the reduction in compensation was ploughed back into strengthening our leadership pipeline, as we felt that this was one area where an investment would help us come out of the downturn."

Such bold and decisive moves are propelling Asian companies toward faster growth and helping them attract, build and retain a continuous pool of high potential talent. The study highlighted several ways companies in Asia Pacific are achieving this goal.

Recruit fresh talent. The study found that 100% of the Top Companies in Asia Pacific have a specific strategy for selecting leaders from outside as well as within the organization. The Head of an Asian multinational company (MNC) mentioned, "We consciously recruit 25% of our leadership from the outside as we want to be prepared to manage the changing culture that our organization (and most other Asian organizations) are experiencing due to globalization and our aggressive growth plans. If we did not do so, we would soon fall behind the growth curve and be caught unaware. Today, such talent strategies are no longer just desirable or optional rather, they are mandatory for the survival of our firm."

Nurture top talent. All of the Top Companies in Asia Pacific reported having a sufficient talent pipeline to be successful in the future, compared to just 50 percent of all other Asia Pacific companies. Rigorous assessment, continued development, and consistent communication across levels result in pipeline depth. Almost 83% of the Top Companies have sufficient numbers for their Middle Management levels, demonstrating the emphatic thrust given by these organizations to building this layer that is critical to drive strategy and lead the implementation goals.

During our CEO interviews with one of the winning organizations of the study, the top executive at the firm mentioned, "Leadership development is so much a part of our culture that we do not think of it as a discrete activity, but rather how it is linked to the way we do strategic and operational plans. Each year, we spend two weeks reviewing our leadership pipeline and discussing 300 of our top talent, including their performance, potential, and careers." Companies such as GE, IBM, and P&G have a long tradition of CEOs and senior leaders spending a disproportionate amount of time on leadership and treating the development of the firm's highest-potential leaders as a personal responsibility.



Develop through experience and exposure. Leadership development programs and succession planning are the first priority for the Asia Pacific Top Companies for Leaders. In addition, leadership assessment and coaching are seen as increasingly important. These companies drive development by not only focusing on specific corporate programs, but also by striving to fulfill the individual's comprehensive developmental needs. Today, leadership development is multifaceted and holistic, rather than a point-in-time intervention. The development strategy for leadership is a mix of classroom training sessions and action learning programs strengthened by high-powered coaching and cross-functional practical experience.

The speed at which the Top Companies in Asia Pacific develop their high potential and critical talent is a significant differentiator in their Leadership Development strategy, as compared to other companies in the study. Creating a cross-domain/division visibility for high-potential talent is a practice that is fast becoming popular. This is being done by generating consistent and varied opportunities for high-potential employees to interact with the C-suite executives outside their current function. This not only creates stronger networks within the organization, it also promotes higher visibility of talent outside of their immediate workspace and supervisors.

Use branding as a leadership talent magnet. Ninety-two percent of Top Companies in Asia Pacific, compared to just over 38 percent of all other Asia Pacific companies, report being very intentional in their efforts to build a reputation for strong leadership. Today, leading organizations are not only focusing on top leadership talent, but also are focusing their efforts to build and develop a robust leadership pipeline at the middle management levels. The managing director of a global "Top Company for Leaders" remarked, "We no longer look at our Leadership Development strategy on a year-on-year basis, nor do we focus only on the C-suite of executives. We formulate our

top talent strategy as a five-year plan that is closely aligned to the five-year Business strategy of our organization. Any organization that is serious about growth at a global level would probably be following the same practice."

Bridging the gap

Charles Darwin once said, "It is not the strongest of species that survives, nor the most intelligent; it is the species that is most adaptable to change." While Asian organizations have proven to be most aggressive in terms of sustained leadership development, they still need to bridge the gap in four areas if they are to truly become a global player.

First, Asian leaders need to "unlearn" the leadership style that made them successful in a local market. A global, multinational and diverse employee pool requires and looks forward to a leadership style that is effective and equally powerful across geographies.

Second, Asian leaders need to be prepared for sudden organic changes as a result of their aggressive global acquisition strategies. Leaders will need to start managing operations that increase in complexity, size and culture.

Third, Asian leaders will need to have firm succession plans in place, which are communicated and carried out in a systematic manner. Asian firms today might have very strong leaders, but they need to reflect upon whether they have equally powerful stalwarts as successors to drive and sustain this growth in the long term.

Lastly, Asian Leaders will need to become global ambassadors for their firms by not only contributing to the multifold growth of their firms, but also to the society, at large. Today, very few Asian leaders are recognized globally. Asian leaders must demonstrate and create a larger impact on the global economy and society. If not, Asian firms and their leaders will continue to have only regional visibility and global success for them, will remain at best, an elusive dream.



"Rigorous assessment, continued development, and consistent communication across levels result in pipeline depth."

"The development strategy for leadership is a mix of classroom training sessions and action learning programs strengthened by high-powered coaching and cross-functional practical experience."

A Brief Profile



Ajai Nirula is presently the Chief Operating Officer (COO) IL&FS Energy Development Company Ltd. His current responsibilities include development, implementation and O&M of Thermal, Gas, Hydro and Transmission projects. Besides, IEDCL today has presence in Wind, Solar, Cogeneration/Biomass and Waste to Energy segments. From a 1000 MW installed capacity at present, by 2019, IEDCL plans to be a 16,400 MW company with economic/direct equity interest.

Recently, till April 2013, he was the COO of Tata Power Delhi Distribution Limited (TPDDL) – A Tata Power and Delhi Government Joint Venture for Power Distribution in Delhi, formerly known as NDPL. Besides Corporate Level engagement in Strategy, Business Excellence, Policy Advocacy, his line responsibilities included Operations of the entire Distribution Network, Project Engineering / Execution, Contracts, Power System Control, Automation,

Network Planning, Training & Development, Administration, Vigilance, Oversight of Power Procurement Management, Corporate Commercial, Consumer Relationship Management and Power Generation. At TPDDL since 2006, he headed the Commercial and Operations functions prior to assuming the COO position in November 2010.

In a career span of nearly 36 years, he has worked from 1977 to 2001 with Bharat Heavy Electricals Ltd (BHEL) at Power Projects followed by stint at Corporate Finance. Between, 2001-2006, he was with KK Birla – Zauri Chambal Group and responsibility was the Treasury Operations, Annual Accounts, Strategy, Business Diversification (Power) and Debt Restructuring at Group level. He has a Degree in Engineering with Post Graduations in Business Management and Law.

Leading Change: WHAT TRANSFORMATION MEANS

There is one perspective which we should focus on with regards to change - Change may be serious or it can be fun, but change is required. The time required for change is short. The organizations that fail to recognize the changes happening outside and are unable to differentiate whether the pace of outside changes are faster than the inside changes, are the ones that are moving out of the Fortune 500 list.

Mr. Ajai Nirula
COO,
IL&FS Energy Development
Company Ltd.



When we took over as a part of the Tata Power Delhi Distribution Company, the employee base was low and there were two- third of the Delhi Vidyut Board employees. There were several changes that we tried to incorporate. One change that we tried to incorporate in the company was the effectiveness of listening to our consumers. In our call centre we felt that ethics was important. Every evening in our call centre we would enquire the details about where our employees had gone to do the repair work and try to check if they had requested for tea snacks etc from the customers. In case it was confirmed then we sought to check it. So, every small detailing is required to bring in change. Further, we had a program in which all senior people went to the call centers personally and listened to the complaints themselves to get an idea of the nature of complaints received from the customers. The motto was to reach out to the last point, the consumer, to know the changes to be incorporated in the organization. We tried change or innovation in the billing. We had different colors of bills. In case somebody was found to be a defaulter, then they got a red bill otherwise the normal bill was of blue

color. In colonies and clusters, persons who came to pay a red bill felt embarrassed. In this way our revenues went up because people didn't want to get red bills. Thus, change can be very small or it can be very large.

It is important to align change for social inclusion and CSR. We need to know what are we giving back to the society when we are really making change. The privatization of NDPL started in July 2002. In five years time, the losses were reduced from 53% to 15%. But one of the toughest segment that includes the JJ clusters and other such dense areas where electricity theft was rampant and no payments were being made. Since there was a social inclusion and CSR angle to it, we sought the help of an NGO because our direct entry would have brought in suspicion.

A number of initiatives were undertaken. Our research had showed that there were a number of young ladies in these areas who were involved in the menial jobs like washing utensils, washing clothes, dusting, cleaning, sweeping the floors of nearby houses.



We introduced beautician courses for them and set up training centre. We hired buses to take them to the training centers and at the end of the training we gave them kits. The whole idea was to make people in these areas generate extra income for their families so that they can pay our bills.

This effort was a great success. We started other vocational training programs like electrician courses etc. Those who qualified these trainings, their names were put up on our web sites for consumers to give them business. There was another initiative in which we tied up with Life Insurance Corporation of India. And we proposed that we would give one lakh worth of free insurance from LIC, provided the person was a regular bill paying consumer. Initially there was a lot of skepticism to it. We proposed and implemented the pay out within the stipulated time of forty eight hours in case of any fatality.

Another initiative which we undertook was running drug de-addiction camps, because there were a lot of drug addicts in the area. More than ten thousand people were covered. At the same time, there were follow up camps to check the numbers who had actually stopped taking drugs. The ratio was 1:10. We covered 5000 people. We discovered that the person who had left drug through drug de-addiction exercise was upheld as a great champion, and the whole family was behind him and the neighborhood knew about it. Therefore the whole thing became a great success.

We introduced a monthly billing system for this segment so that there could be a monthly pay out instead of doing a bi-monthly billing, which means one bill in two month's time. We realized that in this problem of payment of bill would be less. And so these were some of the few initiatives we had undertaken.

The pay off for us in the end was that over a three year's period, we got requisitions for one lakh new connections from this area. Our collection percentage went up from 30% to 90% plus and the revenue generation went up from 15 crores to 60 crores as a result of these. This was also presented internally in the Tata group as one of the innovations that were incorporated keeping in mind social inclusion and CSR. And we were recognized for our efforts and we received the

first prize amongst all the companies of the Tata group. Change should include our efforts within the organization and also in the society where we operate. The change around us comes along smoothly and is much more sustainable with the inclusion of the CSR initiatives towards the society.

One of the most important traits that we need is to bring in passion in whatever we do at the leadership level for the things to fall in place. At the same time the leader need to be humble and need to listen more and talk less.

The youngsters are more intelligent today. We need to capture their imaginations and their ideas for the things to work.

Institutionalization of change means to create shared vision that involves the various stakeholders. At the same time we need to parameterize that vision to check out what is tested and admired. Many companies and organizations are doing this exercise. It may be in the form of customer satisfaction index, ethical standard index and third party validation to check how well we are doing. In order to operationalize the vision we can use the balance score card. But the last employee in the hierarchy should be familiar and should know what he is doing today that is directly contributing to the company's vision. There are two things that were identified.

One was to repair the faults quickly so that it would reduce the complaints and increase the reliability index and at the same time report thefts which he saw which would reduce the losses. The complaints pertaining to theft is a major issue. So it is important that we bring even the last employee into the loop so that he knows that he contributes directly to the parameter and thereby institutionalize the whole aspect.

A Brief Profile



Dr. A. K. Balyan has joined the Company as Managing Director & CEO w.e.f. 16th July, 2010. He holds Degree in M. Tech. from IIT, Delhi and also Ph.D. from Germany. Prior to his joining Petronet LNG Ltd., he was Director (HR) of Oil & Natural Gas Corporation Ltd. (ONGC) and also had additional charge as Director, In-charge Business Development and Joint Ventures, ONGC. Dr. Balyan took

over as Chief-Human Resources Development of ONGC in 2002 and appointed to the Board of Directors of ONGC as Director HR in 2003. As Director (HR), he led Corporate Rejuvenation Campaign, Pioneered a study to redefine the organization norms-focusing on Roster, Roles and Responsibilities to be benchmarked with global best practices.

Leading Change: WHAT TRANSFORMATION MEANS

There is a high rate of change happening in modern times. The technological advancements, the aspirations and the affluence across the world are making the change to happen very rapidly. Earlier we used to say that we need to be a part of the race for competition. Today, there is a kind of compulsion that we need to be racing to remain in the race for contention; otherwise our company might fall.

Dr. A K Balyan
MD & CEO,
Petronet LNG



I joined ONGC in 1976 and I have spent nearly thirty four years there. It was a very sleepy government organization. In fact, for a couple of months I was not too sure whether I made the right decision to join ONGC. From then to the year 2010, when I left ONGC, we take pride in calling ONGC a 'PSU MNC'. This could happen because the leadership in the organization brought about several major initiatives.



DELHI



We should focus on creating systems and procedures which involve trust and responsibility to make them work effectively.

One such initiative, with which I had been a part, was the 'Corporate Rejuvenation Campaign (CRC)'. We took up the nomenclature as campaign because we felt that if we talk of change or transformation, it deals in terms of destinations, i.e. from point A to B. Instead we called it a campaign since it was not a project that could be completed in a fixed period of time. An organization is like a living being. Just as with age we may gain something and at the same time lose something, similarly, an organization needs to rejuvenate itself.

There were several essential elements of this campaign. We needed to have the right person for the right job, who had accountability carved out of the activities which are service in nature. Further, we had to move from a functional kind of working to a task oriented job.

A virtual corporate office was setup somewhere in Gujarat. The head of that office functioned like a CEO operating in some sort of a different environment. There were a number of performance contracts that had to be signed by the service providers with clearly laid down accountability. At the same time, they were made responsible to sign service level contracts with the operating assets - production assets, exploration

assets etc. It was a very difficult change to implement. There were issues with many senior people because they had a number of apprehensions about losing control and about not having any active role to play in it. The process started with a lot of debate from all the levels of executives including the top management. It took more than a year to implement the change even though we had the blue print ready. We did a pilot project first and then after gaining confidence we rolled it out. Accountability, right person to drive the right activity and ensuring its acceptability in the whole organization were the key to its success. ONGC has created a department for performance benchmarking.

One competency that is most critical for effective implementation of change is to focus on people. It is important that we invest in people, empower them and develop them. Nothing can move without people. We need to empower the people, give them freedom to work and to innovate. At the same time, we need to have tolerance for failures.

A Brief Profile



Professor Devi Singh, currently serving his second term as Director of the Indian Institute of Management, Lucknow, and is a well-known Professor in the area of International Finance & Management. Before joining IIML, he was director of Management Development Institute (MDI) Gurgaon for four and half years.

Before joining MDI, he was a Visiting Full Professor at the Faculty of Management, McGill University, Canada for five years. He has been a Ford Foundation and UNDP Fellow (International Management Education). He has been a Visiting Faculty at the International Centre for Public Enterprises, Slovenia. ESCP Europe and ,SKK Graduate School of Business, Seoul, and Kelly School of Business, Indiana. He is an alumnus Fellow of the Institute of World Affairs, Connecticut. He has taught at leading Business Schools in India. He has published and presented research papers at various national/international journals/conferences. Dr. Singh is author of three books in Finance and Management. Has been a consultant to leading Public & Private Sector, and multinational organizations in India.

He has been on several policy level Committees of Government of India, All India Council for Technical

Education, PHD Chamber of Commerce & Industry (PHDCCI), Standing Committee on Public Enterprises (SCOPE) and All India Management Association (AIMA). He has been a member of Boards/Executive Councils of Indian Institute of Management, Kozikhode, Narsee Monjee Institute of Management Studies, Mumbai, Indian Institute of Mass Communication, New Delhi, NITTIE, Mumbai, Ambedkar University, Lucknow, Jamia Islamia University, University of Allahabad, and two new Central Universities.

He was the President of Association of Indian Management Schools in 2006-07, and member the All India Board of Management Studies of AICTE for six years (2000-2006). He has served on many corporate Boards and is on the Board of Governors of some of the leading Public and Private Sector companies.

He has received several Awards including ISTE National Fellow 2007, UP Ratan 2008 and the Ishan National Award for Best Director of a Business School in 1999. Dr. Singh holds a Ph.D.(Fellow) in International Finance from Indian Institute of Management, Ahmedabad. IIM, Lucknow has taken major strides and made all round progress under his leadership.

Leading Change: WHAT TRANSFORMATION MEANS

Dr. Devi Singh
Director,
IIM Lucknow



Change has to be consciously created. It is very important for us, as individuals and as organizations, to notice the change that is happening around. The issue is not how much of change is happening. If we look around, we would notice that the future is already happening in some part of the world. We can always foresee what changes are likely to come, though we may not be able to foresee the disruptive changes.

Academics find it difficult to accept the terms and there is always a tendency to defend oneself the way we are. Things have been happening at a very fast rate today even in academics. At IIMs, there is a huge sense of complacency that the system suffers from. The speed at which we have moved in the last few years has been tremendous. While the IIMs had not moved for the last 30 years, for instance, IIM Ahmedabad had not increased the number of students they took for the last 22 years but then suddenly things started changing. Between 2006 and today, the strength of students has more than doubled.

Fifteen years ago when I was 45, leadership was thrust on me. I was one of the youngest Directors when I was with MDI Gurgaon. It is an institution promoted by IFCI. The major challenges which I encountered were from within, because the people needed to accept me since I had joined the institution not long time back, and was pitched forth

as the Director. There was a need to manage the organization in terms of resources to move it to the next level. MDI was known more as a training institution, not much for academics, teaching rigor or research. We could manage these and make it financially sound with a solid corpus base.

When I moved to IIM Lucknow, one of the first things that I was told was that the style of leadership that I followed in MDI would not work well in the IIMs. At IIM Lucknow the first program was started in 1985 and had just one MBA program with 120 students. Financially we were dependent on the government. While, academic institutions were all about getting the best faculty and best students and everything else works around that, getting and retaining faculty members was a big challenge at that point of time. As an outsider to the IIM system, my acceptability was obviously low. IIM Lucknow could be considered a typical place, more politicized, complex and with absolute resistance for change. So the first major challenge that I encountered was to establish my own credibility and to bring in an eco system where people find it supportive and conducive.

I implemented a few things which had a great impact. For instance, I set up my office as an open office where anybody could walk in from any side. Along with this, for faculty members I initiated a new system.

6

***In the ecosystem
we need to create such
standards and norms
that no compromise is
acceptable.***



**Art
&
Science**
of Developing Leaders
2013-14



DELHI

I have never called any faculty member to my room till date, instead I would always pick up the telephone and enquire whether he or she was available, so that I could personally go and meet up with him. Democracy in the IIM system is one of the highest order and all major decisions had to be made collectively. Slowly and steadily, everybody observed the changes incorporated by me, though with caution lest there could be bigger motives behind the scene.

Gradually there was increased acceptance of my initiatives. I always tried to put forth measures where the interest of all is being served. I was open to accept any criticism, but for me, the interest of the Institution was above all. We started setting goals and started introducing new programmes in three months time. I also introduced a new performance management system for faculty, and there has been no looking back. Initially, I used to spend nearly 95% of my time in administration but today I do not spend more than 5%. I made commitment to my faculty members that though I may commit some mistakes, the mistakes would be of judgment rather than of intent. If I had made a commitment, it had to be fulfilled in all circumstances.

We have created systems and processes that have made me virtually redundant in administration. At the same time, we started putting emphasis on generating resources so that we could leverage that for research etc. Today at Lucknow we have built a new campus, spent crores on construction. We are sitting at Rs.300+ crore corpus and are the richest IIM over other IIMs in India. We have the most liberal research funding and we have one of the most robust and transparent system of performance. People have this assurance in their mind that the last thing the Director will ever say is no to anything that they demand. I followed the principle were everyone else was ahead of me and I have not done anything for my own self which can be seen as

being selfish on my part. I am the only Director who in the last 15 years, hasn't done even one rupee worth of consultancy. All these efforts have given credibility to my actions. We are ninety plus faculty members. We haven't had any faculty member who left us in the last three years. We have got some of the best people, best students and best recruiters. The program we run in Noida is doing very well.

All this has been possible because I trusted people and had given them the responsibility and grown with them. There was a point of time when the senior professors did not want to touch any administration duty, but, each one of them has been a Dean or a Task Head for me. We have been the first ones to change the admission policy and give emphasis to diversity and gender equity. We are the first ones to introduce and implement the performance management system and to introduce a variable compensation in IIM system which is being rolled out now.

Leadership, as said by David Dotlich, Peter Cairo, and Stephen Rhinesmith, is a function of Head, Heart and Guts, which is going to create any legacy. We need to learn to be there with the people when they need you and at the same time, should be able to step back depending on the circumstance. Once the trust is placed, nobody ever even tries to belie the trust. People perform because they have the confidence that in case of failure, the leader would take the blame and if they succeed, credit would be bestowed to their work. Institutionalizing change deals with culture and it implies that every individual takes responsibility for his/ her actions.

A Brief Profile



Preeti Das is the Chief Executive Officer of global IT company, Birlasoft - part of C K Birla Group, a multi-billion dollar industrial group. Preeti Das as CEO is responsible for providing strategic direction to the company, scaling the business and creating value for the stakeholders.

Preeti Das carries with her over 25 years of experience with multiple large organizations, which include key positions of responsibility at Oracle Financial Services Software, i-flex, Microsoft, ICICI Lombard General

Insurance and New India Assurance. In her previous tenures Preeti has effectively managed acquisitions and organic growth for many organizations. She has been a catalyst in creating market and growing the business for software products business and consulting services businesses in various parts of the globe - North Americas, UK, South Africa, Asia Pacific including India. An influential industry speaker, she has participated in many panel discussions, seminars and webinar on business and technology challenges.

Ms Preeti Das
CEO,
Birla Soft



Leading Change WHAT TRANSFORMATION MEANS

The need for change has been there always. Seventy percent of the Fortune 1000 companies that were there in early nineteen hundreds, phased out by 1970 because there was no change happening in them. Change is a realization and is generally taken up as a project. It may take one year or two years to go through but it is a continuous process. In order to institutionalize the change in the organization, one needs to pick the best change agents from within the company. One of the biggest mistakes that we tend to commit is the wish to keep everybody happy in the process. There would not be more than twenty percent people who would enable the institutionalization. We need to identify them and empower them sufficiently.

I would like to share a small incident that brought about a major change. I joined Birlasoft some three years back in London. I had to move from the US to London. I worked there for a year and I used to come to Delhi often, to our headquarters in Noida. I was offered the role of the COO after a year of my joining. I had to move to Delhi. It brings about a major change in the personal front when one needs to shift after having lived in the West for more than seven or eight years and one needs to come back with the children. On one hand, I was quite happy that I was coming back to my motherland, but children had got used to living in the West and I was making them shift.

I stayed in the guest house of the C K Birla group for a month. It was a phase in which our CEO had left and a new CEO had joined in the US. I had to literally run the entire show here off shore. Most of the delivery was being done from off-shore and from on-site locations. Ours is a global company. We had about seven thousand people in the various parts of the world, especially in the US and UK, and about three thousand people at various centers in India. When I walked down on the second or the third morning for breakfast, I was informed by the cooks that there was a very senior gentleman from the

group. He had been a part of the group for more than forty years. I thought it would be great if I introduce myself to him and join him for the breakfast. I introduced myself saying I am Preeti Das from Birlasoft London, and I was taking over as the COO. That gentleman was reading The Economic Times, and he looked at me and just symbolically nodded. And that was the only reaction. So my daughter who was having her cornflakes, looked at me and stared at me as if she was saying, "I told you so!" And she didn't say anything after that. The gentleman remarked with apprehension that every year the CEO and COO change at Birlasoft and probably he doesn't even remember the exact number of CEOs and COOs that have changed in the company whom he had met in his entire life. When I went upstairs I found my pent up daughter who was literally belligerent. She overtly expressed her displeasure about my decision to quit Oracle and join the present company, and that she had been unnecessarily shifted from the US to London, and now from London to India. I realized that she was retaliating because she had to face the music. She did not like that her mom was working for a relatively unknown brand like Birlasoft, as opposed to working for a Microsoft or Oracle etc. I tried to convince her that instead of being a part of somebody else's created brand; I intend to create the brand. I had already done that earlier and this was an excellent opportunity...

About six-seven months back there was a dinner hosted in Taj. We had Mr. M. S Dhoni, who happens to be the brand ambassador of one of the group companies, and all the CEOs had been invited. In the meantime, I had been elevated to be the CEO of the company because the results had shown very well. There again I saw the same gentleman talking on the phone at the lift and suddenly he came to me and gave me a big hug. He then enquired about me and complemented me about the good things that have been implemented and the manner in which the things had improved in our company. It was a rather very interesting situation for me.

I would like to explain the few things that we did. It was a trigger that day. Although I knew a little bit of what was going on, but when I took over the role of the COO, I realized that actually it was horrendous. Anything that one can think of was broken and I was really feeling more like a janitor. Anywhere I was putting my hand, I picked out muck. But it was an exciting phase because there were huge changes being implemented on a daily basis. These changes had less to do with matrix, but the changes were majorly dealing with people. I believe that IT is a people's industry and technology is a mere ingredient of what we do.

The average age is 27 years in our industry. I was taken aback when I noticed guys and gals standing at the coffee machine with the body language that looked extremely lackadaisical and no energy when I walked into my office. The leadership was extremely noise worthy. There was less of business but it was being manned by a heavy top. Everybody was taking credit of the same revenue which probably was being generated by some small guy in some sales area and the recognition was not going to the right person. To the same energy-less organization, I would request some of you to go there now and notice the passion, the energy and the change in the behavior of the people.

I would now talk about some of the key words that we all devised together. We had to undergo a major change. We created- 'Say It, Do It!' Move from WIIFM to WIIIFY. In the IT industry we create a lot of jargons. WIIFM is 'What is in it for me'. I said move to 'What is in it for you.' This brings in humility. Also, it becomes very important for the teams to collaborate. But to incorporate it in the company was very difficult. In our company, the top layer was constantly moving, and in any case the lower bottom is attritive, because of the nature of the industry. People with less than five years of experience want to change jobs for better laptops or service conditions etc. The scenario therefore is, while on one side we were dealing with a Gen Y which is extremely social networking and media savvy and on the other side we had a top management which was not stable either.

When I used to walk into the open houses and try to discuss our business plan, our vision etc, then they were rather casual towards the whole idea and would instead express apprehension about my tenure in the company. Then I realized that these guys first need credibility in the leadership before anything happens. The credibility in the leadership was important because nearly eighty percent of the leadership was not really worth it. The right framework of the leadership is necessary to create a real change.

At that point of time we had to move away a lot of senior leadership and bring in the right leadership. We had to change the nomenclature and I had to change myself. Change never happens outside. The key word was – "Think like a partner". This implied that everybody regards themselves as not just the employee of the company, but instead as a partner. We needed to have a vision. Generally, people have a vision about the financials of the company. We termed it as the valuation. Irrespective of what one does in the company, everything in our strategy will get aligned and one becomes the part of that valuation. Employees will hold a stake in it as a partner. Passion was the common theme that aligned the whole company, from top to bottom. Typically, people tend to have three passions. First one was to create wealth for two more generations - everybody wants to leave wealth behind for the next generation; second, is to leave a legacy behind; and finally, create value for others beyond oneself in terms of CSR.



DELHI



If the leadership is not having the simple core cultural values, it will never succeed.

A Brief Profile



Mr. S Y Siddiqui
COO,
Maruti Suzuki India Limited

A Post Graduate in HRM, Mr. Siddiqui has a career track of around 34 years in the HR & Business Roles of good Indian Corporates as well as MNCs such as Escorts Limited, DCM Group - DCM Toyota Limited, DCM Daewoo Motors Limited, DCM Benetton India Limited, New Holland Tractors India (FIAT GROUP).

Widely traveled abroad, he has handled global and multi culture HR issues in highly competitive business environment in India & Europe. He has the unique experience of working Multi Cultures & Multi Nationalities. Passionate about cricket, Mr. Siddiqui played cricket at the North Zone Inter Varsity level from 1974 to 79 representing Jamia University, New Delhi.

The leadership competency which is one of the most important for change is the capability to unlearn, i.e. the capability to selectively delete the past. If one stays fixated to the leadership styles and is fixed in the mind set, then such a person is likely to be the biggest bottleneck for any change that is going to happen in any corporation. The ability to selectively delete the past, which may be called un-learning, and re-learning is very important.

To a great extent, the biggest question about the credibility of leadership is: Walking the Talk. The big learning at Maruti over

the years has been to be consistent with ones words and actions. As a manager we ask people to report for duty at a certain stipulated time, say 8:45 am and thereby intend to ensure the time management. All of us therefore should be present at 8.45 am, which would imply walking the talk.

When we want to institutionalize the change, we must bring it to the assessment process, to the reward and the recognition process. And at the same time it requires a lot of communication about what we want. We always live as leaders in our own thoughts. Institutionalizing change is something which needs to be led from the top. We are connected to the global world which has an impact on the business and on the business environment. There was ones a heart surgeon who became friendly with a car mechanic, who used to attend to his car and make the necessary repairs whenever required. Ones he asked the heart surgeon that though their jobs were similar that of repairing the engine and changing the valves etc, but he was paid much less, whereas the surgeon was paid many times more. The surgeon replied with a smile, that the next time when he repairs the car, repair it when the engine is on...



**Leading Change:
WHAT
TRANSFORMATION
MEANS**

In our experience the customers have changed and the markets are getting restructured. If we observe globally, there is global restructuring taking place. And to a great extent, the sheer definition of competitive edge of an organization is shifting from core competency, product technology, features to people related intangibles, such as speed, responsiveness, capability etc. Our competitors can copy our technology, but they cannot copy the culture of Maruti because that's where our responsiveness comes in from and passion comes in. This is also bringing in change.

Unfortunately, in the last eight months the auto industry has been going down. There has been a negative growth rate. We at Maruti need to sell nearly one lakh units in a month. Therefore we needed to re-adjust and a quick reaction was required on our part in the last eight months. So from a volume focus we suddenly needed to shift to a cost of ownership focus. We tried to push rural sales. The entire India strategy witnessed a big change. The outcome of all these initiatives is that we are still profitable, in fact better than last year, in spite of lower volumes, lower business opportunities and the economic slowdown.

Maruti Suzuki India Ltd has developed a model of paired and shared leadership which has been responsible for the success of the company in recent years. We have a unique concept of Paired and Shared Leadership wherein each of our business verticals is headed by an Indian and a Japanese counterpart. This collaborative and team based approach has been one of the keys to our success. Anything related to policy level changes in Japan, was the responsibility of the Japanese guy, and anything related to Indian business, laws, sales, HR, was the responsibility of the Indian guy. If any decision which needed to be taken had a bearing on the Indian market, the opinion of the Indian executive would get precedence, otherwise, the Japanese has his or her say. It is usually a combined decision. It is never a solo performance. In the face of change, it is very critical that there should be mutual trust and team spirit at the top.

When we are looking at the meaning of transformation for the leaders in the context of change, the focus should be on the business environment, how we handle the challenges there and the sustained

business growth model. Maruti, can give us one such example through which we can explain transformation. Ten years back, when I joined Maruti it was a company, just changed from a public sector company to a private sector company. It was a big problem to move from a public sector company to a private sector company, and that too, a Japanese multi-national. I had to face the music for the last 10 years. To a great extent we have to create some kind of a shared vision - the need for change. And typically when we bring along people then we need to look at the basic ownership for bringing something and some pay-off for the entire population.

When the change happens to the magnitude at which Maruti has gone through, then I think one can reasonably term it as a transformation. In 1982, it was a hard core public sector company, a government company, in 1992 it was a fifty- fifty joint venture between Suzuki and Government of India, and in 2002 it becomes a private sector company. It can be regarded as a smooth change, and a transformation which has been very unique. These kinds of transformation involve people, and they also involve tremendous top leadership.



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When we are looking at the meaning of transformation for the leaders in the context of change, the focus should be on the business environment.

Leading Change: WHAT TRANSFORMATION MEANS

In the current competitive business environment, no business can survive without its ability to reinvent itself. The incredible challenges of business leaders lie mostly in leading change.. All companies, irrespective of their size or age, need to transform themselves as better competitors. The transformation process may include a wide range of subjects such as organisational reform human resource restructuring, total quality management, reengineering, cultural change, and turnaround. The most fundamental change in this process is seen in how differently a leader of a company conducts its business in order to cope with a new and more challenging business environment. Let us understand the concept and discuss how leading change is what transformation means.

The term "transformation" has been used over the past few years as a new buzzword replacing an old and interchangeably used term "change." Change uses external influences to modify actions, but transformation modifies beliefs, so actions become natural and thereby achieve the desired result. Transformation is defined as "a complete change". Leading change is both absolutely essential and incredibly difficult- making it the ultimate test of a transformational leader.

John P. Kotter, in his book: *Leading Change*, 1996, outlines eight critical success factors for transforming an organization: viz. i) Establishing a sense of urgency; ii) Forming a powerful guiding coalition; iii) Creating a Vision; iv) Communicating the Vision; v) Empowering others to act on the Vision; vi) Planning for and creating short-term wins; vii) Consolidating improvements and producing still more change; and viii) Institutionalizing new approaches to ensure leadership development and succession. These factors demand transformational leadership style to be successful in managing change. Through the strength of their vision and personality, leaders are able to inspire followers to change expectations, perceptions, and motivations to work towards common transformational goals. They help followers grow and develop into leaders by responding to individual followers' needs by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group, and the larger organization.

The research work of Bernard M. Bass on this aspect of leadership suggests that the transformational leaders garner trust, respect, and admiration from their followers. Bass also suggests four different components of transformational leadership:

- a) Intellectual Stimulation– Leaders not only challenge the status quo; they also encourage followers to explore new ways of doing things and new opportunities to learn.
- b) Individualized Consideration – In order to foster supportive relationships, leaders keep lines of communication open so that followers feel free to share ideas.
- c) Inspirational Motivation –Leaders have a clear vision that they are able to articulate to followers and help them experience the same passion and motivation to fulfil it.
- d) Idealized Influence – Leaders serve as a role model for

followers. Because followers trust and respect the leader, they emulate this individual and internalize his or her ideals. Let us now discuss how a leader can either succeed or fail in managing these factors and components.

There are cases of both success and failure of leadership in managing transformation processes. Some fall somewhere in between Success-Failure scale. However, the lessons drawn from all of them will probably be relevant to organizations in the increasingly competitive business environment of the coming decade. The most general lessons learned from the successful cases are:

- a) the change process goes through a series of phases that require a considerable length of time. Skipping steps creates only the illusion of speed and never produces a satisfying result; and
- b) the critical mistake(s) in any of the phases can have a devastating impact, slowing momentum and negating hard-won gains.

In the process of establishing a sense of urgency, some leaders look hard at a company's competitive situation, market position, technological trends, and financial performance. This is essential because just getting a transformation program started requires the aggressive cooperation of many individuals. Without motivation, people won't help. But it is not so easy for leaders to keep people motivated while driving them out of their comfort zones. Therefore, managing change demands transformational leadership. But some organisations do not have enough leaders at the senior management level, though they have many managers. Transformation often begins well, when an organization has a good CEO with a vision for change. Its sustainability or success largely depends on effective leadership at the middle and lower level as well. If change is needed in a division, the divisional general manager should act as leader and a change champion. Though everyone would like to own the success, the CEO or the head of a unit of the organisation has to bear the brunt of failure of a transformation process. The failure in creating a high sense of urgency may jeopardize the organisational transformation process in the long run.

A leader cannot transform an organisation alone. He needs a powerful coalition. But it is not easy to build an effective team over night. It takes some times and grows gradually when people see the signs of success. All senior managers may not buy in the idea of change or renewal. It is only a selected few who develop a shared commitment to excellent performance. But such coalition needs to be very powerful in terms of expertise, information, reputations, and relationships. It also demands activity outside of formal boundaries, expectations, and protocol because the current system may not work favourably during the reform process. There is need for developing a shared assessment of the problems and opportunities, and create a minimum level of trust and communication. Sometimes leaders have no history of teamwork at the top and therefore undervalue the importance of this type of coalition. A weak coalition can make the opposition teams stronger and may lead to failure.



Dr. Parameswar Nayak

Professor
BIMTECH

A successful change leader needs to have clear, sensible and compelling vision for transformation. He provides a road map and direction to the organisation to move forward. Eventually, a strategy for achieving that vision can also be developed in a team. Lack of vision may lead to confusion, incompatibility and often to total failure.

A leader may have a clear vision, but he may fail to articulate it and communicate to the stakeholders of change appropriately. Cases of successful communication are seen in the transformation process of General Electric under the leadership of Jack Welch in America and in turnaround of Rourkela Steel Plant (RSP) of Steel Authority of India under the leadership of Sanak Mishra. Jack Welch had a vision of creating an organization where people at all levels could be held responsible for their own work and in the end make decisions for the betterment of their job. Welch characterized this as creating a boundary-less organization in which empowered employees were self directed and motivated to effectively reach their goals. But it was not an easy task for him to achieve in a bureaucratic, unresponsive, and inward focused company like GE.

Jack Welch devised an effective communication mechanism, known as, 'Work-Out', which opened the communication channels necessary for passing on his vision to rest of the organisation to help bring about innovative change, very much comparable to the training camps introduced by Xerox in its attempts to reinvent itself. The Work-Out has been an empowerment concept greatly favoured by Welch. Thousands of GE employees get an opportunity to get together and share their ideas, thoughts and know-how, while building and fostering a more creative and team oriented atmosphere. The Work-Out encourages communication and accountability with the ultimate goal to drive above average team performance. Similarly, Sanak Mishra introduced communication revolution with mass contact workshops, personal meetings with employees at the shop floor as well as executive level to disseminate his visionary ideas to turn around the loss making RSP.

On the flip side of the story of successful communication, leaders are often seen under-communicating. The change management team get startled when few people seem to understand the new approach and show lukewarm response. Transformation is impossible unless the stakeholders are willing to help and making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, their hearts and minds can never be captured. Moreover, gaining their understanding and support is tough when downsizing is a part of the vision. Therefore, the executives who communicate well incorporate messages into their hour-by-hour activities. In a routine discussion about a business problem, they talk about how proposed solutions fit (or don't fit) into the bigger picture. In a regular performance appraisal, they talk about how the employee's behavior helps or undermines the vision. In more successful transformation efforts, executives use all existing communication channels to broadcast the vision. The successful change leaders, in fact, "walk the talk." They consciously attempt to become a living symbol of the new corporate culture.

There may be many obstacles in the transformation process. A successful leader removes those obstacles to new visions by involving a large numbers of people as the process owners. Employees are emboldened to try new approaches, to develop new ideas, and to provide leadership within the broad parameters of the overall vision. To some degree, a guiding coalition empowers others to take action simply by successfully communicating the new direction. Sometimes the obstacle is the organizational structure: Narrow job categories can seriously undermine efforts to increase productivity or make it very difficult even to think about customers. Sometimes compensation or performance-appraisal systems make people choose between the new vision and their own self-interest. Perhaps worst of all are bosses who refuse to change and who make demands that are inconsistent with the overall effort. Therefore, action is essential, both to empower others and remove obstacles to maintain the credibility of the change effort as a whole.

A successful change leader makes systematic planning for and creating rather than hoping for short-term wins. Real transformation takes time. A renewal effort risks losing momentum if there are no short-term goals to meet and celebrate. Most people won't go on the long march unless they see compelling evidence in the short run that the journey is producing expected results. The result is not just a judgment call that can be discounted by those opposing change. Commitments to produce short-term wins help keep the urgency level up and force detailed analytical thinking that can clarify or revise visions.

While celebrating a win is fine, declaring the victory too soon can be catastrophic. The leader, therefore, should carefully and credibly carry forward the efforts to strengthen the new and fragile systems, until changes sink deeply into a company's culture. Often, the premature victory is celebrated by both change initiators and change resisters. In such cases resisters take advantage of misguiding the enthusiastic initiators to go overboard and stop change.

Lastly, transformation process demands that a leader anchors and institutionalizes change in the corporation culture. It is to ensure that the change seeps into the bloodstream of the corporate body. As soon as the pressure for change is removed, new behaviors are subject to degradation until they are rooted in social norms and shared values. Two factors are important in this regard: a) a conscious attempt to show people how the new approaches, behaviors, and attitudes have helped improve performance; and b) taking sufficient time to make sure that the next generation of top leadership really does personify the new approach.

The above discussion has made it clear that leader's role will be influenced by the urgency, magnitude, and nature of the transformation; the capabilities and failings of the organization; and the personal style of the leader. The leader makes transformation meaningful by creating a compelling and sensible vision, building a committed team by role-modelling the desired mind-sets and behaviour and finally institutionalizing the same in corporation culture. Thus, it is aptly said that 'leading change what transformation means'.

Overcoming Leadership Challenges through Coaching

Manchester United has won an impressive array of trophies in English football, including a record 19 league titles, a record 11 FA Cups, four League Cups, and a record 19 FA Community Shields. The club has also won three European Cups, one UEFA Cup Winners' Cup, one UEFA Super Cup, one Intercontinental Cup and one FIFA Club World Cup. Over the years, there have been dozens of celebrated players, including Eric Cantona, Roy Keane, Ryan Giggs, Paul Scholes and David Beckham.

For an unprecedented 26 years, Manchester United has had only one coach - Sir Alex Ferguson -who has helped each team player go the distance from being a good to a great player. Even more importantly, he has coached these individual players to become a great team. This critical difference that a coach makes in developing great individual leadership as well as a successful, dynamic, powerful team in the sports world applies equally to the wider world of business.

Successful leaders wanting to make the shift from good to great and to take their organization to

greater heights recognize the need to evolve themselves to the next level of performance. Increasingly companies are realizing the importance of executive coaching to accelerate business leaders on their journey. Aon Hewitt's Top Companies for Leaders research shows that many organizations are now looking to executive coaching for leadership development. In part, this trend reflects their acute awareness of the many leadership challenges facing Asian companies today.

Coaching on the Rise

In our leadership consulting experience, we have observed a steep increase in the use of coaching. The percentage of "Top Companies" using coaching (internal or external) has grown by 30% over the last two years, from 57% to 87% (see Figure 1 below). In these companies, coaching represents more than just a tool to improve performance. In Top Companies, coaching is made available to already successful leaders so they can develop specific competencies that are critical for self-development and the future growth of the company.

Mr. Ajay Soni

Practice Leader,
Leadership Consulting
Asia Pacific,
AON Hewitt

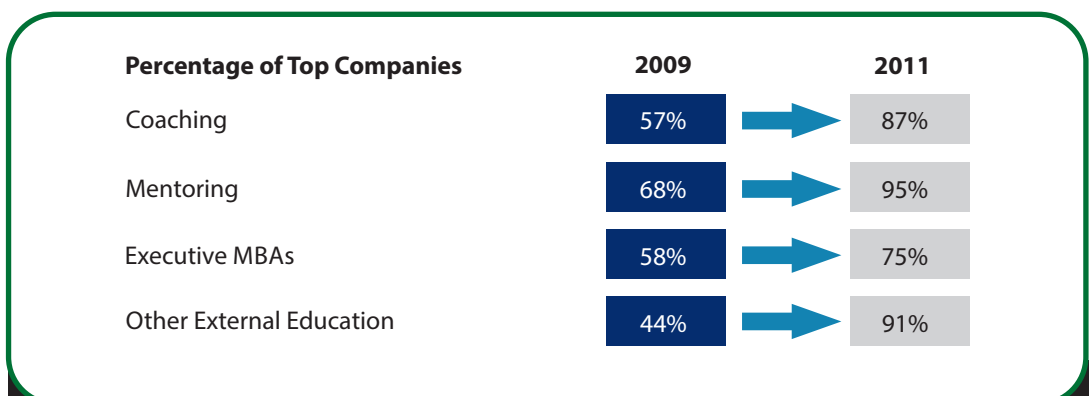


Figure 1: What Top Companies Do differently



Similar to the case of Manchester United, a coach plays a critical role in a business leader's developmental journey. A coach helps a leader to:

Build strategic focus – Evaluate the leader's bandwidth to strengthen focus on strategic intent and delegate less important tasks.

Trigger behavioral change – Identify behavioral strengths and development areas to plot the path to readiness for the next role.

Shape leadership brand – Encourage the leader to adopt a constructive leadership style and embody the organization's leadership brand.

Coaching, like most developmental interventions, needs to be conducted skillfully and with the right methodology. Over the years, a number of myths have arisen as to what makes a great coach.

Myths about Coaching

Myth One: Coaching is for leaders with “people issues”. There are many myths about coaching, some rooted in outmoded practices. One myth is that coaching is strictly for leadership team members who have “people issues” or are not performing up to expectations. In Aon Hewitt's experience, coaching is even more essential for those leaders who are already quite successful, confirming that the organization values them highly and wants to invest in their continued growth.

Myth Two: Individual leaders should be required to undergo coaching as part of their development. We believe that taking up coaching should be voluntary. Only if the leader wants to be coached should the organization invest in the effort. We have seen the process work best when a group of senior leaders go through this process, voluntarily. There are two points here.

- First, the organization should invest in coaching only if the leader wants to be coached.

Second, the effectiveness of coaching process improves if a group of leaders go through the process at the same time. In so doing, we are able to bring the team together at various points and leverage the positive energy of the early adopters. Also, the organizational issues that may be shaping certain leadership behaviors get discussed openly in such forums.

In one such assignment, we were coaching 20 senior leaders comprising CEOs and their direct reports. After we conducted the first two one-on-one coaching sessions, we realized that some participants were facing significant challenges, while others were clearly moving ahead. Bringing the entire group together facilitated valuable exchanges as to what was working well in the organization and which areas presented significant challenges.



Overcoming Leadership Challenges through Coaching



Myth Three: Coaches need to know it all. The second myth we often encounter is that the coach needs to know it all. A coach does not have to know more than the leader in order to coach him successfully. A good coach needs to ask the right questions and the leader needs to come up with the answers.

Myth Four: Anyone can be a coach. The third myth we see is that anybody can be a coach or that any CEO will be able to coach others. Just as the best football players don't become the best coaches, the best leaders may not become the best coaches. While many executive coaches come with good intentions, they are often found wanting in their coaching skills. In our experience, good coaches are those who have honed the art of listening, pose the right questions, are highly empathic, and are very action-focused.

The Coaching Process

Coaching is about individual change and continuous improvement. Individual change involves four phases:

Objective Setting: In this phase, the leader articulates the desired objectives and outcomes of the coaching process, establishes trust with his/her coach, and starts to own the process.

Awareness and Acceptance: Here the leader comes to identify the specific behaviors that are critical to achieving the legacy he/she wants to create and that will help take the organization to the next level. The leader also gains a clear understanding and assessment of his/her present capabilities in relation to these leadership behaviors.

Action and Application: In this phase, the leader creates a personalized action plan to address specific behavioral gaps and prepares to embark on their development journey. His/her focus is on future improvements and not past problems or issues. Clear measures of success are also created at this stage. As the leader embarks on his/her personal transformation, the coaching focus is on defined actions, and not concepts.

Support, Maintenance and Measurement: In this phase, the leader enlists a number of colleagues to support the coaching process. Not only do they observe the leader's behavior, but they are valuable partners in the leader's development journey. This support network provides much needed stimulus for change and also helps monitor progress made. Here, coaching a group of leaders is of great advantage, as they all become a support group, helping each other on their individual growth journeys.

We started this article talking about the greatness Manchester United has achieved and the unique role Sir Alex Ferguson has played in fostering this greatness. The same is true outside of the world of sports. More and more organizations today realize that effective coaching can deliver significant results in developing future corporate leaders. Players get to Manchester United because they are already very good; they then receive coaching to become the best in the world. Similarly, top company talents reach senior positions because they already are very good. Investment in a robust, skillfully executed coaching process can further hone these leaders into the finest in the world, thus benefitting the business enormously.

Case Study 1:

Coaching Needs Commitment from the Top

Both organizations are large, family-owned, highly diversified business houses. Aon Hewitt's mandate was to coach key business heads and CEOs through a 12-month cycle. In both organizations, all leaders were to be coached on style and bandwidth. Using our tried and tested methodology*, we used "360 degree Feedback" and "Bandwidth Mapping" as tools to plot the entire coaching journey.

What we found was that the outcomes in these two organizations were significantly different. In one organization, the leaders clearly changed. They found the coaching journey useful and were able to reap its benefits. People around these leaders also saw them change for the better. In addition, the overall business gained from improved levels of engagement in their respective companies.

In the other organization, the benefits of the coaching initiative could be seen in some leaders, but not in others. Since only some of the leaders changed in significant ways, the expected impact on the organization's culture has not been as dramatic as in the other organization. For us, this outcome was intriguing... As a consulting firm, we had used similar tools, similar quality of coaches (in fact, some coaches worked in both organizations), the same standardized process applied with the same rigor, similar project manager profiles and consulting team strength.

The reason for this significant difference was not difficult for us to find...In the first organization, even the promoters and family members had been included in the assessment, as well as the entire feedback and coaching process. In the other organization, the promoters had promised to participate; however in fact, they did not even fill out the self-assessments.

Thus, in the first organization, self-development and people leadership became a common language, while in the second company, they were merely words buried in filed reports that were only pulled out during reviews.

Case Study 2:

Supplementing Ambitious Mass Training with Personal Coaching

While working with one of Asia's largest business conglomerates, the client had the ambitious target of commissioning a new plant that was the world's largest of its kind. The project required a massive need for specialized talent. Recruitment of new talent was insufficient and the company found that they needed to train the new recruits and existing staff further in order to develop the necessary specialized technical skills. The specific challenges they faced in the internal training were:

Timeline: The training goals had to be achieved in an accelerated manner without compromising the quality or content of the training.

Scale: The training had to cover 1,500 new recruits (256 technical disciplines across 64 positions in 16 plants).

Quality: The program design needed to ensure the quality of trained manpower.

Aon Hewitt carefully designed a coaching program that covered this large pool of new recruits and all of the specialized skills needed. We worked closely with the client team to design a customized coaching framework and methodology that enabled time-bound, structured delivery of training to these new employees by experienced managers at the plant.

Aon Hewitt trainers worked intensively with the client's experienced managers to develop their coaching skills through a series of workshops. To ensure this project was achieved within the given timeframe, the methodology was geared toward the accelerated development of skills. In view of the large scale of implementation, we worked with the client's IT team to develop a web-enabled monitoring system to track the progress of coaching interventions.

The Aon Hewitt team also assured on-the-ground mobilization by conducting fortnightly dipstick surveys, plant-wide meetings, focus group discussions, and briefings for plant managers and heads of departments. A visibility and communication intervention was also designed to support the program. The coaching program worked very well with all 1,500 new employees becoming adept at managing their roles within the desired one-year time frame.



* Aon Hewitt's Multi-Rater[®] tool is a Fully-Customizable Web-based 360[°] Survey Tool. It was designed by HR professionals and industrial/organizational (I/O) psychologists and refined over decades of experience. The model is based on a competency architecture covering over 80 competencies and 800 questions with an established content and criterion validity. The tool offers both standard as well as fully customized surveys.

A Brief Profile



Shri C Damodar Rajanarsimha is the Honourable Deputy Chief Minister of Andhra Pradesh. Having completed his Bachelors in Civil Engineering from Osmania University, he joined politics and was elected as Member of the Andhra Pradesh Legislative Assembly in 1989 from Andole constituency of Medak District. He was Chairman, A.P.S.C. Finance Corporation from 1991 to 1994. Between 1989 and 2009, he contested from Andole constituency for six times and won thrice. After winning in

2004, he handled the responsibility of Minister for School Education, Government of Andhra Pradesh from 2007 to 2009. After his third victory in 2009, he was Minister for Marketing and Warehousing from May 2009 to November 2010 and in charge Minister for Agriculture from April 2011 to February 2012. Presently he is Deputy Chief Minister of Andhra Pradesh with the additional portfolio of Minister for Higher Education and Technical Education since December 2010.

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Mr. C Damodar Rajanarasimha

Deputy Chief Minister,
Andhra Pradesh



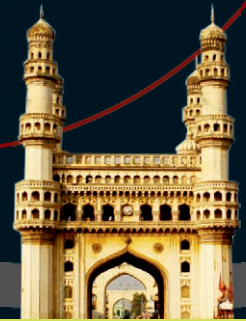
There are two major issues involved- the art of leadership and the science of leadership. The art means the inborn qualities of a leader and the science implies nurturing the inner potential to become a successful leader. The major question is - Is your leadership science right. Let me share my experiences as public representative both as an MLA and as Deputy Chief Minister. Leaders and leadership development is most rated and least understood. Change is the only thing which is always constant. Leaders need to scan the environment, adopt the required changes, bring the changes constantly to sustain and succeed in their plans.

Leadership at the State level, organizational level, functional level, team level and individual level are important for effectiveness to create value

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The art means the inborn qualities of a leader and the science implies nurturing the inner potential to become a successful leader.

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addition. As a leader, I need to deal with both masses and classes that is, with the general public and the employees of public and private sectors, bureaucrats and next level leaders. Leaders should focus on key deliverables to achieve the goals. In my experience, I found in the government there may be conflicting thoughts and lack of clarity. We tend to have a habit of procrastination of ego first and activity next. In the field of politics we tend to have a lot of egos. There is indifference and low skill of execution to achieve the goals. Similar to the tasks in Corporate, we also prepare strategy, get budget deployed to achieve the goals, conduct surveys and also review the same at regular intervals to know the leadership development. To raise the bar of performance, we have identified the competencies that are to be developed to enhance the effectiveness and efficiency to achieve the goals.

The general competencies that are required are collaboration of thought process, aligning of strategies, inspiring commitment, executing goals, emotional balance and decisiveness. To build these competencies, the State Government has initiated certain actions over last ten years. We have the Dr. Marri Channa Reddy Human Resources Development Institute of Andhra Pradesh in Hyderabad. It seeks to identify the competencies that are required to build and develop special technical and behavioral models at all levels, and make them attend the competencies enhancement programs. Coaching and mentoring are undertaken to create opportunities to deploy and work with empowerment. Informal discussions are held by mentors, coaches and feedback is provided for improvement and measuring the effectiveness through the matrices.

This is done as a continuous process and efforts are made to make them ready as future leaders at all levels. The important competencies we have identified are strategic planning, leading people, managing the change, resourcefulness and being a quick learner. If an individual has acquired all these competencies, then he or she will become universally acceptable leader in any sector, including the government sector. Strategic planning is based on the past data. These plans mainly focus on the strengths, opportunities, weakness and threats. So we need to put the desirable plans in the right place, scan the present environment and identify the potential areas. The other competency required is leading the people.

A leader must set the vision and he should have passion to achieve the vision. Leader should be absolutely transparent, must be creative and needs to lead from the front. Leaders must be the direct coach and mentor of the team to achieve the vision. Some of the qualities that the leaders must possess to achieve the desired set of goals include the following. He should be able to manage changes, should have an understanding of the people's perception, have the knowledge of processes and systems, should possess the ability to influence significantly to implement the initiatives and he must be people-sensitive. To quote Abraham Lincoln, "Leadership is the ability to influence, motivate and enable others to contribute to the effectiveness and success of the organizations of which they are all members."

A Brief Profile



A.V. Vedpuriswar (Ved) has over 26 years of experience, 10 in Academics and 15 in the Industry. He has worked with organizations such as Berger Paints, Tata Steel, Institute of Chartered Financial Analysts of India (ICFAI), Satyam and UBS before joining Cognizant in 2010. Since 1996, he has been completely focused on Learning and Development and Knowledge Management. Currently, Ved takes care of leadership development for middle management at Cognizant.

Ved is passionate about learning and helping others to learn. He believes in a holistic, cross functional approach to learning. He has extensive experience in writing cases and facilitating case discussions. In the past 10 years, Ved has authored a few books and a number of papers mostly

in the area of business strategy. He holds a B Tech (Hons) from IIT Kharagpur, a PGDM from IIM Calcutta , CFA from ICFAI and a PhD from Osmania University.

Ved lives in Begumpet, Hyderabad with his wife Ananthalakshmi, son Vishwanath(16) and daughter, Lakshmy (14).His website www.vedpuriswar.org is a small attempt to share knowledge and ideas with the academic and student community.

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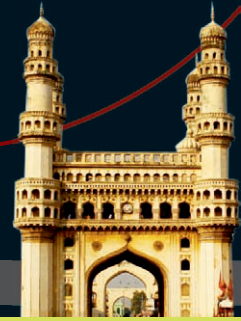
Dr. A V Vedpuriswar

Director,
Learning and Development,
Cognizant Technology Solutions



Dealing with complexity and ambiguity is a big issue today. When we seek to interpret the rupee fluctuation in the market or turmoil in the European financial markets or the sovereign debt crisis or the legislative changes that are happening in the US, we try to predict the impact of these on our business in the future. It was very difficult to comprehend whether it was the beginning of the end or the end of the beginning of the recession in the Indian economy. In 2010 we started assuming that the Indian industries were out of the woods. But, in mid 2011 the markets started behaving in a different way and our industry got affected yet again.

The ability to comprehend today's environment needs to be developed. The senior leaders need to mentor young leaders and inspire them by sharing in detail their experiences, the difficulties encountered and the ways by which they handled the various issues. There is a dichotomy in the way we deal



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If we define leadership as a concern for developing people around us for achieving the results of the organization, then that principle is applicable across industries.

with the present generation. While we admire them for their speed of comprehension and their smart handling of modern day gadgets, on the other hand, we complain about their impatience and need for instant gratification. We have to coach and mentor the youngsters in a different way. We need to be fair to them, give them feedback and motivate them to be patient.

The real time learning and exposure to senior people are the most powerful ways of developing leaders. It is very important that young leaders get the opportunity to interact, spend time and receive feedback from senior executives in the company. Important lessons of life can be learnt by the young leaders by mentoring them to simplify the complex situations. I would like to mention my experience at Tata Steel. Some of the people, who were very successful, were the ones who were given exposure to very challenging assignments at a very young age. At Hindustan Levers, young managers at the age of twenty three, managed the entire plant and handled the various issues. If at a young age people are given opportunities, and we incorporate formal mechanisms of assessments, giving regular feedback, it will help in grooming them. Unfortunately, such opportunities are becoming progressively less as the pace of growth is fast in the industry and the number of employees is increasing very fast.

If we define leadership as a concern for developing people around us for achieving the results of the organization, then that principle is applicable across

industries. But, there are a couple of things that are unique about IT and BPO industry. Due to rapid growth of business, people have been pushed up in the hierarchy very quickly without being given people enough time to settle at each level. The crucial factor for success in this industry is how well we serve our clients. This extra-ordinary client focus results in people being very busy so that they don't find time to be available for additional grooming initiatives. Managers are becoming cautious and guarded because of the pressures from the clients. Therefore the way the leadership process works is linked to the industry.

In general our Indian culture doesn't encourage us to speak about failures very openly and we would spend more time talking about success as opposed to some of the great global companies. At the same time, though we pretend to be humble and very simple, we don't take feedback very positively when we get criticized. These act as barriers and we tend to repeat the mistakes we committed. In contrast, in the Silicon Valley there is a rule that if an individual fails thrice, then one is more likely to get the VC funding because we learn from such experiences to become a better person.

A Brief Profile



Deena has been overseeing the Invesco's India-based activities since 2007; earlier, based in Atlanta, USA and later in Hyderabad, India as the Country Head for Invesco Hyderabad Pvt. Ltd. He has earlier held various positions in the areas of M&A, Private-Equity, and Technology Products / Services for the Financial Services Industry. Deena is the creator of TAF Leadership Gym and three of the biggest and the most successful corporate annual

cycling events in India - The Freedom Ride, The Republic Ride, and The Peace Ride. The Gym and the Rides support TAF's mission of changing lives through education. He has an MBA (Finance & Strategy) from Carnegie-Mellon University and a Bachelor of Engineering (Electronics & Communications) from Karnataka University.

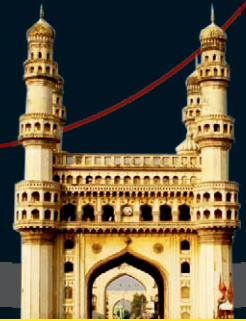
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Mr. Deenanath Harpanahalli
Country Head,
Invesco Hyderabad Pvt. Ltd.



Leadership is timeless. This is the reason why though we are sitting in the year 2013 and but still we are quoting Lincoln and Vince Lombardi as our leadership models. The essential traits of leadership do not really differ much from era to era, though the business reality change. In a business sense we can derive a very consistent framework if we really get to the science of it. The theme for today is very apt, as the science of leadership rather than the art.

Leaders in business are generally worried about three things. We want quality revenues for our companies; we want to optimize cost in every smart way, the key is not reducing the cost but optimizing the cost; and expanding the horizons of the business in one way or the other. In order to implement this we are either entering into new markets, new products and new services. Embedded in this expansion of horizon is to bring in new leadership in to the organization. This is the only means to generate higher quality revenue, better optimized cost and better access to growth areas. When we look at businesses around the world, the ability to get differentiated on tangible things runs out very quickly. In the end the competitive difference is derived from the differentiation in the human capital. The quality of leadership makes the biggest impact on the human capital.



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The essence is what can we do for the next few years to gear up this human capital that no one else will have and we have the monopoly control on it. Leadership caliber, talent, quality can walk out any minute. We need be attentive to identify the spark that is going to get us the final competitive advantage that no one else can get. In order to determine the quality that will be essential to differentiate ten year from now, we need to go back to the basics about how can people make differentiation on the quality of revenue and smartly optimize the cost, not for this quarter or this year, but for six years or ten years from now.

The bigger needs for the sake of leadership development are the ones that build faith in the system. We definitely need processes; systems and the people etc and the companies need to have the strategic plans about the results that are the desirable parameters on the dash board which can be achieved through the leadership capacity. At the same time it is very important, that our upcoming talents have the faith that if they did the right things, then they would get to the desired levels. A lot of processes unintentionally end up creating silos. What is happening in the organization is absolutely critical for its growth and for the growth of the leaders etc.

It can be noticed in the case of a lot of companies that while on the one hand they want to be absolutely rigorous and aggressive in getting the automation and technology, they are also very purposeful in eliminating the boundaries. GE is a classical example and Jack Welch quoted the famous line that 'We want to be a boundary-less organization'. They were boundary-less because they could actually get the clarity and re-install the faith in the people that the organization actually rewards merit and performance. For this we need to have an extremely robust performance management processes that reinforces the spirit of meritocracy. There has to be a constant process of clarifying to the people throughout the organization about the meaning of competency. There needs to be clarity about how one can practice and improve the competency, the outcomes of this, its contribution to the achievement of the strategic plan and then finally the resultant rewards that come back to the person. So, from the performance management system to the

compensation management and then to the development, it needs to be an integrated system with the right ingredients to develop the leaders.

Leadership is really not industry dependent at the fundamental level. I see these themes recurring in our environment. And we tend to be too focused on building the top floors but tend to forget the foundation, be it for the leadership development or for education. Much of our focus tends to be on the higher education and sometimes we even forget that a lot of the things that we talk in terms of business results are the outcome of not having a robust elementary education. So at the fundamental level it is industry agnostic.

We cannot fake leadership. We may have all the processes and systems, all the talks and speeches, but in the end, the people need to see them in practice. It is very necessary to be honest. People have to practice to be absolutely honest. If there is honesty, people would immediately come out and admit about the things that went wrong and the way they are correcting them. This environment builds the faith in the people that one can actually grow in it. If people start feeling that there are things other than the right things then the faith breaks down and the culture breaks down. It is not that binary an environment and there is a whole spectrum of states of existence. We need a great set of people in the long run for which we need to get the culture right and instill faith in them.



The theme for today is very apt, as the science of leadership rather than the art.

A Brief Profile



J. Ravikanth Reddy, holds a Masters degree in HR from Symbiosis Institute of Business Management, Pune. He is a fellow of Sumedha's – The Academy of Human Context, and a certified Human process specialist. He brings in nearly 26 years of experience in Human Resource Management. Mr. Reddy specializes in Organizational Development and implementation of Total Quality Management. He was instrumental in implementing Total Quality Management in Rane Group which received prestigious Deming Award. He held various senior positions in organizations of repute like GMR, Rane etc. He was a recipient of the President of India – CITD Gold Medal in 1993, Best HR Manager Award from the Hyderabad Management Association, 2003 and "Man of Excellence" Award from Indian Achievers Forum presented by His Excellency Kun Korn Dabbaransi, Ex-Deputy Prime Minister of Thailand, August 2011.

At present he is an Advisor for Pquest Human resources Pvt Ltd and Head of HR NCC Ltd which is the second largest construction company in India. Mr. Reddy is the president of NHRD Network Hyderabad Chapter and was the convener Annual HR Conference in 2012. Since 1995 he is associated with NHRD Hyderabad Chapter and he is instrumental in building NHRD Network Hyderabad Chapter.

He is a regular speaker in National and International conferences, seminars and summits. Mr. Reddy addressed HR professionals of Indiana police and General Motors at Bowlinggreen USA. He is a distinguished speaker in National and International forums.



Mr. Ravikanth Reddy

Head-HR,
Nagarjuna Construction
Company Ltd.



The competency required from leaders for each industry is different. When we seek to bring in the right perspective, align and relate to it to deploy the complete processes and systems and deliver the requirement to achieve required targets, it becomes evident. The most important competency required of leaders in the manufacturing, construction and infrastructure industry is strategic thinking and planning, followed by leading and managing change and finally relationship building and networking. Values and ethics can be regarded as the other



The commitment of top management is very important for developing leadership.



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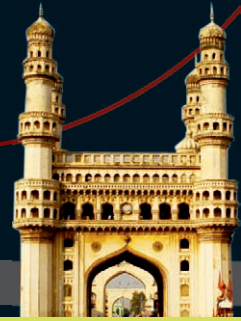
important parameter. While in the manufacturing industry, it may be possible to bring in and practice values but in the construction industry, practicing values is a very difficult process since a lot of networking with the government bodies is involved. When we lead from the front and want the people to follow, then the kind of values, integrity and ethics that we want to implement is very important.

The most effective processes to develop future leaders that we have implemented have yielded great result for my organization and we received the Deming Award for the same. We started the process by identifying all the roles and role holders in the organization and prepared a complete job description for all the roles. These were then sent to all the people through their head of departments for detailed discussions and then adequate corrections were incorporated. This was followed by steps to identify the number of role holders, gathering their inputs regarding the details which they intended to incorporate and added some more corrections. Thus, for each role we prepared the list of competencies that are required for adequate performance of the roles. An assessment of gaps at each level by the departmental heads was done to identify the competency that is desirable of the role holders from the organizational point of view, the degree to which they possess them and to identify the competencies that they need to develop. We identified critical roles where we needed to focus immediately in order to develop them. Then we identified around five hundred key roles and key people who would matter the most for the organization who were expected to run the show in the organization without affecting the top line and bottom line. Since the impact on the top line and bottom line should not be missed, we prepared modules on technical behavior for key role holders and sought to develop them. Mentors and coaches assessed the progress continuously after we started developing these people for six months. While the mentors would give them a subject specific feedback, coaches would explore, identify the areas for improvement and develop plans to bring about the improvements. In this process a sense of ownership is instilled and people would continuously work on it. This was implemented at all the three levels. The exercise was run for six months. The results have been

tremendous. The major difficulties which we encountered dealt with the feeling of 'what is in it for me on the part of employees' and a sense of insecurity on the part of the bosses. The employees in the organization were shown a growth path. If one is able to raise the bar continuously by going through these programs, then the jobs and growth in the organization was assured.

The most important thing in the business is the bottom line, and if it gets tighter and tighter, the commitment for the development of leadership gets reduced. The commitment of top management is very important for developing leadership. In the present turbulent situations, the top companies that were developing the leaders in the world map have reduced the leadership development initiatives. The commitment of the top management in development of leaders reduces in the turbulent situations. Development of leaders must be tailor-made. It should be the industry-specific, though there may be some common parameters on which leaders can be developed. The technical competency required for enhancing the productivity, improving the quality, reducing the costs and completing the work on time are the technical parameters. If we focus on the leaders and on the softer sides of improving the environment, we can bring in general parameters in any industry by enhancing the satisfaction.

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A Brief Profile



Dr. Renu Khanna

Global Head
Leadership Development,
Tech Mahindra



Renu is a Learning and Development professional with over 25 years of rich experience in ITES/IT, Consulting and Manufacturing organizations. She is a learning strategist and has worked in areas of Organization Development, Change Management, Leadership Development, People development, Associate engagement and Diversity. She is a learning consultant and has the natural ability to provide learning solutions that align directly with the strategic needs of the business.

In her 18 years career with Satyam, Mahindra Satyam and now Tech Mahindra Renu has led the learning for streams like Leadership which includes people leadership, domain, delivery and business leadership. In the area of people leadership she has worked on initiatives like Global leadership, Building high performance teams, Mentoring

and Coaching. In the area of business leadership she has worked on Sales leadership and Delivery leadership. She has provided integrated solutions in the area of leadership by focusing on key issues and challenges in business. She has led many action learning projects which attempt to look at CXO challenges. She interfaces with HR and has led integrated projects like Building a leadership pipeline, Transition programs, Game Changers and Improving retention of associates.

Renu has a Doctorate in Sociology as a fellow from Indian Council for Social Science and Research (ICSSR) and a double masters in Sociology and Education. She was the President of ISTD Hyderabad chapter from 2008-2010. She is on the board of various institutes and is a member of several committees and has been a speaker in various forums.

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There are four holistic capabilities required by leaders of tomorrow especially in view of the upheaval in economy that we have seen since 2009. The number one priority that is needed today is the ability to handle ambiguity. We need leaders who can really work in this very competitive environment where there are no clearly defined roles and responsibilities. Everything is fuzzy. It is a connected world and we need to provide connected solutions. Another important capability required is to think 'Out of the Box'. Innovation comes as a number two priority because things which brought success earlier might not hold true today. One needs to continuously and alternatively think to decide and to take decisions. Further I think leaders need to develop a generational intelligence because as an economy today we are going to enter into an age where we are going to deal with different kinds of people: The Gen Xs and Gen Ys and the Baby Boomers. The baby boomers might just fade away after some time. So the ability of the Xs and Ys to work together is going to become important and can be termed as Generational Intelligence. Leader connect is also very important. The communication that we use is very loose and is more from the mouth. But connect is more from the heart. And when we say leadership is an art and science, the art is from the heart. The real communication is from the head.

In order to understand the processes which are important for creating leaders, I want to share the Satyam story. Satyam was started in 1987. Till 1996-2000 it was the Y2K phase and money was flowing very easily into the organization. So the need for leadership development was not high and it was being done in an ad-hoc manner. After 2000 the things started slowing down as far as business was concerned. We realized that Y2K might not be the only competency to build on, and we will have to build more competencies and more domains. We started training people informally on behavioral, leadership or functional areas. When in 2006-07,

things started picking up again, then as an organization, we felt that it was time to build a thousand leaders. The Satyam School of Leadership was set up in the hi-tech city, investing crores of rupees, because we felt that for building leaders we need to have world class facilities.

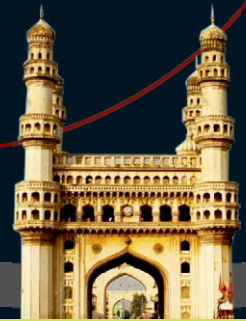
We created a model for ourselves for the leadership process which we called the 6 Ps and 5 Rs model. Leaders need to have assets and leaders need to deliver certain outcomes. The six Ps measure the structured assets. The first thing that is important is people - how happy they are and how much attrition is happening. Secondly, leaders need to understand the process. Fundamentally we believed that 'the leaders build leaders' and so we started from the top. Leadership is the function of the leader, the employees, the situation in which leader works, the execution capability and the result that he produces. Leaders are working on three broad areas for creating results- relationships, resources and reflections which involves assessment of challenges and support. We have a 'Full life cycle leader' model in which all our senior leaders are empowered to create the pipeline of leaders and identify what they wish to do in each individual account. Technology is being implemented in a big way and our leaders need to be equipped to understand technology and put it to work for the product, and convert some of the processes using technology. Leaders need to proliferate what they are doing to other people in the organization, i.e. benchmark and apply best practices within the organization. Patent is to find a better way, i.e. creating some kind of value by thinking out of the box. And lastly, leaders are creating assets. It is therefore very important that they promote the respective accounts of people in the organization. So this was the first model we created which we called the six Ps model which included the following asset attributes: People, Process, Product, Proliferation, Patent and Promotion.

Leaders are expected to deliver in terms of four broad business key result areas. They are growth, profitability, customer satisfaction and delight of the associates. The five R model measured the outcomes used to assess the value creation by leaders. The leader needs to perform faster (ability to compress cycles), better (exceeding customer satisfaction), cheaper (using limited resources well), larger (capability of enlarging the business) and steadier (being predictable). Each month the structured assets and outcome measure were tracked which evaluated how effectively full life cycle leaders were building and maintaining their assets. Having the right balance of six P assets combined with the right balance of the five R outcomes ensured our success. Further, leaders need to balance the stakeholders' delight i.e. of associates, investors, customers and society.

When the crisis hit us in 2009, there were several senior leaders who left the organization from different parts of the world. There was a layer which just vanished over night and it was like the depleting ozone layer. We had the leadership pipeline which we had built and we had to roll up people who were working at the third level and the second level to become the first level leaders. A lot of coaching, mentoring and reflective conversation was undertaken by the senior leaders with the new leaders to bring them up to the next level. We are proud of the fact that we carried the legacy of building the leaders to the next level. Some of our customers even commented that our execution capability never suffered, which is what they valued. The process which was built in the years 2005 – 06, helped us in 2009 when the crisis actually hit us hard. The processes take time to get evolved and it pay the results after some time. And when Satyam rose from the phoenix after 2009 when Tech Mahindra took it up, it was all credit to the visionary process of Ramalinga Raju and also to the kind of leaders that we built in the organization. Authenticity, clarity, continuous communication to the last person in the organization helped us to succeed in functional and leadership skills.

In order to develop the softer aspects to help in creating great leadership pipeline, the leadership vision needs to be shared with the entire organization. The values of the organization must be understood by every person in the organization. The leaders should walk the talk, the values and the belief systems that they've put for themselves as the philosophy of the leadership. And so some Cs that are important are transparency in communication, the clarity of thoughts, conviction and connecting the dots to make a sensible picture need to be demonstrated by the leaders. People pick up signals from the behaviors and they want a leader who is authentic and someone with whom they can connect. Leaders of today can give feedback to people but they cannot take the feedback from people. All the soft competencies of empathy, conviction, transparency, clarity and connecting with the heart, are required and such leaders can create an edge, push people to the next level and create and build leaders for the future. One of the most important tests of leadership is the ability of leaders to learn, unlearn and relearn, and manage the ambiguous environment with flexibility.

The barriers in developing leaders include incongruence in what one says and what one does across all levels in the organization and specially among the leaders, building a threatening environment where people are really scared to talk about failures and the people in the whole organization not being able to see the big picture- the vision and the mission. Even the last person in the hierarchy should know what the organization in which he is working stands for and what is the brand.



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When we say leadership is an art and science, the art is from the heart.

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Human capital development, the nurturing and development of leaders, teams and organizations, has increasingly been the focus of initiatives to augment business success. But, despite considerable research and implementation of theory and practice, it is still very tough to actually become a “good leader.” Although there are thousands of leadership books and leadership gurus to learn from, leadership is not something one can simply read about and learn. It takes more than reading or trying to implement tactics derived from a leadership workshop. It is something that one has to do; it is an experiential science.

Science has been defined as careful observation in the course of forming and testing of ideas, subject to a questioning community. Art, on the other hand, is defined as the modification of things by human skill to achieve form, function, and meaning. In *Quest of Quantum*, Leonid Ponomarev noted that, while logic and experiment form the backbone of science, the basis of art is intuition and insight. Although specialization often requires high levels of expertise, these general definitions of science and art have the potential to embrace the activities of all sorts of people in organizations, including leaders.

Most of us accept leadership as both art and science, practicing it with all the knowledge and experience at our disposal. But science and art often seem opposite. They tend to be disconnected in our educational systems, workplaces, and communities. Many scientists are warning that science is under attack from those who regard it as a set of opinions rather than a source of objective truth. Can science and art thus be so readily mixed in the practice of leadership? If we value the objectivity of science, can it really be a good idea to blend in the biases of artistic construction?

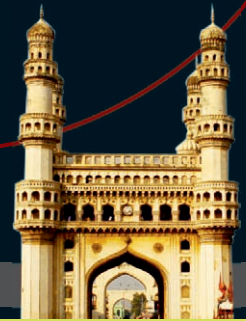
Wheatley (2006) argues that the turbulence of global society and culture is forcing organizations to realize that the models and habits developed for a stable environment may not work in a dynamic world. Organizations and their members must continuously adapt with or “co-evolve” by interacting with the environment. Understanding leadership is no longer a matter of isolating elements, behaviours, traits, or situations. Understanding the current state of an organization will provide little information about its state tomorrow. The more complex a system, the less predictable it becomes, because the relationship between cause and effect are not constant.

What does it mean to be an effective leader? Some researchers, such as Fiedler, have defined leadership effectiveness in terms of group performance. According to this view, a leader is effective when his or her group performs well. Other models, for example, House’s Path goal theory, consider follower satisfaction as a primary factor in determining leadership effectiveness; leaders are effective when their followers are satisfied. Still others, namely, researchers working on the transformational and visionary leadership models, define effectiveness as the successful implementation of large scale change in an organization.

Although many leadership studies have considered process issues in determining effectiveness, their focus has been primarily on the productivity of the work group. A leader may be considered effective when his or her group is successful in maintaining internal stability and external adaptability while achieving its goals. The complex and never-ending learning process of becoming an effective leader requires both experimentation and organizational support. Organizations that allow their leaders at all levels to make mistakes, learn and develop new skills are training effective leaders.

One of the major functions of leaders is the creation and development of a culture and climate for their group or organization (Nahavandi and Malekzadeh 1993a; Schein 1985). They are role models for other organizational members. Followers take their cues from the leaders on what behaviours are acceptable and what are not. One of the key behaviours that leaders need to role model is the acceptance of responsibility for one’s actions. With the power and status afforded to leaders comes the obligation of accepting responsibility for one’s own decisions and the organization’s impact on others. The effects of leadership can be widespread and manifested in the behaviour of employees (e.g., organizational loyalty, health, job quality), teams (e.g., cohesion), and overall organizational effectiveness (e.g., financial performance).

Leaders must exude confidence and competence. They must have, or at least appear to have, a clear sense of mission, purpose and values and they must behave in ways that are consistent with their purpose and values. They must demonstrate their commitment to achieving an important goal for their group or organization, and they must show that they are willing to make personal sacrifices to achieve that goal. Leaders must conduct



HYDERABAD

themselves as someone with whom their followers will take pride in being associated. They must develop and articulate a clear and compelling vision of the future and then generate enthusiasm and optimism that it can be achieved.

While research on several other theories of leadership is declining (e.g., initiation-consideration), the amount of research on transformational leadership is increasing, with well over 100 published studies in 2012 alone. There is widespread agreement that transformational leadership comprises four separate and different behaviours: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, each of which are described extensively in the research-based literature.

Idealized influence reflects the ethical component of transformational leadership. Leaders who act in a manner consistent with idealized influence behave in ways that are good for organizations and their members and avoid acting solely on self-interest. Leaders who behave in this way opt to do what is right, rather than what is easy or expedient, and resist temptations to maximize their own or their organizations' short-term interests.

Inspirational motivation involves leadership behaviours that help employees perform "beyond expectations", both beyond the expectations that employees hold for themselves and those that others hold for them. They inspire by setting high but realistic goals for their followers. By doing so, they nurture a deep sense of self-efficacy and resilience in their followers, helping them to believe in themselves so that they will first confront the internal psychological hurdles and external barriers that inhibit high levels of performance, and then persist in their efforts.

Intellectually stimulating leaders elevate their followers by allowing and encouraging them to think for themselves, all the time challenging their followers to question long-held assumptions, whether about their own self-limiting expectations or the way in which work is conducted. Doing so conveys trust, and is consistent with a perspective that encourages and values employees' development and participation. Because intellectual stimulation ensures that employees learn to think about their work, leaders who engage in intellectual stimulation implicitly prepare the next generation of organizational leaders.

The final component of transformational leadership is individualized consideration, through which leaders provide emotional and instrumental support to their employees, thereby fostering personal and work-related development. Individualized consideration makes the personal and organizational development of employees a leadership priority. As a result, leaders who display individualized consideration would most likely be perceived by their followers as development-oriented, empathic, and compassionate.

A hallmark of all transformational leadership behaviours is their future-orientation. Transformational leaders deal with people as individuals with unique needs, abilities and aspirations. They coach, advise and teach their followers. They listen, communicate, delegate responsibility, empower, encourage and support people. They question assumptions and the status quo and seek innovative and creative solutions to old problems, encouraging their followers to do the same. Leaders create excitement for finding new perspectives and new ways of doing things. They make their expectations clear and reward performance.

Outstanding leaders do not engage in the right behaviours all the time, but they rarely miss the opportunity to do so at the right time. From the large body of available research, it is apparent that the very best of organizational leadership is relational and inspirational, ethical, future-oriented, focused on employee development, and laden with the humility that characterizes great leaders. Equally important is the knowledge that despite the loftiness of the theories, the best of leadership can be expressed through small but meaningful behaviours enacted at the right time.



Dr. Manosi Chaudhuri
Associate Professor
BIMTECH

Top Companies for Leaders 2011 Study Highlights from Asia Pacific

Organizations incorporating great leadership practices demonstrate strong financial results over the long term. Leadership is the single most valuable competitive advantage today. It not only helps in gaining an edge over competition, it proves to be even more valuable as economies go through ups and downs. It was in the midst of this challenging economic context that Aon Hewitt and its study partners - The RBL Group and FORTUNE - undertook the 2011 Top Companies for Leaders study.

Globally, 478 companies participated in this study, of which 152 companies were from Asia Pacific (APAC). Our comprehensive evaluation process included a scan of the participating organizations' leadership practices and policies; in-depth interviews with participants' HR leaders, CEOs and senior leaders; and finally, blind judging from the shortlist, which culminated in the naming of the Global Top Companies for Leaders (TCFL).

In this article, we are going to share the business challenges that companies are facing in Asia Pacific and how Top Company for Leaders are using Leadership Development to combat these business challenges.

Business Challenges in Asia Pacific

Business leaders in Asia Pacific are witnessing paradoxical times. On one hand, the region is full of opportunities; on the other hand, the global business scenario has thrown up significant challenges. As part of our TCFL research in 2011 we asked companies to share their top challenges.

The following top 5 business challenges emerged:

1. **Business Growth:** In these times of economic uncertainty, managing business growth is the most pressing challenge for organizations across Asia Pacific. Growth continues to be the primary strategy for this region.

2. **Margin Pressure:** As more and more companies vie for the same opportunities in this market, margin pressures pose a big challenge for business leaders. Post 2008, companies no longer want growth at any cost, thereby making productivity and profitability the cornerstones of the growth strategy for corporates today.

3. **Increased Competition:** As large parts of the globe witness continued economic uncertainty and more companies look to Asia for growth, Asian companies see that increased competition is inevitable. Companies that manage to consistently delight customers are able to leverage their growth opportunities better.

4. **Globalization:** Local businesses are either going global or are facing increased competition from global firms. This region is expected to be a major source of business growth for many multinational corporations. Globalization is a pressing challenge for both local as well as MNCs in APAC today.

5. **Quality of Leaders:** In effect, this challenge emerges out of the four business challenges above. Companies are realizing that they need to develop quality leaders who can grow the business profitably, create distinctive competitive advantage, and manage cross-cultural operations. Most organizations realize that they currently are not structured to grow quality leaders fast enough to meet these challenges. However Top Companies have succeeded in addressing these challenges and are taking immediate actions to move ahead in the talent race.

In the next section of the Asia Pacific Top Companies for Leaders Study Highlights, we describe in more detail what these Top Companies are doing differently to develop leaders and leadership pipelines that help them stay on top of the above challenges.

Mr. Ajay Soni

Practice Leader,
Leadership Consulting
Asia Pacific AON Hewitt

&

Mr. Gitansh Malik

Consultant,
Leadership Consulting
Practice, Aon Hewitt





What do Top Companies for Leaders do Differently?

The winners of the Top Companies for Leaders study are well positioned to address the aforementioned challenges. They do this by developing a robust leadership pipeline: 95% of Top Companies have sufficient pipeline to meet their future needs. These leading organizations - through a mix of focus, diligence, perseverance, diversity, creativity and innovation - are not shying away from their leadership agenda amid the complexities of a rapidly growing economy. They recognize that building top leaders requires a long-term commitment, which cannot be derailed by short-term distractions.

When compared to other organizations, the Top Companies have a strong focus on developing and preparing the next generation of leaders through smart selection, robust assessment, rich talent pipelines, and accelerated, customized developmental opportunities with emphasis on the art of execution. These Top Companies consider leadership development and building their Leadership Brand as an integral part of doing business.

Building a Leadership Brand. All of the Top Companies intentionally build a strong leadership brand. This leadership brand encompasses much more than just the disparate charismatic styles displayed by individual leaders. Rather, these organizations take considerable effort to define what a Leader in their organization should look like. They are very conscious of only bringing in those leaders that display these characteristics. Leaders of Top Companies invest significant time and effort in cascading this leadership brand internally through various institutionalized processes. In order to attract top class talent from the marketplace, the Top Companies ensure significant external visibility of their leadership brand. Their leaders are seen to be actively involved in industry forums, community activities and in some cases, nation building.

Views of CEOs, Key Senior Leaders and HR Team	Asia Pacific Top Companies	Asia Pacific "Others"
Organization intentionally builds a reputation for strong leadership	100%	71%
Senior executives act as role models to support what we want to be known for by external stakeholders	95%	76%



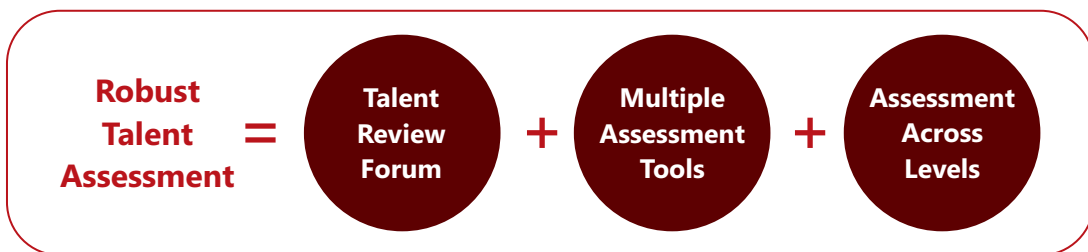
A comprehensive study of Top Companies' leadership development practices brought out five key themes that clearly differentiate them from the others.

1. Unrelenting Focus on Talent Assessment:

In order to live the leadership brand, an organization needs to identify the right talent who not only live the brand, but also pass on the legacy from one generation to another. With a deep commitment to identify and develop the best talent to run future businesses, Top Companies in Asia adopt robust and deep talent assessment processes as part of their high potential identification.



Our Top Companies for Leaders study suggests that organizations adopt a comprehensive, three-pronged approach for talent assessment:



All of the Top Companies have an institutionalized talent review process, as compared to many of the other participants who do not have such a process. The Talent Review Process extends way beyond discussing and normalizing performance. The Top Companies have Talent Review Forums executed throughout the organization, wherein each employees is discussed in terms of competencies, values and potential. The talent assessment in these companies is performed through various lenses and done with great rigor.

These two changes are forcing organizations to change the way they look at developing leaders. Not too long ago, leadership development meant a once-a-year event of two-to-three days during which the entire top and senior management came together and listened to lectures by leading gurus. No longer is this the way of leadership development. Just as engagement is created one person at a time, more and more companies are realizing that leadership development needs to be done one person at a time. The table below illustrates this quite clearly.

On top of this, more and more organizations are now looking closely at the third pool of talent -- young and emerging leaders. Efforts are being made to identify leaders early and to do everything to ensure their development, engagement and growth.

A comparison of the Winning Companies in 2009 and 2011 shows that there has been significant growth in the use of individual, focused, one-on-one development processes, such as coaching and mentoring in these organizations. In fact, between 2009 and 2011, the Top Companies have increased the use of coaching and mentoring by 30% and 27%, respectively.

- 2. Customized Learning Opportunity:** There are two changes taking place at the workplace. One, employees are becoming much more discerning and demanding about their careers. Each employee has different needs and expects their employer to meet those different needs on an individual basis. Two, companies need to significantly accelerate the development of their leaders in the scenario of high trajectory of business growth.
- 3. Taking Top Talent Out of Their Comfort Zone:** Senior leaders encourage their top talent to take up new challenges outside of their comfort zone in order to create additional long-term value for the organization. They strive to foster a "creative tension" in the organization that will bring out the best in their talent. Our research suggests

	Asia Pacific Top Companies		Asia Pacific "Others"
Customized leadership training	85%	↔	64%
External customized leadership programs	75%	↔	63%
Customized e-learning programs available online	35%	↔	17%
Leaders as teachers	35%	↔	23%



Our research confirms that leadership development is a unique process for each organization, but the tools needed to optimize this process remain the same.

that approximately twice as many Top Companies in Asia Pacific (68%), when compared to the rest (35%), consciously foster movement of leaders across different functions, businesses, or geographies.

Additionally, the Top Companies have a huge appetite for taking risk with their top talent. Most of the business leaders that we met mentioned that the best business opportunities were given to the top talent in their organization, even if they were only seen to be 60% ready. This leap of faith taken by the leaders of the organization has gone a long way toward motivating the top potentials to strive even harder to achieve business goals.

- 4. Diversity of Thought: Top Companies work toward increasing the diversity of their leadership group as a key part of their leadership strategy. These organizations make conscious efforts to build an inclusive workplace promoting cultural agility, a global mindset, and offering diverse experiences.

Eighty-five percent of Top Companies in Asia Pacific have diversity as a core element of their overall leadership strategy. These organizations understand that diversity in a leadership team is about the differences and similarities that people bring to an organization, and leveraging the power of these to create positive business impact.

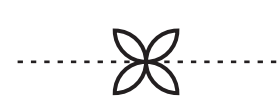
Conclusion

Despite the paradoxical business realities of the region –high growth amid the added pressure of increasing competition, quality leadership remains the solution for sustainable growth. It is also a difficult-to-replicate competitive edge for organizations.

Our research confirms that leadership development is a unique process for each organization, but the tools needed to optimize this process remain the same. The companies that focus on building a robust leadership pipeline are better equipped to leverage the growth opportunities in the region. They also have a “killer app” of high-performing, adaptable leaders who can ride through economic uncertainties better.

Thus, the leadership development teams in Asia Pacific have their work cut out for them: to grow and attract high performers, to build and engage leaders. In order to achieve profitable high growth in this increasingly competitive and global business scenario, finding and grooming your best talent will require your tapping the world’s best talent!

In this challenging business environment, it’s not just about RIGHT sizing, but rather BRIGHT sizing your talent.



“Top Companies for Leaders 2011 Study” Report for Asia Pacific

A Brief Profile



Adil Malia, is currently the Group President (Human Resources) at the 40b US\$ Essar Group - a diversified multinational business conglomerate employing 80,000 people globally, in highly diversified sectors of business. Adil has a Bachelors' degree in Commerce, a Bachelors' degree in Law and a Master's degree in Human Resources from the prestigious Tata Institute of Social Sciences where he was the second ranker of the batch. Adil holds a diploma in business management, a diploma in International trade and finance and has attended an Advance Management Program from the Emory-Wharton (Coca-Cola University). He has been awarded a Causa-Honoris Doctorate in Philosophy. Adil is a voracious reader of Management literature, a sought after key-note speaker at national and international professional forums and contributes his thought leadership through the articles he writes regularly for New Papers and Management Journals. His articles have notably appeared in Economic Times, Wall Street Journal, Human Capital and People Magazine. Professionally, Adil has handled critical business leadership roles in HR and Marketing with reputed marquee MNCs like GE, M&S and Coca-Cola and with large Indian Groups like Godrej and Essar. He has been recognized in the industry as a thought provocateur

and strategic HR leader with a very strong business orientation. Internationally, Adil has experience of working in the US and in the Pan-Gulf region with global retailers like TOYSRUS, Marks & Spencers & Hertz. His corporate role contributions have notably been in Strategic areas of Organisation Transformation, Change Management, Business Process Re-engineering culture migration, Leadership Coaching and Succession Management. His favorite theme is 'Organisation Transformation through People Centric Value Creation.' Operationally, beyond HR, Adil has worked in Marketing & Sales in the Pan-Gulf area.

The "Most Powerful HR Professional of India" (4th edition) lists him at #1 in India. Adil is a Director on Board of several companies like Essar Services India Limited, Essar Investments Limited, etc.

He continues his professional journey and is currently pursuing his certification as a 'Chartered Fellow' from the Certified Institute of Personnel Development (UK). He is currently writing his book on 'Future Smart People Enterprises'. Adil is very fond of Indian and Western classical music and plays the Hawaiian Guitar.

Leading Change: WHAT TRANSFORMATION MEANS

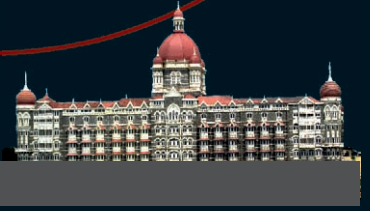
Mr. Adil Malia
Group President-HR,
Essar Group



There is one thing about me which most people don't know is that I used to be a boxer for The Bombay University before I decided to move over. And while I was a boxer the lesson that I really learnt which really helped me for the rest of my life is the lesson that I always repeated to everybody that is you don't lose when you fall, you lose when you don't get up and I think that's the most important lesson which I also want you to also take back. As an OD practitioner in the last 30 minutes or so I have been listening very intently to faculty members of BIMTECH and to the consultant from Aon Hewitt and to Anand and to the lady who spoke and I think between the four of them they have given us entire primer of change management. So I am really going to be pitying all of you because we are all going to be talking about the same things because already all of those have spoken.

But what are those two things and I have been thinking what should be the rabbit that I should pull out from the hat which should be so unique and different. So the first important point I want to share as an OD practitioner and I distinguish between an HR professional and a practicing OD professional, is that I do not agree as a matter of controversy. The change management and transformation are the same. According to me as an OD practitioner change management is only when a short term alteration of behavior to respond to the different challenges posed in the environment have to be managed. So it is very very short term thing. There is a certain response that needs to be given which is a different because the stimulation has changed and you are immediately changing that behavior to be able to given appropriate response.

Now from an OD Practitioner's perspective when we are talking about organizational transformation we believe in a few thing and the first most important thing is that every large system consist of several critical subsystems.



MUMBAI

Whenever environmental changes that are happening, that we sustained over a period of time and it requires that the critical elements of these subsystems.

Whenever environmental changes that are happening, that we sustained over a period of time and it requires that the critical elements of these subsystems have to be realigned otherwise you will not be able to sustain the change in the long run. That leads to transformation.

So while change management does not require any alteration in the sub-system or realignment in the sub-system, it is a very short term response without alteration in the sub-system. Transformation leads to alteration and alignment of the critical elements in the sub-system to be able to give better results, better value, and better response to the change. I can give you an example. If for example when we are talking about Coca Cola and Pepsi, every summer they will go into price war. They will make it seven rupees; we will make it six rupees. They will make it six rupees; we will make it five rupees. We will bleed ourselves to death and god knows at the end of the day we will do huge numbers in terms of revenue but the profitability would have been gone because the product price is very high and you could never be able to sell it at that kind of discounted price but we had to because we had to create a large market share in the place.

We change the responses to bring down the prices so that we could compete in the market. We lost money for four years then suddenly decided, this is not the game where we can sustain in the long run. We should be able to offer product to the customer at a five rupees price points which is not a loss that we are making in formal discounts offer but how do we create different kinds of bottles, therefore how do we create ultra glass, therefore how do we ensure that the glass has longer life, therefore how do we get our suppliers to create different pipelines for those stocks, therefore how do we create different machines which will take those small bottles in the large bottles, therefore how do we change the casing, how do we change the trucks, how do we change the customer, how do we change the discounting pattern, how do we change the consumption pattern, how do we attract people to consume more at the five rupees price

point where we are making money; That is transformation. One at the discounted price point where we were bleeding and other at the transformational price point. But you changed and altered the entire system. Sustainable change by altering the system and that's what is important. That is point number one.

Point number two is from a practicing OD professionals' prospective, there are two schools of OD practitioners and most of you know because you are OD practitioner. One is mechanical practitioners' perspective which looks at enterprise at a mechanical set of thing and believes that there is no scope and the other is organizational believers of bio cooperation which looks at enterprise as a living organism. Organizations have a body. They have a mind. They have spirit. They are born, they grow, they fall sick, they recover, they mature, they grow, they have a life and at times they die. Enterprises can die and it is very similar to the human life that we are talking about. The only difference is that the human life the death is inevitable whereas in the corporate life death is evitable provided the leadership of the enterprise is able to do four very critical things.

At every point of time they are able to do what is called reframing, they are able to do restructuring, they are able to do revitalizing and they are able to do renewal. So there are four critical sub-systems in the existential form of the critical bio organization which needs to be done and the leader is responsible for doing that. Once the leader does that then he can give perpetuity to the enterprise.

Therefore, how do we as an OD practitioner or a leader in enterprise do these four things on an ongoing basis to lead the transformation which provides us inevitable survival and success in the future and that is what transformation is all about. That's my first kind of backdrop.

A Brief Profile



He is alumnus for IIT (Kharagpur), IIM (Ahmadabad) and IIT (Bombay) from where he completed his Ph.D., in the area of Strategic Leadership in 2010. The first 12 years of his working life was spent in the HR function in companies like Escorts and Modi Xerox. Thereafter, he assumed additional responsibilities for TQM in Modi Xerox, a move which "brought him closer to the business environment and issues". The exposure gained in TQM equipped him to take on the role of Corporate Strategy and Marketing at Modi Xerox itself.

During the years 1994 to 1999, Dr. Agrawal was Chief Executive at Escorts responsible for Construction

Equipment Business Companies i.e. Escorts Construction Equipment Limited. He also had added responsibility for Escorts JCB for nearly three years during this period.

Since 1999, he is President – Corporate Development and Group HR in RPG Group. His current responsibilities in RPG comprise of HR and TQM. In 1992, Dr. Agrawal was awarded the National HRD Award. He served as the National President of National HRD Network during the year 2000 - 2002. He has now qualified as Professional Certified Coach (PCC) from International Coach Federation. On the professional front, Dr. Agrawal has been active in Management and HR forums in the country.

Dr. Arvind Agarwal
President-Corporate Development &HR,
RPG Enterprises



In last one year I have been very focused on learning photography. So I have been going to shoot Flamingo in Wadala creek here in Mumbai. I have been going to Tadoba forest spending time chasing tigers and most recently about a month ago I went to Laddakh and almost spent a fortnight shooting mountains and this is my latest hobby.

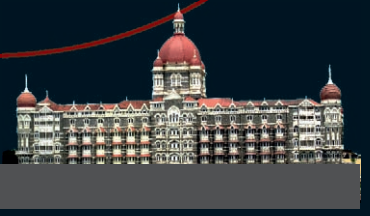
We are surrounded by changes happening all around us and Mr. Ajay Soni was very eloquent when he mentioned about the speed of change that is taking place, whether it is technology, whether it is regulation, whether it is aspiration of people, shareholders, customers, community around us. All of them are requiring change and we have seen likes of Nokia, Blackberry disappearing within no time. The speed of change is truly remarkable and in fact I caught held of ET500 and looked at 10 years horizon and I found that 82% of the companies which were listed, they either declined or disappeared and I find this is not just an Indian phenomena. I looked at fortune 100 and I found 71 % of the companies declined from fortune 100 lists just in a passage of 10 years. So it is very tough to even hold on your position. Leave alone grow in a competitive world that we are in. Now therefore in a change model we already have a burning platform that is change is all around and as you rightly mentioned Ajay that internal rate of change has to be faster than the external change, then only you are making any difference. So here lies the biggest challenge of change management. Till yesterday we could take our time and we could take solace that we are talking about large enterprise. There are several thousand people, there is a technology, there is this and that. But now we go to get the change under our belt done very rapidly and how the hell do we do that and this challenge gets compounded when the significant players of the change are also somewhat uncertain, for instance the ownership of the firm MNAs happening by the day so the ownership may change. The CEOs may change.



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Where there is a culture where they are able to debate the means and goals of the organization. There is a distribution of power which is healthy.

Art
&
Science
of Developing Leaders
2013-14



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Leading Change: WHAT TRANSFORMATION MEANS

The CEO's tenure has now reduced anywhere between 3 – 5 years. So earlier we used to talk about the change will take time particularly for the large enterprise. The CEOs may not even be there.

There is a natural attrition even among the top leadership team. We even talk about change managers, whether it is OD manager or an HR manager. I think there are the people who change jobs quicker than anyone else. Now how the hell do you keep momentum of change live when change facilitators who are change leaders, themselves is switching jobs. How does this person create faith inside the organization. Now given these ground realities you cannot depend upon one person in an organization to lead change, whether it is CEO. There are no such superheros, super charismatic leader who can just figure it out nor there is HR or OD manager who can figure it out and make change happen. What is required today is the entire top management leadership that is the powerful coalition and if the entire leadership and you were talking about the mental model, if the mental model of the top leadership change can be altered then rest of the organization figure it out. It is like a magnet. If you point it in another direction everything else points in that direction. So in the first instance one has to really worry about the alignment at the top management team. Recently, for example, in one of the RPG companies we changed the business strategy and it became very clear that to make that strategy to happen we have to change the internal culture of the organization and we had the cultural workshops, we had large scale interactive process to get people on board but what we really put under magnifying glass is the behavior and conduct of the top leadership team which consisted of only seven people with a change agenda and we tried to figure out as to how aligned are these seven people with the change agenda. And we found that there are at least two people, through 360 degree feedback which didn't took too long, whose personal management style, leadership style were not in sync with

the new culture that we were trying to bring. And the answer was very clear that if these two can engage with executive coach with a very finite agenda, with a very finite time table, then we will begin to see the leadership team behaving in a different way and rest of the organization align themselves. So we got these two people started with the executive coach and therefore the entire speed of change is determined by the speed with which the top management team can align itself to the change agenda and by that I mean you don't need the rock stars in the team. What you need is a cohesive team where there is a communication which is free flowing. Where there is a culture where they are able to debate the means and goals of the organization. There is a distribution of power which is healthy.

There is a spirit of conversation around conflicts. Differences are boised whether it is emotional difference, whether it is task related differences. If that kind of healthy team you can bring together then the change happens. Therefore, for rapid change in an organization in today's world the focus has to be at the top management level. As you mentioned that the biggest problem of change is 65% resistance of the employees. I beg to defer. I think the challenge lies not with the employees but to the top management team. Often time the top management team alludes themselves the change is for everybody else, I can continue the way I have always been there and if you focus on the change at the top management team we can quickly get on top of change agenda and things can really change the direction. So what I would summit is for the rapid change in the organization we have to move from preoccupation with the super hero, charismatic change leader, who are the leadership of the top management team and they can lead transformational agenda for the organization.

A Brief Profile



Mr. Bijay Sahoo
President-HR,
Reliance Industries Ltd.



Bijay has over 25 years of experience in leadership positions in leading National and Global corporations. He specializes in the areas of Human Resource Management, Leadership Development, Organization Development and Change Management. Bijay is currently the President – HR in RIL taking care of emerging consumer businesses such as Reliance Retail and Digital Services business reporting to Mr. Mukesh Ambai, Chairman of RIL. He has been on the board of multiple Reliance Retail companies as a part of the Central Leadership Team and “Executive Council Member” of Reliance Retail. Prior to this role, Bijay was the Vice President and Global Head HR of Wipro Technologies.

In this role, he developed and practiced many innovative and successful Talent Strategies, Policies, Processes, Compensation and Benefits programs for Wipro’s global

operations and handled many Mergers and Acquisitions internationally. Prior to Wipro, Bijay was the Principal Consultant in PricewaterhouseCoopers where he was the leader of the HRM consulting practice of the Management Consulting Division of PwC in India. Prior to PwC, he was the Head HR of IDBI Bank and Manager – HR of Dena Bank. He was for over 5 years the Chairman of Conference Board’s HR Council in India. He also served SHRM India in its “Advisory Board”. Bijay is currently the Chairman of RASCI i.e. Retail Skills Council of India which is promoted by Retailers’ Association of India (RAI) and the leading Retail companies of India with aid from NSDC (National Skills Development Corporation). He is also the Chairperson of RAI’s HR Committee. He serves on the Governing / Advisory Boards of many reputed Universities and Educational Institutions. Bijay has been a speaker in the areas of Talent Management and Leadership Development in India and abroad.

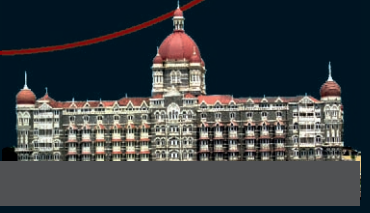
Leading Change: WHAT TRANSFORMATION MEANS



Lot has been talked about change, Leading change, what transformation means. At least I saw it three times. I saw it once in a public sector bank I was working with. That is Dena Bank in 1988-89. That time the regulatory changes were coming. The private banks were to be given licenses, which came 4-5 years from then. All the public sector banks were incurring loss. I remember I was not sure whether I will get my salary or not because it was making in 89 an 89 crores loss and that’s the time, regulatory reasons induced the change because the new banks were given licenses so there was a change requirement in the banking industry. All the Banks were getting prepared for that. I remember World Bank gave a support to two Banks. One was Dena Bank and the other was Punjab National Bank. And the support was, like you change your leadership capabilities, you change the technology, you change your processes and you change your priorities and they were actually supporting. I remember Dena Bank that time took priorities as corporate banking, merchant banking and technologies, these three and all the capabilities. I am relating the Ajay Soni’s presentation, the capabilities development was aligned to those three priorities. The communication was all around those three priorities and the whole organization was actually getting prepared in terms of developing that. Today it continues to be public sector bank but they makes lot more profit than incurring loss and it still surviving and thriving. I saw change in IT industry in 2000. So in early 2000 – 2001 what was happening

that time was all the IT companies were very successful because of Y2K or body shopping and in 2001 onwards the challenge really started. So we were off shoring as concept in India and all the IT companies were making huge operating margin. Those days actually 39 - 40% operating margin was because of off shoring. So we get in dollar terms the revenue and spend in rupee terms because we people are in India. And that time all the IT consulting companies like IBM Accenture etc they started their off shoring organization out of India. so all the IT companies actually got challenged. So we are essentially doing coding. That time, I remember, we had a CEO in Wipro Vivek Paul. He gave a slogan “move from coding to consulting” and that was actually complete transformation, it was not changed.

Because coding means doing JAVA, C++. You know those of programming those days was there. Consulting means completely understanding business strategy, business processes organization structure, organization design, technology, architecture, technology intervention. So it is completely different. So we had to almost move. Something like 20000 – 25000 people those days. Currently it is over 100 thousands like identify them and prepare them for the change in their capabilities, in making them learn, how to talk to the customer, how to understand customer’s problem. So it is a complete different dynamics and that change actually came from competition that change came from global economic changes. That



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We change our technology supporting all those training programs. So I saw that complete change.

change also came through the technology interventions and that change was also laid. That time Vivek call to the leadership, there was a change of leadership. So change is coming either from the external factors, either economic change, political change or technology change. Change is also coming from internal factors. When you are changing the structure of the company, there is Merger and Acquisition or there is a leadership change, Arvind talked about. There is a change. I saw the journey. I remember it was like 3-4 years we were completely preparing the organization giving the slogan "Coding to Consulting". So change is capability's definition. We changed the leadership programs; we changed the training programs in terms of training and development. We change our technology supporting all those training programs. So I saw that complete change. So I can actually very well relate to what Ajay was presenting about capability, communication, and culture. Culture also went through change. So coding is taking order, consulting is actually an advisory thing. It is under listening, understanding and suggesting what you should do. Coding means obeying, from a docile software engineer to a consultant who is advisory, who is telling you what the solution. So it is selling. So there is a complete change transformation. Currently I have been working in reliance for last 7 to 8 years. I was the first employee of Reliance Retail. Reliance started from the consumer business to the retail business.

Our Chairman had given a slogan "Customer First". So the Customer first journey started 6 – 7 years ago, but now it is gathering momentum. He has been often repeating "Customer first" so our capability in our thinking the way we are looking at the customer, the technology that we have that support to the customer service. The people we have, what kind of skills we have in terms of aligning to the customer requirement. So there is a complete change going through and what I can say since beginning we have been very successful

organization as you know where it is a very large a 400,000 crores company but then we have been through asset based, to through the manufacturing process, but for now in the recent past we have started all the consumer businesses. So we are actually preparing our organization to the consumer side. So am actually participating in that change and what I can say I can only relate to that whatever we have been reading, thinking, feeling all about books listening to the consultants, one can actually experience it being a part of the organization because the external factors are very often changing. The economic factors are changing; the sociopolitical factors are changing, more frequently now the technology is changing. You know those days we were getting excited about ERP etc. now when you see the social networking, when you see mobility, when you see all these new applications changing. That is driving the change whether it is in the customer function or in the HR function. That all is aligning ourself to actually change, but those changes are so dramatic, so rapid and so paradigm shift based it is actually eventually becoming like transformation. The reason is the speed of change has increased so the change because of the speed has become more transformational.

The organization needs to prepare for that. I actually, by and large agree with Ajay's presentation that the factors and the processes to manage the change, to lead the change, to lead the transformation is very critically important for the organizations. And one thing you don't know, I forgot to mention about that, I earlier as student used to write poems and when I started working I have been more focused in giving time to philosophies.

A Brief Profile



Mr. G P Rao, instead of going into his family business or practicing Law, has chosen to work in HRM to pursue his passion for people. He worked at the grass root levels like Mines and Factories and grew to head Group level positions. He kept a constant touch with academia, contributed to the growth of professional bodies and mentored younger professionals in his pursuit of Human Resources Development. GP has over 35 year experience in HRM with large Indian Corporate houses like Steel Authority of India, JK Organisation, Birlas and Reliance Industries in India and Malaysia, with significant contribution in the areas of Employee Competency, Motivation and an enabling Climate.

He has done his degree in Law, Masters in Commerce, Public Administration, Social Work and Business Management; and certification in Assessment Tools of MBTI, OPQ, SHL, Human Edge etc. He has also received a Honorary Ph.D. GP has received a number of Awards

including the Outstanding Contribution Award from National HRD Network, India, HR Professional of the year Award, HR Leadership Excellence Award at Singapore, Achievers Awards at Colombo and in New Delhi. He has recently been felicitated at the silver jubilee conference of National HRD Network for his long and immense contribution. GP has been excelling as a Trainer, Speaker and Facilitator combining his practical exposure, conceptual understanding and niche for uniqueness. He lives in Kuala Lumpur with his wife. His daughter has just got married. His son works for BMW in India. When not at work or home: GP attends Rotary activities, engages in professional discussions, networking meets and mentoring or tries out at the Golf driving range.

Vision: Create and nurture a large non-Government Organisation in India to identify poor youngsters having passion; provide them with skill sets and make them employable.



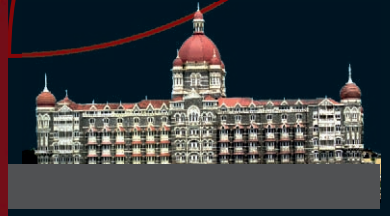
Leading Change: WHAT TRANSFORMATION MEANS

Mr. G P Rao
Chief-HR and MS
Recorn (Malaysia) Sdn Bhd



Probably some of the secrets normally I am a very transparent person, very difficult to dilate your secrets because secrets are known, but then one I will tell you. Somewhere I am associated with naxalism. Very few people know that I joined IIT Kharagpur without writing a written test without appearing for interview many people don't know but I joined IIT Kharagpur but then I had to leave because of naxalism otherwise the naxal movement.

We were asked to vacate the hostel three times, the 4th time I did not go back. I am from a small village in Orissa and going that place again was not like by me. That is number one, and number two, when I started my career in SAIL. The first job that was given to me is to deal with the naxal leader called Shankar Guha Niyogi for 5 and a half years. I was sent there for 2 years but I stayed for 5 and half years dealing with Shankar Guha Niyogi. When I got married a girl from Andhra Pradesh I am from Orissa she is from Andhra Pradesh when I went there, they said there was lot of naxalism in Parvatipuram and Srikakulam then for first three years I used to tell my wife that we will not stay in parvatipuram, we will stay in Raigada which is my native place in Orissa, but then we realized that after 5 years naxals moved to Raigada. So this is something, so these are a few secrets (laughs) ... ok I think about leading change and transformation I start with disagreeing with Adil that he said that change management, transformation, is temporary change management for something. In my opinion change management can be small change or a big change but change management is change management. Change management is very important because in my career if I have to say the number of years people start calculating my age so I will not reveal that secret. But I started with SAIL Public sector, then I worked with JK it is a family run organization and now with Reliance but mostly I am in Malaysia for 5 years. At each of these places I have been involved with change very lucky. In Steel Authority in 1985, like Vijay said in 89 they made a loss of 89 crores, in 365 days we made a loss of 365 crores in SAIL. I remember but



**Change management
can be small change or
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change management is
change management ...**

V Krishnamurthy. I was working in Bhilai steel plant that time at the front end.

So that was one change management changing the mindset of the people, changing the culture of the organization, changing some rules... fundamental rules in the organization where the merit was not known, the promotions were based on seniority, there we had to do promotions based on merit. I mean that kind of thing. The youngsters becoming leaders. I mean those kind of changes were done. So that was one experience. The second was in J K is a family run organization, there doing an empowerment survey! In a family run company doing a transparent empowerment survey with the help of Dr. Uday Parikh, that is one change. How did we do that? You know measuring the empowerment status, articulating sharing and then doing same actions and in the same organization another change management we did in Vikrant Tyre Plant later it was transferred to another tyre plant. Moving away from functional organization to a process based organization, so we created a process based organization where there is no H R, there is no commercial, there is no production there is no maintenance. How did we do that? I mean that change management was very challenging, getting leaders accepting somebody who never worked in my discipline HR Person reporting to production man, production person reporting to maintenance man, because he is the leader... so the multi skilling, the low cost automation, the process based training.

That was another change. The last change that I have experienced is in Malaysia. We went there to take over the assets of a sick unit. It was sick, it was poor, low morale, and we went there an unknown country, no language, we don't know the language we were asked to take over all the 7500 people, there without verifying whether they are good or bad, without assessing whether you require them or not and that was the mandate given to us and you know in Reliance style... no do it fast and turn it around in year one itself and this change management is difficult because we are dealing in a foreign land, people with 8 nationalities speaking 21 Languages working there and language is a barrier without disturbing the basic framework of the culture, do this faster with the same people without taking too many people from India. Not any worker went from India only 18 of us, went worked with those 7500 people and made the changes. See now all the three changes what one important thing I have seen that you should be able to tell people properly, you should be able to sell properly and if you do the telling and selling because the tell and sell will draw that will and skill we knew that people who are willing to change people who know how to change if you do that then finally if you can make them gel with the change and it will gel well so this is the learning of my change.

A Brief Profile



Prakash Iyer is currently Managing Director, Kimberly-Clark Lever.

In a corporate career spanning twenty-seven years, Prakash has worked with teams selling everything from soaps and colas, toyellow pages and diapers.

He was earlier the Managing Director and CEO of Infomedia India Limited (formerly Tata Infomedia). Prior to that, Prakash was Executive Director at PepsiCo, responsible for the company's operations in South India and Sri Lanka. He later moved to PepsiCo China as

Regional Vice President. An alumnus of IIM Ahmedabad, he started his career with Hindustan Unilever Limited as a Management Trainee in 1986. Passionate about cricket – and people –Prakash is also a trained leadership coach. He speaks and writes extensively on motivation, leadership, teamwork and winning. His first book – titled The Habit of Winning – was published by Penguin in 2011 and is a national bestseller. It was shortlisted for The Economist Crossword Popular Book Award, and has been translated into five languages. His second book – The Secret of Leadership – is just out.

Mr. Prakash Iyer
MD, Kimberly Clark lever Ltd.
and Author : The Secret of Leadership



Says the man who started off by saying that people who don't do don't consult don't teach become CEO so you know ... I m going to start with the first bit ... I am a huge cricket fan, so that probably means that I am like the most people in the audience here. I am also very passionate about writing and these two came together for me and made for a fairly memorable movement when I managed to get Rahul Dravid who is a bit of a hero for me to write the foreword for my second book which you know at once that stage looked impossible so maybe there is a message in it for all of us which is you know if you just dream the impossible it just happens some time so maybe there is something in it for all of us. What I am going to do is to really share four lessons in leading change and driving transformations:

Lessons that I have learnt, lessons that made a difference to my life and lessons that hopefully you can take away with you and to do that I am going to try and first tell you a little story. It's a story that sets in Gujarat and its amazing... When you talk about leading change, stories tend to go towards Gujarat but you know may be there is another story there and this really is the story of what happened when the Parsi's first came to India so this is set in I think 7th or 8th century and the story goes that this group of Zoroastrians landed in a place called Sanjhan in Gujrat and they turned up in the court of the ruling king called the Jadi Rana and they wanted asylum over there and the king looked at them warrior like, good looking, tall, handsome, well built people and he wasn't sure If he wanted them to stay on in his kingdom, but he was not sure how to say it so he managed to get one of his courtiers to bring a bowl of milk and the bowl was full to the brim so we have this situation where he shows them the bowl and he tells the leader of the Parsis, a person called Dhaval Dastoor that we would love to have you here but unfortunately our kingdom cannot support too many people, as you can see the bowl is full to the brim.

Leading Change: WHAT TRANSFORMATION MEANS

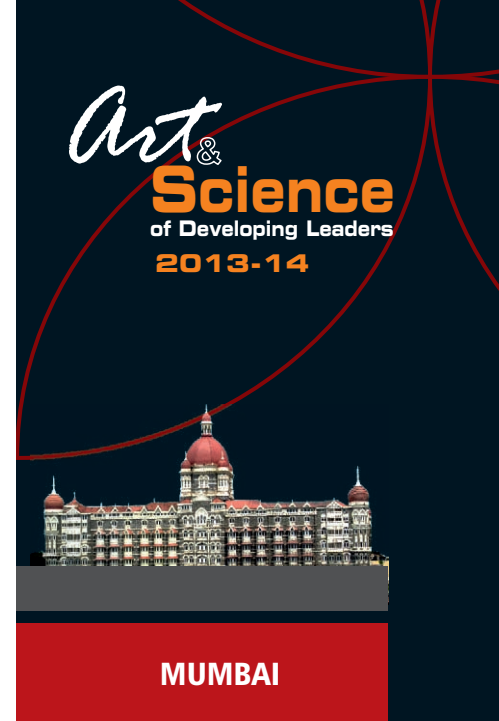
So, as much as we love you, we really cannot accommodate you here. And at this stage the leader of the Parsis says can I make a request your majesty, can you ask for a spoon of sugar and a spoon of sugar is brought into the court and the leader of the Parsis takes that spoon of sugar and stirs it and mixes it in that bowl of milk and he says you know we don't need any more space. All we will do is sweeten the kingdom, we will just impact the kingdom. The king had no choice but to let them stay on and the rest as u see is history. And they stayed, and they made such a huge contribution to our country. You might be wondering what is all this got to do with leading change ... so here are the four lessons that I want to you take away. The first one is if you want to drive change remember this the cup will always be full. You might think that there is this great need for change and you are going to drive this change, but chances are that the team, the organization doesn't necessarily see the need for change. So I think it is important for you to first create that need for change, create that case for change and don't assume that everybody else shares your sense of that need for change. Okay don't just take it for granted and I think you have got to first establish that case ...don't feel bad if you see that organization does not really see the need for change and you are the only man who feels that need .. The cup is always full.

Lesson number 2: I think it's a great idea for you if you are that sugar trying to drive the change, you need a spoon, you need a stirrer you need someone or something which is willing to shake things up for you. It's not something that you might be able to do yourself and you need that partner in crime. It could be a CEO. It could be an HR Director. It could be it could be a sales guy. It could be one person in your organization you see as being capable of driving the change, so you need the stirrer. Remember, you will always run the risk saying that if I shake things up may be some milk will spill and then if you are scared, nothing will happen. So you can't be scared of that stirrer. You got to be willing to take that chance and say it doesn't matter if some milk gets spilled, but I need to shake things up. I need to stir it up. And just a little word of caution what you need is a stirrer but not the Hindi word of a spoon that is not what you should be looking for.

Lesson number 3: If you want to drive change think of what happens when sugar goes into the milk. It actually impacts every drop of milk in that bowl. So the mistake that some of us can make is to believe that I will drive that change in one small part ..me and my friends you know I will drive that change through some body ..the boss and his cetry .. that is not enough. Think you got to communicate and reach out to that last drop .. to that sales man in Siliguri or to that accountant in Himachal .. I think you need to ensure that you are communicating, you are touching every single part of that organization and that is really how you will drive that transformation

Lesson No 4: This is really going back to how all of us grow up in organizations. We all grow up by becoming these high impact people and its like this ...you have a guy who goes in as a sales manager so you say come on lets see him make a difference he shows you growth and you say let us promote him and he does something else and you promote him and it's a bit like this that you know as young people we go around carrying a little nimboo in our pockets. That little slice of lime and if someone shows us a glass of water we say

no problem and we will turn that glass of water into a fresh lime and people say wow! Employee of the year..lets promote him and the guy gets promoted and then what happens he sees a bowl of rice and he says no problem I have done this before, pulls out that little slice of lime and squeezes and turns out that bland white rice into some really yummy lemon rice and we say wow, what a great job, what a terrific guy, lets promote him, lets make him CEO and then he sees a bowl of milk and he says I know what to do and then he pulls out that little lime and we all know what happens when you squeeze lime into milkso I think there is a good lesson for all of us to remember which is before you start driving that change first understand what is in that bowl, what is in the organization, understand that situation and see what do you need to do ..don't just come in and say I have done this before I am the guy who is going to drive change I am here to change the world and then pull out that slice of lime that you have been carrying in your pocket ...good managers, good change leaders learn to ensure that they not just carry a slice of lime in their pocket but also some sugar; and wisdom lies in knowing what is in the bowl and then deciding what do you want to choose ..to me that is what transformation is all about and that's the way you might want to drive it.



First create that need for change, create that case for change and don't assume that everybody else shares your sense of that need for change.

A Brief Profile



Dr. Uday Salunkhe
Group Director,
Welingkar Institute of Management

Prof Dr. Uday Salunkhe is the Group Director of Welingkar Institute of Management Development & Research (now WeSchool), which is amongst the premier business school in India, with campuses in Mumbai and Bengaluru. His 20 years of experience in academia coupled with his industry experience of over 11 years and Doctorate in "Turnaround Strategies for Sick Companies" has helped him to steer WeSchool amongst the top B-schools in India.

He is recipient of several awards and accolades, prominent amongst which are the prestigious Ravi J. Mathai National Fellow Award for his exemplary contribution to India Inc and society at large, in the fields of applied management and education conferred upon him by the Association of Indian Management Schools; has the distinction of being the recipient of the

prestigious Eisenhower Fellowship 2012. Some of the other prominent awards are the Prof Dharni Sinha Memorial Award for "Excellence in Management Education" 2010, and the MIEDA award for 'Excellence in Education', received at the hands of the Governor of Maharashtra.

His Eisenhower fellowship interest focused upon "Leadership Development" wherein he studied the various Leadership process and practices in USA. He met with several Academic Leaders as well as Business Leaders, Social & Not for Profit enterprises, Policy makers and individuals, who have contributed significantly towards building capacity in Management Education.



Leading Change:

WHAT TRANSFORMATION MEANS

Just to introduce myself in terms of unknown part of me I am Dr. Uday but not as a medical practitioner, but my doctorate and my practice was for the turning around strategies for the sick companies, that is one. The second I was ...mountaineer, rock climber which really helped me to nurture myself quite a bit and just to begin with last but not the least I believe you understand the priority of education in whatever sense and I think we need to change that definitely. I think it has to be the first and foremost agenda not only for India Inc, but even for the nation. Just to begin with our current is a consequence of current thinking and current behavior and our future is a consequence going to be on the basis of your future thinking and future behavior. Somehow deep down I am of the opinion, the education definitely is in the comfort zone and if you look at today's out come in terms of employability for engineers, for the management graduates and I am sure it is a matter of concern and deep concern for the nation. The teacher has embedded role for him transformational leader but I believe we have not yet understood that. At the same time leader can probably transform the organization in far better manner if he is a good teacher and two of my colleagues who are here in the panel. Arvind as well as Adil have guided me when I pursued my fellow ship on teacher as a leader and leader as a teacher. It was a wonderful learning for me. Today we are in probably a stage, there is a SOS call for all of us from the education point of view. The SOS may be interpreted as save our ship, save our soul, but we ourselves as an organization, B – School, we have come out with that S stands for self, O for organization, S for society. Any transformation if you really wish to take a stock of begins with self and I am sure most of my esteemed speakers did mention about leadership agility somewhere deep down we started focusing on SOS very strongly and beginning with the self and we felt the mandate for business school like us or for any educational institution in the management space is just not nurture managers but to nurture leaders and while nurturing leaders we cannot be just corporate centric or only organizations which are in this space centric, but they need to be citizen leaders and beyond that we can't really define our boundaries with respect to Mumbai or Maharashtra or India but has to be global citizen leaders and we did this in fact experiment very



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successfully with the CCL centre for Critical leadership with 200 guys going through prototyping last year and working out kind of to bring about the positive change to resolve issues for the future, because these guys who are today studying as a student in the B-School are the future leaders and somewhere deep down if you could embed in their mindset, I am sure the things will be far different. Taking it forward when I take a stock at hindsight with respect to our journey as education we are in comfort zone, we happen to be confined with the universities at the local and may be regulators at the central government. I am sure Dr. Chaturvedi is doing quite a bit to change the paradigm there but lot of institutions who probably prefer to be in the low risk, low opportunity, kind of quadrant. If from that third quadrant you move to the first quadrant with the high risk and high opportunity I am sure you can change the fortunes, but some where I think the survey also shown in terms of walk the talk does not happen with the teachers in most of the business schools.

There are exceptions, may be 5% 10%. But I will be hesitant to make that comment even that out of 5000 business schools I can't even mention 250 or 500 Business schools which are really worth even mentioning may be 5% may be 7%, but somewhere deep down that leadership aspect come back time and again and the dimensions which somewhere deep down I feel that the transformational leadership revolves around 4 Ps Person, Process, People and Purpose. I am sure with the larger purpose probably you can take the entire organization with you because there is no blend of Goddess Swarasti and Goddess Lakshmi. Both go in different direction for education and it is unfortunately sorry state of affairs. If you take stock somebody who is professor in the US or may be a research scientist in any of the ivy league, may be George white site or may be Robert Langer you will find they are running 400 patents may be they have 20 billion dollar kind of market cap, where are we? But do we understand the worth of this game at all at the first place? Somewhere deep down I think the transformation to some extent we left it to them and I think last time on the similar kind of forum, the IIM Lucknow Director was there, Dr. Devi Singh was there he also mentioned about similarly on the change.

Somewhere we need to shake this industry. Who will do it? Are the teachers, are the directors capable of doing on their own or may be somewhere deep down the industry further needs to come forward. There are definitely good pro active schools, I am sure, I visited BIMTECH couple of times and may be 100 may be 150 but what happens to the rest? Can we leave the fortunes of the students and the teachers and future of in fact the industry that will come forward only in distress movement, distress call but some where I think the hand holding in terms of each one, teach one would be really required in the years to come or may be coming few months or so I must appreciate here National HRD Network has done a commendable job. When I have seen in Mumbai, I have seen at a national level seniors leaders like Arvind and everyone is sitting here but in terms of mentoring your survey showed that mentoring, coaching contributes quite a bit. At the same time nurturing leaders or nurturing teachers even that process also begin even, in Mumbai very recently in terms of this thought process I must really appreciate such kind of efforts of association and the individuals as well. Couple of factors which I feel really lead to transformation or turn around for any educational institution or may be university or organization the vision community. Now vision community which I am refereeing to, keeping in mind



education, starts with the board of governors. How far you take your board of governors with you? There are 15000 charitable trusts alone in Maharashtra and you will really find across country board of governors of a lot of institutions if they do understand really the ABCD of education. They come from may be different background but there is a role for leader or the director of that Institution to probably create that vision community. In fact seeing is believing and probably experiencing is reaffirming the faith in that belief. Somewhere deep down when I had my board of almost age group of 85 on an average. Very senior people were on my Board because my trust is 125 years old with 63 institutions and I will share with them that what is there in Stanford and Harvard and MIT, I am sure they were more than convinced about it, because nobody has made an attempt, everybody was thinking probably they are in conservative bent of mind and its not going to work, but somewhere I think starting with the board, starting with your teaching and even non teaching staff non teaching people.

Even in any ivy league you will find the support staff, administration staff for teacher is phenomenal, and a CEO comes and may be manage better library of Harvard business school with 85 million dollars kind of budget. If Harvard could have 32 billion dollars and others could have 20 to 25 billion dollars kind of endowment why not our institutions? Somewhere deep down I am of the opinion to being about that change, we should really do a bit more from the corporations, we should also do bit more or maybe I will say two steps we should take from educations side and making may be regulators, making probably whatever kind of framework which is there from the policy making authorities, even irrelevant. I think we should take the charge of our future and the future is brilliant.

Leading Change:

WHAT TRANSFORMATION MEANS



There are certain basic queries which emerge sometime or the other in almost everybody's mind. These are, just to quote a few, "What is Time?" "What is space?" "What is conscience?" and so on. Lucky are those seers and savants who might have found the answers to these quests or could have got a glimpse of the truth. What is relevant here, is the mention of a phenomenon which is intrinsic to all such concepts and that is the phenomenon of 'Change' due to which we are able to conceive the idea of time, space and everything. The famous theory of relativity propounded by Einstein is related to this phenomenon of Change only. The word Change is reflective and encompasses onto all the aspects and activities taking place in the Universe. Had there been no change anywhere, there might be an absolute state of calmness in the whole Universe. Such a state has been conceived by our Rishis and Drashtas (Seers) as 'Pralaya' which is timeless, spaceless and devoid of any existence and awareness thereof. Then, the Omnipotent One desires that "एकोऽहं बहुस्यामि" (I am One; I become many) and the whole cycle of change begins . The management of change, hereafter, is controlled by the Nature. The Law of Nature is so perfect and powerful that we tend to perceive the image of the Almighty through it. Therefore, one who intends to lead the change in any sphere of activity has to be in consonance with the Nature. For this, one has to understand the law of Nature and abide by it to the extent, it is required for the purpose of leading the change within a given set-up.

Prof. Navin Shrivastava

Assistant Professor
BIMTECH



Some basic concepts in relation to leading the change in a business environment are as follows-

- 1) The need for change is due to a result of change occurring elsewhere in the environment.
- 2) The proposed change shall have its chain of impact giving rise to need of further change in the surroundings.
- 3) There is likelihood of resistance against the proposed change.
- 4) The degree of resistance or emergence of problems may be directly proportional to the quantum of change.
- 5) The process of change is endless, though may not be continuous and homogeneous.
- 6) The outcome of proposed change shall pave the way for subsequent changes.
- 7) No change is isolated one in the nature.

Keeping these points in mind, a systematic approach to bring out the change should be adopted.

In normal course, change occurs in a natural way at negligibly slow pace. It may be noticed after lapse of some time. No one is required to make extra efforts to bring out such a change. Its impact may also not be much appreciable though a transcendental change may have taken place even if some extra efforts have been exerted in bringing out transcendental change, its effect may be limited or specific to a desired level. Such a change may not necessarily disturb or have impact on other departments of the set-up.

The kind of change which has become more relevant in modern organisations demands deeper penetration and wider range of influence. Time is also a very important factor in view of the faster rate of technological innovations and requirement of society which too, is undergoing dynamic change with respect to demand pattern and financial upheavals. The change has to be

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The management of change, hereafter, is controlled by the Nature.



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multidimensional and prompt in implementation. Such a change can be enforced effectively by a competent leader.

As a matter of fact it is essential to lead change efficiently and effectively. This obviously is a challenging task. Business survives only by continuously reinventing itself. To engineer transformative change it requires both in-depth knowledge of the area and an ability to articulate it. The aided advantage will be the leader's inherent sense of ownership, which will automatically steer the team members in the right direction. Another aspect of effective transformative leadership will be 'Leading by example'. This in turn will be highly inspirational for the team members.

In business terms, transformation is a change which brings a paradigm shift in the organisational overall performance. This gives a new dimension to business processes and significant enhancement in productivity. Thus, the idea of leading a transformative change can bring new energy in the organisation. The following eight step model as per HBR.org (2001) please ref. exhibit 1, suggests that for initiating transformative change there has to be a need based on market realities which has to be addressed by involvement of human resources'. Subsequently a clear vision with an effective communication will be instrumental in overcoming barriers. This in turn will create opportunities for short term wins with continuous improvements to institutionalise winning approach for organisation's success.

Thus, to articulate a transformative change, it is essential to understand the organisational culture and fabric. The culture will help in designing organisation systems so as to meet current requirements and overcome challenges faced by the organisation. Corporate leaders like Anand Mahindra, Ratan Tata, Kumarmangalam Birla, etc have anticipated the change in business environment and accordingly brought out suitable changes in their organisations to meet the present day business challenges. They could do this by carefully understanding the business nuances.

Leading transformative change will require a holistic approach. Hence it can be said that –“The real essence of Leading a transformational change is to overcome the quagmire of darkness by enlightening yourself with the power of knowledge.”

EIGHT STEPS TO TRANSFORMING YOUR ORGANIZATION

1

Establishing a Sense of Urgency

- Examining market and competitive realities
- Identifying and discussing crises, potential crises, or major opportunities

2

Forming a powerful Guiding Coalition

- Assembling a group with enough power to lead the change effort
- Encouraging the group to work together

3

Creating a Vision

- Creating a vision to help direct the change effort
- Developing strategies for achieving that vision

4

Communication the Vision

- Using every vehicle possible to communicate the new vision and strategies
- Teaching new behaviors by the example of the guiding coalition

5

Empowering Others to Act on the Vision

- Getting rid of obstacles to change
- Changing systems or structures that seriously undermine the vision
- Encouraging risk taking and nontraditional ideas, activities, and actions

6

Planning for and Creating Short-Team Wins

- Planning for visible performance improvements
- Creating those improvements
- Recognizing and rewarding employees involved in the improvements

7

Consolidating Improvements & Producing Still More Change

- Using increased credibility to change systems, structures, and policies that don't fit the vision
- Hiring, promoting, and developing employees who can implement the vision.
- Reinvigorating the process with new projects, themes, and change agents

8

Institutionalizing New Approaches

- Articulating the connections between the new behaviors and corporate
- Developing the means to ensure leadership development and succession

Exhibit 1:Steps to transforming organisation

Source: <http://hbr.org/2007/01/leading-change-why-transformation-efforts-fail/ar/1>

Secrets of Success

India's Top Companies for Leaders

Introduction

The world economy has seen paradoxical times in the last few centuries, narrating the story of a changing world order. Just 200 years ago, China and India dominated the global GDP. Over the next 100 years, the U.S. GDP surpassed both countries as it grew by 10 times its amount of the 1800s.

The world will soon witness another change: China has tripled its GDP in the last 30 years and will overtake the U.S. to become the world's largest economy by 2020. China is followed closely by India, with its burgeoning middle class and dynamic youth population, projected to overtake the U.S. by around 2050. It is very likely that by 2050, the world's three largest economies will be China, India and the United States—in that order.

Business leaders in India are facing very interesting times. On one hand, the region is full of opportunities and on the other, the global business scenario throws out significant challenges. This "new world order" is requiring organizations to rapidly adapt their strategies, business operating

models and leaders to drive these changes and anticipate the future. How these leaders are chosen, how they lead and how they develop their teams is critical to an organization's success—and Aon Hewitt's Top Companies for Leaders research provides insight into how Indian firms are leading the way.

What Makes Indian Leadership Strong

Based on our comprehensive 2011 Global Top Companies for Leaders research—with over 458 participants globally, including 71 from India—there seems to be a strong link between robust leadership practices and booming financial results. This combination can help form an important competitive advantage that is difficult, if not impossible, to replicate.

As one of the fastest growing regions in the world, India understands the need for capable and inspired leadership. Of the 20 companies named Asian Top Companies for Leaders, 12 were from India. Five of the 12 were also named Global Top Companies for Leaders—the highest number of

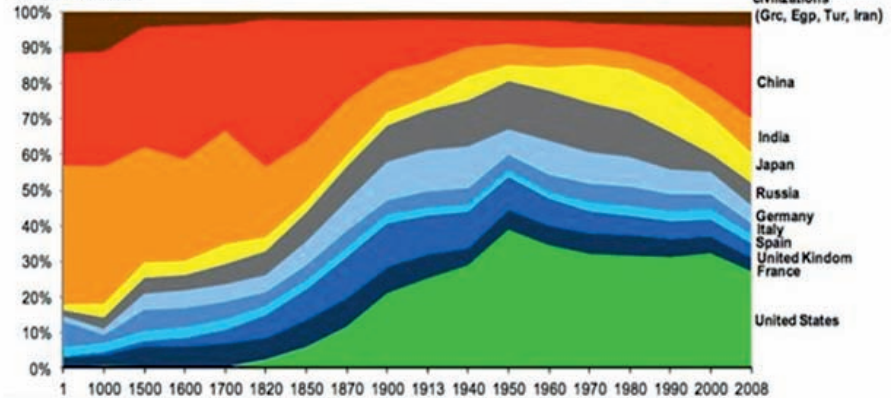
Mr. Ajay Soni

Practice Leader,
Leadership Consulting
Asia Pacific AON Hewitt



Economic history of China and other major powers

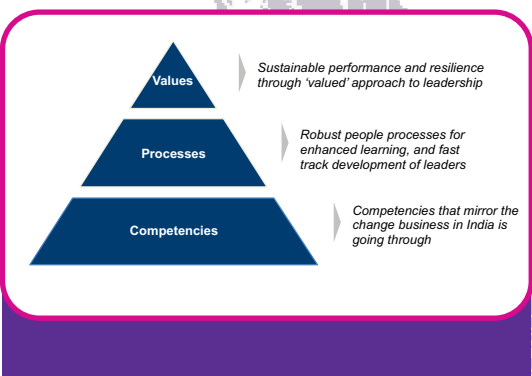
Share of world GDP



Source: "Statistics on World Population, GDP and Per Capita GDP, 1-2008 AD", Angus Maddison, University of Groningen.

Indian firms ever to have made the list. Indian firms on this global list include Aditya Birla Management Group, Hindustan Unilever Limited, ICICI Bank Limited, Wipro Limited and Bharti Airtel Limited.

Our research suggests three factors have fueled the emergence of Indian leadership today: competencies, processes and values. Competencies, which are clearly defined in Indian organizations, are the backbone of strong leadership development. Second, these organizations have robust leadership processes, linked directly to the business strategy, which aid organizations in identifying and developing top talent to prepare the second line of leadership. Third, key values founded in Indian cultural heritage are all around, even in current times, and they further facilitate the development of Indian business leaders today.



Competencies

The set of competencies used to assess Indian business leaders mirrors the significant changes experienced by Indian business. While several leadership competencies are common worldwide, we see emerging leadership competencies specific

to the Indian context, which have a clear impact on building new leaders in India.

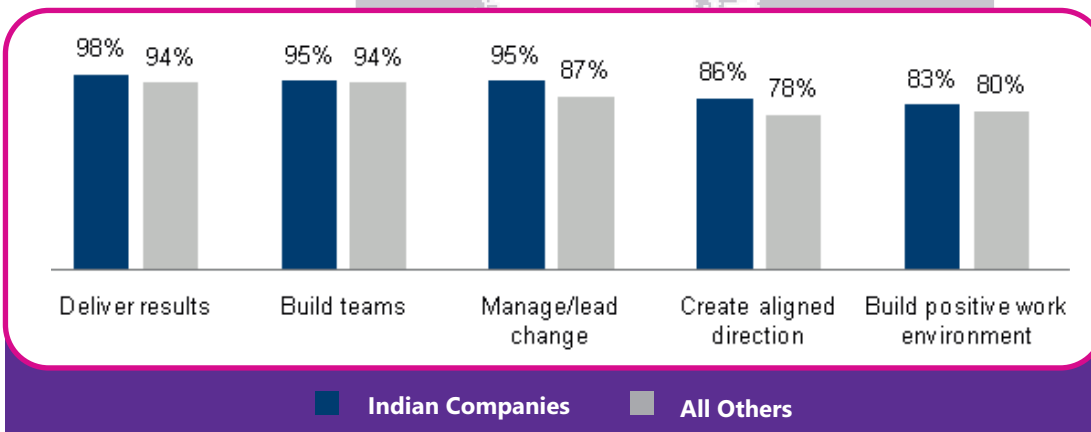
Competencies Assessed and Developed in Global and Indian Organizations

GLOBAL
• Deliver Results
• Built Teams
• Manage/Lead Change

Through our global research, we learned that the three most common global leadership competencies include "deliver results," "build teams" and "manage/lead change." Due to the growing global uncertainty in recent times, there has been a special emphasis on "manage/lead change" as one of the most critical competencies for today's leaders across the world.

In leading Indian organizations, leaders have also begun to be assessed on their ability to "create aligned direction" and "build a positive work environment," in addition to their ability to "manage/lead change." Indian organizations hold their leaders accountable for giving aligned direction to their employees in this current high-growth environment riddled with uncertainties. Moreover, as the world faces an acute talent crunch, Indian organizations expect their leaders to create a positive work environment that attracts and retains key talent. When compared to global organizations, these two competencies have had a major influence on Indian organizations' ability to develop more leaders at a faster pace. Additionally, a focus on these competencies ensures the development of a second line of leaders for the companies' next leap of growth.

Competencies Used to Assess Business Leaders

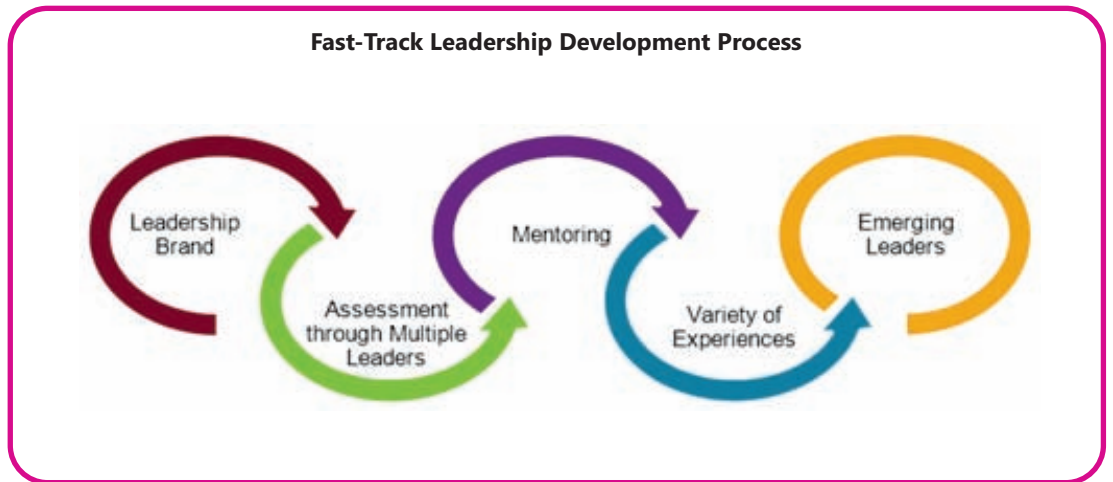




Processes

While competencies are essential to define clear expectations from leaders, organizations in India realize that robust leadership processes hold the key for continuous and sustainable assessment and development of talent. These processes not only create enhanced learning opportunities for emerging leaders, but also create fast-track career growth and a mechanism for accountability.

Our research suggests that the key to success at Global Top Companies is a concentrated focus on the execution of their leadership programs and processes. The top management in India is actively involved in giving direction and championing critical leadership development processes in their organizations. Some of the processes that are unique to India, shown in the image below, play a big role in developing business leaders for tomorrow.



Leadership Brand

Just as all organizations have a customer brand, there also exists the need for a leadership brand. And just as a good customer brand leads to customer loyalty and attracts new customers, a good leadership brand helps retain current and future leaders and attracts the “right” talent. IndiaTop Companies articulate their leadership brand as a set of tangible, desirable behaviors, often called the “leadership DNA.” This DNA is connected to the customer brand promise and stakeholder experience.

These behaviors are then propagated across all levels throughout the organization to ensure their continued presence in the company’s culture.

How Top Companies Build Their Leadership Brand

Once articulated, India Top Companies enable an environment for their leaders to “live the brand” they create. They invest in various opportunities for senior leadership to act as brand ambassadors, both internally and externally.

	Global Top Companies	India Top Companies
Organization intentionally builds a reputation for strong leadership	100%	100%
Senior executives act as role models to support what organization wants to be known for by external stakeholders	96%	92%
Communicate with internal and external stakeholders about organization’s leadership investments and how they impact business results	88%	75%

“I’m ‘brand McDonald’s’ walking. Walking the talk is so important because people have so much belief in their leaders here – that’s always been the case.”

Jim Skinner,
former CEO, McDonald’s Corporation

Assessing Talent through Multiple Lenses

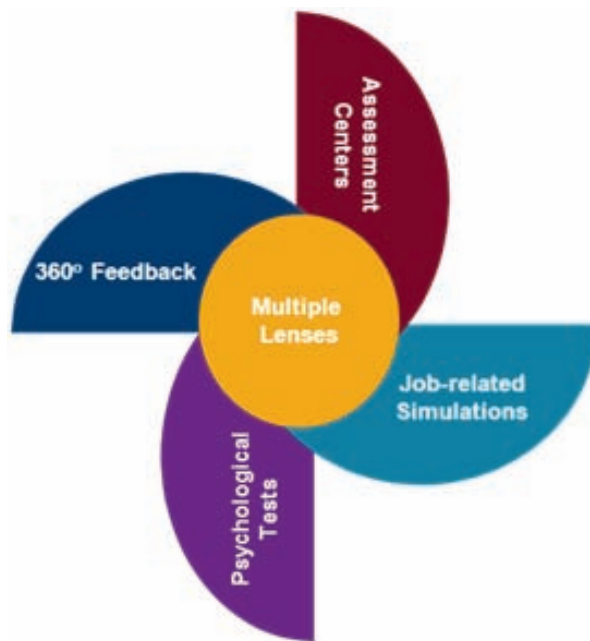
India Top Companies adopt robust and deep talent assessment processes as part of their high potential identification. They believe in taking big risks with their top talent, which results in a critical need for their talent assessment to be based on multiple robust data points. Viewing talent holistically requires observations made from multiple perspectives.

Thus, India Top Companies view their talent with various lenses: competencies, values and performance. Some of the tools used to assess talent are:

- 360-degree Feedback. Organizations realize that leadership, to a large extent, is about communication and perception. Consequently it is very important to understand how a future leader is perceived by colleagues who work with him/her. Almost all the India Top Companies rely

on 360-degree feedback for assessment of their current and future leaders.

- Assessment Centers (both internal and external). Assessment centers are a neutral point of view on behaviors, giving leaders an opportunity to receive feedback on their level of competency through an objective filter.
- Job-related Simulations and Behavioral Event Interviews. These assessment tools can be conducted by internal or external experts, who help explain the results of some of the feedback in greater detail to the leaders going through these assessments.
- Psychological Tests. These tests are able to give insights into the personality makeup of the individual and thus indicate "right fit" with regard to different jobs.



ICICI Bank's Leadership Potential Assessment

ICICI Bank, one of the largest Indian financial companies with an employee base of over 60,000, has a robust talent assessment and identification process, which hinges on the "DNA" anchors that exemplify its culture and are considered necessary ingredients for success in the Bank.

ICICI Bank has institutionalized a process of leadership potential assessment where employees are assessed by a cross-functional panel of senior managers. The cross-functional panel ensures balanced assessment by seniors across different functions, and not necessarily by the superiors within the employee's reporting hierarchy. The evaluation process focuses primarily on behaviors demonstrated by the employee during the year along with his/her performance on the job. The panel carries out detailed discussions about each employee and draws input from his/her 360-degree feedback report in addition to the data shared by the panelists. The bank has more than 500 senior managers, who act as talent scouts, spending two weeks each on this exercise. The output of the assessment process is a list of employees who are tagged as "talent," and are identified to take up leadership positions at various levels.

Secrets of Success India's Top Companies for Leaders

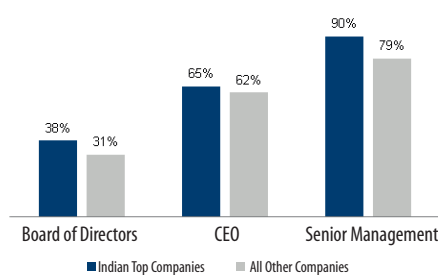


Mentoring

Mentoring, formal or informal, is becoming universal in Indian organizations as it is one of the most potent practices for building leaders. Forty-five percent of Indian organizations use mentoring as an emerging market leadership development practice, as compared to 39% of all other global organizations. Moreover, top leadership is at the forefront of the mentoring initiative, and is actively involved in coaching and mentoring of other leaders.

Executive Committee Members Involved in Coaching/Mentoring

India Top Companies create formal mentoring programs within their organizations to groom their best performers and help them advance in their careers. Such programs help build a safe learning



environment where employees feel free to discuss their career aspirations openly and honestly.

Indian organizations have developed innovative ways of mentoring to develop their key talent in alignment with their business needs. For example, a leading telecom player in India has developed a unique on-boarding system for leaders. Upon joining the company, leaders are assigned a culture mentor and a business mentor who help chart out key performance indicators (KPIs) during a leadership assimilation program. During the first 60 days, leaders, along with their mentors, meet operating teams across the country and develop a presentation on their "next big idea" for the company.

Variety of Experiences

Research suggests that 73% of India Top Companies use the movement of talent across function, business or geography as a key indicator of leadership development success (compared to 49% of all other global organizations). In India, human resource leaders work closely with their business leaders to design new talent movement opportunities across units. India Top Companies believe people learn much faster when they are put in new areas and feel challenged. As a result, these companies create an environment in which leaders do not hoard their top talent but seek out great opportunities for them. Leaders are held responsible for metrics such as job rotations and stretch assignments. This strategy is also seen to be instrumental in creating well-rounded leaders, who are not just adaptable, but also have the ability to look into the future, anticipate potential challenges, build mitigating strategies and leverage a diverse workforce.

"We ensure 'accelerated learning' to build new capabilities faster. Our action learning approach facilitates development of leadership qualities, skills and strategic thinking by way of experience-based exercises."

India has the youngest workforce in the world, strongly driven by career opportunity, as noted in Aon Hewitt's Asia Best Employer Survey. Organizations that focus their energies on providing career guidance and development opportunities for their employees create a highly engaged workforce, which creates higher business value. This compels Indian organizations to create new and more challenging opportunities at a much faster rate. India Top Companies are going deeper into their organizations to identify the emerging and young leader pool. Our extended research shows this is indeed a new trend with far-reaching consequences. The career aspirations of young talent are tracked very closely and are given continuous support and opportunities to build their careers in alignment with the growth of the organization. This practice is gaining prominence because it is deeply rooted in the leadership philosophy of "catching them young."

Top Companies Mentor Future Leaders

Top management spends considerable time mentoring future leaders at top companies.

- At a leading provider of transformation and outsourcing services, all executive committee members and SVPs are mentored by board members.
- At a worldwide leader of networking, leaders at all levels, including the CEO, are involved in mentoring and coaching high potentials. At this company, 80% of learning occurs from experiences on the job and 20% from classroom training.
- At a leading IT company, leaders are expected to be teachers and develop other leaders. In addition, every leader has a mentor. Mentoring and action learning is sponsored by the deputy chairman and CEO designate for the company's first-line leadership. Top Companies for Leaders leverage mentoring for grooming and retaining high-potential women in leadership.
- At a leading consulting, technology, and outsourcing company, top management relies on mentorship to build leadership capability in others. Everyone on the Indian leadership team (both male and female) takes up high-potential women who are 3-4 levels below them in hierarchy and provides mentorship support.

Global Top Company

Leading Asian Bank Provides a Range of Opportunities

A leading Asian bank believes in keeping its employees motivated by developing new perspectives and capabilities in numerous ways.

The organization targets the development of high-potential employees by offering them exposure to different businesses and markets. In addition, high potentials also engage in programs that partner them with leaders of not-for-profit organizations to build community links, enable them to develop their mentoring skills, and reflect on their own leadership and business challenges from a different perspective.

The bank also gives job enrichment to its employees through increased responsibility and variety in their jobs, which not only motivates them but also builds greater leadership capabilities within the organization.

Markets	Employee Engagement Drivers		
	Driver 1	Driver 2	Driver 3
India	Career Opportunities	Recognition	Brand Alignment
China	Pay	Benefits	Career Opportunities
Hong Kong	Leadership	Recognition	Career Opportunities

Source: Aon Hewitt Best Employers Survey 2011

A sterling example of the fact that the Indian leadership is getting younger can be seen in India’s largest business house, the Tata Group. At the end of 2012, 43-year-old young leader Cyrus Mistry succeeded Ratan Tata, the current head, who himself took over his current position when he was 53 years of age.

Values

Indian business leadership development has been catalyzed and sustained by the values the business leaders inherit from their culture. The concept of “values-driven leadership” is deeply rooted, and Indian leaders have been able to show exemplary business results as one of its outcomes.

Establishing and driving organizational values takes dedication, but more important, it requires leaders to act as living examples of the desired behaviors

and actions. While 84% of the organizations in our study feel their senior leaders know what exceptional leadership looks like at their organization, all the India Top Companies consider this to be true. The India Top Companies are actively focused on ensuring their competency models reflect skills and behaviors that not only differentiate them from competitors, but also cascade to all leadership levels—establishing a universal code that permeates throughout the organization.



“If living by our values means growing a percentage or two slower than competitors, then so be it. In the leadership development process, adherence to values takes priority over growth.”

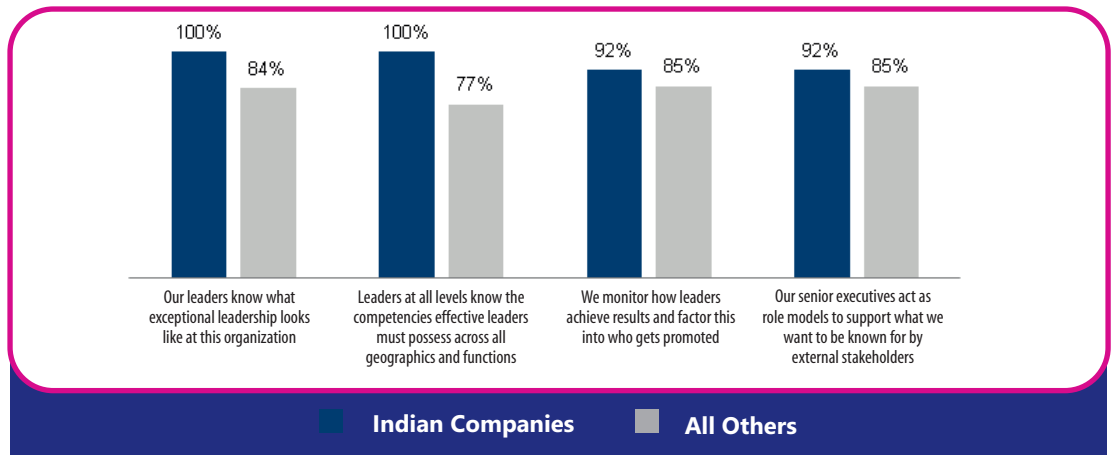
Aditya Birla Group, Global Top Company

Secrets of Success

India's Top Companies for Leaders



Values and Qualities of Leaders



An India-based Global Top Company evaluates the qualities and values expected from its leaders by taking a deep dive into self-awareness (in terms of understanding strengths and areas for concern) and self-management skills to attain peak personal and professional effectiveness. Moreover, its leadership program equips participants with the basic perspectives necessary to develop, coach and guide new leaders. The objective of its senior

leadership program is to help build future leaders who can withstand the challenges of the future and take the organization to new heights. India Top Companies understand that having strong values in place is an essential foundation for success, and in order to experience and live the values, their talent systems must reinforce these expectations through active engagement.

Diversity in the DNA

One of the most potent success secrets of India is the diversity of cultures. "Unity in diversity" is a concept manifesting itself strongly in Indian leaders today. Coming from a region where more than 438 languages are spoken and almost every religion of the world is practiced, Indian business leaders have learned not only to accept diversity but also to leverage it to their advantage. Always on the hunt for innovative solutions, Indian business leaders respect different perspectives, making them extremely adaptable and open to new ideas. Each perspective is absorbed, assimilated and carefully weighed for the possible opportunities it may bring. The inherent flexibility and openness to learning from every new experience is perhaps the biggest secret of success for Indian businesses.

Eighty-five percent of Asian Top Companies have diversity as a core element of their over all leadership strategy, compared to only 64% of all other survey participants in Asia. These organizations understand that diversity in a leadership team is about the differences and similarities that people bring to an organization, and leveraging the power of these differences and similarities to create positive business impact.

The Emotional Side of Leadership

Prominent leaders in India today create an emotional connection with their people. Indians are very passionate about their work, and need to believe in their leaders to be able to work toward organizational goals. These "people-centric" values manifest themselves in different business practices in India. For example, Indian organizations do not believe in rampant "hire and fire" policies. Firing an employee is more an exception than a norm.

Indian business leaders realize the criticality of building relationships and networks with their people. They have mastered the art of driving organizational impact through their employees. "Integrity" and "humility" are values that resonate within the Indian workforce. Indian business leaders live these values each day, leading to an engaged workforce and enormous business impact and growth.

As Indian businesses actively and aggressively scout the globe for expansion opportunities, these leadership development practices, rooted in the long-held Indian cultural mindset, are their biggest competitive advantage.

What really differentiates India Top Companies from the others is their strong focus on execution. Our research suggests that leadership development in India is efficiently executed in the following ways:

- Integration of people practices into the business agenda. India Top Companies make "leadership" a focus of every business agenda. Each of their business meetings has an important leadership development agenda included as part of the schedule. This agenda may vary from talent review discussions to succession planning.
- Clearly establishing and measuring success. Ninety-five percent of India Top Companies have specific metrics to evaluate the effectiveness of their leadership development process. India Top Companies not only define their leadership priorities, they also measure the success of their programs and people agendas.
- Rewarding leaders for key people behaviors. India Top Companies for Leaders ensure that their rewards structure incentivizes leaders to focus on building a leadership pipeline to meet future challenges. These organizations also include leadership development related outcomes and behaviors in their short and long-

term incentive plans.

- Leveraging commitment from leadership. In India Top Companies, leadership development is not only a priority for top leadership, but also for the board. Since talent development priorities are driven from the top, systematic execution becomes a reality.

Riding on the back of a young and dynamic workforce, buoyed by fast-track leadership opportunities, and ensconced in an environment of holistic leadership development, Indian organizations have arrived on the global arena with potent and sustainable leadership development practices ready to take on global challenges.

About the Research

Initiated in 2001 by Hewitt Associates (now Aon Hewitt), Top Companies for Leaders is the world's most comprehensive longitudinal study of leadership and leadership practices. The study, recognized for its global scope and research rigor, attracts hundreds of companies around the globe that seek outside-in insights on leader building and how the best develop and sustain their leadership pipeline. Aon Hewitt was pleased to work once again with FORTUNE, the leading global business publication, and The RBL Group, the HR strategy and leadership consultancy founded by Dave Ulrich and Norm Smallwood. Through its 10-year history, more than 2,000 organizations have participated in the study, many participating year after year.

For more information on the Top Companies for Leaders research, methodology and insights, visit: www.aon.com/topcompanies

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A Brief Profile



Anjali is an alumna of Lady Shri Ram College Delhi from where she holds a Bachelor of Arts (Honors) Degree in Psychology. She is also a Master in Applied Psychology from Delhi University. Her thesis was on the concept of Psychological Contracting.

She obtained her PGDHRD from Symbiosis Centre for HRD – Pune and has an Advanced Certificate in Marketing from Chartered Institute of Marketing (UK).

Anjali has varied experience in Manufacturing, Insurance and R&D companies. She has worked inter-alia with Tata Motors, Allianz Bajaj Life Insurance Co, Cummins and Thermax. Her experience includes start-up and turn-

around Companies. She has handled multiple Functional Excellence areas including Strategic HR, Industrial Relations, Organizational Development, Learning and Development, Six Sigma, Corporate Responsibility, Health, Safety and Environment and Administration.

Her significant contributions include multiple Business Partnership programs, implementation of Culture Based HR Strategy, Capability building, Six Sigma and Diversity initiatives. She has also championed multiple Change management programs.

Anjali is the President for the National Human Resource Development Network– Pune Chapter.

Leadership: THE INDIA WAY

Business challenges faced by corporate India today can be divided into three dimensions. The first deals with the economic environment around us in the global level and in the context of Indian ecosystem. It may be regarded as volatile, uncertain, complex and ambiguous. The second is from the customers' perspective. The demand is changing very dramatically. There was a time when we all talked about one competitive advantage, but today companies need to have many competitive advantages and definitive advantages. The third dimension is partnerships. Partnership has been able to cater to so many different people, each one being unique having different requirements. At the start of the value chain there are the suppliers; at the other end we have the dealers, distributors and customers. It is another big challenge being faced by businesses.

There are some attributes of leaders which remain constant irrespective of the context such as values, integrity and being fair. It is the pitch which determines how one needs to bowl in cricket. Leaders of tomorrow who are working in a demanding environment would have to leverage strengths of the people and focus on building the developmental areas of their team. They need to be inclusive and receptive to the diversity of thoughts and approaches to problem solving to be able to build creative solutions in a sustainable way. Leaders who are able to translate strategy into strategic execution up to last mile are the ones who are really going to sustain the volatile ups and downs.

My mentor, who is not an Indian but from a different nationality, and my dad have contributed in molding my career. I consider my dad to be my role model. He instilled in me the faith to be experimental, innovative, questioning the status quo which drives the change. We are operating in the global environment where we need to interact

Ms. Anjali Byce
Director-HR
SKF India Ltd





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The first deals with the economic environment around us in the global level and in the context of Indian ecosystem.

with people from other cultures which bring different perspectives and drives respect for different schools of thought. Irrespectively of whether we know the values of different cultures, but when we are fair and act with integrity, that is properly understood in every part of the world.

We need to definitely strive to learn across industries and specializations where ever leadership is demonstrated to be more strong and agile as leaders. A lot of principles that we use in human resource management have emerged over the years from the defense. Across the world, the studies and theories which we use have emerged from defense. There is no better way or place to learn the idea of leading from the front than the battlefield. There are a number of similar lessons such as the amount of risks involved in leading from the front, setting personal example as leaders with the importance of action and command and the ability to act irrespective of hierarchy that have emerged.

We tend to operate from the heart rather than being task oriented. I don't know any other country where they call an organization and the people who worked in the organization as one big family. Before taking extreme steps with low performers, we should try to determine the possible reasons why someone is not being able to perform and whether we have taken adequate actions to enable them to perform.

We need to constantly mentor the low performers so that they are not caught unawares. Therefore when we need to deal with people who are not performing we may need to confront them and carry out a critical conversation with them but we should be empathetic and respectful in dealing with them.

We provide good career opportunities and empower people to be responsible for their careers. In our company we closed nearly seventy percent leadership positions internally last year. We have training programmes to enable young leaders to network globally so that that they can work collaboratively within the projects with the teams from different nationalities in global projects.

At the same time we encourage young leaders to think differently in their own preferred professional thinking styles for creating sustainable value addition In India when we look at the number of women in the leadership positions, it seems to dwindle along the way. Guru - shishya parampara and mentoring is a prominent concept in our culture. If we pick up something that is good and that makes sense then we should go ahead and adopt it. But we should try to do things the way we are. We need not try to think like somebody else, because everyone is unique and the way we are is superb.

A Brief Profile



Bobby is a well known name in the HR circuit. He has been with the Forbes Marshall group for over 22 years. The Forbes Marshall Group are specialists in Steam Engineering, Energy Conservation and Control Instrumentation.

The group has won several Awards for best HR practices. In 2005, 2008, 2011, 2012 and this year too Forbes Marshall has been recognized among the Top Great Places to Work in India according to a survey conducted by Great Place to Work Institute® and Economic Times. This year the Company has been ranked 5th among the 535 companies which registered for the study. Forbes Marshall has also, in the past, won the Best Human Response Award constituted by Maharashtra Chamber of Commerce and Industries and Rotary Club of Pune and the Award for

Strong Commitment to HR Excellence based on the audit conducted by Confederation of Indian Industry's HR Excellence Model.

Mr. Bobby Kuriakose is an alumini of Symbiosis Institute of Business Management, Pune and ISB Hyderabad. He is also a certified Coach associated with International Coaches Federation.

A Member of the CII National Committee on Industrial Relations and currently the Convener of the CII - HR Panel Pune Region, Mr Kuriakose is involved in many initiatives of the CII Western Region Affirmative Action Panel.

Leadership: THE INDIA WAY



Mr. Bobby Kuriakose

Director HR,
Forbes Marshall



In today's world I have seen a trend in which several companies consider values to be an important part of the competency processes. We evaluate our people on a regular basis on a set of technical competencies, behavioral competencies and organizational values as competencies.

One of the most important challenges that the business community is facing today is improving the environment to make it more value added for the employees. Most organizations today are realizing that the employee is the most important asset. Till now it remained in the balance sheet, and in some records and reports. But one specific area where there is a big challenge is with respect to having the right leadership. There is an acute shortage of people with right leadership skills. One of the major concerns of CEOs today is with respect to the managerial bandwidth which is existing in their own organizations and how do they work on it.

There is an extremely high level of expectation from managers and leaders to be multifaceted leaders. The generation Y that has become very dominant today have demands that are extremely articulate, are very clear on their responses, are clear about the face time that they expect from their leaders to spend with them and have relatively a low levels of loyalty which needs a conscious effort to bring in. And then the last part, which is the most critical one is development of engagement. Whenever we discuss about engagement, it needs to answer three simple questions which any individual would have. These are 'what do I get?', 'what do I keep?' and 'where do I belong?' These aspects are very important in the competitive and turbulent times today. For the smooth functioning of the organizations we need to ensure the right culture and not focus on the businesses only. When the right culture exists, then the right businesses naturally follow because we have the right kind of people.



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There is an extremely high level of expectation from managers and leaders to be multifaceted leaders.

In India we have a practice to settling up relationships first, and then settling business issues. In such kind of situation we need to factor into three critical aspects. One is role of families- not only at the business ownership level but from our own employees' in organizations who come from a very engaged family atmosphere. Second the emotional well being which is extremely critical from the Indian leadership and from an individual's point of view. And the third is culture and ethos of country which is very strongly embedded within any human being who is coming in to the organization.

And at the same time we also have a possibility, were we look at the strongly embedded family culture and family orientation for building that affiliation and a pro-family culture approach. That can be one of the basic essence for creating sustaining relationship and developing engagement patterns which can help an organization to have people in the long term perspective. So it has to be balanced and not purely based on performance, and performance deliverables. While the tools and techniques are available, but the basic human factor needs to be taken into consideration when we look at wholesome leadership from an Indian organization's point of view.

There are two specific things that have contributed in my development as leader which I have ensured that it gets translated further.

Firstly there was an absolute trust that I and my team can deliver results. And the second was the tolerance for failures. Because if you need to be an innovative organization, the best definitions of organizations that are innovative are the ones which reward the subsists, tolerate failures and punishes the down trial.

Whenever I used to make mistakes, my bosses as well as my super boss, all of them were tolerant to those kinds of failures which used to

generate great confidence. Today my own team has an absolute clarity with respect to anything which gets goofed up in their day to day operations. Even the news of critical incidents reaches me first and they are relatively clear that it would be taken care of. These two kinds of basic environments which was provided to me helped me to be where I am today. And I am almost certain that this is something which can go ahead and help me in developing some more leaders.

The best definition for the term of entrepreneur is the person who chooses the right kind of people to do the right kind of job and do not meddle with them while they do the job. When we meddle with an entrepreneur or a person with some kind of entrepreneurial spirit, who could be a future leader we tend to lose those people whom we are training as entrepreneurs or leaders. Suppose you are going to participate in a long race in a competition, but you ask your candidate to report after every 100 meters where and how they have reached.

It has been very rightly said by Azim Premji, that most of the times people leave managers and not companies. We as leaders can ensure that organizations can be a place for individuals to develop.

Four things and four beliefs are very important. Any organization is as good as its people. People would like to be involved in whatever they do that would ensure engagement. For a world class organization, we need people with world class thoughts. An individual's dignity is as important as the organizations dignity. If we provide and sustain such climate in the organizations, leaders would evolve automatically.

A Brief Profile



Chetan Tolia joined Tata Power in September 2012. Before joining Tata Power, he was the Director of Tata Management Training Centre (TMTC), Pune for over four years. Previously, Chetan was the CEO of Tata BlueScope Steel Limited, and led the formation of the 50:50 JV between BlueScope Steel and Tata Steel, and developing its building solutions and coated steel businesses. Prior to that, he headed the Strategy & Planning department at Tata Steel, where he led the development of Tata Steel's growth strategy, and was responsible for anchoring the strategic planning processes. Earlier, he led the Pune Business Unit of Tata Ryerson Limited, and in previous assignments at Tata Steel, his experience ranged from customer relationship management, sales, market planning, project management and marketing.

Chetan brings business experience to the HR function, having led the turnaround and revival of TMTC. His

experience in creating and managing a company while at Tata BlueScope Steel, and of establishing a functional specialization in strategy at Tata Steel have helped this process by establishing a purpose and providing direction. His experience at Tata Ryerson and his wide multi-functional foundation have assisted in managing the diverse activities with innovativeness and agility.

Chetan Tolia was a member of the Board of Directors of Tata Johnson Controls Automotive Limited, the Board of Directors of Tata BlueScope Steel, and the Jamshedpur Utilities and Services Company, a wholly owned subsidiary of Tata Steel. Chetan has participated in executive programs at CEDEP and at INSEAD. He joined Tata Steel in July 1987. Before that, he studied IIM Calcutta, IIT Madras and at Rishi Valley School. Chetan, his wife Rachna, and their son Vineet live in Mumbai.

Mr. Chetan Tolia
Chief HR Officer,
Tata Power Ltd.



When we seek to analyze the business challenges, we need to focus on the kind of context the businesses exist in India today since the context shapes up many things and put up challenges on us. As a country most of our GDP and its growth is fuelled by domestic consumption. Indian businesses therefore live in a comfort zones selling their products to Indian customers. The biggest challenge faced by the Indian businesses from the global external perspective is brand India itself. The second big challenge that Indian businesses are facing today is inclusive growth. We need to ensure that our growth is inclusive and the benefits of our growth reach the vast populations of our country which are yet to see any difference in their standards of living. The third major business challenge is the resource crunches experienced by the Indian businesses today to an extent where we are unable invest in the development of future generation of leaders. The performance of young graduate students who are seeking jobs has declined year after year since the businesses and the companies are not able to grow their businesses so they do not need to recruit new talent. This would do long term damage to future leaders in our companies.

The leaders who would be able to overcome the various difficulties and challenges faced by companies would need to be connected strongly to the purpose of the organization. Such leaders need to be strongly focused on the reasons their enterprise exists and this reconnect to the purpose is an important attribute as we find the way through turbulent waters. These leaders have to exhibit more and more agility to be able to take a long term view. They need to be very responsive and adept in learning technology as fast as the youngest recruits they have had in their organizations to be on top of the changing game in the world.

Further, the leaders while they are delivering to the proven existing business models will need to create the new business models for



There is an extremely high level of expectation from managers and leaders to be multifaceted leaders.



PUNE

this country. For a very long time India has utilized business model that have been existing elsewhere and the time has come where India will need to see a growth in new business models. If we look at the macro-economic data over a period of time today, the environment in India resembles the one that existed in USA roughly in 1945 to 1965. It can be regarded as an extremely fertile growth environment and we can be extremely optimistic about our country's future. This environment is going to throw a lot more turbulence but in a very positive way. And that turbulence can actually be taken advantage of by the agile leaders who are connected with the purpose and not merely by the strategy of the organization.

There was a research done by Tata Management Training Centre and the Centre for Creative Leadership, which is amongst the world's best Leadership Development Institution, to determine the Indian way in developing leaders.

In this research about four hundred successful Indian leaders were asked two questions. The first question was what events in their life that have influenced the way they lead today? And the second question related to their learning's' from those events. The results suggest that there are three major events which are important in the development of leaders. These include taking on challenging assignments, getting on to new job etc. But the most significant contributor in the development of this generation of Indian leaders is the influence of their boss and the influence of their super boss. I had the pleasure and the joy of working with some of the most renowned leaders in India which has been a large factor in my own leadership development journey. ACE or Accelerated Career Enhancement is an innovative and unique practice that we follow at Tata Power to accelerate leadership development for the young promising leaders to be catapulted into tough and senior roles through our very difficult selection process.

Leadership: **THE INDIA WAY**

A Brief Profile



Mr. Gajendra Chandel
President & Head HR,
Tata AutoComp Systems Limited

Gajendra Chandel, holds a Post Graduate Diploma in Management. He is also holds a Masters degree in Public Administration and a Post Graduate Diploma in Labour Laws. Mr. Chandel joined Tata AutoComp Group in July 2005 and since then has been actively involved in all strategic growth initiatives of the company, including the company's turnaround in 2008-'09. Tata Autocomp, one of the largest Auto Components Group consists of 12 Operating companies / JVs with 48 plants all over India + 1 in China, has a Billion Dollars turnover with 17,000 employees. Mr. Chandel also drives the Corporate Sustainability Program at Tata AutoComp as well as is the Chief Ethics Officer. He is also a Director on the Board of 4 of the Joint Venture Companies of the Group.

Prior to joining Tata AutoComp, he worked with Siemens in India, Germany and USA for almost 13 years. Joining Siemens India as Regional HR Manager (North) in 1992, he was assigned responsibility as Divisional HR Manager for the newly formed Telecom Div. In 1997 he was elevated to the position of Corporate Head for Industrial Relations, where he was actively involved in the company's Restructuring and Productivity Improvement Program and on successful completion of which earned him the position of General Manager & Head of Corporate Leadership and Human Resource Development.

In December 2000, he moved to Global Headquarters at Siemens AG, Munich where he handled the responsibility of the Global Leadership Framework Project and also associated with the Performance Management Project. He was then deputed to Siemens, USA for the Business Integration Project which involved integrating 2 of its largest acquisitions into the parent company. Mr. Chandel's last assignment at Siemens was heading the Siemens ONE Project in India, implementing HR Shared Services which he led till July 2005 before joining Tata AutoComp Systems Ltd.

Prior to Siemens, Mr. Chandel has worked with Telemecanique & Controls Limited, New Delhi, Calcom Electronics Ltd. and the Dhanalaxmi Group, Chennai. Mr. Chandel is an active member of several industry bodies and associations and has held various positions. He has been the Vice President of the Delhi chapter of National HRD Network. He was awarded "Leader of the Year" by Leadership Management Inc. USA in 1997.

His is married to Anjali and has twins Gaurav and Gitanjali.

There are vivid differences in the way we treat people here vis-à-vis the Western societies. In India we try to bring in a human face to everything instead of being clinical. Even when we are trying to bring in changes in the operations section, it is being driven by the HR, since it is a mind set and cultural issue. Instead of a mere memo or an e-mail, we need to believe in our heart that the work needs to be done. These tend to make a lot of difference in how and when the desired results are achieved. We have all the resources viz human, capital, technology etc for developing leaders. But it is more in the raw material form. Few years down the line, we would have to face the question regarding inadequate leaders being available in the companies. The leadership concerns are not only at the CEO levels but at multiple levels in the organizations. A strong leadership pipeline needs to be built from the entry level till the top.





In order to build strong leadership pipeline, we need to take medium and a long term view in consideration.



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Leadership: **THE INDIA WAY**

The leaders have not been prepared adequately by the organizations because of the changing context in the past fifteen or twenty years. There have been a number of changes in the Indian economy in the last five or six years. In the early 90s, i.e. post-liberalization, to about 2005- 06, the Indian economy saw an upward trend and companies started investing heavily in setting up plants, machineries etc.

This has then been followed by wild fluctuations in the financial markets, stock exchanges and in the Indian economy at large. The leaders were therefore, not adequately prepared to handle these kinds of wild fluctuations. In order to build strong leadership pipeline, we need to take medium and a long term view in consideration.

We have started an integrated program in our company where the CEOs, the functional heads in the various business units and the plant heads need to go through a certain kinds of programs. Initially, even the senior membership team was not really convinced about the concept. There were concerns raised about the need to make investments in such program instead of conserving resources, when the economic trend, in particular in the automotive sector was going down. In my opinion there needs to be a change in the mindset. These wild fluctuations in the economy are not going to subside in the near future; instead they are likely to increase.

Therefore the CEOs and the top management teams face a very different situation in modern times. The talent which is looked for in building leaders of future is very different today. The various competency models which were being used for career and succession planning etc have become redundant today.

The exposure to multi cultural environments in India and abroad has contributed a lot in my growth. The trust that my seniors, bosses and my mentors had in me right from the beginning when I started my career, has also played a role. For instance, the company where I worked in the early part of my career had varied business interests, primarily in the field of transportation, hire purchase, leasing, tea, coffee, rubber estates etc.

I had handled nearly eleven or twelve different jobs in the first two years of my career in the company in Chennai. I have had a background of working in various industries, companies, societies and countries in my career. These opportunities, with all the varied experiences and environments have shaped and contributed in developing my professional career.

A Brief Profile



A focussed, result oriented ,self motivated, stable ,value driven professional having more than 27 years rich experience working in best of Organizations of the country in their varied businesses at Corporate as well as Business roles handling strategic , tactical and operational HR providing jump shift focus to business results concentrating on all functional strategies and objectives .

Capability to build Organization culture, competence and commitment so as to be an enabler and partner in achieving Business Objectives for long term sustenance through deploying Excellence models such as Business Process Reengineering, TPM , TQM, Quality Circle and Six Sigma .

Leadership: THE INDIA WAY

Mr. Vinod Chaturvedi

Sr. Vice President-HR,
Ultra Tech Cement Ltd.



We as Asian race are very good in delivering results and are familiar with Jugadh. We are able to manage ambiguity and it is in our culture to get the things done. Our fire fighting skills are very good at all levels, except at the top. Our skill of long term planning doesn't get translated down the line and that is why the leaders are not developed. I share one experience that we have started at the middle level. The skills and competencies are transferred as a result of one to one discussion. Our leaders are very much knowledgeable and possess a great sense of understanding which contributes to the growth of our businesses. But the second line managers are not aware of all this and are instead busy in handling day to day operational issues. It is important that the leader sits with them and transfers the skills and competencies in a structured manner. When this happens in a traditional manner, we may term it as mentoring sessions. We are implementing this at the middle management level. The experts are the Dronacharyas, and the managers who are being groomed by them are called the Arjuns in making. We align the Arjuns and Drones, and structured meetings are held. As a result of these interactions, engagement and skill transfer takes place and the crisis of leadership creation can also be solved.

In modern times the cycle time of business is very fast. There is growth for two years and then for the next two years the market goes down. Whenever there is a crisis situation, at that point of time people should have trust. We should not concentrate on the activities like downsizing etc. Instead we should try and build competencies in employees at that point of time. And then whenever the market scenario improves, we would be the first ones to capture the opportunities. The creation of trust derives from our traditional culture and should be practiced. There is a theory that as the trust goes up, the speed of action and performances goes up and the cost therefore naturally comes down. These are the three things that the CEOs need to practice and which can give dramatic results.



PUNE

In modern times the cycle time of business is very fast. There is growth for two years and then for the next two years the market goes down.

Our leaders are not experimenting with the team exercise. We are very good as a team whenever there is a crisis situation. But sustained performance of a team doesn't happen in our organizations. There is a need for team building experimentation by the leaders. One thing that would defines the success of an individual as a leader would be the degree to which they are able to engage their subordinates. The beauty of leadership defines how employees are converted into an entrepreneur-employee, an employee who is twenty four by seven mentally thinking about the growth of the company.

In order to develop future leaders it is very important that we identify people who have a fire in their belly, the urge and willingness to perform. We need to coach them on a sustained basis. Further, we need to emotionally connect with them and force them to learn, i.e. to create learning ability. They need to learn to manage the ambiguity. It is important to develop the competency to manage the ambiguity. And, finally there needs to be sustained performance. There is a couplet in Bhagwad Gita, Chapter 9, verse 22, which says that: "ananyās cintayanto mām ye janāḥ paryupāsate teṣām nityābhiyuktānām yoga-kṣemaṁ vahāmy aham!" We have believed in this philosophy since long time and it has been a part of our culture. It means that when we think of God continuously, he takes the responsibility of our welfare.

Many organizations have nurtured this philosophy that 'your welfare is my responsibility'. If an employee thinks about the company at all times, the company will then take care of the welfare of the employee, and that can be termed as engagement. But there is only one condition i.e. of sustained performance.



BUILDING THE RIGHT HIGH POTENTIAL POOL

**How Organizations Define,
Assess, and Calibrate Their Critical Talent**

Building the Right High Potential Pool

How Organizations Define, Assess, and Calibrate Their Critical Talent

By
Ms. Lorraine Stomski
 Partner, Leadership Practice,
 Aon Hewitt,

Ms. Jill Atkisson
 Associate Partner,
 Leader, Global Insights &
 Innovations Research Team,
 Aon Hewitt

&

Mr. Ajay Soni
 Regional Leadership Consulting
 Practice Leader,
 Aon Hewitt

The Strain on the Talent Pool

In the whirlwind characterizing today's talent marketplace, competition for good talent is intense; however, competition for great talent is fierce. The shortage of skilled talent is real, and the disparity between supply and demand will only become greater over time. Progressive leaders understand that a solid talent bench is quite literally the lifeline to their future success. Developing high potentials is a crucial component of a company's business strategy, as it directly feeds (or depletes) the reserve of talent capable of filling impending senior leadership vacancies.

"At Aditya Birla Group, we build teams with a deep driving desire to Excel to win. To build businesses that will win not just this year and the next but also in the next generation and the generation beyond that. To build businesses not on the quick sands of opportunism, but on the solid bedrock of integrity, commitment, hard work and discipline. These values are embedded in leadership development processes at our Group. If sticking to our values means growing a percentage or two less than our competitors, so be it."

- Chairman, Aditya Birla Group

The Value of High Potentials

The aforementioned factors have created urgency for companies to focus on identifying, developing, retaining, and rewarding their best people. Talent-savvy organizations realize the significant value of their high potentials. They know that getting the right people, with the right capabilities, in the right places, is essential to the health and growth of the company. Such critical talent is a major competitive weapon.

According to Aon Hewitt's 2011 Top Companies for Leaders study, Top Companies outperform their industry peers in growth (e.g., CAGR revenue, CAGR EBITA) and return (ROE, ROA) measures. In addition, publicly-traded regional Top Company winners report, on average, a nearly 9% higher total shareholder return (TSR) over the last three years.

Over the last decade, there has been no shortage of material written about high potential talent. Several key thought leaders have identified the impact of high potentials on the bottom line, regardless of whether they are born or made, or even how "high potential" is actually defined. Brad Smart, co-author of the book *Topgrading*, writes about the impact "A," "B," and "C" players can have on an organization's bottom line. He concludes that "A" players, those synonymous with high potentials, may be expensive, but they also deliver two to six times the return of average players.



PART I

Building the Right High Potential Pool

How Organizations Define, Assess, and Calibrate Their Critical Talent

Organizations may refer to high potential employees as “critical talent” or “top talent”; however, more important than the term they use to classify such individuals is that organizations first establish a clear definition of what a “high potential” looks like in their organization. At Aon Hewitt, we are often asked, “How do organizations define high potentials? How do they assess them? What processes do they use to calibrate top talent?” In the pages that follow, we introduce several best practice “high potential” definitions, determine the key tools used to identify and calibrate top talent, highlight a number of inherent challenges of which leaders must be cognizant, and finally underline some strategies used by leading organizations to obtain high potential talent. The information in this paper draws from our extensive Top Companies for Leaders research, and our experience with talent and leadership in high-performing organizations.

Defining High Potential

Before we say just exactly what “high potential” is we must define what “high potential” is not. While the term “high performer” is often used interchangeably with “high potential,” the two are not synonymous.

Research has shown that high potentials are almost always high performers, but the reverse is not always true. Our Top Companies for Leaders research substantiates that the best firms understand that an individual’s current performance and his or her future potential for advancement are two fundamentally different measures. Performance is typically defined during the talent management process and is often a combination of delivering business results (the “what”) with the exhibition of certain behaviors expected of leaders (the “how”). While performance is evaluated in a historical context, typically encompassing the past six months to a year, potential is a future-directed assessment. Specifically, a person’s potential refers to their ability to take on a position of greater responsibility within a specific time period.

Drawing from our extensive Top Companies for Leaders research, as well as our experience, we uncovered how some of the best companies around the globe define top talent. Granted, the approach to defining high potentials varies from organization to organization with some more focused on skills and others more centered on pure potential for a particular role.

The definition used in Aon Hewitt’s Top Companies for Leaders study defines a high potential as an employee who is identified as “having significant opportunity (e.g., through their capability, drive,

investment, development) to advance quickly within the organization.”

Samples of actual organizational definitions of high potentials are:

- High Potentials are categorized into two groups based on their readiness to take on the next level roles.
 - **Category A:** Those identified as proven talent and among the best in the industry. High potentials in this category display readiness to take on the next level of job year on year.
 - **Category B:** This category includes employees who display high potential but need to be tracked for some time. They may be ready to take on the next level of job over a longer time horizon (3–5 years).- Aon Hewitt Top Company for Leaders 2011
- Great Performer with Significant Upside: A great performer with more significant upward potential. He/she has the capability and desire to be promoted at least one level and/or take on a significantly expanded role in the next two to three years. — Aon Hewitt Top Company for Leaders 2011
- High Potential: This individual demonstrates the intellectual aptitude and leadership capacity to progress through multiple roles of increased responsibility, complexity, and scope and is likely to do so at an accelerated pace (at least 2 new roles in 5 years). - Aon Hewitt Top Company for Leaders 2011

An important aspect organizations must consider when developing a consistent and relevant definition of “high potential” is to ensure the definition is simple and consistent across the organization and is explicitly linked to the current and future strategy of the organization.

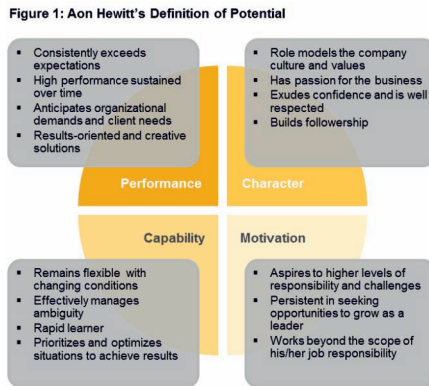
Aon Hewitt’s Approach to Defining High Potential Talent

Aon Hewitt’s approach to defining high potential talent builds and expands on the multi-faceted approach reflected in the definitions listed above. It also reflects key facets of potential that our extensive research and consulting experience, with best-in-class organizations, have uncovered. Organizations typically identify high potentials as those employees, or leaders, who possess the business acumen, vision, and leadership capabilities to become leaders (or more senior leaders) within the company. They look for the skills and attributes that allow top talent to propel into more challenging roles within a relatively short time frame. However, this definition of high potential fits only one piece of the puzzle.

Organizations must focus their efforts on employees who demonstrate potential combined with readiness.

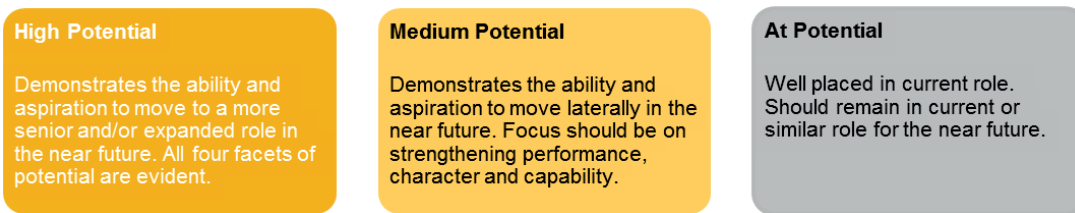
Potential

Aon Hewitt defines potential as the assessment of an employee’s ability to rise to and succeed in a more senior or expanded role. Potential considers an individual’s performance, character, capability and motivation.



Furthermore, organizations can benefit by placing individuals who demonstrate these attributes into categories best suited for their current level of potential: “high potential,” “medium potential” and “at potential.” Doing so allows organizations to calibrate talent more effectively and identify where specific investments and accelerated development opportunities will have the greatest impact.

Figure 2: Aon Hewitt’s Definition of Levels of Potential



Readiness

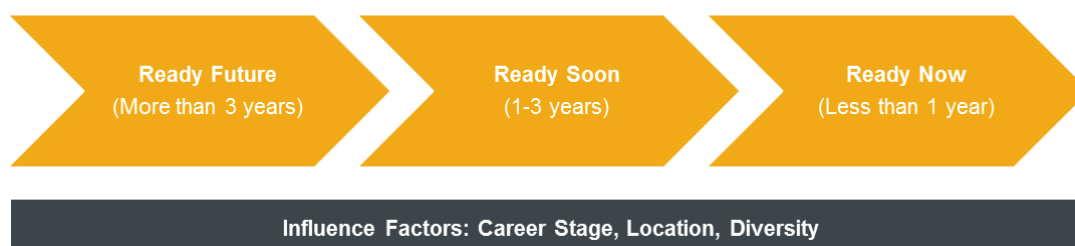
A second component to determining where an individual is placed on the high potential spectrum is to evaluate the employee’s readiness to take on expanded responsibilities or experience a change in role. Readiness is typically categorized into three stages: “Ready Now” (less than one year), “Ready Soon” (one to three years) and “Ready Future” (more than three years). Placement in these categories aids organizations in determining the timeline they have to identify critical gaps in their capabilities and identify pipeline risks within their succession planning processes. Determining readiness can be influenced by many factors outside an employee’s capability, including location (local market versus regional or global high potential), position/level(top leader, senior leaders or emerging leaders), career stage (early versus late, work-life balance needs), and diversity measures (gender, ethnicity, age). These influences should also be individually assessed on an annual basis through developmental conversations between the employee and his or her leaders.

Top Companies for Leaders: “We bet on an internal talent currently ready or even 60% ready”



This is well articulated by an executive at one of the Top Companies for Leaders: “We bet on an internal talent currently ready or even 60% ready (9 out of 10 hires are internal). Just the fact that they have been identified is such a motivation boost, and people strive extra hard to deliver on it.”

Figure 3: Categories of Readiness





PART I

Building the Right High Potential Pool

How Organizations Define, Assess, and Calibrate Their Critical Talent

One of the Asia Pacific winners of Top Company for Leaders 2011, who also won at the global level, has an underlying philosophy that every employee has the potential to be a leader. This multinational conglomerate puts great emphasis on building a coaching culture within the organization – continuous coaching sessions, intensive courses and top leadership involvement in the development of all employees. They believe in investing in the best; and focusing on the rest as a pipeline building initiative.

While this organization is known for its risk-taking appetite and has a diverse pool of High Potentials (with 2–24 years of experience in the company), the Indian arm of a multinational company, (also an Asia Pacific Top Company for Leaders 2011), hires an external company to identify their top 100 people and benchmark them with the best talent in the industry. Given the rigor undertaken in identifying and building high potentials, it is no surprise that this company has been consistently regard as a “Leadership Factory” and has always had

available successors, irrespective of attrition or high business growth.

High potential development is a unique experience for each organization; but the principles that make a success of the process remain the same. Companies that focus on building a robust leadership pipeline are better equipped to leverage growth opportunities that the market has to offer. These companies have a “killer app” of high-performing, adaptable leaders who can ride through economic uncertainties and at the same time create business opportunities.

In this first part of our series, we have uncovered the key elements that make and define a High Potential on the basis of our research and experience. We will continue the second part of this Report in the next issue of HR Connect Asia Pacific. Therein, we will delve deeper into aspects such as how to identify the high potentials, how to calibrate them, and how to develop and nurture such talent over the long run.

About the Research

Initiated in 2001 by Aon Hewitt (then Aon Hewitt Associates), Top Companies for Leaders is the world’s most comprehensive longitudinal study of leadership and leadership practices. This study, recognized for its global scope and research rigor, attracts hundreds of companies around the globe that seek outside-in insights on leader building and how the best develop and sustain their leadership pipelines. Through its 12-year history, more than 2,000 organizations have participated in the study, many participating year after year.

Building the Right High Potential Pool

How Organizations Define, Assess, and Calibrate Their Critical Talent

In part 1 of the article in the last issue of HR Connect, we discussed the key elements that make and define a “High Potential”, based on our research and experience. In this issue, we delve deeper into the art and science of building leaders from this defined high-potential pool--how to identify, calibrate, develop, and support such talent in the long run.

Assessing High Potential Talent

For many companies, the process of identifying precisely who their high potentials are has been based on more of an “I’ll know it when I see it” strategy, as opposed to a systematic process that objectively evaluates and identifies the company’s rising stars. In our experience, we encounter few organizations using truly systematic methods to identify their high potentials; most rely on less objective assessments, such as performance appraisals and manager recommendations. The risk in this mode of talent management is that the

process feels more like a popularity contest, allowing the pipeline to potentially be filled with the wrong talent, while top talent gets pushed or walks out of the door.

Our 10+ years of experience conducting Aon Hewitt’s Top Companies for Leaders research across the globe has shown that all of the Top Companies recognize the intense investment called for in the creation of “high potential” employees. Top Companies, on average, accord “high potential” status to less than one quarter of their leadership population. This size group allows the organization to access enough forerunners to cultivate a strong pipeline of leaders for the future, and at the same time, remains small enough to allow them to focus their efforts appropriately. Interestingly, the Top Companies not only identify their High Potentials for senior and middle management, their assessment and identification process starts with early career and entry-level employees

By
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Partner, Leadership Practice,
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Ms. Jill Atkisson
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&

Mr. Ajay Soni
Regional Leadership Consulting
Practice Leader,
Aon Hewitt

Employee Level	Median Percentage of Total Employee Population Designated as High Potential
Senior Management	33%
Middle Management	19%
Front Line Management	15%
Entry Level/Early Career	23%

Source: Aon Hewitt Top Companies for Leaders Study 2011

Almost all Global Top Companies (96%) formally identify their high potentials through a balance of assessments, such as 360-degree feedback and leadership style inventories, as well as performance ratings, and nominations. These comprehensive methods provide leading organizations with a robust view of the individual’s capabilities, cultural fit, drive, and relationships within the organization. Beyond this, they also use additional channels, customized by level, to assess potential.

Aon Hewitt's Approach to Assessing High Potential Talent

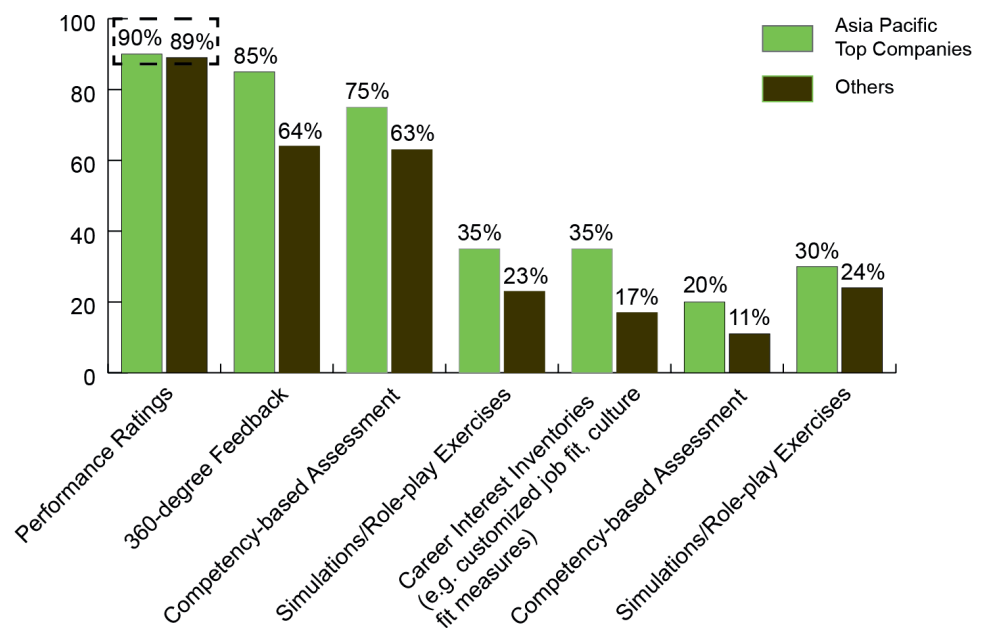
The fundamental starting point for a best-in-class assessment practice is alignment with the organizational strategy. To achieve success, the assessment must focus on the organization's mission, values, and challenges; support long-term growth and desired change; and perpetuate the enterprise by ensuring an adequate leadership pipeline.

One of the Top Companies identifies leaders for a 10-year program using a robust talent pool methodology derived from a performance and potential assessment. Their methodology is further augmented with a measurement of potential that blends potential and ultimate career runways

together. Such a process allows the company to see, for example, that if an individual is predicted to need 15 years of development to get to a role-but only has 10 years left in their career-then this is not the person to put in the program.

A major difference between Top Companies and others is that Top Companies are more likely to use a battery of assessments unique to various leadership levels to ensure that they are gaining a complete picture of their high potential candidates. The graph below represents the assessment tools used to assess leaders for development by Top Companies vis-à-vis their peers. While both groups prefer the Performance Rating system the most, Top Companies are far ahead of their counterparts in the use of additional specialized assessment tools.

Tools Used by Asia Pacific Top Companies to Assess Leaders for Development



Source: Aon Hewitt Top Companies for Leaders Study 2011

Calibrating High Potential Talent

While best practice assessment is critical for identifying an organization's high potential talent, best practice calibration is critical for building and maintaining the talent pipeline in a consistent and defensible manner. This calibration process results in the determination of high potential status, succession plans, and development decisions. Generally speaking, it occurs during the annual review process; however, talent-savvy companies evaluate their talent several times throughout the year.

How do Top Companies calibrate top talent?

The most common technique is the practice of plotting candidates on a grid (e.g., 9-box or 12-box) along two dimensions: performance and potential. Typically, levels and descriptions of performance (low, medium and high) appear along a vertical axis, while dimensions and descriptions of potential appear along the horizontal axis. Managers use these descriptions to plot an individual in a particular quadrant in order to determine a variety of outcomes, such as succession placement, readiness for promotion, and attrition risk. A strong



grid system has specific action steps and requirements defined for each coordinate. During the talent review, an individual's placement is compared to the positioning of others at the same level. Organizations that excel at calibration take these conversations seriously. Such meetings are often characterized by robust and vehement debates among leaders in order to ensure agreement throughout the leadership teams. They recognize what is at stake for the recipients, the differentiated investments required for the organization-wide development of critical talent, and ultimately the organization's reputation, and long-term success.

The process then repeats upward, culminating in a thorough review with the CEO, providing insights on talent within and across business units, geographies, and functions. Most Top Companies are not only maniacal on execution of this process, but also ensure that this talent review process covers all levels of their organization.

These calibration conversations should not only focus on who is being added to the high potential list, but also on who needs to be taken off the list. Only 44% of non-Top Companies remove high potentials from the pool as appropriate, compared to 80% of Global Top Companies.

According to our research, the high-potential calibration process should take place in two structured conversations:

1. The first meeting should take place between HR, the manager, and his or her leader. Prior to this meeting, the manager should have assessed each of his or her team member's performance and potential based on the established criteria.
2. The second conversation should be with a group of the manager's peers (preferably those at similar levels and functions within the organization) to discuss their opinions of the manager's team based on specific personal experiences. Other managers should also be held accountable to put their people "on the table" for discussion, as this process yields a comprehensive map of the quality and depth of talent within an organization.

Above all else, talent calibration must be grounded in reality. Potential and readiness are most accurately measured when the ratings are evaluated by formal, objective assessments, as well as by other managers and leaders who know the individual. By sharing their knowledge of a high potential's capabilities, they can ensure calibration is conducted as accurately as possible and that individual biases do not overly influence the rating. Executing with this level of rigor also helps guide development conversations and identifies talent gaps that might not have surfaced, were it not for multiple inputs. This helps build credibility in the process, allowing for greater transparency and confidence when informing employees of their high potential status. The Top Companies for Leaders are exemplars in the calibration process—their sessions are conducted several times throughout the year, senior management are actively involved, and action items and clear accountability are built into the talent review process. The best processes focus on building a pipeline seven to ten years out.

Only 44% of non-Top Companies remove high potentials from the pool as appropriate, compared to 80% of Global Top Companies

Best Practices in High Potential Calibration



The leaders of this company spend 20% of the leadership development time on coaching as part of a larger pipeline-building initiative.

Developing High Potential Talent

As we see an evolution in the process of how organizations assess and identify talent, a similar evolution can also be seen in the way organizations develop their talent. Not too long ago, leadership development meant a once in a year event of two to three days, during which the entire top and senior management came together and listened to lectures by leading gurus. No longer is that the way

of leadership development. Just as engagement is created one person at a time, more and more companies are realizing that leadership development needs to be done one person at a time. The table below bears this out quite clearly. In Top Companies, there is a clear trend towards customization, in preference to off-the-shelf training.

Usage of Multiple Tools by Asia Pacific Top Companies to Provide Customized Learning Opportunities

Types of Tools	Percentage of Asia Pacific Top Companies
Customized Leadership Training	85%
External Customized Leadership Programs	75%
Customized e-Learning Programs Available Online	35%
Leaders as Teachers	35%

Source: Aon Hewitt Top Companies for Leaders Study 2011

A leading Asian conglomerate has an underlying philosophy that every employee has the potential of being a leader. Every individual has an abundance of unique capabilities and potential that is not fixed, and can be developed. As a result of this belief, the organization puts great emphasis on building a coaching culture within the organization. The Vice President and above participate in a three-tier program aimed at coaching all the employees in the organization. They are put through a nine-month course involving classroom and practice sessions before receiving certification as a coach. There are continuous coaching sessions to re-certify coaches at various levels to strengthen and reinforce this culture. The leaders of this company spend 20% of the leadership development time on coaching as part of a larger pipeline-building initiative. They consider it their responsibility to identify, build, and nurture the future leaders of the organization.

The leadership pipeline starts to pollinate immediately with whom you let in the door. Once the right talent is on board, the onus is on senior leaders to begin cultivating the talent bench. Securing a deep and talented bench requires a relentless focus on grooming high potentials, one that is driven directly from the top. Organizations that are most successful at securing strong bench

strength are those that demonstratively value talent. Their commitment starts at the top of the house and permeates throughout all levels of the organization. Leaders are on the front lines, involved in the identification, assessment, and development of their high-potential talent. They know who the rising stars are, what their needs are, and how they are performing at any given time. Meaningful accountability is requisite for both senior leaders and direct managers. Without it, organizational efforts to attract, inspire, and retain top performers will fall short.

Beyond active and present senior leadership involvement, it is important to have a common framework of talent management across the organization. Divergent notions within the same organization can result in a mere “talent inventory,” rather than the active, focused development and management of key talent for key roles. Moreover, if people aren’t developed appropriately, there’s the risk of moving people into positions where they don’t actually have the ability to succeed. Talent-savvy organizations know their performance assessment processes, such as nine-box grids, are only the starting point—and certainly not the ending point—in calibrating high potential talent. Organizations must also take into account the development and deployment of their top talent, and must hold their leaders accountable for this critical facet of planning for the company’s future

PART II

Building the Right High Potential Pool

How Organizations Define, Assess, and Calibrate Their Critical Talent



success.

Executing with Excellence-What It Takes to Sustain Success

Clearly, the first step involves defining exactly what “high potential” means for the organization. This can best be accomplished by examining the dimensions of potential and readiness—which recognize and assess the skills and attributes that are most essential to identifying high potential talent. Once “high potential” has been clearly defined, the calibration process will run more smoothly, as managers will be working from the same baseline. At that point, the organization can take the following steps to ensure that it is armed with adequate information for effectively pollinating its high-potential talent pools:

- Identify high potential talent in an objective, future-focused manner;
- Calibrate this talent on a regular basis, using multiple inputs;
- Create action plans and career maps for these top performers;
- Recalibrate talent and move individuals on/off the high potential list accordingly; and
- Hold leadership meaningfully accountable for

each of these steps.

What is perhaps most important for companies to realize is that developing top talent is more than just the next step in a well-managed high potential program; it represents a tremendous opportunity for competitive advantage. Just as all organizations strive to create a unique, respected customer brand, there also exists a need for a leadership brand. While a good customer brand leads to customer loyalty and attracts new customers, a good leadership brand helps retain current and future leaders and also attracts the “right” talent. While defining, identifying, and calibrating talent are all important and necessary steps in the high potential process, the development of an organization’s high potentials is the key to success. It is when these individuals enhance and apply their knowledge, skills, and abilities that companies truly get their return on investment.

At the end of the day, the company with the best team, the best people, will win in the long run.

- GE

About the Research

Initiated in 2001 by Aon Hewitt (then Aon Hewitt Associates), Top Companies for Leaders is the world’s most comprehensive longitudinal study of leadership and leadership practices. This study, recognized for its global scope and research rigor, attracts hundreds of companies around the globe that seek outside-in insights on leader building and how the best develop and sustain their leadership pipelines. Through its 12-year history, more than 2,000 organizations have participated in the study, many participating year after year.

For more information on the research, methodology, and insights the Top Companies for Leaders study provides or to register to participate in the next Aon Hewitt Top Companies for Leaders™ study, visit: www.aon.com/topcompanies/apac.

A Brief Profile



Mrs. Panda is Co-Founder and Managing Director of Ortel Communications Ltd., a medium sized company in the broadband telecom space, and its spinoff, Orissa TV, a regional language television channel which includes Tarang, Tarang Music and Prarthana are based in Bhubaneswar, Orissa. Starting from scratch and building up a business with 1500 employees. Mrs. Panda has been acknowledged in eastern India as a role model for women entrepreneurs.

Mrs. Panda has also been an active member of the Confederation of Indian Industry (CII), the leading Indian business chamber, having served an unusual two terms as Chairperson (Orissa Chapter) and was also the Chairperson of its Women's Empowerment Committee, National Council.

Through her companies, Mrs. Panda has pioneered several concepts in eastern India, such as widespread employee stock ownership, accessing venture funding, not to mention building a successful technology-related business in the state of Orissa which had traditionally been home to mineral/manufacturing companies.

She holds a bachelor's degree in biology and chemistry from Osmania University, Hyderabad. She also holds a master's degree in business administration from the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 15 years of experience in the broadband and broadcasting industry.

Mrs. Jagi Panda
Managing Director,
Ortel Communications



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Diversity is important for all types of organizations. I run two organizations- one is a media organization and other is into broadband, communication and infrastructure. In both the types of organizations, the diversity aspects have to be treated differently. All aspects of diversity are important. The more diverse an organization is, the better it is. The focus for us in the media organization has always been on creativity, while for the infrastructure company, it has been production and operations etc. In both the organizations, we try to bring in more diversity by getting people from different cultures, different genders etc. Being a woman myself, my focus has been on the media organization so that more and more women get to the ranks. We would find a lot of women in the entry level or in the middle level, but it is difficult to get them at the top level. When we recruit people at the top levels, one of the targets that we give to the HR is to get at least three to four applications from women for every ten applications received from men. In this way, we ensure that when we start recruiting, we recruit them at higher levels and not in mid level or at the entry levels. It is a challenge for us as to bring them up in the ranks. Mentoring and handholding has been a major focus area for me in the media organization. Similarly in the infrastructure organization, effort has been to bring in people from different cultural backgrounds, different levels of experience and with different technical skills.

In the media company our experience has been wonderful to have women in the team because they generally come up with radical ideas. A lot of times men in the team may find these ideas ridiculous and would turn down the idea dismissing them because probably it is not traditional but radical. We constantly work on mentoring them. We sensitize the majority there to how they should react because women tend to be the minority all the time. One of the things on which we sensitize them is how to deal with women because they come with different stripes. For instance, in meetings, one of the rules



All aspects of diversity are important, the more diverse an organization is, the better it is

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is that nobody will turn down any body's idea. Every idea will be put on board and would not be dismissed as a ridiculous one. This is an effort to sensitize them that every idea is good, and it depends on the leaders how they take them, implement them or filter them. When we call people belonging to different generations together at the same place for brain storming sessions, we need to set the rules that no idea will be eliminated at the inception stage itself. In this way we can handle people belonging to various age groups and genders.

The definition of capability or good performer today, is very different and is quiet skewed towards the male members. Women can bring in some perspectives that are very important and different that a lot of people are not able to recognize. Going forward in the 21st century, there are two things, compassion and collaboration which will be highly valued. For a woman, her biggest strength is collaboration and compassion. The more globalized we get and the more flatter we get, these two qualities of compassion and collaboration are going to be extremely important, which people today don't recognize.

Since the inception, we wanted to build a very open culture in our organization. We wanted the people to think that anything that they say will be accepted very positively. Across the board, whether it is lower, middle or the top level in the hierarchy, we have tried our best to clarify this and build faith in people. We started the first name culture in our organization. At all levels, all persons would be addressed by the first name. Addressing people by sir/ madam is very

formal and serves as a barrier for people to communicate. In order to build a speak-up culture, it was very important for us to break that ice. If leaders do not have the open culture then the people won't speak up.

In terms of radical and strong HR policies, we started forced ranking in our organization.

Initially, when we talked about implementing forced ranking in the organization as a knee jerk reaction, everybody was opposed to it. These rankings put people into A, B, C, and D categories. We did not implement the system as done by General Electric, but we tweaked it a little to suit our conditions and our culture so that the employees do not object to its implementation. Over the years, people have recognized its importance. The A category comprises of people who have good performance are therefore our stars. We would do anything to retain these people, even bend backwards to retain them. C category is for employees who have below average performance, and we would need to mentor them.

Our focus has always been on our stars. We motivate and sensitize them to do better performance on various parameters especially on the various diversity issues – gender diversity, age diversity or ethnic diversity, or work diversity etc. A lot of senior employees always tend to have resistance towards younger employees who are coming at their level.

A Brief Profile



His key focus areas are HR/IR initiatives for the Group, the After Market Sector whose CEO's report to him, Corporate Communications, Government Relations and Infrastructure. He is the Chairman of Mahindra Insurance Brokers and First Choice Services and serves on the Boards of several Group companies including Mahindra Forging Europe, Mahindra Intertrade, Mahindra First Choice Wheels and Mahindra Retail. He is Chairman of the CSR Council and the Corporate Governance Cell of the Group, a Member of the Group Sustainability Council and the Governing Council of the Mahindra Institute of Quality. He joined Mahindra & Mahindra Ltd. in January 2004 after a career spanning 29 years in the Tata Group, which he joined in 1975 as a member of the TAS, the central managerial cadre of the Tata Group. He spent 21 years with Tata Steel, and the next 7 years as Managing Director and CEO first of Tata Metaliks and then of Rallis India. He studied Economics at St. Stephens College, Delhi University, where he was ranked first in the University, and

at the Delhi School of Economics, where he received a National Scholarship. He went on to do his MBA from the Yale School of Management, USA as a J N Tata scholar, and was selected as a Distinguished Alumnus of the School.

Rajeev is the President of the Employers' Federation of India (EFI), National President of NHRDN, co-Chair of the National Committee on Skill Development of CII, serves on the CII National Committee of Leadership and HR and the CII Apex Council on Affirmative Action. He is also a member of the National Executive Committee of The Federation of Indian Chambers of Commerce and Industry (FICCI). He serves on the Boards of Walchand Talent First, the Lal Bahadur Shastri Institute of Management and Technology (LBSIMT), the School of Inspired Leadership (SOIL) and Magic Bus – an NGO that works with underprivileged youth.

Mr. Rajeev Dubey

President
Group HR, Corporate Services & After-Market
Mahindra & Mahindra Ltd.





To be able to cope with diversity, be comfortable with it and also have an open mind.

Driving Innovation & **BUILDING DIVERSITY**

When we are going global in a big scale, one of the key elements of diversity is multicultural diversity. We need to be able to cope with diversity, be comfortable with it and also have an open mind. The three critical elements for innovation include an open mindset which is comfortable with divergent point of views and which is curious. In order to propagate this concept in the organization things have to be worked out in many dimensions. All the HR levers become crucial and need to fire whether we consider communication, reward and recognition system, the performance management and the talent management system. Of these, the talent management system is the most important.

Male and female should be treated equally. It is an insult to women to give them a position even if they are not up to the mark. In our organization we don't have a system of quota and we believe that women can more than match up with men.

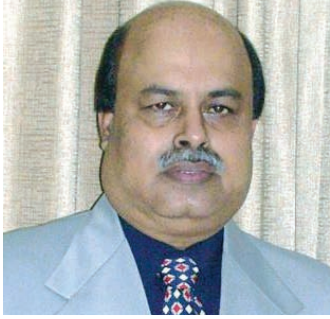
The people who can use the whole mind, i.e. who can combine the left and the right brain, intellect and rationality along with emotions, connections and empathy would prove to be good leaders. We should give a lot of prominence to people who have tried innovations in various areas and consider them as our role models in the organization. One of the biggest problems with innovations in India is

our very low tolerance levels for failures. People tend to play safe and do not take innovations seriously. At the same time, we do not spend enough time to figure out the problem that the innovation intends to solve but instead rush to find the solution. Instead, we need to spend enough time in understanding and emanating the problem. These are two primary reasons why we don't see too much of basic innovations coming out of India although there may be some examples. We have a jugadh mentality which is rather short term in nature.

Diversity is required for innovation. We need leaders who have a very firm intention to do away the 4 C's of complain, compliance, control and construct. The foremost need is intention. In India, a lot of things need to be driven from the top. We need leaders who have the intention to persist and do not give up soon. This is then followed by the processes, systems and matrices.

Mahindra is known for frugal innovations. So we do innovations and there is a lot of tolerance for different points of views but there is not enough tolerance for failure as yet. We are not as innovative as we would like to be though we do try to do many things to be creative.

A Brief Profile



Shri Acharya is presently on the Board of Neyveli Lignite Corporation Ltd., (NLC), a premier Lignite Mining cum Power Company of Government of India as Director (HR) with Headquarters at Neyveli, Tamil Nadu, India. He holds the leadership position for the entire gamut of HR functions of the company with a net worth of around rupees fourteen thousand crores engaging around 30,000 people (including employees engaged in outsourced activities) in various parts of the country.

With an Hons. Degree in Economics from Ravenshaw College and Post Graduation in Personnel Management from Utkal University, an expert in strategic HR with equal proficiency in operations, he carries with him over 32 years of rich and varied experience of working in HR in BHEL (Heavy Engineering Sector), NTPC (Power Sector), NTPC-SAIL Power Company (Power Sector with blended culture of Steel Sector) and now in NLC (Mining cum Power Sector).

Before his present assignment, Shri Acharya was Head, Corporate HR of NTPC-SAIL Power JV with Head quarters at Delhi and under his leadership, the company bagged the 'Global HR Excellence Award 2010-11' in the category of Organisation with innovative HR practices by World HRD Congress.

A recipient of 'HR Leadership Award' by 'World HRD Congress and the Employer Branding Institute' of Asia for his outstanding contribution in the field of Human

Resource, Shri Acharya has also been conferred with 'HR Leader Award' by the Asia Pacific HRM Congress 2011 and 2012 and 'Leadership & Inspiration Award' by the Bengal Chamber of Commerce & Industry & EILM India in recognition of his leadership qualities. His name also finds a place in the book 'Most Powerful HR Professionals of India' (4th Edition).

He was selected by IPE as one among "30 Most talented HR leaders in PSUs" and awarded with citation during World HRD Congress 2013.

Under his dynamic leadership as Director (HR) of N.L.C. Ltd the Company has bagged 'IPE HR Leadership Awards 2012' in the category of 'Organization with best HR strategy in line with Business' and also bagged "ETNOW talent & HR Leadership Awards" in the category of "Organization with Innovative HR Practices" and Award for HR Practices in Corporate Social Responsibility" during World HRD Congress 2013.

A widely travelled and well trained person in India and Abroad, Shri Acharya lends his services in academics as a visiting faculty to many premier Business Schools and Management Institutions. Presently as Chairman of National Institute of Personnel Management (Neyveli Chapter) and a member of the HR Committee of Standing Conference of Public Enterprises (SCOPE, India), he is actively associated with promotional activities for enriching HR profession as a whole.

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Mr. Sarat Acharya
Director - HR
Neyveli Lignite Corporation



Neyveli Lignite Corporation, the company which I represent, is one of its kind company in India. It was originally started in Tamil Nadu in a rural place near Pondicherry. The company has diversified into power generation. The company has been expanding at a rapid pace and we have spread our wings to different states, regions of the country and also abroad. We value all aspects of diversity. In our company, building diversity and harnessing it, is of paramount importance. At Neyveli people have been posted to Tamil Nadu from different parts of the country. Driving the business across the country is tough. In our recruitment and direct acquisition process, we recruit people from all states and regions that facilitates in



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***We value
all aspects
of diversity.***

integrating them and to harness their potential for establishing the new set up.

In Rajasthan, UP, Chhattisgarh, MP, and Orissa and other parts of the country we have our joint ventures. We try to feel the pulse of the people as our business specialists map their expectations. Having an idea about the nature of the people helps in creating specific tailor made programme modules. In these modules, the value of business is paramount and at the same time, we seek to help the people living within thirty to forty kilometers of the surrounding area with our CSR initiatives.

We have a leadership identification process where we map their managerial and leadership competencies, apart from their functional and behavioral qualities. We measure them on the list of competencies which are relevant throughout the organization. Once we have identified the gaps, we try to fill these by providing special trainings. In order to build an enabling atmosphere where people come out with new ideas and experiments and avoid committing

costly mistakes in the process, we create prototypes and other simulating exercises. The leadership process by which we select the board members focus on their proven track records, past instances of leading some area, the domain knowledge and their administrative capabilities.

In India we have a general tendency to distrust failures. We tend to work in a rather regimented way. People come up with new ideas gradually, perhaps because they are not encouraged much to do so. However, the conventional ways of doing things and processes have started changing. In order to determine whether an idea would succeed, we seek to identify and develop the model to determine the reasons that might cause its failures. We then try to determine how these causes can be rectified and improved so that in future failures may be minimized. Thus we institutionalize the thinking about what can go wrong while working by simulations and prototypes.

A Brief Profile



Suresh Dutt Tripathi, Vice President (HRM) – Tata Steel Limited is working as an HR professional for the last 30 years. Suresh started his career as Management Trainee with Steel Authority of India Ltd. (SAIL), a Govt. of India Enterprise and worked in various capacities, including Staff Officer to the Chairman, before moving to HCL Perot Systems (HPS), a joint venture between HCL Technologies of India and Perot Systems Corporation of U.S. as Head of HR. He had a brief stint with Mascon Global Ltd. (MGL), where he was responsible for incubating new technology i.e. Bioinformatics. He then joined SRF Ltd, as Head – Corporate HR in Feb 2002 and rose to the position of President- Group HR in June 2005. He took additional responsibility as CEO of Shri Educare Ltd (SEL), a new venture of promoters of SRF in the field of Education during the period 2010-2011. From SRF, Suresh joined Tata Steel Ltd in Oct 2012.

Suresh has done his Masters in Physics from University of Delhi and PG Dip in Social Work from University of Calcutta. An alumnus of Ashorne Hill Management College, UK, Suresh is trained in a number of fields in HR. He has also handled integration of many acquired companies in South Africa, Thailand & India. He has handled the whole gamut of Human Resource Management from shop floor to the enterprise level. Suresh is a member of many professional bodies like CII, FICCI, ASSOCHAM, NHRDN and on advisory boards of many academic institutions.

Suresh has been conferred "HR Leadership Award" at Asia Pacific HRM Congress in 2010 and "Pride of HR Profession Award" during India Human Capital Summit in 2011.

Driving Innovation & BUILDING DIVERSITY

Diversity has been a part of Tata Steel since the time it came into existence. It was our founder's vision that the place where we are going to set up the plant would be in the remote area. We attract talents from all across the country and hence there is representation of the whole country. This kind of diversity creates connect with all parts of the country. In our organization we believe in building long term relationships. Diversity helps in building relationship with people from different parts of the country, culture and ethnicity and helps the business in continuity. In the history of more than a hundred years of our company, we find that there are employees from the fourth generation who are going to work in the company.

When we visit the plant in Jamshedpur, the first plant in the country, we would notice that every part of the country is represented there. There are different samajs and associations which have been facilitated with different kinds of centers, clubs and association bodies. It has been done very carefully by making sure that there is representation from all parts of the country. These are the indices we review and follow to ensure that there is tolerance for diversity as we co-exist and become world class. The same is being followed as we are setting up another plant in Kalinga Nagar.

Diversity provides us with the mindset. There is a difference between mix and diversity. In mix we lose our originality and get in to something which is common whereas in diversity we continue with our identity. There are thus two things, compound and mixture. Thus, here diversity means that people live with their own thoughts. These thoughts can be pooled together for a mix which would then be a common thought. People are allowed to live with their own ideas. They are not forced to think in a prescribed way rather they are allowed to think the way they want to think. This comes handy when we have projects where we require multiple initiatives in the organization. We have an initiative called Aspire that stands for ASP

Mr. Suresh Tripathi
Vice President (HRM)
Tata Steel Limited





6 Diversity helps in building relationship with people from different parts of the country, culture and ethnicity and helps the business in continuity.

initiatives to retain excellence. It seeks to unleash the creative potential of all its employees through a combination of the best practices and improvement methodologies. Under this programme, we have combined some of the proven techniques of improvement, such as total productive maintenance - the Japanese technique of total employee involvement, by complete ownership of equipment and work processes. A team of youngsters is made who are informed about the problem and are asked to find the solutions. Since people are allowed to think in their own ways they would come out with solutions which are very innovative, new and have multiple perspectives in it. The solutions that come out have been found to be very useful, practical and implementable. Every year we add nearly five hundred to a thousand crore through this process to the bottom line. In the hind side, diversity here is actually helping the people to carry on with their own originality, individuality and to bring in the perspective which adds value in the innovations.

In our organization we treat innovation as a part of the culture. To bring this innovation in the culture, we have multi pronged initiatives. All HR levers need to be implemented in order to make sure that innovation is a part of the organization culture. We must ensure that leaders are also innovative and encourage innovations in the organization. Tata Innovista is a group-wide programme held annually to encourage, recognize and showcase outstanding innovations done by Tata companies across the globe. Innovista is the forum of people who have very novel ideas which

are absolutely different and have innovated something and have implemented them. It could be in the form of process, product, and idea. Thus there is a set of awards for people who have failed and so at the innovista level we would find such people from different group companies including the Tata Steels.

At the Tata Steel there are a number of such projects that are happening. The projects are allotted to a team and there is a person who has been appointed as a leader. The objective of his team and the project is innovation. We test the person to determine how he is leading the innovations. At the end of it, if the leader gets rewarded or recognized, it reinforces this and then they move to the next project. Even in the senior level at the talent review time, we seek to identify people who have led such kind of innovations. So the process we have encouraged throughout the organization is that doing this is not something going out of the routine but is a matter of pride.

A Brief Profile



**Mr. Syama
Charan Padhy**

Director-HR
NALCO

S.C. Padhy joined NALCO, a Navaratna schedule A Company on 20.12.2012 as Director(HR). Prior to the assignment of Dr.(HR), NALCO, he was serving as Director(Personnel) in Mahanadi Coalfields Ltd. from 01.03.2009 to 20.12.2012(FN). During the tenure, the most challenging aspects in the professional front was maintaining good IR with morale high and Rehabilitation & Resettlement(R&R) of the villages which are more than 400 in number. He had initiated a number of new measures in the field of R&R including substantial amount on account of land for resettlement, besides payment of incentive for early evacuation. This has helped a lot in getting the villages evacuated. During his tenure, Mahanadi Coalfields Ltd. joined the Club of 100 MT Coal Production Club and maintaining the same since then.

Before joining as D(P), MCL, he has served Satluj Jal Vidyut Nigam, Himachal Pradesh in various capacities in most of the areas of Human Resources Management from 1992 to 2009 and NTPC from 1982 to 1992. Being a Post Graduate in Labour and Social Welfare from Berhampur University, Odisha, Shri Padhy has rich experience in the management of Human Resources gathered through his exposure in TATA Mines, NTPC and SJVNL. He has proven his strong HR sense with remarkable achievements in the professional field. His career, which began in the year 1979 with joining as Asstt. Personnel Officer in TATA Mines is pegged with success in a number of HR initiatives undertaken up till now. Two of his notable contributions in the field are implementation of 'Performance Related Pay (PRP)' based on the tenet of Balance Score Card at SJVNL and 'Rationalization of Manpower' including effective utilization of excess manpower through

retraining and redeployment. He was actively associated in wage revision and compensation package finalization of employers.

Apart from his expertise in a wide range of personnel functions having well exhibited, his interest in bringing change in the quality of life of employees at work and away in townships is the most significant with an ideology that HR function is core to the business and the thrust is always to extend all the support to other functionary for the achievement of the target / goal set for MCL.

Belief in oneself and contributing one's best is the belief he holds onto and practicing the same can bring a sea change to the organization. He strongly believes that one has to think out of box to meet the challenges of rapid changes in the industry and one has to adapt to the changed scenario for survival.

Relation building as one of his core competencies is well proven with his keenness in having constructive dialogue with operating Trade Unions of MCL, Govt. Agencies, Local Bodies and Project Affected Families aimed at attaining lasting peace and harmony in the Company through resolving issues of their concern.

Shri Padhy presently holds the post of Regional Vice-President, NIPM Central Zone.

Institute of Public Enterprise (IPE) had conducted the ASIA PACIFIC HRM CONGRESS AWARDS – 2012 – 11th Edition in which he has been awarded with best HR Leadership Award – 2012 by Asia Pacific HRD Congress on 6th September, 2012 at Bangalore.



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Technological advancements should be our first priority because we cannot change the resources and we have to use the same resources.



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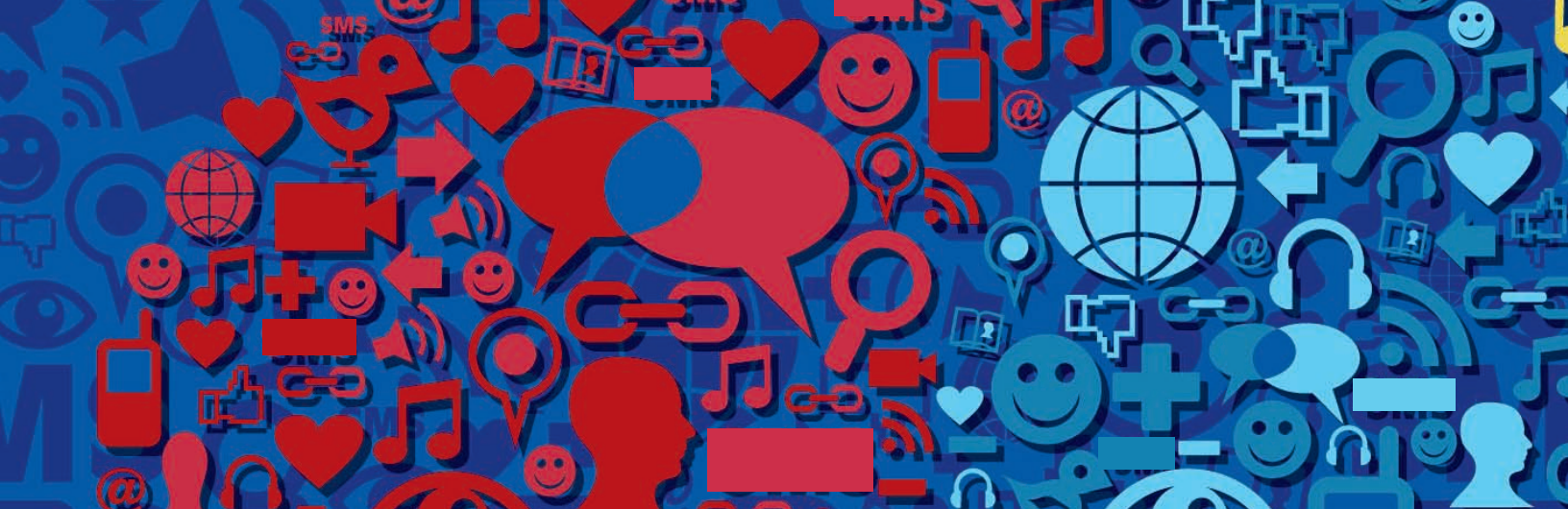
I represent National Aluminum Company (NALCO) Bhubaneswar, which is one of the first of its kind in the aluminum sector. When we had started we were living in the golden days. Today with the tough competition from neighboring countries such as China and the London Metal Exchange which control the price mechanism, the bottom lines are shrinking.

When I joined the company a year back, the elementary price of one metric ton of aluminum was 1996 USD and today it is 1656 USD. So there is a decline in price of more than 300 USD per ton of aluminum. There is difficulty in maintaining this price because the input costs, infrastructure costs, fixed costs and labor costs remaining the same, but the cost of power is increasing. This creates a difficult situation. In such situations we need to have innovations. It may be process innovation, technology advancement, and taking technology that we can imbibe. We may have to discard the present technology at a cost so that we are able to

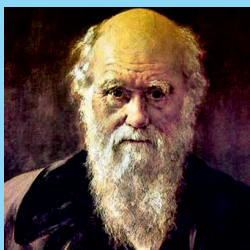
match up with the advanced technologies that are currently prevailing. The cost of inputs like caustic soda is one such component which is being used worked out in the project reports that tend to increase the cost of production. In these circumstances, innovation is the only buzzword and we have to dream, eat drink innovation.

Technology management and Research & Development are the two aspects on which we have to diversify our manufacturing range. The experiences that we are acquiring, we are incorporating them into our Research & Development. Technological advancements should be our first priority because we cannot change the resources and we have to use the same resources. Our second priority is representation of women power. This is less at present but will bring in more discipline, decency and more thoughts, which will help us to a great extent in innovation and diversity.





Driving Innovation & BUILDING DIVERSITY

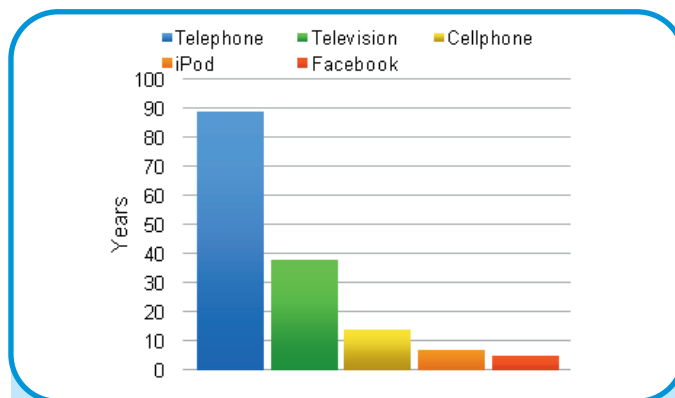


Charles Darwin

"It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change"

Creative destruction'-a term accredited to Joseph Schumpeter -spells out churning in societies, economies and business systems. It is also another pointer to the much clichéd adage that 'change is the only constant'. To add to that, the pace of change is 'changing' dramatically. Consider the time taken to reach 150 million users or units by various business offerings: the telephone took almost 90 years, television about 40 years, cellphones about 15 years, iPod about 8 years, Facebook about 5 years and WhatsApp took half of what Facebook did. Not only does this point to change in the communications industry as given in the example above but also to the pace of change in general.

This is true across industries, however, time frames may vary depending upon the nature of the industry. For instance if we look at a slower evolving sphere of business activity such as the energy sector, change may be occurring at a slower pace. For example oil has peaked as a source of primary energy and non-renewables are projected to contribute a 30% share to the world's primary energy needs by 2050. No wonder then that organisations often find it difficult to navigate the pace of change. As Charles Darwin had said, "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change". Some of the most iconic brands and companies such as Kodak, Motorola, Nokia, Research In Motion and several others have seen significant erosion in their value in recent years. Despite being some of the most innovative and successful companies of their times, they have been unable to endure their success.

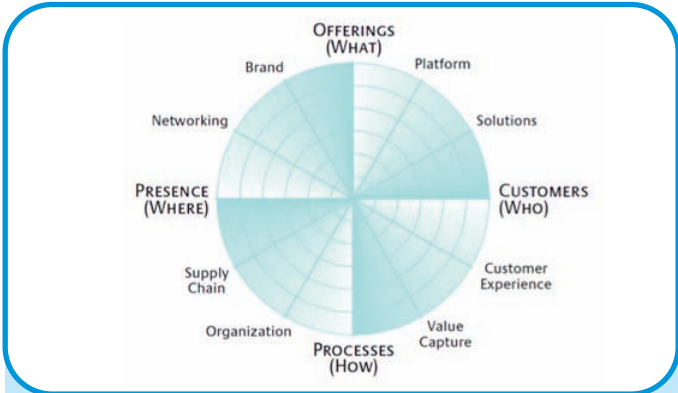


Gupta, Armstrong and Clayton; Social Media: Background Note; Harvard Business School, 2010

This is in large part due their inability to read and respond to change in their industries. On the other hand there are examples of relatively young upstarts such as Apple (the most valuable company today with a market capitalisation of over US\$ 450 billion), Google (market capitalisation of over US \$ 360 billion) and several others which have disrupted the markets and industries they operate in and have delivered amazing performance in a relatively short period of time.

Innovation

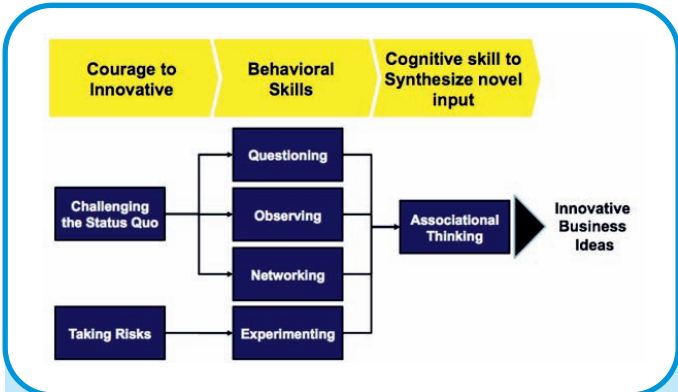
This process of 'Creative Destruction' therefore requires organisations to continually reinvent not only the products and services that they offer but also everything else that they do to offer them. Which means the complete value chain of the business. This is Business Innovation - "a process of creating new value for the customer and the firm by creatively changing one or more dimension of the business system" as articulated by a trio of eminent professors in an article in the MIT Sloan Management Review. Innovation therefore is not limited to just a new product or service, but encompasses all aspects of an organisation's working. And organisations which innovate across the value



Sawhney, Wolcott and Arroniz, *The 12 Different Ways for Companies to Innovate*, MIT Sloan Management Review, Spring 2006

chain end up creating the most potent and difficult to imitate business models - for instance the iPod by Apple.

Which brings us to some extremely important and interesting questions: Are Innovators born or can they be developed? Why are some organisations more innovative than others? What is required for an organisation to become more innovative?



Dyer, Gregerson & Christensen, *The Innovator's DNA*; Harvard Business School Publishing, 2011

Innovation at the Level of the Individual

It is a myth that Innovators are born. Research done by a team at the Harvard Business School over six years, covering over 3,000 respondents consisting of managers and entrepreneurs found

that innovators develop and use a combination of 5 skills at a level which is much higher than that of most managers. This research includes some of the most successful innovators of recent times such as Jeff Bezos of Amazon, Scott Cook of Intuit, Mike Lazaridis of Research in Motion, Pierre Omidyar of eBay and Michael Dell of Dell computers. These 5 skills are Questioning, Observing, Networking, Experimenting and Associating. Each of these skills can be nurtured and developed. For instance, children are extremely curious about their surroundings and themselves, and therefore keep asking questions. Somewhere along the way most people get so bogged down in their work and routines that they lose the ability to observe and question as they did as children, thereby reducing their ability to be innovators. This can easily be nurtured once again. To take another example, most managers approach networking from the perspective of their current job or the hope of a more promising future one. They therefore network with people who can help them achieve these goals, probably from their own domain, industry or environment. Innovators approach networking differently. They network with people from totally different backgrounds, different age groups from different countries and so on. This enables them generate a broad array of observations and experiences or 'dots' in the language of the late Steve Jobs. These Innovators also develop the ability to connect these seemingly unconnected dots into a meaningful new offering. For instance Mike Lazaridis combined the dots of 'computers' and 'wireless' to create Blackberry. This is the 'Associating' skill.

Organisational Drivers for Enabling Innovation

Why is it that some organisations are more innovative than others? Some organisations are innovative but cannot continue to remain innovative? The question that comes up therefore is - what are the drivers that enable organisations to innovate on an ongoing basis leading to enduring value creating organisations?

Chances are high that a visit to the website of any organisation will reveal a prominent mention of innovation in the Vision, Mission and Values statements. This could be expressed either as Innovation itself or in words which are intended to carry the same meaning.



Driving Innovation & **BUILDING DIVERSITY**

Innovation therefore seems to be on the radar of most CEOs. Hence it becomes important to understand what can organisations do to create an environment that fosters innovation.

At the Level of the Leader

Once organisations become successful, the emphasis is on exploiting the knowledge acquired that led to the success. The focus therefore is on maximising efficiencies. This leads to increasing demands on getting things right and phrases such

as 'getting it right the first time'. begin to reflect the dominant thinking of an organisation. Failure becomes a dirty word. Paradoxically, innovation requires a culture that tolerates failure. Innovation is about the exploration and creation of new knowledge that will create tomorrows successes. Any such process of creation will seldom get it right the first time. Hence the leader needs to have and promote a tolerance for failure mindset and promote such a culture.

The process of exploration and creation also requires time that allows employees to pursue innovative and creative ideas. Highly innovative companies such as Google and 3M allow their engineers to devote 15-20% of their paid working time to pursue creative ideas that could drive future growth for the organisation. Corning - a company which has endured for over 160 years on the strength of innovation, allows its scientists to spend almost 8% of its substantial R&D investments on exploratory research of their choice.

Someone once said that 'great things have small beginnings'. With success and size organisations look for future growth opportunities that are large. However several successful innovations which have gone on to acquire large scale started out with baby steps. Initial offerings were imperfect and through an iterative process these companies perfected their offerings to reach scale. Leaders therefore need to allow time, space and resources for such fledgling opportunities to evolve to their potential.

Traditionally, most companies were inward looking and relied on their internal resources to come up with innovative products and services. This has severe limitations as companies are constrained by their ability to generate ideas, make connections, identify intersections and develop new businesses. P&G, one of the most inward looking companies, has unleashed an open innovation process through its 'Connect and Develop' program which has multiplied its ability to innovate. This has led the company to triple its innovation success rate. Platforms such as Innocentive.com allow companies to reach out to a global community of 'solvers' in various categories to help them overcome even the most difficult technical bottlenecks. 'Crowdsourcing' and 'co-creation' have become buzz words with successful firms. Leaders need to promote a collaborative and open culture with stakeholders, both within and outside the organisation.

Finally, a leader needs to infuse a design thinking approach within the organisation at all levels and across functions and staff roles. This is essential to developing a human values centred approach towards understanding consumer needs and responding with suitable products and services. Apple has done this extremely successfully with its entire product family built around the iOS and flash storage based devices. P&G has done this to transform the organisation itself.

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BHUBANESWAR

The Role of Diversity

Dots or ideas are extremely important to the innovation process. More dots and better dots will lead to better innovation outcomes. And innovation is about the process of connecting a fragment of an idea from one place to a fragment of an idea to another, a third and so on. Often these dots and idea fragments can be unrelated. Multiple seemingly unconnected dots can be generated when the team working on an innovation project is from different backgrounds - is diverse. Some of the most innovative outcomes are at the intersection of

seemingly unrelated phenomenon. Diversity therefore is essential for building a successful innovation process and for building possibilities of more intersections. That is why a company like IDEO - one of the foremost design and innovation firms in the world - has teams of about 8-10 people working on a client project and each team may have extremely diverse members such as a marketing specialist, a linguist, a sociologist, a botany major, an engineer and so on.

Innovation in India

As Indian business matures into a more sophisticated market driven economy with a lower influence of non-market factors, firms will need to start looking for ways to differentiate themselves. Differentiation not just at the surface but at a level which the consumer perceives as truly compelling. Innovation therefore will be essential for growth and survival. And we have some interesting examples. Consider the case of Aravind Eye Hospitals which has brought in tremendous work flow innovation so that it is able to offer eye care and cataract surgeries at extremely low costs (almost 50% of its services are at no cost for people who cannot afford it) with outcomes comparable to the best in the world and yet producing healthy financial surpluses for future growth.

Narayana Hrudalaya has a similar story for cardiac care and have taken their innovative success a step further by opening a tertiary care hospital in the Cayman Islands which offers services such as advanced surgery at 40% of the cost in the US. These are examples of Reverse Innovation - a term coined by Vijay Govindarajan - where successful innovations from emerging economies are finding relevance in the OECD markets, as against the norm till now of Innovations flowing from the developed world to the developing world.

In the automotive sector Mahindra and Mahindra and Tata Motors have shown significant developments. Mahindras have been extremely successful in understanding user needs and coming out with a vehicle that has proven to be a huge success - the Scorpio. The Tata's with the Nano have challenged conventional wisdom and approached prospective consumers with a philosophy rooted in the concept of the 'Base of the Pyramid' as articulated by C.K. Prahalad. While the commercial performance of the Nano may not have been upto expectations, the learning has potential for great opportunities to be pursued. The planet will add 2.5 billion people between now and 2050. Of this 2 billion will be in the developing or the emerging world. These potential consumers and the existing base of 4 billion consumers across the world at the 'Base of the Pyramid' have aspirations which business needs to fulfil. This requires Innovation.

We can take inspiration from the example of a team of 4 young students of Stanford University who came to India on an extreme affordability project and developed an incubator for newborns which costs US \$ 25 as against US \$ 2000 for a conventional incubator. These are just a few of several examples. However, as by Dr. R. Mashelkar has said, "it is time that the 'I' in Indian stands for Innovation and not imitation".



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