Chapter 3

Results, Findings and Discussion

Section 1: Results and Findings – Proving Hypothesis

1. Part A – The diagram presented below together with a brief description of each of the cultures was administered to the respondents asking them to force rank the cultures.

Thereafter the researcher used forced ranking data to ask the respondents to rank each of the cultures as per defined parameters. The summation and consequent average of all ranks put together is shown below. That it is critical to introduce a additional cultural definition, namely, The Evolving Culture, in addition to the pre defined cultures was proven by the sample respondents overwhelmingly ranking the Evolving Culture as Rank 1 meaning that there are greater number of incidence of that culture existing in the organizations. Effectively the respondents demonstrated the need to prioritize the different types of cultures, albeit, relevant to their own context and identified the need to define an emerging culture.

Part A	Types	Mapping Culture	Ranks
Type 1`	OC	Operator Culture	3
Type 2	ECGC	Engineering Culture	4
Type 3	XCGC	Executive Culture	2
Type 4	EVC	Evolving Culture	1

Figure 21: Mapping Cultures – Forced Ranking Findings

The Emergence of the Evolving Culture

The findings above indicated the need to introduce the evolving culture. The evolving organization values history and tradition. The origins of the organization; the aims and objectives of the first owners and managers, and their philosophy and values; the regard in which these are currently held; the ways in which they have developed. The promoters business philosophy, the tales of the great grand fathers, stories of what happened on the same issue 20 years back and so on. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past. In the organization time is not an important consideration, as it is perceived to be relative to the tasks and is managed appropriately as long as basic human processes are followed. . Structure and hierarchy influence personal and professional interactions, personal and professional ambitions and aspirations. Hierarchical and divisional

relations and interactions influence the nature of performance, attention to achievement and the value placed on achievements; this also applies to functional activities.

The organization emphasizes an appropriate management style that foster learning. The organization focuses on learning environments that involves brings together intellect, knowledge, systemic processes, personal mastery and role models. The climate is conducive and non threatening to share successes and failures and is not a performance consideration. The organization is driven by orientation to people, their actions, beliefs in the value of human good and concerns. Driven by organizational energy to learn, self develop, perpetuate individualization as they grow to compete. Structural effectiveness, procedural clarity, defined end states and eventual success of people and the systems that lasts over time. There is a desire for internal and external energy to perform and focus on results. Driven by conscious endeavor to support a cause that extends beyond commercial perspective in many situations. Focus on making people productive through internal drivers without clarity on final goals and tasks. They identify with organizational vision and values. They have a work and off work identity that they cherish. Emphasis on people productivity through learning drivers on what can be done should be done. Management style: The stance adopted by the organization in managing and supervising its people; the stance required by the people of managers and supervisors; the general relationships between people and organization and the nature of superior-subordinate relations. The leadership style and consequent front line management style towards its stakeholders, including employees, the organizational priority towards external forces and the way to deal with such forces. Managerial demands, and the ways in which these are made, influence attitudes and behavior also; Management style influences the general feelings of well being of everyone else, and sets standards of attitudes and behavior as well as performance

Focus on enterprise success on a holistic basis and dependent on people expertise. Focus on organizational vision, values, philosophy and performance. Action through policies, rewards, interactive processes, job design making people an important consideration in organizational issues. Action through making knowledge an important performance parameter. Action through making systems the critical consideration for organizational effectiveness. Action orientation measured by appropriates planning, measured steps, building consensus and reasonable task orientation. Action through making people subservient to systems and external stimuli. long term organization growth, meaning profits, shareholder value meant people growth. Long term competitive advantage through focus on performance empowerment. Orientation to building an enterprise that works through economics cycles without a major emphasis on revitalization or renewal. Competitive advantage seen as dominance and measures that sustain organizational competitiveness. CEO Style in a context has been an important factor in studying the evolving culture. This contributed significantly to culture discussions more than any other factor. Leaders influence more directly than any other individual or group in culture. It comprises of their vision, their personal beliefs, values, their disposition towards business processes, the horizons that they wish to achieve, their understanding and dimensioning growth factors and the finally their ambition and goals towards their business purpose. They influence a set of values that helps employees understand which actions are considered acceptable, desirable to the achievement of the goals of the organization. Leadership provides the key point of identity for everyone else, and from which people establish their own perceptions of the organization's general standards. These factors tend to indicate a shift from a current state of corporate culture and leadership to a change not visualized before. Many-unknown variables are emerging into the corporate environment. The emergence of a dominant human mind, economic liberalization bringing in competition and world class as well as world scale actions to the home turf. Added to it is the changing behavioral competencies, measures of performance, strong bottom line orientation and of course the way IT and the Internet/world wide web is changing the basics of running a business enterprise. All of

these randomly studied discontinuities necessitate a close scrutiny and investigation of how leaders in business organizations are coping with these radical changes. And, how, their style in turn is impacting the culture. This is the context of the organization culture. Culture is formed from the collection of traditions, values, policies, beliefs and attitudes that prevail throughout the organization and the evolving culture has been no different.

2. Part B and C – The diagram presented below together with a brief description of each of the organization and management models were administered to the respondents asking them to force rank the different types of organizations and management models.

In these parts the researcher asked the respondents to force rank 8 different organization models divided into 2 parts of 4 models each and forced ranked accordingly. Thereafter the researcher attempted to correlate model 1 and model 2 using Spearmen rank Correlation Method and prove that each of the models have its uniqueness and have no correlation to one another when cross compared with likely descriptions for each organizational model type. Effectively this has proven the existence of 8 different types of Organizational Model Types as they exist in the companies researched.

Part B & C -Model Organizations - Forced Rank

Part B	Types	Typing Organizations	Ranks	Part C	Types	Typing Organizations	Ranks	Summary	Final Ranks
1	THOC	Human Organization	4	1	TVOC	Voluntary Organization	3	7	4
2	TLOC	Learning Organization	2	2	TIOC	Intellectual Organization	4	6	3
3	TIOC	Institutional Organization	3	3	TMOC	Mechanistic Organization	2	5	2
4	TOOC	Competing Organization	1	4	TPOC	Performing Organization	1	2	1

Ranks B	Ranks C	d	d^2	n
4	3	1	1	4
2	4	-2	4	
3	2	1	1	
1	1	0	0	
			6	

$r_s = $ 0.4

H_0 = No corellation exists between the ranked data of the populations

H_1 = There is a correltion between ranked data of the populations

At 0.20 level of significance

critical values of r_s are 0.8

Hence accept Ho, that **there is no corellation** between the ranked data of the popualtions
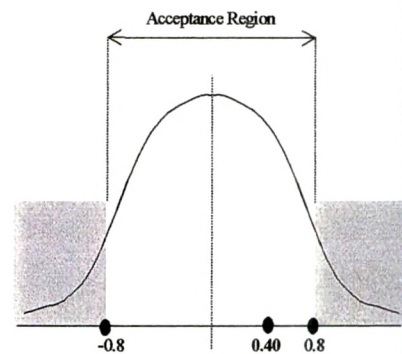

Figure: 22: Part B and Part C – Organization and Management Model Findings

The Researcher has defined the Organization and Management Models below as a part of the Part B and Part C findings. Part B and Part C focused on four types of organizational models as they impacted culture.

Part B – Organization Models Model – The 4 Cultures Part C – Organization Models

a. The Human Organization b. The Learning Organization c. The Institution d. The Competing Organization	• The Operator Culture • The Executive Culture • The Engineering Culture • The Evolving Culture	e. The Voluntary Organization f. The Intellectual Organization g. The Mechanistic Organization h. The Performing Organization

Effectively 8 organization and management models have been identified as discerning features of organizations through this research and as they impact organizations. These organization models provide a framework for the research to connect organizational culture to leadership and particularly as they relate to organizations themselves. A finite definition of what do each of these organization and management models means is explained below:

A. **The Human Organization** – This is the organization of people contrast with task, a human enterprise with a concern for people, processes, and HRM and people building blocks, as was evident in the samples studied.

The organization values history and tradition. Their orientation is to enable history to be cherished and continued. These organizations articulate their cultures through people actions. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past. Significant stories revolve around people actions and concerns demonstrated through medical, health, education and social support. The leader is remembered for his/her gesture on a personal occasion of a member. There are strong and deep-rooted beliefs on what can and cannot be done as far as people orientation is concerned. These organizations have detailed socialization programs. In the organization time is not an important consideration, as it is perceived to be relative to the tasks and is managed appropriately as long as basic human processes are followed. The organization is driven by orientation to people, their actions, beliefs in the value of human good and concerns. Focus on making people productive through internal drivers without clarity on final goals and tasks. They identify with organizational vision and values. They have a work and off work identity that they cherish. Action through policies, rewards, interactive processes, job design making people an important consideration in

organizational issues. Long term organization growth, meaning profits, shareholder value meant people growth.

B. The Learning Organization – This is an organization where people cherish and thrive on learning and knowing.

A "learning organization" grows by sharing collective knowledge gained through experience and reflection (Senge, 1990). The cultivation of consciousness – the capacity to know – builds a foundation for a learning organization. The organization emphasizes an appropriate management style that foster learning. The organization focuses on learning environments that involves brings together intellect, knowledge, systemic processes, personal mastery and role models. The climate is conducive and non-threatening to share successes and failures and is not a performance consideration. Driven by organizational energy to learn, self develop; perpetuate individualization as they grow to compete. Focus on people productivity through learning drivers on what can be done should be done. Action through making knowledge an important performance parameter. Long term competitive advantage through focus on performance empowerment. The organizational spirit is in its climate to facilitate helping one another through a process of collaboration and consultative mechanisms. The members believe that their personal competitive advantage is their knowledge and seek to achieve knowledge intensiveness through self-development and personal learning measures. The organizations sponsors innovation and experimentation and demands employees to internalize their learning and convert it into an explicit sharing system. The learning organization is the foundation of the HR Platform. This organization embodies potential and competencies beyond the realm of staid corporations. These organizations stand by a set of visions, values, beliefs and actions hat are consistent over time and offer the opportunity for managerial members to see their work life as an extension of their life as a whole. Here vision, values and actions does what it is intended to create and keep and is not left

to itself as espoused statements and exhortation. People find security not in holding on what they know but in sharing, interacting and letting go what they know in quest of learning more of what they do not know. Learning organizations need a commitment and environment to develop, learn, teach, communicate and train. Imagine an organization where people are only expected to do a job but are never let out to train. Like a tennis player who never has the time to practice. Over time their performance capabilities will substantially diminish as their ability to think and do innovative actions will subjugate and beaten down to a path of obsolescence and personal boredom.

C. **The Institutional Organization** – This is an organization where building for a long term sustainable business model is more important than to deliver profits for the next quarter.

The organization believes in creating effective structures and hierarchies that provides clarity to roles, responsibilities, tasks and actions. The knowledge emphasis in the institution is driven by systems that over ride individual initiative as long as the institutional norms are met. The organization has effective communication channels, with and without boundaries, people enjoy communicating in relation to business and tasks to be accomplished. Driven by structural effectiveness, procedural clarity, defined end states and eventual success of people and the systems that lasts over time. Focus on enterprise success on a holistic basis and dependent on people expertise. Action through making systems the critical consideration for organizational effectiveness. Long term orientation to building an enterprise that works through economics cycles without a major emphasis on revitalization or renewal. Processes in these organizations have become ever lasting and are expected to help management tide over their problems by relying on their time-tested processes. Leaders drive institutional interest as an important value and ask members to sacrifice for the sake of the institution and look for rewards and benefits beyond short-term expectation. Considerable degree of conservatism prevails in the culture.

D. The Competing Organization – This is an organization that would drive to beat competition, strive for excellence and build an organizational model that is robust, competitive and bottom line driven.

The organization drives action through its orientation and emphasis to competition, performance and goals focused energies. These organizations ask a price for their actions. Nothing comes for free is the basic belief and they charge for all their actions, intended or otherwise. Their outlook towards commerce is simply driven by shareholder wealth and to a considerable degree personal gains and benefits. A leadership and management that pays attention to high performance lead the organization. The organization believes in swift and effective communication, work long hours to conclude tasks, people live at work, identify with winning and use all resources at one's disposal to accomplish tasks. Driven by the need for internal and external energy to perform and focus on results. Focus on organizational vision, values, philosophy and performance. Action through making people subservient to systems and external stimuli. Long term competitive advantage seen as dominance and measures that sustain organizational competitiveness. Corporate goals focus would be dependent on a performance cycle rather than the traditional quarterly financial reviews. Publicly quoted companies have the obligation of reporting monthly, quarterly results to the investing public. Organizations have long since been lost to this requirement and have trapped themselves into managing the last quarter performance to help show an acceptable balance sheet. Income and expenditures are booked just around the quarter corner to position it for public consumption. Government sectors and government run companies are notorious for maximizing their expense budgets in the last quarter of the year just in case the budget for a similar expense is not approved the next year. An emerging practice would be to work goal cycles that are not monthly or quarterly or a traditional Roman calendar based. Organizations should evaluate performance cycles in terms of the work content, targets to be met and the optimum time required
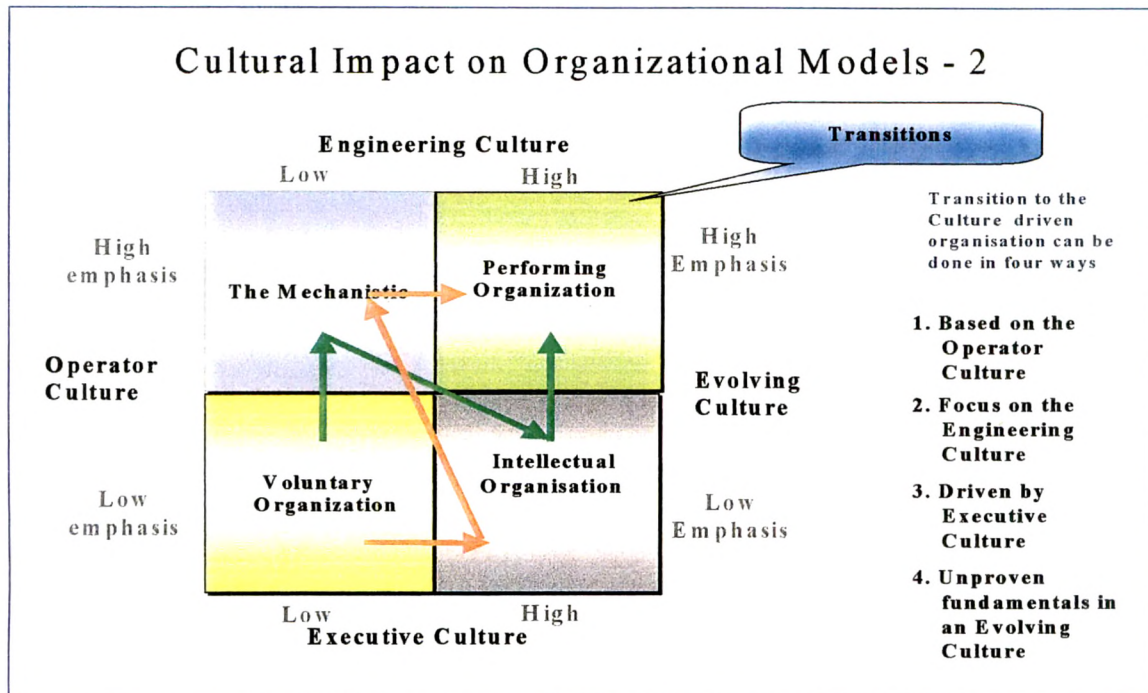
to achieve it. The balance sheet as a consequence would reflect a true performance of the tasks completed, tasks on hand and the pending work content. A management accounting balance sheet should be the norm for presentation, rather than an accounting balance sheet. Corporations would then be forced to evaluate their performance on a virtual cycle. Strategic prioritization is also in the realm of the intellectual managers of the modern era. It is possible to differentiate prioritization and planning where there is an application of the mind. Formal plans would sustain periodic reviews and dynamic shifts from stated plans and goals set at the beginning of the year. No firm unadulterated plan would survive through the year unchanged. The CEO's priority would be to be in touch with the environment and make changes as and when they are called for. Strategic management would no longer be a one time formal activity but would on the contrary become yet another specialization wherein consistent shift formalizations are programmed and
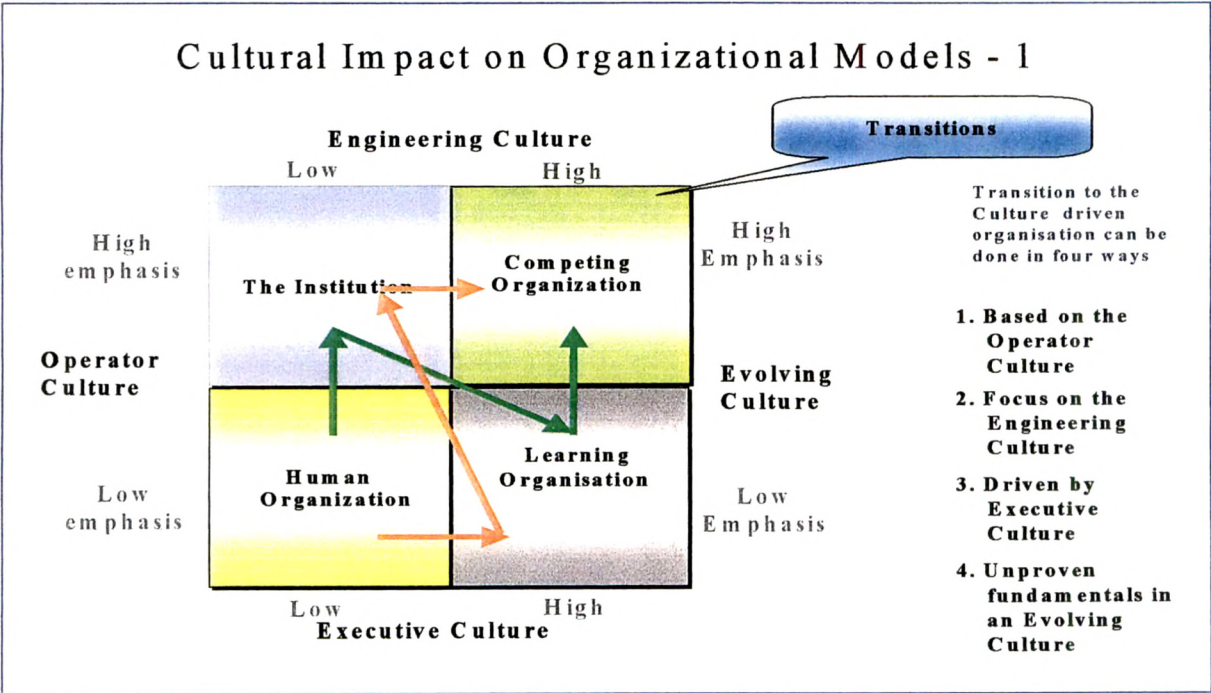
implemented.

Figure 23: Cultural Impact on Organization and Management Model 1 Findings

Figure: 24: Cultural Impact on Organization and Management Model 2 Findings

Cultural Impact on Organizational Models - 2

Engineering Culture

Low   High

Transitions

Transition to the Culture driven organisation can be done in four ways

High emphasis

The Mechanistic

Performing Organization

High Emphasis

Operator Culture

Evolving Culture

1. Based on the Operator Culture

2. Focus on the Engineering Culture

Low emphasis

Voluntary Organization

Intellectual Organisation

Low Emphasis

3. Driven by Executive Culture

4. Unproven fundamentals in an Evolving Culture

Low   High

Executive Culture

E. The Voluntary Organization - This organization consciously builds non-commercial institutions that still drives performance and goal orientation, but with varying philosophies.

Driven by conscious endeavor to support a cause that extends beyond commercial perspective in many situations. Focus through driving synergies of the people and process systems that integrate organizational goals to an end objective. Action orientation measured by appropriates planning, measured steps, building consensus and reasonable task orientation. Voluntary organizations seek to serve a purpose that is enshrined in their business definitions. They exist with a big picture perspective that is established in a context that builds lasting values, beliefs and organizational way of life. These organizations do not wish away the realities of the environment and their obligation towards the society that seek to service. Yet they build institutions that have business

bottom line, financial focus, and systems to enable optimum utilization of assets and resources. Long term goals to build sustainable business models that can seamlessly move from one situation to another without a strong immediate task and performance pressure.

F. **The Intellectual Organization** – This is an organization where intellect gains precedence over other forms of organizational contribution. The primary organization driver is the human mind and its use for a commercial purpose.

Driven by the need to promote and perpetuate intellect as it determines individual and organizational means and tasks and denies organizational members the time, space and opportunity to learn as things evolve. Preplanning is an important business consideration and decision making a critical management tool. Focus on delivery through advancement of learning, knowledge, skills but lacks need for attitudes and appropriate behavior to make things happen. Action driven by merciless meritocracy and rewards to processes and systems that goes beyond human dependence. Long Term sustainability only based on enhanced intellectual capital, innovation and newness of things done within and without the organization. **Role stresses and work load loop** encountered by middle level managers would increase given pressure to perform owing to a push factor from below from managers wanting early and substantive space to contribute and grow. And a pull factor from the top where the top management is demanding on time innovative performance. People do not wish to be told, controlled, directed, guided or led, irrespective of our noble intentions. They would fundamentally like to be left to themselves to show initiative, make new products, redesign, change, create, add value, learn, reflect and make their impact on the company bottom line. They would basically like to be liberated from the corporate bureaucratic shackles. In fact important shifts and specified emphatic changes are increasing on freedom, autonomy, responsibility, and the influence of employees at all levels are happening across select organizations showing a clear trend.

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G. **The Mechanistic Organization** – These are organizations that are ritualistic and believe that past has provided significant learning and future is an intelligent extrapolation of the past.

Driven by the successes, stories, rituals and processes that have proved in time that it works and should be followed. Focus on building internal architectures, organic growth opportunities, systems and processes that drives individual and team performance, Resents acquisitions, mergers that takes it away from its current state of equilibrium. Action orientation is expected to be more an outcome given smooth working methods and competitive pressures built within the organizational framework. Long Term need to make teams work together to achieve group goals that achieves today's performance and tomorrow's systems. Corporate structure and strategy linkages are increasingly turning blurred and lacking in positional clarity owing to closer change dynamics as it impacts the firm. As companies face change and the need to renew itself and get fighting fit, limited time will be available to work close strategy-structure work outs. The organization has a degree of ritualistic fervor that over ride entrepreneurial initiative and strikes a balance towards established norms, patterns, systems, frames of reference and CEO prerogative.

H. **The Performing Organization** – This organization is focused on end deliverables through means that may be sometimes questionable.

Driven by business bottom line, financial focus and the need to achieve tasks and goals established to be accomplished. Focus on driving results through structure, style, roles, benchmarks as it impacts organizational effectiveness making performance the only end objective. Action to demonstrate what finally matters in the organization, the stakes involved and reward and punishment that follows post action. Long Term destination treated as an end in itself and pursuit of the goals set as non-negotiable and that it should be accepted and achieved by all

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internal stakeholders. To face competition over time and retaining a winning condition, organizational competencies have to be identified and changed dynamically. This is inevitably realistic identification of what we can do best and having them implemented expeditiously are both equally important. Organizations of tomorrow have to be in touch with their organizational members and their individual competencies to realize what can they do best and at a given point of time. Summation of individual competencies determines the organizational competencies. Making a five-year plan with current state of competencies is a true reflection of a company's suicidal tendency. Knowledge of the business as we ran it yesterday makes no meaning for tomorrow. Competencies would radically shift from one stage of development to another depending upon the stated position of the organization at a point in time. What was evaluated as our source of strength may emerge to be our single largest weakness? There are examples of the buggy whip syndrome where the company has lived on its cash cow of yesterday. Apple Computers, IBM mainframes or ICIL large frames are examples of once upon a time successful competency. The launch of MSOffice in 1999 is an example of Microsoft answer to its competition on the future of the office products in the window range.

The purpose of using the two models was to evaluate which best represented The Intellectual Company as per the study. It was figured eventually that particular leadership styles in a particular cultural context operate effectively in a particular organization and management model. There is uniqueness and specialty about this aspect. This summarizes the researcher's position. All 8 leadership styles articulated in this research, all of the 8 organization and management models defined and the 4 cultural alternatives including the one proposed by the researcher have been found to be of relevance in a particular context. This has been demonstrated by detailing specific case studies that indicate how each of them has a certain type of relevance and applicability.

1. It has been observed leadership style undergoing a change depending upon the type of organization and its culture. (Example: Ganesh Natarajan, Vice Chairman and MD of Zenzar Technologies in his current role versus that of his previous role in Aptech as the MD and CEO).

2. It has been observed varying cultures that has influenced CEO's to follow varying leadership styles depending upon their business and commercial cycles. (Example: Sanjay Lalbhai of the Lalbhai Group from the times of prosperity to times of difficulty, the strong desire to hold on to a value based culture despite commercial compulsions and poor value advisors).

3. It has been observed organization and management models undergoing radical transformation as business compulsions force leadership to relook at their organizational orientation. (Example: Standard Chartered Bank through the Case Study articulated in the research).

3. Part D and E - The diagram presented below together with a brief description of each of the leadership styles was administered to the respondents asking them to force rank the different types of leadership styles.

In these parts the researcher asked the respondents to force rank 8 different leadership styles divided into 2 parts of 4 styles each and forced ranked accordingly. Thereafter the researcher attempted to correlate model styles 1 and model styles 2 using Spearmen rank Correlation

Part D & E -Typing Leadership - Forced Rank

Part D		Typing Leadership		Part E		Typing Leadership	Ranks	Summary	Final Ranks
1	TPSL	People Strategist	3	1	TMSL	Manager	3	6	3
2	TTSL	Teacher	4	2	TSSL	Scientist	2	6	3
3	TBSL	Builder	2	3	TTcSL	Technocrat	2	4	2
4	TVSL	Visionary	1	4	TDSL	Driver	1	2	1

Ranks D	Ranks E	Ranks D'	Ranks E'	d	d^2	n
3	3	3	4	-1	1	4
4	2	4	2.5	1.5	2.25	
2	2	2	2.5	-0.5	0.25	
1	1	1	1	0	0	
					3.5	

$r_s =$ 0.65

H_0 = No corellation exists between the ranked data of the populations

H_1 = There is a correltion between ranked data of the populations

At 0.20 level of significance

critical values of r_s are 0.8

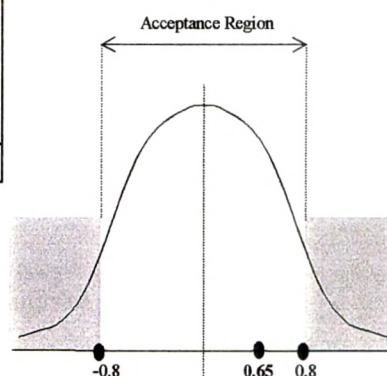Hence accept Ho, that there **is no correlation** between the ranked data of the p

Figure 25: Part D and Part E – Typing Leadership Models 1 and 2 Findings

Method and prove that each of the leadership styles have its uniqueness and have no correlation to one another when cross compared with likely descriptions for each leadership style type.

Effectively this has proven the existence of 8 different types of leadership styles that were existing in the companies researched.
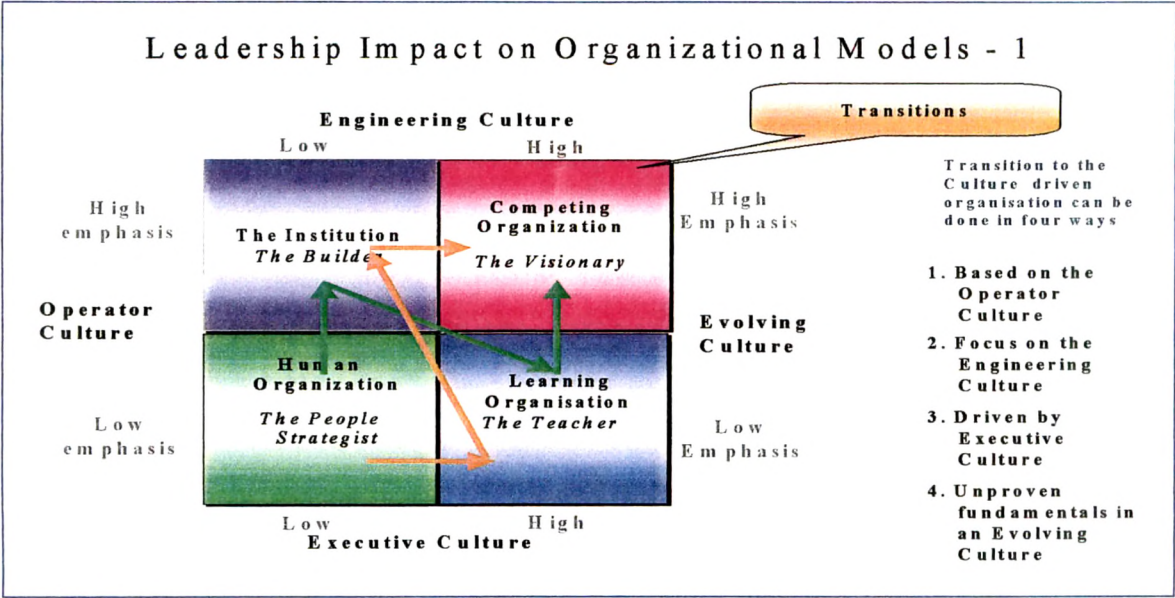

Figure: 26 Leadership Impact on Organization and Management Model 1 Findings

These are the findings from the Part D and E as well as the organizational scenarios for leadership and its influence on organizational culture in the sample companies. Leadership as it impacts cultural formation in the organization.

Part D - Leadership Styles	Model – The 4 Cultures	Part E – Leadership Styles
1. The People Strategist 2. The Teacher 3. The Builder 4. The Visionary	• The Operator Culture • The Executive Culture • The Engineering Culture • The Evolving Culture	5. The Manager 6. The Scientist 7. The Technocrat 8. The Driver

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The figure above provides a summarized version of the leadership styles broadly analyzed for the purpose of this research project and also indicates the culture and organization and management model as it would be prevalent in that company in relation to its culture and organization and management model. The cases detailed later in this chapter provide a bird's eye view of organizational history, their dreams and aspirations and identifiable indicators in relation to culture, leadership and organization and management model. Each of the cases has been written with varying perspectives to provide perspective aspects of the organizations studied. Effectively organizations by themselves or for that matter culture and leadership by themselves strongly need inter connections and linkages to gain a meaningful appreciation of an organization, particularly its culture. In the opinion of this researcher it is very desirable to understand these linkages to help understand each of the three aspects of this research study, namely, Leadership, Culture and Organization and Management Model in its totality. And that studying one without a relevance to the other two would perhaps be a little myopic, although this statement would over time need empirical validation in all fairness.

Effectively 8 specific leadership styles have been identified as discerning features of organizations through this research and as they impact organizations. These leadership styles provide a framework for the research to connect organizational culture to organization and management models and particularly as they relate to organizations themselves. A finite definition of what do each of these leadership styles mean is explained below:

1. The People Strategist

The CEO enables the organization to change, manage people strategies and influence existence of specific cultures. The leader emphasizes culture as an important aspect of organizational building and believes in influencing people to shape cultures. The leader focuses on people practices,

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HRM activities, organizational climate and its conduciveness to performance. Driven need to motivate and keep people in the right frame of mind to be productive and happy. Focus on creating people oriented systems that enable a culture that brings individuals, teams and organizations together. Action oriented to demonstrate by action that concern for people enables organizations to perform above expectation. Long Term orientation to delivering value through people development individualized tasks, creating an environment that is self-exhilarating. Obtaining leadership commitment is a key element. The leadership has been of influence or relevant in this context and have demonstrated commitment to an evolving cultural change. Some level of leadership commitment is often apparent before the cultural analysis begins. It is not uncommon, for example, for community or organizational leaders to sponsor the initial analysis. It is also frequently true that deeper levels of leadership commitment are necessary to move the organizations beyond contemplation. Leaders learn as they learn of an evolving culture. Leaders identify drivers that influence their personal and professional disposition towards influencing culture. Leaders determine to what degree would they influence culture

2. The Teacher

The leader mentors, coaches, teaches, builds other leaders, and enables work processes that make work life easy for organizational members. The leader pays attention to building knowledge and enables the organization to retain an open and invigorating mind to unknown environments. The leader supports innovation as a necessary competitive condition to learn, sponsors risk-taking behavior and drives people to fly into unknown territories. Driven by the need to make people, processes and systems learn from one another, interact to make a meaningful whole and are constantly seeking holistic behavior from organizational systems. Focus through clear policy perspectives and on delivering intellectual and performance value that sponsors native instincts, creative pursuits, feedback and review processes and encourages actions that facilitates results.

Action oriented towards developing people competencies, ensures organizational competitiveness is appropriately managed by right people and makes organizational goals subservient to competency development. Long Term vision to build an organizational that can culturally sustain itself to renew, learn, contribute in varying life cycles and has adequate organizational energy to grow with momentum. Establishing a climate of cheer, enabling building blocks to commence, evaluating need for corrections, improvement, course changes and growth are some of the initiatives taken by the Teacher. With a positive outlook, people look for opportunities rather than obstacles, strengths rather than weaknesses in one another. There is a general recognition that cultural and individual strengths will make it possible to improve upon current conditions

3. The Builder

The leader emphasizes teamwork, enables interdependencies between functions, businesses, technologies and the organization as a whole. Spends over 50% of time to manage employee retention and rewarding high performers. The leader provides a vital direction to restructure and right size as situation demands, yet retaining the option to break and build as deemed appropriate. Driven by encouraging things to be worked out, provides job clarity, coaches and rewards for performance. Focus on building for the future through institutional processes, demanding systems that connect organizational functions and works through structures that are streamlined, regulated and planned. Action oriented through appropriateness of actions driven by circumstance, enabling learning to be documented, creates knowledge sharing atmosphere, drives decisions through consensus and takes meaningful time to accomplish tasks. Long Term desire to make lasting organizations that can stream through economic and business life cycles and does not have the pressure to retain performance under all circumstance. Typical builder's efforts adopt a *therapeutic model* of change. They address problem behavior by focusing attention on the needs, history and skills of the individual. They are personally driven by personal learning and mastery

of skills and knowledge and teach skills in managing internal dialogues and belief systems. They adopt pleasure-based approaches by focusing on satisfying biological needs and on examining inner feelings and motivations. Individual focused change initiatives play an important role in culture building projects. It can help people develop social skills needed to work with others. Brings clarity about personal goals and values makes it easier to commit to organizational and community goals and causes Increased awareness about personal strengths and styles. It fosters individual initiative and creativity. Builder initiatives present special challenges to culture change projects. Individual initiative is sometimes viewed as competing with culture change. The most effective building programs engage people in developing their own individual initiative while finding or building supportive environments. The builder provides materials and programs that must frequently be revised to reestablish the link between personal and cultural change. They eventually help build an ability to relate to another through a better understanding of self and learn to find ways to relate to the evolving culture and its impact of self, teams and organizations.

4. The Visionary

The leader is focused on the vision, practices values, emphasizes individual intellect as they impact organizational goals, actively participates in attracting, retaining, and rewarding talent and leads in times of crisis. The leader believes in competing in challenging environments by preparing the organization in advance, sets meaningful goals and targets and competes to conquer. Driven by sharing strategic goals, communicates, shares values, distinctive concern for individual sensitivity, empowerment, delegation, clear accountability and demonstrated by examples. Focus on collaboration, business models that are appropriate and accepted by people and goals that have been worked to individual and organizational advantage. Action oriented to make people believe in the overall good establishes concreteness to tasks to be accomplished. Long Term priority to build organizational wealth, individual intellect, collective wisdom,

sustainable business model and overall organizational effectiveness parameters. In this environment group members share their common experiences with a given problem behavior or experience. Groups play important roles in supporting individuals through difficult personal changes. The Visionary's integration effort addresses the needs of ongoing social networks such as work teams, families and friends. Unlike support groups, which tend to be time limited, "natural" social networks continue to provide support for years and sometimes for a lifetime. The leader's efforts are designed to increase the quantity and improve the quality of support. Building peer level interface through evolving culture adaptation programs that focus on goals tasks values and beliefs. Manages personal motivation and inner energy to succeed given peer comparisons. Acts as a successive hurdle to cope with resistance from self and others and develop appropriate coping mechanisms. Enables competitive spirit into group working situations. Makes the task of the leader simpler given enhanced peer capability to understand for self and for others. Monitoring progress of cultural assimilation through peer focus groups that discusses on learning, contribution, issues, deadlines and things to be done. The leader eventually derives concrete action goals. Visionary leaders establish a clear picture of the current situation, sets specific measurable objectives, commits leaders to a vision for cultural influence. They enables appropriate definitions drive connections between organizational performance framework and culture as it is influenced by the leader, aligns the culture management process to the problem and setting and provide groundwork for the broad-scale introduction and integration of the culture management process.

Figure: 27 Leadership Impact on Organization and Management Models 2 Findings

Leadership Impact on Organizational Models - 2
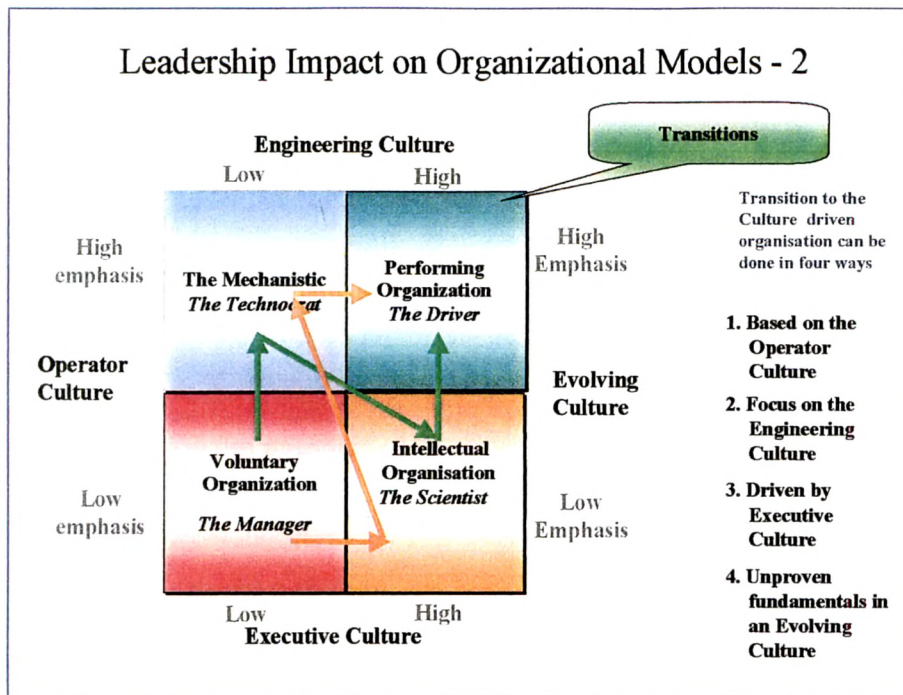
5. The Manager

The CEO is effectively a manager of his role and responsibilities. His day starts and closes with review meetings. The CEO manages change, but does not influence it. They manage people strategies and maintain existence of specific cultures. The manager emphasizes tradition as an important aspect of organizational building and believes in influencing systems to shape cultures. The leader focuses on systemic practices, process activities, organizational goals and its connection to performance. Driven by institutionalizing policies that provide clarity to goals, tasks and manages a team through maintaining status quo through conflicting circumstance and taking decisions that involve retaining established norms and practices. Focus on building loyalty through establishing people oriented systems that enable handling tasks that are individually focused. Keen on managing for today adequately. Action oriented to enable easy and smooth management of the organization, streamlines administrative processes, establishes a string back

office operations organization and manages customer oriented roles through follow procedure route. Long Term desire to make organizational working built on strong fundamentals of bureaucracy, frameworks and management styles. Prefers streamlined processes rather than the opportunity to reinvent the wheel to resolve conflicts.

6. The Scientist

The leader does his own thing. Coaching, teaching, building other scientists, knowledge managers and enables work processes that make work life intellectually stimulating for organizational members is their priority. The leader pays attention to building knowledge and enables the organization to retain an open and invigorating mind to unknown environments. The leader supports innovation as a necessary competitive condition to learn, sponsors risk-taking behavior and drives people to fly into unknown territories. Driven by the urge to create, make actions intellectually dominant, treats developmental processes a predominant organizational factor and is willing to compromise for nothing other than intellectual superiority in actions. Asks organizational members to think science rather than processes that cannot be proven. Focus on attracting and nurturing talent, systems and processes that are of utility today and tomorrow, more tomorrow, and is willing to absorb the costs of human and organizational process costs as a necessary condition of managing the human mind. Action oriented to demonstrate merit and results supercedes all other performance factors, does not believe in means as an important consideration while acting upon information and manages rewards as a necessary evil in people management processes. Long Term desire to create a self-propelling organization that has internal renewal capability to prod organizational performance, individual effectiveness and shareholder satisfaction.

7. The Technocrat

The leader emphasizes fast paced actions to bring people up the curve. He enables interdependencies between functions, businesses, technologies and the organization as a whole as long as it has a techno commercial perspective. The leader provides a technologically superior direction to restructure and right size as situation demands, yet retaining the option to break and build as deemed appropriate. Driven by engineering sciences, that technology provides solutions to complex organizational problems, quantitative approaches to most problems and believes in logic and rationality as desired attitudes. Focus on adding technical and functional values to business situations enables competency development that is vertical and incisive and promotes organizations to drive business through technological excellence. Action through individualized working, avoiding teams and consequent inefficiencies, meets deadlines under all circumstance and seeks the best. Long Term desire to make people processes subservient to technological processes and works towards eliminating elaborate actions that involve meetings, group work, communication forums and large-scale explanation to actions

8. The Driver

The leader is focused on the vision, practices values, emphasizes individual intellect as they impact organizational goals, actively participates in attracting, retaining, rewarding talent and leads in times of crisis,. The leader believes in competing in challenging environments by preparing the organization in advance, sets meaningful goals and targets and competes to conquer. Driven by a performance system that overrides all other considerations and makes individual targets an important element achieving results. Focus on priorities that are determined quickly, enable efficient systems, dislike elaborate meetings, followed through decisively and ensure that different parts of the organization are focused on their own deliverables. Action

oriented to provide criteria for success and failures and ensures it is adequately communicated and holds accountability on streamlined systemic norms. Long Term orientation to retain competitive advantage by providing profitability through consistent intervals and prefers revenue to growth.

3. Part F – The diagram presented below together with a brief description of each of the organization and management models were administered to the respondents asking them to force rank the overall types of organization and management models in holistic perspective.

Here the Researcher attempted to put together all of the 8 Organizational Types and asked the respondents to forced rank to provide for a comparison of how do they stack up in rank order when combined and studied with the same sample population. Here it was proven that when the respondents looked at the organizational definitions of all of the 8 models together, their forced ranking pattern began to vary. The overall forced ranks are given below.

Part F	Organization Type	F Ranks
Type 1	Competing Organization	4
Type 2	Learning Organization	3
Type 3	Human Organization	1
Type 4	Institutional Organization	2
Type 5	Performing Organization	5
Type 6	Intellectual Organization	8
Type 7	Voluntary Organization	7
Type 8	Mechanistic Organization	6

Figure 28: Part F – Model Organization and Management Models - Findings

4. Part G – Proving Null Hypothesis. The diagram presented below together with a brief description of each of the hypothesis statement was administered to the respondents asking them to agree/disagree on each of the statements.

Here the researcher put together a questionnaire section as a part of the overall instrument to seek from the respondents their agreement or disagreement to each of the hypothesis. The 10 statements were retained on a simple and easy to respond basis as they were being administered to CEO's, Top Management of organizations. The findings concluded with the null hypothesis being proven on a simple averaging basis in all of the 10 cases demonstrating an overall acceptance level of our hypothesis by all of the sample respondents.

Part G - Proving Null Hypothesis		
P a r t G	**R e s u l t s**	**%**
1	D i s a g r e e	1 0 0
2	D i s a g r e e	1 0 0
3	D i s a g r e e	5 7 . 1 4
4	D i s a g r e e	1 0 0
5	D i s a g r e e	7 1 . 4 2
6	D i s a g r e e	8 5 . 7 1
7	A g r e e	8 5 . 7 1
8	D i s a g r e e	1 0 0
9	D i s a g r e e	5 7 . 1 4
1 0	D i s a g r e e	5 7 . 1 4

Figure: 29 Proving Null Hypotheses Findings

Hypothesis – Quantitative results of the Hypothesis were provided above. Based on the survey feedback and the planned interview responses some illustrative learning and findings pertaining to the hypothesis are explained below. The 10 statements were retained on a simple and easy to respond basis as they were being administered to CEO's, Top Management of organizations. The findings concluded with the null hypothesis being proven on a simple averaging basis in all of the 9 cases demonstrating an overall acceptance level of our hypothesis by all of the sample respondents and in 1 case disagreeing with out hypothesis.

Hypothesis 1 - There is no correlation between the leadership style of the CEO and the manifest culture of the organization.

- Leadership Style directly has a bearing in the creation, formation, development and sustaining the culture of an organization. This has been evidenced by clear roles that have emerged through the research being Visionary, Builder, People Strategist and the Teacher.

- Relationships with the environment; including the ways in which the CEO copes with uncertainty and turbulence; the ways by which the organization seeks to influence the environment; the extent to which it behaves proactively or reactively.

- The CEO influences the badges and status symbols: These are the marks of esteem conferred by organizations and its CEO on their people. They are a combination of location (near to or away from the corridors of power of example); possessions (cars, technology, personal department) s; job titles (reflecting a combination of ability, influence and occupation); and position in the hierarchy pecking order.

- Even today, the man who's talking of adding two ATM centers per day this year, is forever scouring for things that will add to his knowledge or in whatever way sharpen his skills. "Re-skilling is a continuous process and I hunt for the best practices in every area," declares Kamath. This immense desire of continuously increasing the knowledge has helped ICICI to maintain its competitive edge and develop a culture that fosters learning at every step. (*Ref: How the masters learn, Business Today, 11 November 2001*)

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- Acquisition of knowledge and creation of wealth are part of our culture: That is why we worship Saraswati as well as Lakshmi. We must learn to trust. For several centuries, Indians have been brainwashed to distrust other Indians. This saps national energy. Distrust kills initiative. Distrust compels people to maneuver and manipulate. Trust and transparency stimulates entrepreneurship. If India wants to be a great nation, we must have the courage to trust. This is my sincere belief. The entire Reliance family has earned this award. It consists of thousands of employees who work with total dedication. Managers who are 'owners' of operations under their charge. Business associates who share Reliance's commitment to customers and investors. And millions of investors who have unshakable faith in Reliance. They are the pillars of my achievement. They are my family. I am proud of this family." (*Dhirubhai Ambani, RIL, speech at the Lifetime Achievement Award)*

Hypothesis 2 - The CEO has no role to play in the culture of the company.

- The CEO has primary and critical roles to play in the culture of the company. In every company researched it was the CEO who spoke of a culture inherited and culture transformed, the culture desired versus the culture that was existent.

- The CEO influences routines, rituals and habits: These are the formal, semi-formal and informal ways of working and interaction that people generate for themselves (or which the organization generates for them) to make comfortable the non-operational aspects of working life. They develop around the absolutes- attendance times, work requirements, authority and reporting relationships- and include regular meetings, regular tasks, forms of address between members or the organization and groups, pay days, holidays and some trainee development activities.

- 'My wife had cancer a few years ago and when Mukeshbhai (Ambani) got to know he quietly made arrangements for the operation. The doctor did the biopsy and the report was conveyed not to me but them. The top management booked a room in the Tata Memorial hospital, the right doctor was identified and surgery done. I didn't know about all this till the last minute. The management took the tension on itself. As a result of their concern and urgency, my wife survived. Reliance has made an emotional investment in me' (S.C. MALHOTRA Senior Vice President, Reliance Petroleum)

- 'When the subject of giving helmets and shoes to workers came up, someone said that the workers would not wear them since they had been unaccustomed to doing so for years. But we persisted and educated them on why the helmet and the shoes were important. We said 'We don't only want to set a world record in the fastest time in which anyone has set up a refinery, we are also interested in creating a record in human safety.' The motivation level among the workers rose after that.' (A .G DAWDA President Reliance Petroleum)

- 'The brief is simple. Recruit the right people, assimilate the cultures that they bring into the Reliance culture, make them feel proud, remove hierarchical mental blocks, keep people motivated - and move ahead.' (V.V. BHAT Group President, Management Services)

- 'The chairman would take time off and speak extensively to the marketing team. Deep down he believed that every man had something to contribute to him in his strategy making.' (K.R. ANKLESARIA Vice President, Marketing)

Hypothesis 3 - The three cultures, Operator, Engineering and Executive cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture.

- The three cultures together with the fourth culture, namely, The Evolving Culture, has been identified as those that exist in the organization. More importantly they coexist as can been seen from the visual depicting the sample organization, the organization model, leadership style and the identified culture.

- The leaders were observed playing a decisive role in influencing the following factors:

1. Articulating a vision

2. Measuring success

3. Providing feedback

4. Implementing promises

5. Inspiring commitment,

6. Defining roles

7. Articulating key performance indicators

8. Recognizing contributions,

9. Defining authority limits

10. Delegating needed resources and

11. Making sure that plans are followed through to completion

12. Establishing new standards

- When one thinks of turbulence, we expect it to be short-lived. I think what we are going through is pretty permanent. It is about the pace of change, and that will only grow

exponentially. Now what must companies do? It is extremely difficult. First and foremost, it is crucial to be alive to this change. Companies have to bring in mechanisms that can feel the pulse of customers, suppliers, and most importantly, the technology that could potentially impact them. Second, we have to be extremely focused. We have to pick areas in which we will compete and discard the others. Less is more. It is important to make that switch. (HLL Chairman, M S Banga)

- The Tata Group has always sought to be a value-driven organisation. These values continue to direct the group's growth and businesses. The five core Tata values underpinning the way we do business are: **Integrity** - we must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny. **Understanding** - we must be caring, show respect, compassion and humanity for our colleagues and customers around the world and always work for the benefit of India. **Excellence** - we must constantly strive to achieve the highest possible standards in our day-to-day work and in the quality of the goods and services we provide. **Unity** - we must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation. **Responsibility** - we must continue to be responsible, sensitive to the countries, communities and environments in which we work always ensuring that what comes from the people goes back to the people many times over.

Hypothesis 4 - The CEO/leaders do not directly influence the existence of any one/all of the three cultures in the company.

- The CEO directly influences the existence of any/all of the four cultures as the Ceo has been observed conclusively in practicing one or more of the management styles and in the way that these cultures expect the leader/CEO to behave.

- The CEO significantly influenced the vision, values, history and tradition. The extent to which the organization's vision, values, histories and traditions are barriers or facilitators of progress; the extent to which the organization values and worships its past histories and traditions; key influences on current activities and beliefs; the position of key interest groups (for example, trade unions). The CEO was observed obtaining decisions on vision, direction, values and the influence on history and tradition.

- As far as organisations are concerned, we have to quickly move from hierarchical to flat and far more flexible. The best way I can describe this is to think of an amoebae. Finally, you need something to keep you straight and stable like the rudder of a ship. That is your core value. This is why we should ensure that everyone works under a framework of core values. (HLL chairman, Banga)

- The entire Reliance family has earned this award. It consists of thousands of employees who work with total dedication. Managers who are 'owners' of operations under their charge. Business associates who share Reliance's commitment to customers and investors. And millions of investors who have unshakable faith in Reliance. They are the pillars of my achievement. They are my family. I am proud of this family. (Dhirubhai Ambani, *Speech at the Lifetime Achievement Award,*)

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Hypothesis 5 - There is no correlation between the three cultures and the different functions (Marketing/Production/Finance/Personnel/Research/IT etc) of the company.

- The four cultures of the organization exist irrespective of functional differentiation within an organization. It is possible that in some functions they exist in a little greater degree given the primary disposition of the function. E.g. Production Department does have a strong Operator Culture and R and D has an Engineering Culture, so do their leaders representing a Technocrat or a Scientist.

- Over the years, ITC has evolved from a single product company to a multi-business corporation. Its businesses are spread over a wide spectrum, ranging from cigarettes and tobacco to hotels, packaging, paper and paperboards and international commodities trading. Each of these businesses is vastly different from the others in its type, the state of its evolution and the basic nature of its activity, all of which influence the choice of the form of governance. The challenge of governance for ITC therefore lies in fashioning a model that addresses the uniqueness of each of its businesses and yet strengthens the unity of purpose of the Company as a whole.

Hypothesis 6 - There is no definite management style(s) of the top management (direct reports and company defined top management excluding the CEO) that influences the culture of the organization?

- The direct reports to the CEO invariably were aligned in management style to that of the CEO and where variations were observed there was also a dissonance in their approach to problem solving and decision making.

- The internal relationship balance and the mixture the effectiveness of power, status, hierarchy, authority, responsibility, individualism, group cohesion; the general relationship mixture of task/social/development was observed.

- Yogi Deveshwar of I T C limited has even imported management gurus Krishna Palepu of Harvard Business School and Mrityunjay Athreya to advise him on how to go about this business of shifting focus. When the grueling eight-to-eight workshop ended yesterday, Palepu and Athreya would have spent four days closeted with the 80-strong ITC brass at Calcutta's Taj Bengal. The workshop has an impressive stated objective: to "identify new, lucrative areas of achieving sustainable competitiveness". Ref: Yogi Deveshwar, Chairman I T C Limited.

Hypothesis 7 - There is no difference in leadership styles that are available in the companies being studied.

- Clearly there is no one all pervasive management style. In this research we identified 8 different styles of leadership depending upon the organizational model and influenced by the culture that they represented.

- The actions of top management also have a major impact on the organization's culture. Employees observe management's behavior, "such as the time so-and-so was reprimanded for doing a good job just because he was not asked to do it beforehand or the time that so-and-so was fired because she publicly disagreed with the company's position." These incidents then, over time establish norms that filter down through the organization and convey whether risk taking is desirable; how much freedom managers should give their subordinates; what is appropriate dress; what actions will pay off in terms of pay raises, promotions, and other rewards; and the like.

- Shashi Sinha, executive director of FCB Ulka, the ad agency associated with the company for the past 15 years, "HDFC is perhaps the only brand in India that has been built with virtually no ad-spend. In fact, it's looked upon as a classic brand management case study, as a brand that's evolved by word of mouth, through customer care and trust built up over the past 22 years"...and all this has been made possible by a uniform leadership style across the company.

- Our commitment to business ethics has earned us enormous trust. We intend to build on our position of Leadership with Trust by creating world-class products and services for our

customers and ensuring superior returns to our stakeholders. In other words, by improving the quality of life of all those who trust us to do so. (Chairman of Tata Sons, Ratan Tata)

Hypothesis 8 - Leadership does not influence and direct the culture of an organization through HRM practices/ processes like hiring, training, performance appraisal, compensation, rewards and communication.

- Leadership significantly influences, directs, guides and monitors the HRM philosophy, policy and practices of the company and the cultures. In all observed companies the HRM Heads were direct reports holding top management status, with a HR strategy, clearly articulated mandate and openly defined policy positions.

- In evaluating HRM effectiveness rites and rituals were also observed. These are the punctuation marks of organization operations. They include: pay negotiations; internal and external job application means and methods; disciplinary, grievance and dismissal procedures; rewards; individual, group, departmental and divisional publicity; training and development activities; parties and celebrations; key appointments and dismissals; socialization and integration of people into new roles, activities and responsibilities.

- What we are looking at is how to train our people, how to create distributed leadership, and how to multiply the entrepreneurial spirit. Then you look less at threats, and more at opportunities underlying the threats. We are working towards bringing the e-infrastructure to the villages... bringing the power of good farm practices, price discovery, and also give the farmer a parallel marketing channel and align his production plan with the market requirements. We are trying to create whole new business areas for them. Finally, it is the core competence that leaders should develop, of bringing about transformational changes. It

is the vitality of the company that brings it market standing, shareholder value, and profitability. (ITC Chairman, Yogi Deveshwar)

Hypothesis 9 - The CEO would not focus on monetary reward program for retention of high performers.

- On the contrary the CEO's of all the observed companies was a member of the Compensation and Rewards committee and was actively involved in commissioning in External Salary and remuneration Surveys, was involved in the Key performance target setting, establishing goals, identifying star performers and the managing the program.

- It is the issue of people. If people were important yesterday and important today, by God, they will be extremely important tomorrow. Therefore, the priority should be to attract the very best talent. We are going to do it in two ways. One is through remuneration. But the important thing is to make the company an exciting and vibrant place for people to come and work. (HLL chairman, M S Banga,)

- To attract, retain and develop talent are the three key things that the group and our companies need to address. Providing employees with challenging jobs, rewarding them with competitive salaries and investing in their development can do this. This is a different approach from the paternalistic one adopted a couple of decade's back, which was: 'I will take charge of your life.' The formula now is: 'I will make available opportunities that enable you to add value to yourself.' We can provide a framework, a structure and an environment, but whether employees add value to themselves depends on how much they invest in themselves. What we can do is provide a range of challenging jobs, reward good

performance, offer competitive remuneration and provide continuous opportunities. People have always been very important to the Tata Group and the human resource function is being given high priority in the restructuring and refocusing exercise presently underway in the organisation. That's why the senior management, after a rigorous search, handpicked a new group HR team of three senior professionals. Ref: Satish Pradhan, Group HR Tata Sons

- We are well on our way to closing this year and delivering to our planned targets. Our success to date is testimony to our collective efforts and we should rightly be proud of what we have achieved. In the increasingly competitive environment that we operate in, our ability to sustain and build on the past success requires us to meaningfully distinguish ourselves from the rest - to work with the right clients, bring deep skills to the table, seamlessly blend a number of our service offerings to craft innovative solutions and deliver tangible value in everything we do. Two years ago, we began a process to review our compensation processes. There are a number of objectives that we are seeking to secure: To ensure that our cash rewards are aggressively benchmarked against the market - we hire the best people and we want to reward them suitably. To introduce an element of variability in our compensation structure to more effectively recognize differing levels of performance while at the same time allowing us to drive performance in areas that are core to our business success at any given point in time. To build greater linkages between our performance appraisal processes and our compensation setting processes and in general, to rationalize our overall compensation construct so that it is easier for everyone to understand and administer.

- As part of the process, we introduced a variable, performance linked reward for the Executive Team in FY2000. We are now extending this arrangement in a relatively less complex manner, to our group of Seniors, Consultants & Senior Consultants and Senior Consultants. Accordingly, we have formulated *SPUR* (*S*purring *P*erformance Thro*U*gh *R*ewards) as a mechanism to reward specific performance in any given year. SPUR will, in its proposed form, be based entirely on the performance evaluation of each individual for the year, subject to the overall performance of the Firm as a whole in that year. Subject to the Firm meeting its plan targets, for Fiscal 02, SPUR will reward performances as follows:

Performance evaluation for the year	Payout Percentage
Meets Expectations	19%
Exceeds Expectations	32%
Demonstrates Excellence	47%

- A series of communication meetings have also been planned to provide more information and any clarifications that you may require. Over time, we may vary the parameters within which SPUR will operate, to most effectively respond to your aspirations and to the changing needs of the Firm.

- As always, career progression will remain central to our reward strategy. Career progression in turn, is a function of the competencies that each individual develops, and progression to the next higher level of responsibility will be based on a demonstration of the required level of competency by each individual. This

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is an important distinction that we are making between performance and competency - these are two separate issues and as such must be considered quite independently. As with variable pay, this is a concept that we have already introduced into our overall appraisal system at certain key levels - it is now our intention to extend this concept to all levels of career progression within our Senior / Senior Consultant group. To this end, we are reviewing our performance evaluation processes so that they are aligned with this approach, and we will communicate more with you on these aspects over the coming months.

- Finally, we are aiming to rationalize our overall compensation framework to provide for a single point of compensation corresponding to each level of responsibility; this will replace the present framework that has multiple compensation points at each level of responsibility. While this has not been fully implemented for Fiscal 02, the processes that we have outlined above will facilitate such a move and we intend to make effective Fiscal 03. This single point of compensation will be benchmarked to the market, and as in the past, our endeavor will be to ensure that we have an extremely competitive compensation positioning for all our people.

- The year ahead is going to be full of challenges - competition is fierce and the economic environment is not particularly friendly. However, we remain confident in our abilities to produce strong growth in Fiscal 02. This confidence comes from the fact that we have bright, talented people, a strong client service orientation and a drive to excel. We will need all of that and more, and the individual efforts of each one of you will be vital if we are to make the difference. The formula for sustained, profitable growth is simple - hire the best

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people, develop deep competencies, continuously challenge and reward the people, and deliver outstanding service to clients. You are central to this equation and we want you to share in the Firm's success - a combination of career progression and SPUR payouts is designed to ensure just that.

- **I wish you a wonderful and professionally challenging year ahead. (Reference: India Leadership Team, Andersen)**

Hypothesis 10 - Top management's time are not spent on managing employee retention activities.

- Top management time of well over 50 % depending upon the season, included, spent their time attracting, mentoring, coaching, training, counseling, performance reviewing and energizing people to join and stay in the organization. All the companies had a well-established socialization and retention program including exit systems etc.

  - When executives assume, without asking, that they understand the expectations and needs of their people, they risk making poor decisions about such important factors as working environment, employee recognition, incentives and communication methods. To overcome this, you must listen carefully when employees discuss their expectations and needs. Most executives spend 80 percent or more of their time listening to people, but unfortunately half the time they don't really hear what's being said. When an executive treats every employee the same, serious problems arise. Treating everyone the same communicates the message," I don't care enough about

you to find out what makes you unique." To remove this block you must identify and understand the difference among individuals. This does not mean you develop a different set of policies for each employee, but it does mean you recognize and respond to the differences among your people. Executives who view their employees as tools or production units deserve ten years of hard labor as a tool or production unit. On the other hand, those who try to induce in their organizations the intensity and intimacy of their family relationships wins the same sort of satisfaction and security they enjoy at home. Not just for them but for their family relationships win the same sort of satisfaction and security they enjoy at home, not just for themselves but for their employees as well.

Locking employees into a past perception ignores the fact that people change, at times quickly and in major ways. Regardless of deep-seated idiosyncrasies and personality traits, tomorrow's employee may differ as much from today's as today's differs from yesterdays. People acquire new technical knowledge, learn new skills, increase their experience and judgment, improve competence, and evolve interpersonal relationships. Track employee progress a and backsliding with a keen radar. If an employee achieves a major achievement. If an employee seems to have lost something, figure out why.

- A shared vision exists when people recognize that they hold similar value systems With a shared vision, members of the culture are enthusiastic about cultural goals and the processes by which they will be achieved. A shared vision implies a sense of inclusion: members of the culture are not being left behind. Given an appropriate consideration, meaning and purpose the employee seek to value and share a vision.

- In his masterful work Human Intimacy, Illusion and Reality, Victor L.Brown asserts that the realities of human intimacy include love, trust, openness, sincerity, service, and sacrifices. While the illusions of human intimacy trap us into self-obsession, manipulation, personal gratification, superficiality, and a false belief that violating the realities of human intimacy will not bring damaging consequences. According to Brown, successful human relationships grows from kindness, empathy, and commitment, and he warns that illusions about human relationships arise when people relate to "fragments of human beings," "deny the consequences of human behavior," and "deal in indulgence, not discipline." Despite the fact that contemporary society enjoys the virtually unlimited technology to create material comfort, people in our society tend to move from one superficial, unfulfilling relationship to another. Only through deep commitment and hard work can people win lasting pleasure and enduring security. But it does take work to talk to, touch, and in other ways cultivate intimacy with others.

Section 2: Scenario Analysis

This section covers the findings pertaining to the 16 scenarios administered to the respondents. The sample being top management and other managerial cadre were managed in such a way that some of the sample respondents received questions pertaining to the hypotheses, some in regard to scenarios and others on survey feedback and content analysis material for the purposes of constructing the case studies. Scenario and content analysis involved detailing primary and secondary data, cross-verifying findings with third part neutral leaders and comparing with market sources.

Part H – Scenario Analysis - The diagram presented below together with a brief description of various scenarios was administered to the respondents asking them to agree/disagree on each of the scenarios.

This part focused on analyzing the CEO, top management perspective by providing varying types of scenarios, through Scenario definitions pertaining to Cultures, Organizational Models and Leadership Styles as they impact organization and the respondents were asked to agree or disagree concretely. In all 16 scenarios were presented with pre defined definitions. There was an overwhelming agreement to the scenarios depicted as they articulate simple presentations and the CEO could relate to its content while evaluating their individual companies. **The findings are presented below:**

Part H - Scenario Analysis on Cultures, Organizational Models & leadership Styles		
P a r t H		**%**
S c 1	A g r e e	9 4 . 2 8
S c 2	A g r e e	9 4 . 2 8
S c 3	A g r e e	1 0 0
S c 4	A g r e e	1 0 0
S c 5	A g r e e	9 4 . 2 8
S c 6	A g r e e	1 0 0
S c 7	A g r e e	1 0 0
S c 8	A g r e e	9 4 . 2 8
S c 9	A g r e e	1 0 0
S c 1 0	A g r e e	1 0 0
S c 1 1	A g r e e	1 0 0
S c 1 2	A g r e e	9 4 . 2 8
S c 1 3	A g r e e	9 4 . 2 8
S c 1 4	A g r e e	9 4 . 2 8
S c 1 5	A g r e e	1 0 0
S c 1 6	A g r e e	1 0 0

Figure 30 Scenario Analysis on Culture, Leadership and Organization and Management Models

16 of the scenarios that were administered in respect of over 68 organizations on various aspects of leadership, culture and organizational models as they have been articulated over here have been detailed below only with select quotes from the leaders and members of these organizations. These are select quotes depending on which scenario was studied for that particular organization. In this section only a sample set of quotes have been produced. A detailed Annexure outlining additional scenario analysis of the respondents has been included. Despite this not all scenario responses and other responses from the respondents

have been covered in this research to optimize space and provide a sample perspective please.

Scenario 1: History and Tradition of the Organization (Daftuar 2000)
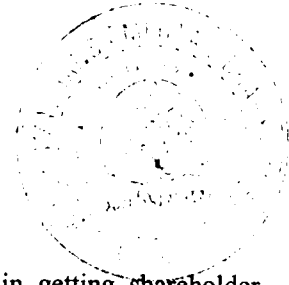
- I think ethics in management is extremely important in getting shareholder confidence. Decision-making has to be transparent and there should be no ulterior motive. Shareholder value is built through having ethics and transparency. Whatever decision you make in the boardroom, the likes of Aroon should be able to publish that. Carrying your senior managers along is very useful. (HDFC Chairman, Deepak Parekh)

- The leader influences the History and Tradition of the Organization. I'm reminded of names like Ford, Iacocca, Thomas Watson, etc. ... men who created durable, lasting organisations that have lasted well beyond their times. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. Dr Verghese Kurian and his work in Amul are fine examples of how a CEO with great style, commitment and transparency can communicate a compelling vision. Ambani and Reliance are another fine example. The Role of the CEO/leader in regard to strategy processes technology and people actions and leader's influence in the existence of specific types of cultures. Harold Geneen – created a great organisation and then tyrannized everyone in it. Leadership Style as practiced by the management groups influences the culture. Infosys' work in culture building at the operational level – almost entirely the effort of middle management in interpreting Narayanamurthy's vision. CEO/leader focus on performance, climate,

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communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers. Bill Gates and Microsoft. I haven't heard of very many other companies that are so obsessed with how they attract and retain talent. (Sameer Nagarajan of Unilever)

- Yogi Deveshwar clarified that an Indian enterprise should be borne by its approach and commitment to the Indian economy rather than by the source of capital. Thus, Deveshwar's definition of an Indian company, as opposed to a global one, will opt for partnership with other participants in the economy to create international competitiveness instead of opting for the "globally preferred" option of competitive sourcing. Showcasing ITC's efforts towards being a premier 'Indian' enterprise, he said the company had chosen the tougher option of turning around ITC Bhadrachalam Paperboards from an ailing unit to a globally competent profit making entity. He also cited the e-choupal initiatives that ITC had undertaken to make Indian farmers competitive. Sources said Deveshwar was hinting at recognition, from both the government and the public at large, for initiatives by Indian companies like ITC that add value to the economy through job creation and import substitution. ITC Bhadrachalam has outlined a partnership program with the Andhra Pradesh government and various NGOs that has the potential to create 40,000 jobs in backward tribal areas.

- 'Mukesh and Anil will inspire thousands of young men and women to dream, to reach beyond what is possible, to scale mountains which appear formidable and to succeed. That should be the spirit that shall take India into the 21st century.' (P. CHIDAMBARAM, Former Finance Minister)

Scenario 2: Structure and Hierarchy Influence, Management Style, the Role of the CEO in
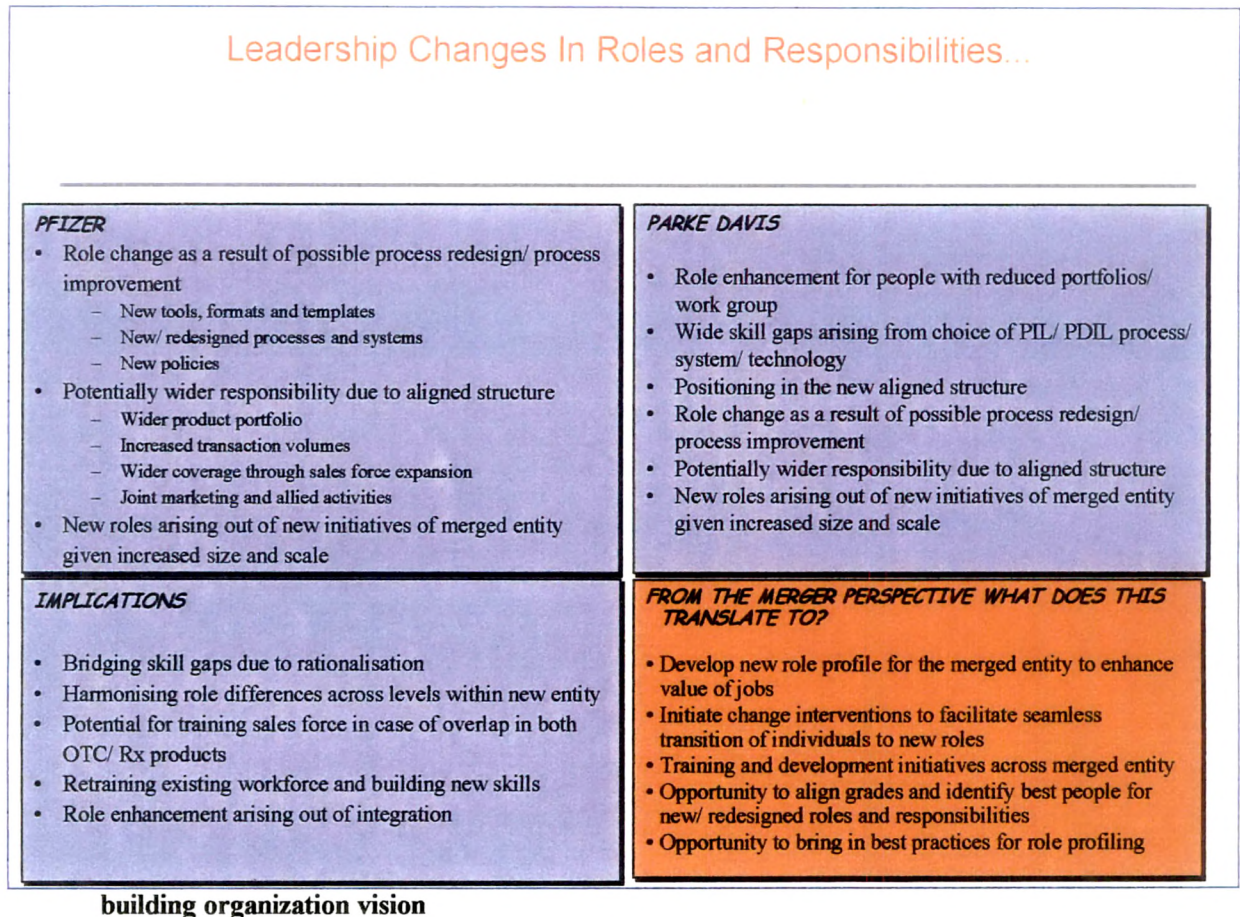

Leadership Changes In Roles and Responsibilities...

PFIZER
- Role change as a result of possible process redesign/ process improvement
  - New tools, formats and templates
  - New/ redesigned processes and systems
  - New policies
- Potentially wider responsibility due to aligned structure
  - Wider product portfolio
  - Increased transaction volumes
  - Wider coverage through sales force expansion
  - Joint marketing and allied activities
- New roles arising out of new initiatives of merged entity given increased size and scale

PARKE DAVIS
- Role enhancement for people with reduced portfolios/ work group
- Wide skill gaps arising from choice of PIL/ PDIL process/ system/ technology
- Positioning in the new aligned structure
- Role change as a result of possible process redesign/ process improvement
- Potentially wider responsibility due to aligned structure
- New roles arising out of new initiatives of merged entity given increased size and scale

IMPLICATIONS
- Bridging skill gaps due to rationalisation
- Harmonising role differences across levels within new entity
- Potential for training sales force in case of overlap in both OTC/ Rx products
- Retraining existing workforce and building new skills
- Role enhancement arising out of integration

FROM THE MERGER PERSPECTIVE WHAT DOES THIS TRANSLATE TO?
- Develop new role profile for the merged entity to enhance value of jobs
- Initiate change interventions to facilitate seamless transition of individuals to new roles
- Training and development initiatives across merged entity
- Opportunity to align grades and identify best people for new/ redesigned roles and responsibilities
- Opportunity to bring in best practices for role profiling

building organization vision

Figure: 31 Leadership Changes in Roles and responsibilities – Scenario 2

- Executive decisions were left to the various business divisions, headed by a chief executive-led divisional management committee. "We developed a decentralized structure with distributed leadership," says Deveshwar. Adds Anand Nayak, Executive Vice-President (Corporate HR): ''our new structure balances the need for separateness with that for integration."

- Deveshwar likes to call the new ITC "a holding company with a venture capitalist mindset". And like all good VCs, ITC is a stickler for doing the right things. "There is a bio-diversity of skills in ITC," says Deveshwar, "and by blending the capabilities that exist in different parts of the group, we want to look at new opportunities." ITC's lifestyle retailing business division is an example of that alchemy. In that business, where ITC has kicked off with the Wills Sport brand of top-end relaxed apparel, the company has blended three of its existing strengths. The brand equity of Wills, ITC's distribution network of 2.5 million (1 million directly and 1.5 million indirectly) cigarette retailers, and services skills from the group's hotels business. Yogi Deveshwar, Chairman I T C Limited

Scenario 3: The Role of the CEO in regard to strategy processes technology and people actions and leader's influence in the existence of specific types of cultures

- Our edge is our people. What we have consciously done as management is to collect people who dare. And give them room - not square feet – to dream in. The result: at Reliance, growth is life! (Mukesh and Anil Ambani of Reliance Industries)

- ..At the same time, he said the rate at which globalization is taking place, there was a crisis at the hand of every Indian company. ``Every management

Leadership Role In Influencing Processes...

PFIZER
- Not all process performance parameters identified and tracked
- Decentralised credit control
- Monthly inventory planing cycle
- Monthly rolling sales plan for a period of four months
- Stock allocation at 125% sales plan
- C&F commission paid as a proportion of sales, on a sliding scale basis
- Sample allocation to PSO is on a average per PSO norm

PARKE DAVIS
- Not all process performance parameters identified and tracked despite greater information availability
- Centralised credit control
- Monthly planing cycle augmented with daily information
- Stock allocation as per sales plan
- Monthly rolling sales plan for a period of two months
- C&F commission paid as a fixed remuneration (in some cases variable fee is also used)
- Sample allocation is based on the segment saliency for each MR

COMPARISON/ IMPLICATIONS

- Distinct policies and procedures
- Organisation merger implies process integration
- Process performance measures required to select best practices

FROM THE MERGER PERSPECTIVE WHAT DOES THIS TRANSLATE TO?

- Opportunity to benchmark and adopt best practices
- Opportunity to review and redesign processes to reduce costs and enhance efficiency

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Figure 32 Leadership Role in Influencing Processes – Scenario 3

- must be paranoid about survival, growth and profitability of their enterprises,'' Chairman , ITC, Yogi Deveshwar)

- It is now even more obvious to us that the key to achieving our ambition of doubling the company's turnover every four years lies in harnessing the huge potential of our people. Winning the war for growth will require winning the 'war for talent'. Our vision is to create a self-sustaining virtuous cycle of

business growth through people growth. The better we leverage the capabilities of our excellent people, the more certain we are that Hindustan Lever will grow. And the faster the company grows, the more opportunities we can create to attract and retain high caliber people. (*HLL Chairman, M S Banga)*

Scenario 4: Leadership Style as practiced by the management groups

- Dhirubhai Ambani easily epitomizes the triumph of the humble entrepreneur and the success of free economy, while liquor major UB could not have asked for a better brand ambassador than its CEO Vijay Mallya, who, like the company's flagship brand, Kingfisher, is perceived as the "king of good times". It is easy to see how the absence of any of these Brand CEOs would affect the concerned companies. (Ref: *Building the CEO brand, Business Today, August 19 2001)*

- Fundamental to the work of the Reliance organisation and its ultimate competitive position, is a respect for the development of the employee through self-help and guidance to foster common purpose and cohesion. The leadership style followed at Reliance fosters a culture that encourages development. Our aims of employee development are not just about acquiring skills to solve specific problems but also expanding minds to address problems and opportunities which have not become apparent with a full understanding of cross-functional linkages.

- 'One evening it rained heavily and trains didn't leave from VT or Church gate. Our administrative manager swung into action. He chartered a bus from god knows where and had 150 people sent home. For the 150 left behind, he cleared the office, moved the tables and chairs and commissioned mattresses, again from god knows where. There was a pregnant lady amongst those who couldn't go home. Our friend located her husband and got him to come to Maker Chambers. An executive's chamber was unlocked and the two spent the night there. The best part is that our administrative friend had no need of approval on paper for doing all this' (Reliance - DEEPAK NEOGI)

- 'We were given a near-impossible deadline of one month to get the Jamnagar office networked. I took my notes of what might be required from what vendor for the crucial meeting. The bill was coming to Rs 8 cr. I expected the directors to scrutinize and haggle on our requirements. All they said was : Place the order right now ! They weren't interested in looking at my sheet. The kind of trust that the top management is willing to place on people is unmatched by most companies in this country.' (S.J. BHATAWDEKAR - Asst. VP (Information System), Reliance Petroleum)

- 'The PSU executives who come to work with us are amazed by the kind of freedom we give at Reliance. They have never been used to it. During the early stage of the Jamnagar project they didn't want to join Reliance, but once we had hired a few PSU old boys and the word got around, there was a scramble to get in here. (V.V. BHAT - Group President, Management Services)

Scenario 5: CEO focus on performance, climate, communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers.

- The following may be relevant to you as a whole or in part depending on the Solution Segment you are working in. However, it describes elements of our compensation philosophy across solution segments as we intend to apply it over the years to come. Two years ago, we began a process to review our compensation processes. There were a number of objectives that we are seeking to secure - to ensure that our cash rewards are aggressively benchmarked against the market - we hire the best people and we want to reward them suitably. To introduce an element of variability in our compensation structure to recognize more effectively the differing levels of performance while at the same time allowing us to drive performance in areas that are core to our business success at any given point in time. To build greater linkages between our performance appraisal processes and our compensation setting processes. And - in general, to rationalize our overall compensation constructs so that it is easier for everyone to understand and administer. We always have, and will continue to ensure that we have a very competitive compensation positioning. We introduced PACE to bring in an element of variable compensation linked to key behaviors and conduct that is central to our sustained business success. We have been improving our evaluation processes to ensure greater rigour in timely completion as well as in the quality of the evaluations. For Fiscal 02, we are building on the work that has been done so far and are introducing two additional elements in our framework. One is to make a distinction between current performance and

the potential of an individual to progress to the next higher level of responsibility. This is something that we have already implemented with respect to promotions at certain key levels; what we now propose to do is to extend the coverage of this discipline to all career progressions within our Executive Team. Each higher level of responsibility requires a collection of competencies, and career progression decisions must be made based on assessment of these competencies. Historically, this assessment has been implicit in our appraisal processes - what we now want to do is better clarify the competencies for each level of responsibility and institutionalize a process of assessment specifically in the context of the appropriate competencies. This will be in addition to the annual appraisal of performance and the outcome of the two separate processes will separately drive payouts under PACE and our career progression decisions. This will require some enhancements to our evaluation and appraisal processes as well as possible variations to the PACE construct, and we will share more details with you over the coming months. The other key directional change that we are making towards rationalizing our overall compensation framework is to provide for a single point compensation corresponding to each level of responsibility and our expectations of each of you. This was partially implemented last year; for FY02, we are taking the process further down the road with the intention that we will converge to single points of compensation in Fiscal 03. The year ahead is going to be full of challenges - competition is fierce and the economic environment is not particularly friendly. However, we remain confident in our abilities to produce strong growth in Fiscal 02. This confidence comes from the fact that we have bright, talented people, a strong client service orientation and a drive to

excel. We will need all of that and more, and the individual efforts of each one of you will be vital if we are to make the difference. I wish you a successful and professionally challenging year ahead. (Reference Compensation and Reward Policy Committee and Leadership Team – Andersen)

- Human resource is an area that the Tata Group is focusing more attention on than ever before. The process of attracting, retaining, developing and nurturing talented personnel has become a cornerstone for Tata companies and it is far removed from the paternalistic philosophy that the group adopted towards employees in earlier years. By developing a structure, system and culture that provides challenging jobs, rewards performance, offers competitive remuneration and delivers continuous opportunities, the group is striving to get the best out of its most valuable possession — its people. Powering that quest is an entire range of human resource initiatives aimed at realizing the potential of and, consequently, maximizing the returns from Tata employees. (Satish Pradhan, Group HR Tata Sons)

- The story of Hindustan Lever Limited has been a chronicle of attracting, holding and molding the finest talent in India and abroad, to shape an institution that stands today for the highest standards of quality, innovation and service to the consumer and the country. Hindustan Lever's people have flourished in an environment marked by fairness, the belief that even perfection can be improved upon, and the assurance that all you need is merit in order to progress. That has proved a fertile soil indeed, for it has bred people whose caliber has changed the quality of millions of Indian

consumers' lives. As HLL Chairman M. S. Banga says, "We are because of our values – truth, action, courage, caring." (*HLL Chairman, M S Banga*)

- Talent is drawn from diverse academic backgrounds, and the emphasis is on recruiting people with formal training that matches their job profile. Reliance has over 4,000 qualified professionals –3,436 engineers, 340 engineers/MBAs, 155 CA/ICWAs and 55 Ph Ds. These comprise over 80% of the company's total supervisory workforce of over 5,000. The world-class exposure, growth opportunities and competitive compensation packages offered by Reliance enable it to attract and retain the best talent in the company. As a result, Reliance's employee turnover at 3.26% is among the lowest in the industry. Recruitment in Reliance targets the world market for the right individuals, ensuring a global perspective for the people responsible for global scale plants and operations. Reliance is one of the few Indian companies with a significant number of expatriates within the organisation. (V V Bhat – Reliance Industries)

Scenario 6: Role of the leader in building work processes, in managing people strategy issues, and organizational emphasis on competing and performing in a complex environment.

- Yogi Deveshwar, Chairman of I T C limited, has even imported management gurus Krishna Palepu of Harvard Business School and Mrityunjay Athreya to advise him on how to go about this business of shifting focus. When the grueling eight-to-eight workshop ended yesterday, Palepu and Athreya would have spent four days closeted with the 80-strong ITC brass at Calcutta's Taj

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Bengal. The workshop has an impressive stated objective: to "identify new, lucrative areas of achieving sustainable competitiveness".

- In the scenario of an IT startup providing value added services to clients, it becomes increasingly important that the leader drives the Innovation practices. A small example is as follows. Looking at the number of players in IT services and lot of biggies taking the most core part of the business, the small players have to look for Niche segments to stay profitable and sustainable. This IT Company where I was working looked at the market and based on its strength of understanding and also market dynamics, decided to go ahead with building products in the e_learning space. This requires not just the technology understanding but also very in-depth psychological and pedagogy technique understanding. Also, the positioning of the same was very difficult and hence CEO (read as leader) came up with this innovative idea of being a "knowledgeware company". This gives adequate clarity – for identity and also helps the "culture" of the team and the company to orient itself towards practices that are knowledge driven. Some of the practices put in place to further enhance this idea were a common bulletin board within the firm to slowly identify internal champions for related subjects. This slowly aided a lot of exchange of ideas and also capturing the knowledge within the firm before we could start consulting the customers externally. (Chakradhar Gooty of Talisma Corporation)

- There is a Role of the leader in building work processes, in managing people strategy issues, and organizational emphasis on competing and performing in a complex environment. Leader should not micro-manage (e.g. building

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work processes) or managing people strategy issues. He / She should define the key People management issues and Performance Metrics and then focus on evaluating results against the metrics. Leader's emphasizes on building future leaders through mentoring, coaching and teaching, emphasis on teamwork. There is a Role of the CEO/leader in enabling organization to restructure and right size. There is a Role of the CEO/leader in preparing the organization to change as required. Change is the only certainty in today's world. The pace of change is increasing. CEO / Leader must have sensors in place to foresee Change, and then communicate the same to the organization with clarity so that it can be prepared to adapt. Leader's has a role in sponsoring innovation, new ideas, take risks and implementing experiments. Modern day Leadership is about fostering entrepreneurship and nurturing innovation and creativity. CEO/leader's has a role in enabling inters dependencies between functions, businesses, technologies and the organization as a whole. The role has to be shared by a larger group – comprising of the CEO and his/her senior management team. (Arvind Singhal, Chairman K S A Technopak)

Scenario 7: Leader's emphasis on building future leaders through mentoring, coaching and teaching, emphasis on teamwork.

- Training of managers is not restricted to skills. It also develops the individual's intellect, builds leadership qualities, inculcates entrepreneurship and, above all, moulds the individual as a person with high self-confident integrity, team commitment and the capacity to learn from experience. Two important aspects of this development effort are to provide the individual

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with real-life feel of the needs and aspirations of the consumers we seek to serve, and to build in them a holistic understanding of business.(*HLL Chairman, M S Banga)*

- Continuing personal development is the constant obligation of all employees and constant responsibility of all Executives, Managers and Supervisors. The development and the use of human potential and a learning organisation is Reliance's bridge to continued success in the future. "Young managers who have drive, enterprise and high quality of technical skills; middle managers who can inspire and nurture; senior managers who lead with character and vision. This is the best of the Tata tradition built up already." (Tata Sons Limited, Director, R. Gopalakrishnan)

- The success of a company in the long term depends on a couple of fundamental parameters and the most important long-term sustainable driver is its intellectual Capital. The CEO (read as leader) in our firm spent a lot of time in managing this key resource. His fundamental belief was, if he can bring the best in us. We can drive the company and he need not interfere in the business direction or even driving the firm. The concept of "leadership through delegation" was followed and this resulted in good success for the company in both retaining the talent and high efficiency delivery. To execute this the four fundamental pillars – Career Planning, Teamwork, Clear Job description and Goal Orientation was put in place and each member of the team had to have this plan by his superior at joining which was reviewed once a quarter. This document became the scale for measuring individual progress and a mentor was assigned to come back with objective analysis of

the same. This resulted in attrition of less than 7% (whereas IT industry average is above 25%) and also high revenue/employee in a span of about 2 years. (Chakradhar Gooty of Talisma Corporation)

- There is a Role of the leader in building work processes, in managing people strategy issues, and organizational emphasis on competing and performing in a complex environment. "The leader should be an all rounder. Around 30% of the time should be spent on people issues ... both at the strategy level as well as at operational level. Leadership at all levels ... not limited to CEO level, at the Project Management, Account Mgmt and even at Project Leader level. Leaders at all levels must participate in validating the various processes, by providing appropriate feedback. That should not be left with Quality groups alone". Leader's emphasizes on building future leaders through mentoring, coaching and teaching, emphasis on teamwork. "Participation of leaders, even at the highest levels, as faculty in the internal Training programs should be mandated. The hours spent should be tracked. Mentoring is assuming greater importance, these days. Each person in the organization should have a mentor. Flexibility should be provided at the senior levels to choose their mentors. Team based incentives should form part of the incentive scheme. (like Best Project award, once in six months). There is a Role of the CEO/leader in enabling organization to restructure and right size. "The timing and the frequency of 'Restructuring' is crucial. The views of all the leaders should be heard, before the CEO finalizes the restructuring. All the associates should be kept informed on the intention and status of the activity, during the transition period. Uncertainty would lead to loss of productive hours.

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The challenge is to implement the difficult decisions. Attempting such an exercise once every 2 – 3 years would be necessary in Hi-Tech industries". There is a Role of the CEO/leader in preparing the organization to change as required. "Communication channels need to be active. Both e-mails as well as group meetings and open houses. All the leaders should be consistent in their messages. (Why change, what the changes are, how the associates would be affected etc.,). The whole process, whenever major changes are involved should not span more than 8

- weeks". Leader's has a role in sponsoring innovation, new ideas, take risks and implementing experiments. "Entrepreneurship is one of the core values at Satyam. In each Business unit, the respective leaders encourage new ideas and innovation all the time. This is required for survival". CEO/leader's has a role in enabling inters dependencies between functions, businesses, technologies and the organization as a whole. "Compete-to-collaborate" is the key. It is not sufficient if one Unit does well. Each Business unit is extremely competent in delivering solutions in one domain or a few Technologies. The customer needs comprehensive solutions, encompassing boundaries. The challenge is to show one face of the organization to the customer. Unity in diversity. This is not limited to business to business collaboration. This would encompass business to support services (like HR, Admin, Networking legal etc.,) as well. Support services also are becoming specialized." (A S Murthy Executive Director, Satyam Computers)

Scenario 8: Role of the CEO in enabling organization to restructure and right size.

- When you really want to transform, create a compelling vision around which
you can mobilize and align people. There are two forces important here. The
first is power, depending on the structure of the company. The second is to
have the people in your organisation aligned around that vision. My
suggestion is that we are never going to win playing the 'catch up' game. The
art or science lies in identifying opportunities in causes that result in
turbulence and create brand new bases for creating shareholder value. ITC
Chairman, Deveshwar)*Ref: Managing change in times of turbulence,
Business Today, Jan 6 2002*

- Leading change is always difficult, turbulence or not. I call it the "challenge
of change". The change that we wanted to bring about in 1997 was to become
more customer-centric and by that I meant something very simple. We were
going to have relationship teams that will deal with the customers. To tell
you the sort of difficulties I had; I spent an hour at every regional office
explaining the change...You have to drill it into everybody's minds that you
want relationships to be articulated and those relationships should be put into
play. So the structural changes are important. When you have mastered that,
you can literally make the organisation to dance to your tunes. (ICICI CMD,
Kamath, *Ref: Managing change in times of turbulence, Business Today, Jan
6 2002)*

PFIZER
- Integration of functions owing to merger
  - Marketing
  - Sales force
  - Distribution function
- Imminent closure/ conversion of the following
  - Redundant depots, plants
  - Displacement of personnel; Nullification of contracts
- Inherent organisation design issues
  - Logistics/ Transportation
  - Internal Audit, Commercial & BD - part of Finance
  - Decentralised distribution
- Potential overstaffing of support functions

PARKE DAVIS
- Integration of functions owing to merger
  - Marketing, sales and distribution
  - CHPD
  - Unionised employees in the sales function
- Imminent closure/ conversion of the following
  - Redundant hubs, plants
  - Redundant wholesalers/ stockists
- Potential overstaffing of support functions
- Inherent organisation design issues
  - Field Force Administration split between CHPD & Pharma
  - Marketing function split between CHPD & Pharma
  - Centralised distribution

IMPLICATIONS
- Structural integration of a large part of the organisation
  - All support functions
  - Overlapping business functions
  - New functions
- Consolidation of resources/ manpower & elimination of redundancies
- Potential for outsourcing

FROM THE MERGER PERSPECTIVE WHAT DOES THIS TRANSLATE TO?
- Develop an organisation structure with a common market focus and business strategy
- Opportunity to bring in best practices from an organisation design point of view
- Opportunity to benchmark with Pfizer Inc experiences in other countries
- Opportunity to reduce costs and increase productivity

Figure: 33 Leadership Influence on the Organization Structure

- We are already witnessing that change in the form of distributive leadership, and not the command-and-control type of leadership that the Tatas were always perceived to have. The future requires more distributed leadership. Business has to be conducted like an orchestra; it cannot be like a soloist playing a violin. It is very difficult to manage an orchestra. It requires a

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change in mindset. The first good thing that has already happened is that the Tatas have got senior people from outside. The human resources function has been recognized as a group function with a separate office. People like Prasad Menon and Homi Khusrokhan have joined Tata Chemicals and Tata Tea respectively. The second stage is getting senior people from overseas. This is already happening, with Dr V. Sumantran joining Tata Engineering from General Motors, Rahul Chowdhury from British Telecom joining Tata Power, and Satish Pradhan from ICI coming to Tata Sons. Design and some by accident have recruited some of these people, but there has been a method to the madness. We are as clear about getting new and younger people as we are about smooth succession planning. Look at Tata Steel, Voltas, Tata Power and Titan. Tata Sons, Director, Gopalakrishnan R

- The biggest challenge a CEO faces is ensuring that high performance team is in place and also ensuring that there is no flab in the system. External market condition force a company to hike/decrease the staff, but the biggest challenge a CEO faced in our firm was to have vision in place and take a beating on the costs at times when sales were down and utilize this team to productively utilize this team. The concept of "bench " in IT services firm looms large and the utilization of the same in company's interest is the key. In fact during a particular downturn, the company had close to about 20% on the bench—the decision was to slash or utilize the team.. It was a very harsh decision on the CEO as all the employees/members in the team were high performers, and just as a matter of bad luck had no project. CEO had 3 options, sack this employees, restructure the teams, Take a cut in salaries across the board and retain them for future, Send the staff on holiday with

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conditional offers for recruitment after 3-month period. However, the CEO keeping in mind the business conditions and also the nature of the high performing team with the HR orientation took a decision let go this team to ensure that the rest of the firm does not bear the brunt. (Chakradhar G of Talisma Corporation)

Scenario 9: Role of the CEO in preparing the organization to change as required.

- I have not seen such a loaded topic for a long time. The telecom and roads sectors have contributed and achieved a fair amount in the turbulent times of the 90s. For instance, we have gone through the emerging markets crisis, the IT bust, and a war. I think we made good progress. We had 7 per cent growth rate for three of the last 10 years. We are among the top two economies in Asia despite all the gloom and doom. We need four things to surge ahead. One, clarity of purpose; two, acceptance of reality-knowledge of what we can and can't do; three, harness knowledge; four, network and dialogue. After 10 years of reforms there is still no clarity. Why don't all the stakeholders, regulators and financiers sit down, have a dialogue, network and find out where they are going wrong? HDFC Chairman, Deepak Parekh, *Ref: Managing change in times of turbulence, Business Today, Jan 6 2002*

- Since the commencement of the liberalization process, India's economic scenario has begun to alter radically. Globalization will not only significantly heighten business risks, but will also compel Indian companies to adopt international norms of transparency and good governance. Equally, in the resultant competitive context, freedom of executive management and its

ability to respond to the dynamics of a fast changing business environment will be the new success factors. ITC's governance policy recognizes the challenge of this new business reality in India. (Yogi Deveshwar – I T C Chairman)

- 'There was a problem with the POY plant at Patalganga and we told the top management that it would be a good idea to get Du Pont in on the problem. Mukesh Ambani thundered back : 'The answer lies within you !' True enough, a few days Later, we had cracked the problem ourselves.' (G.S. SEKHON Senior Vice President (Works))

- 'On one occasion, we wanted to buy a dyeing machine worth Rs 15 Lac in Ahmedabad. I went to Anilbhai for approval. He said: 'If you think I am going to take a decision on this then you must be no good as a manager. You decide! You negotiate!' (S. P. GOMBER. - Vice President, Manufacturing.

- 'My designation is 'Technician-cum-Operator'. I am not just another worker at the spinning unit in Hazier. I am responsible for the output delivered here, not my boss. And my pride shows in my work. My machine delivers an efficiency of 99.56 per cent. We have our own little competition within the floor. The other boys say that if I can get such a high efficiency, why can't they ? That's what sets the Pace here. The result : we have one of the highest spinning efficiencies in the world.' (JAYANTI P. RATHVA- TECHNICIAN CUM OPERATOR, HAZIRA (SPINNING)

- 'Dhirubhai was a changed man after he saw a 50-minute film on polyester at Du Pont. His vision was created. When he came back and told us about it, we laughed behind his back. How could polyester replace cotton in India ? But I think the chairman had figured out early that the country would not be able to grow enough cotton to clothe its people and would have to look at polyester as a mass alternative.'(SURYAKANT SHAH =Vice President, Marketing)

- ' The amazing thing is how Reliance solved the polyester puzzle. Instead of going straight into the production of polyester yarn, which was its focus, it created a market for it to start with – by producing polyester fabric. By branding. By creating a retail chain. Anyone would have thought that Reliance was putting its chips on fabric as a long-term growth strategy. It wasn't. It was merely creating an indirect demand for yarn. It was seeding the market for the yarn that it wanted to make and sell a few years down the road.' (K.R. ANKLESARIA - Vice President, Marketing)

Scenario 10:Leader's role in sponsoring innovation, new ideas, take risks and implementing experiments

- This is primarily achieved through automated systems (reducing manual handling to a minimum), high attention to complaint resolution, online communication and information exchange, quality circles and adoption of program such as "six sigma", and institutionalization of benchmarking and other methods which constantly guide Reliance employees in all their activities.

- Famously fierce battles of Y.C. Deveshwar of ITC with majority-owner B A T PLC have made him a poster boy among professionals who prize the independence of native management.

- Yogi Deveshwar, Chairman of I T C Limited, even imported management gurus Krishna Palepu of Harvard Business School and Mrityunjay Athreya to advise him on how to go about this business of shifting focus. When the grueling eight-to-eight workshop ended yesterday, Palepu and Athreya would have spent four days closeted with the 80-strong ITC brass at Calcutta's Taj Bengal. The workshop has an impressive stated objective: to "identify new, lucrative areas of achieving sustainable competitiveness".

Scenario 11: CEO's role in enabling inters dependencies between functions, businesses, technologies and the organization as a whole.

- They must reflect an extraordinary degree of consumer-knowledge. Operationally, we have plenty of data about the consumer. But we have to go beyond that and develop a true intimacy with her. Alongside that you need technology to surmount the barriers (to usage) at an affordable cost. We have both competencies in spades. (*HLL Chairman, Banga, Ref: Business Today, Jan 7 2000)*

- Over the years, ITC has evolved from a single product company to a multi-business corporation. Its businesses are spread over a wide spectrum, ranging from cigarettes and tobacco to hotels, packaging, paper and paperboards and

international commodities trading. Each of these businesses is vastly different from the others in its type, the state of its evolution and the basic nature of its activity, all of which influence the choice of the form of governance. The challenge of governance for ITC therefore lies in fashioning a model that addresses the uniqueness of each of its businesses and yet strengthens the unity of purpose of the Company as a whole. (Yogi Deveshwar – I T C Chairman)

Scenario 12: The Leader as a person – Vision, values, beliefs and the dream

- Vision, values, beliefs and his dream drive the Leader as a person. The Leader must be able to communicate the shared vision and create a meaningful goal to strive for. I think this is absolutely correct. The Leader must be a visionary, fired up with enthusiasm and able to translate this vision to his team, right from the soldiers in the trenches to the Generals leading the battle. He must dream yet be practical. The vision he communicates must be meaningful and strike a chord with his troops, only then will they really be committed to it. The Leader's emphasizes on the Individual and the Intellect, and a role in building individual and organizational knowledge. I see the Leader as a facilitator. Smart Leaders realize that they can not do everything on their own. The best Leaders hire people who they believe are smarter than them, energize them, empower them and equip them with the tools that they believe are needed for them to achieve superlative performance. The CEO/leader's has a role in emphasizing on culture aspects pertaining to empowerment, delegation, individual contribution, accountability and responsibility. Great Leaders lead by example. They have the power to

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transform organizations and inculcate a culture that is fully supportive of the organizational strategy. For example, the Ritz Carlton has a culture of Service Orientation where each employee, even a cleaner (I am told), is empowered to commit an on the spot refund to a grieved customer. This can only be done if the organization, right from the top, leads by example and not only empowers each employee but actively supports him or her in the quest of this goal. CEO/leader's has a role in actively participating in attracting, retaining and rewarding star talent and performers. While the CEO has a role in this aspect, this is not an activity that a CEO in a large organization will himself spend too much time on. However, most organizations do claim that people are their best asset and to that extent work with HR to put in place compensation policies that not only attract but also retain their best performers. The Leader has a role in helping the organization retain an open mind to an unknown environment. The Leader is supposed to have the vision to look ahead, to constantly scan the environment, not only for blue skies but also for dark clouds. Great industries (like the Steel industry in the US) have perished simply because they failed to keep track of changes in the Business environment. In these times of rapid change, the one thing that will distinguish the dynamos from the dinosaurs is a forward-looking approach and nimble-footed responses. (Dhiraj Lal, Citibank N A, Vice President and Area Audit Head)

- There has to be recognition that speed is important. In the past, we tended to act after a lot of research. That's fine. But often, it's better to go to the market when an idea is 90 per cent born and do the rest of the learning in the market.

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That's a quicker and a surer way to get there rather than trying to aim for total

perfection.' (HLL Chairman, Banga, *M S*)

- It is ITC's belief that creation of shareholder value provides the only basis for

  sustainable contribution to the superordinate goal of creating national value."

  (Chairman Y C Deveshwar, ITC Limited)

- 'Dhirubhai's vision was amazing. In 1970, we were discussing something and

  he told me: 'Kishore, aa Tata-Birla kaun chhey taney khabar chhey? Aaprey

  ena thi aagar wadhwaanu chhey ek divas. (Do you know who the Tatas and

  the Birlas are? We have to get past them one day)' (KISHORE DOSHI

  Vice President, Manufacturing)

- 'If Reliance bets on the right people, it will always remain a company of

  entrepreneurs.'(D Ambani Chairman)

- 'I can recall an instance when a peon's daughter was ill and he needed Rs

  25000 for her treatment. There were no requisitions made to the Head Office.

  The branch manager drew out the cash and gave it to him. The peon was told

  two things: 'there is no need to repay the money. And if you think that the

  money is inadequate, you have only to let us know." (YOGESH DESAI

  President Corporate Development)

- 'The son-in-law and daughter of someone who works at Reliance died in

  Bahrain. The Reliance man didn't have a passport. The Delhi office got

involved in getting his documents in order within a day. The Bombay office got involved on the ticketing front. The top management made arrangements in Bahrain for the handing over of the bodies. When the Reliance employee reached Bahrain, the vice-consul was there at the airport to receive him. It appeared that the entire company from the Ambanis down wards had got involved. Everyone cared.' (TONY JESUDASAN, Senior Executive Vice President)

- 'I was working in the corporate communications department in Delhi and had gone to Bombay for some work. While I was there I happened to casually remark whether it might be possible for me to see the chairman since I had never done so. Obviously I had no work with him. The person I mentioned this to called the chairman's office and within ten minutes I was being ushered into the chairman's office. He had tea with me and for 20 minutes spoke to me about whether I was enjoying working at the company and whether I was being looked after well. He was extremely courteous and humble. It was clearly the most unforgettable experience of my life.' (POOJA NAIR, Executive, Corporate Communication Services)

Scenario 13: The Leader's emphasis on the Individual and the Intellect, and a role in building individual and organizational knowledge

- Leadership is split into two broad levels – operational and the macro – there is a distinction in the challenges that are emerging. And the employees need to be agile to this changing scene so as to continue to achieve the objectives. At the operational level, the leadership challenges for someone working in a

rural area are radically different from someone working in the cities. Given the hardy lifestyle of those working in fields, a tough and energetic executive is required to handle the challenges of the job. He has to be action-oriented and capable of thinking on his feet. The executive must be able to motivate people by emphasizing that they are making a major difference to someone else. This is a huge motivating factor. He needs to take critical decisions without the help of the organizational core. If he is selecting a local representative, it is he who has to take that decision – one that cannot be reversed easily in a small, tightly knit community. There is no template as in the cities, where there are clear criteria for, say, distributor selection. There is no emotional security of working in large teams and being among peers. He is connected only through technology. So he has to have a great deal of self-driven inner energy. Moreover, he should be able to work with various socio-economic groups, get ideas from them and work seamlessly. As one goes higher, at a strategic level, the leadership challenges start with identifying this operational talent. How does one identify it? Operational talent requirements for rural India are different from that in urban markets and have to be nurtured for the long term. Then, the leader has to have the passionate vision that will take his people along with him; to convince them that they are making a difference is a challenging job. The leader must be able to network with other organisations like NGOs, for instance, that may be non-profit but could be tackling cultural issues that result in an appropriate value exchange. (*ITC Chairman, Deveshwar*, Ref: Collaboration works, Business World, April 2002)

- Reliance believes that constant training and development, and continuous learning, is necessary for ensuring retention of the best talent, besides providing Reliance with a sustainable platform for growth in the business environment. Training program has been devised to develop cross-functional skills. The objective is to provide Reliance's people with an opportunity to address areas, not immediately relevant to their job profile, but important from the perspective of all-round development. During the year, 336 training program covering over 5,000 employees were conducted.

- The India 250 set will comprise 250 significant relationships. Once again, these would comprise existing as well as target clients. This grouping will include clients / targets originating from our industry programs, specific service line initiatives, G1000 companies, and other significant relationships. The intention is to target for 80 percent of our fees to come from these two client groupings. We need to have a clear go-to-market strategy in respect of all of these clients, to ensure that our efforts are focussed and we derive enhanced leverage from such efforts. We will focus our efforts on the remainder of our clients with a view to exiting relationships if they are not rigorously on strategy or make limited contributions to our profitability. We are also reviewing the roles of partners. We are proposing that a relatively limited number of partners be assigned responsibility for our key account program. Our current thinking is for each key account partner to be responsible for around 3 key account relationships. Other partners in the targeting, conversion and execution efforts will support these partners. To make this process work, key account partners will need to be relieved from a number of their other client responsibilities. We will also need to ensure that

for the key accounts, the Firm across all its solution segments will be prompt in responding to the needs of the key account partners. All of this will require realignment of responsibilities and it is possible that we may need to work out appropriate transition stages taking us to where we want to be. However, the intention is for the key account program to be meaningful and impactful in the short term, and transition efforts will need to be calibrated accordingly. Other partners will have a combination of India 250 clients and other clients. We also want to involve our senior managers more significantly in the client relationship management process, and the proposal we are considering is for identified senior managers to be effectively given job partner responsibility for a number of clients. This will help us free partner time so that it can be directed where we can secure better impact, and at the same time provide us with a better opportunity to assess the partnership potential of the senior managers. We need to put in place appropriate MIS and other process to better institutionalize our efforts around this client program. This is work in progress and I will share some of the proposals as they get better defined. We then considered initiatives that we needed to take if we are to wield greater influence in the business community. These will need to involve a combination of strategic marketing initiatives, as well as other efforts that will allow us to assume thought leadership positions. Once again, this is work in progress. We need to ensure that all the work that we do is reasonably aligned with the global strategy formulation efforts that are currently underway. The global efforts are expected to be largely completed, at least in relation to most key directional aspects and many detailed aspects, by the time that the partners meeting is scheduled in New Orleans. Nothing that we are considering presently appears to be inconsistent with what is

being contemplated globally, and this is something that we will keep checking as and when more information on the global strategy is available. At the conclusion of our discussions, we debated on what we needed to do to make our partnership more effective. Throughout the discussions, we debated on whether the proposals that were being considered were different from those considered in the past, and what we needed to do to ensure that these were successful going forward. We identified areas where we need to improve our processes, and we will work to address these areas. We need clarity of vision and strategy, we need clarity on roles and responsibilities, we need clarity on expectations. We need an efficient Organisational framework to support our efforts. But beyond all of this, we will need discipline in working to a plan and in ruthlessly executing our strategy. (Reference Andersen Leadership Note)

• Reliance Industries, with a profit per employee of $39,034.6, has recorded the highest per employee profit among the chemical companies of Asia. These findings appear in the special issue of Asia week magazine, which ranks Asia's 1000 largest companies. The Asia week 1000 is an annual study which ranks the largest companies in Asia in terms of sales, net profits, assets, equity, market capitalization and other factors. (*Asia week, November 200)1*

Scenario 14: The CEO's role in emphasizing on culture aspects pertaining to empowerment, delegation, individual contribution, accountability and responsibility.

- Going forward, our challenge will be to continue innovating to improve market shares and maintain our competitive edge. In this endeavor, we will continue to benchmark with global best practices to ensure optimum utilization of our resources and the finest exposure to our work force. The speed with which we have been able to transform our organization and successfully start so many new businesses is almost singularly owing to the skills, enterprise and the depth of our human resources. We are committed to enriching this valuable resource which in turn, will allow us to bring innovative practices to the world of financial services in India. With technology playing the key role. My vision is to develop ICICI into an organization that is empowered by bright and talented individuals, working in teams and riding on the backbone of world class technology. We are getting there. And we look forward to you joining us in this journey. (*ICICI CMD Kamath*)

- Human capital is an appreciating asset at Reliance. Reliance's employee skill is its competitive muscle. Their skills differentiate Reliance from its competitors whether it be through the speedier implementation of a project, or in its implementation at a cost which is significantly lower than that of competition, or in the ability to extract more out of capital equipment, even when it ages. These skills are germinated in the Reliance culture. This culture is fostered in a high degree of informality. The organisation is networked. Designations are subservient to the task. Communication is Brownian - it

moves in all directions. The other side of the coin is management discipline. A tight scrutiny of ongoing processes. Detail. Learning. Uncompromising standards of risk management. Targets. (Reliance Industries)

Scenario 15: CEO's role in actively participating in attracting, retaining and rewarding star talent and performers.

- The quality of ICICI's workforce and their dynamism has been a key factor in our success. I firmly believe that, we have assembled one of the finest professional teams in any organization or industry; a team that, through its dedication and diligence, has continuously surpassed set goals, led by a senior team of leaders who have translated their business acumen and insights into tangible results for both our clients and shareholders. Against this backdrop, the recognition and various awards received by ICICI for excellence in human resource management were truly rewarding. In a clear testimony to ICICI's value proposition for aspiring professionals, we continue to attract the best professionals from the industry, as well as India's premier business institutes and other educational institutions, who choose ICICI in preference to competing opportunities at higher pay scales for the thrill of working in the most exciting financial services company in India. (*ICICI CMD, Kamath)*

- Reliance is a relatively young company. The average age of employee in the organisation is just 36 years. While wisdom comes from the top, decision making is pushed down below. More importantly, people at Reliance have been drawn from diverse academic backgrounds - but with the fire and

enthusiasm to take on increase - kingly bigger challenges. There is a continuing emphasis on inducting fresh talent. During the year 1997-98, as many as 216 fresh graduate engineer trainees were inducted into Reliance. (V V Bhat – Group President HRM – Reliance)

Scenario 16: The Leader's role in helping the organization retains an open mind to an unknown environment.

- We believe in quality and delivery. To make the transformation effective, Zenzar expects to create a distinctive culture that enables members to deliver the maximum organizational value in the shortest possible time. A culture where performance is more important than designations. Where performance is driven through the intellectual capital that members bring to the collective table. Where performance is measured against targets. A culture where performance continues to be facilitated by informality. Where you do not need to wear ties to office. Where you do not need white hair to be heard. Where doors close only if you have left for the day and where work can be fun and fun can be work at the same time. And more importantly, a culture where performance is encouraged not only on the basis of what has been achieved but also on the basis of number of mistakes made through prudent risk taking in the honest pursuit of organizational goals. (Ganesh Natarajan, Vice Chairman and M D Zenzar Technologies).

- We are fast moving to globalization. The second one is the anticipatory change that you can bring. Another is the aspiration change through alignment of all your participants. One core competence required among the top leaders is transformational leadership. Because it is not going to be

change as usual. One of the basic things in any organisation is to have something super-ordinate. Commercial organisations are economic organs of the society. You have to subordinate shareholder value to societal values. Dignity of a human being is fundamentally important. Leadership is what makes the below average person to rise and contribute to a societal change. (ITC Chairman, Deveshwar, *Ref: Managing change in times of turbulence, Business Today, Jan 6 2002)*

Summary: The entire questionnaire contained 8 parts **(Part A to Part H)** involving, culture, organizational models, leadership and comparisons were attempted as they relate or not to each other. It primarily included a combination of formatted questions, simple propositions as well as open-ended planned interview (checklist approach) to enable the researcher to obtain details and the CEO perspective as they were responding to the questionnaire. To provide for obtaining as much of a CEO/Leader perspective scenarios, hypothesis driven questions were also asked to gain a better appreciation of the CEO assumptions to enable correlating findings for research purposes. This was effectively accomplished.

Figure 34 Connecting leadership Styles to Culture and Organization and Management Models

	Organization Model	Leadership Style	Manifested Culture
Sample Company			
Consulting Company	The Competing Organizat	Visionary	Executive
			Operator
			Engineering
			Evolving
Education Company	The Institutional Organiza	Builder	Operator
			Engineering
			Evolving
Financial Services Compa	The Human Organization	People Strategist	Executive
			Operator
Diversified Company	The Institutional Irganizati	Builder	Operator
			Engineering
			Evolving
Intellectual Company	The Learning Organizatio	Teacher	Executive
			Engineering
Technology Company	The Learning Organizatio	Teacher	Executive
			Engineering

Effectively forced rank comparisons from each part of Parts A to E together with the research conducted by the researcher, broadly indicates the following:

- A Visionary Leader in a Competing Organization influences an evolving culture predominantly.

- A Driver in a Performing Organization influences an evolving culture.

- A Teacher in a Learning Organization influences an Executive Culture predominantly.

- A Scientist or a Technocrat in a mechanistic organization influences an Operator Culture.

- A People Strategist in an Institution influences an Engineering Culture predominantly.

- A Teacher in a Human Organization influences an Engineering Culture.

- A Manager in a Voluntary Organization influences an Operator culture predominantly.

- A Builder in an Institution influences an Operator and a Evolving Culture.

Although the above mentioned is not expected to be proven as a part of this research the researcher was intrigued to notice many similarities with the ranking patterns as well as the responses that emerged from the CEO's. It is also important to understand that each if the three aspects pertaining to Culture, leadership and organizational model appears to overlap each other and the exact trigger of what primarily influences another would be desirable to be studied. For the moment that leadership styles in an organizational context influences culture to a degree has been attempted. This was possible through content analysis of the planned interview, studying the organization case and the CEO's responses. It could equally be valid to see if a leadership style in a particular culture creates what type of an organizational model. Or what type of organizational model (s) in a particular type of culture(s) creates specific leadership style(s).

Figure 35 Sample organizational and management model as they integrate with culture and leadership.

CULTURE	CULTURE	CULTURE	CULTURE	CULTURE
ORGANIZATION TYPES				
	Executive	Operator	Engineering	Evolving
Human Organization		People Strategist		The Builder
Learning Organization			The Teacher	People Strategist
Institutional Organization		The Builder	People Strategist	
Competing Organization			The Visionary	
LEADERSHIP STYLES	LEADERSHIP	LEADERSHIP	LEADERSHIP	LEADERSHIP

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Section 3: Content Analysis Findings

Further to an analysis of the organizations studied and findings arrived in the last section connecting leadership to culture and organizational and management models some select findings and learning based on the Scenario Analysis, Leadership Hypothesis data generated from respondents, including material obtained from primary and secondary survey feedback data.

Role of leadership in culture creation and influence in the company – Some findings to support influence of leadership to organizational culture is discussed below.

Various theoretical and practical aspects of leadership are available in literature. The classic research studies on leadership set the stage for the theoretical development of leadership. The trait theories concentrate on the leaders themselves but, with the possible exception of intelligence and empathy/interpersonal sensitivity and self-confidence, really do not come up with any agreed upon traits of leaders. In recent times the trait approach has surfaced in terms of managerial skills and abilities identified for selection and training/ development purpose.

Historical contributions to the study of organizational behavior had indirect or direct implications for leadership style. For example, the Hawthorne studies were interpreted in terms of their implications for supervisory style. Also relevant is the classic work done by Douglas Mc Gregor, in which his Theory X represents the old, authoritarian style of leadership and his Theory Y represents the enlightened, humanistic style. And indeed the Theory Z focused on participate management. The studies discussed are directly concerned with style. The Iowa studies analyzed the impact of autocratic, democratic and laissez faire styles, and the studies conducted by the Michigan group found the employee-centered supervisor to be more effective than the production-centered supervisor. The Ohio State studies identified consideration (a supportive

type of style) and initiating structure (a directive type of style) as being the major functions of leadership. The trait, group and social learning theories have indirect implications for style, and the human relations and task directed styles play an important role in Fiedler's contingency theory. The path-goal conceptualization depends heavily upon directive, supportive, participate and achievement oriented styles of leadership.

- Another major player in the field was Richard Beckhard. In his 1969 book he described "several assumptions about the nature and functioning of organizations" held by OD practitioners. Here is his list.

- The basic building blocks of an organization are groups (teams). Therefore, the basic units of change are groups, not individuals.

- An always-relevant change goal is the reduction of inappropriate competition between parts of the organization and the development of a more collaborative condition.

- Decision making in healthy organization is located where the information sources are, rather than in a particular role or level of hierarchy.

- Organizations, sub units of organization, and individuals continuously manage their affairs against goals. Controls are interim measurements, not the basis of managerial strategy.

- One goal of a healthy organization is to develop generally open communication, mutual trust, and confidence between and across levels.

- "People support what they help create." People affected by a change must be allowed active participation and a sense of ownership in the planning and conduct of the change.

- Robert Tannenbaum, professor at UCLA, and Sheldon Davis, director of organization development at TRW Systems, presented their view of OD values in a 1969 article. They asserted that an important shift in values was occurring and that this shift signaled a more appropriate and accurate view of people in organizations.

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They listed these *values in transition* as follows:

- Away from a view of people as essentially bad toward view of people as basically good.

- Away from avoidance of negative evaluation of individuals toward confirming them as human beings.

- Away from a view of individuals as fixed, toward seeing them as being in process.

- Away from resisting and fearing individual differences toward accepting and utilizing them.

- Away from utilizing an individual primarily with reference to his or her job description toward viewing an individual as a whole person.

- Away from walling off the expression of feelings toward making possible both appropriate expression and effective use.

- Away from marksmanship and game playing toward authentic behavior.

- Away from use of status for maintaining power and personal prestige toward use of status for organizationally relevant purposes.

- Away from distrusting people toward trusting them.

- Away from avoiding facing others with relevant data toward making appropriate confrontation.

- Away from avoidance of risk taking toward willingness to risk.

- Away from a view of process work as being unproductive effort toward seeing it as essential to effective task accomplishment.

- Away from a primary emphasis on competition toward a much greater emphasis on collaboration.

For ease of presentation, the styles listed may be substituted for the expressions "boss-centered" and "subordinate-centered" used by Tannenbaum and Schmidt in their classic leadership continuum. The verbal descriptions and the relationship between authority and freedom give a rough representation of characteristics of the various styles of leadership. One thing is certain: leadership style can make a difference. For example, a recent survey found that senior executives view their companies' leadership styles as pragmatic rather than conceptual and conservative rather than risk taking. Importantly, these same executives felt that to meet their current and future challenges, the styles should be the other way around.

Is there an IDEAL Organizational and Management Model?

An ideal organisation to be one where a person's promotion is unpredictable and depends largely on his own good performance. And where a person can see exactly how his career will progress after certain periods of time, that regards special benefits, such as attractive bonuses, free pension schemes and a company car, as the prime incentives to remain in the job. That concentrates on tempting new employees with interesting work although it is not able to pay as much as other organisations providing less interesting work and where it is emphasized that the 'job comes first', therefore after work pleasure should take secondary importance. And where it is very difficult to carry on work over a weekend period should someone so desire. Where the few changes in tasks that occur allow people to perform one type of work with considerable care and proficiency. And where there is constant pressure to complete a task well in a short period of time and to then become involved with another task. And where there is a general attitude that, even if the working conditions are very poor, much can be compensated by interesting work. Where little that is

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favorable can be said about the work, itself but where the attitude of management towards its employees' welfare is first class. That gives people jobs that can very likely be done well. That gives people work which is not so difficult that they would, have to rely on luck to do a good job nor so easy that they are bound to succeed. Where it is expected that leisure time will be sacrificed if work pressure is great. Or where it is felt that working late is undesirable because eventually strain will be experienced in normal working hours. That believes that if a person concentrates primarily on working in a warm, close fashion with his co-workers, good work must follow. That regards the successful completion of an employee's assignment as more important than the feelings of that person's co-workers. That expects individuals to help the organisation by fulfilling their own personal goals. That expects its employees to strongly identify with the organisation rather than think of themselves as individuals apart. Where good working companions and generous holidays are provided to make up for the tedious nature of the work. Where there is more concern with employees' satisfaction with the actual work that they do than with their general conditions of work. Where each employee is solely responsible for most of the work that he performs and where several people are always responsible for, and take the credit for, a particular piece of work. Would your ideal boss be someone, who gives his employees work that they feel sure of doing well without too much effort or who gives people work requiring quite a lot of struggling to matter. And who insist on finding out how worthwhile his employees see their work but neglects looking into the enjoyment that they get from their work? Who regards the pleasure that his employees get from their work as more important than the actual worth while ness of the work. Is he some one who emphasizes the importance of the work group's responsibility for its decisions rather than particular individuals in the group taking the responsibility? Who relies on a particularly efficient individual in a work group to control the group's activities and who expects to be consulted only for very exceptional work problems. Who encourages employees to follow set procedures in their work. Who attempts to provide attractive work for his employees even if it is not of great value to them. Who would not give people work

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that they could view as of little value even though it may not be highly attractive to them? Who gives his employees general guidelines on which to base there own decision about how to proceed with their work. Who gives clear, very comprehensive instructions on how employees should carry out their work. Who finds that for group morale it is better to try to preserve good co-worker relationships that may be spoiled by letting people keep working at a task to their own satisfaction. Who feels that a certain degree of bad feeling amongst employees is worth tolerating if they are very much involved with their work? Who looks for future employees who will be able to work independently of others. Who looks for future employees who will primarily be good at getting on well with other employees? Who would rather employees consulted him with work difficulties than struggle with them themselves. Who will not interfere with work for which employees have responsibility. Who expects an individual's work rate to remain relatively uninfluenced by his colleagues? Who relies on the group as a whole to produce a given amount of work, expecting the group to influence an individual's quantity of work done? Who views good employee relations as being most important and incompatible with competitiveness? Who insists on individuals trying to achieve a better performance rating than their co-workers. Who gives employees work where they need to write fairly detailed arguments about problems solutions? Who gives employees work that involves very little written reporting or problem discussions? Who feels that working late should be avoided. Who encourages working late in order to meet a deadline.

In the course of the research owing to availability of substantive material on sample companies, their leaders, management styles and broad understanding of their cultures it was possible to obtain some findings in addition to what has been listed before. Content Analysis based on data generated through all of the above mentioned methods, including, scenario analysis, survey feedback and process observation checklist, cases and propositions, forced ranking instruments, secondary research and open ended discussions

1. Finding 1

1. How do Leaders Impact Organizational Cultures?

Culture Beginnings and the Impact of Founders as Leaders spring from *three* sources:

- Core family philosophy, upbringing, experience, beliefs, values, and assumptions of founders

- Experimentation and consequent learning experiences of group members.

- New beliefs, values, and changing assumptions brought by new members

- Leaders have a point of view and articulate this point of view thorough periodic intervals and at varying locations and groups of people.

- Leaders choose to impact culture conscious of their influence.

The process of culture formation is the process of creating a small group:

- Single person (founder) has idea

- Founder brings in one or more people and creates core group. They share vision and believe in the risk. founding group acts in concert, raises money, work space

- Others are brought in and a history is begun.

- They influence as they learn, experiment and implement

> **Founders/Leaders embed and transmit culture by making** assumptions that are "taught" to the group. They make out things tried out are leader-imposed teaching and leaders get their ideas implemented through Socialization, Charisma and by acting, by doing, exuding confidence. Do you expect your people to respond to a given situation the same way you would? Even if you say," Of

course not," don't be sure. Most of us can't help projecting our own attitudes and approaches on others. Even if you say successfully crawled into another person's head, you have to be constantly on guard against projecting your own ideas onto that person's decision or solution to a problem. Fortunately, if an employee's decision concern the organization's commitment, competence, or consistency, a strong corporate culture will narrow the range of acceptable courses of action, but many decisions do not concern cultural factors. Some executives push so hard for conformance to a culture model that they thwart innovative, independent thinking, creating "yes" people instead. Such people do not support strong cultures. To remove this block, you must avoid projecting your own skills or styles when you evaluate employees' action. Detach yourself and rely on the tenets of your organization's culture rather than letting your biases determine your judgment.

2. Finding 2

2. What are the Culture-Embedding Mechanisms in the context of leadership?

Primary Embedding Mechanisms

- What leaders pay attention to, measure, and control on a regular basis
- Leaders influence values and ethics
- Leaders reaction to critical incidents and organizational crises
- Leaders allocate scarce resources based on their own observed criteria
- Leaders deliberately role model, teach, and coach

- Leaders allocate rewards and status

- Leaders recruit, select, promote, retire, and excommunicate organizational members

- They Communicates major beliefs

- What is noticed and consequent comments made casual questions and remarks becomes powerful if leader sees it and is consistent

- Consistency more important than intensity of attention

- Attention on questions that leaders ask

- Attention to agendas for meetings set emotional reactions.

- Important what they do not react to.

Example: CLUB MEMBERSHIP

ACP Praveen Kumar recently came to know that his colleague Uttam Singh was once accused of accepting Rs.10000/- bribe - the case was never proved against him. On day to satisfy his own curiosity, Praveen asked Uttam about the incident. Uttam considering Praveen as a friend confessed that he had actually taken the bribe. But he explained that he had to take such a step because he needed considerable amount of money for his mother's treatment. Praveen was shocked. He had high regard for Uttam's integrity. He told Uttam "I would not have done this if I were you." Uttam did not react to this. He pointed at an envelope lying on the table which Praveen had received this morning from a politician and asked, "What is inside that envelope?" Praveen sensing what Uttam had in mind laughed and opened the envelope to show Uttam a Club Membership. Praveen said, " It's only a club membership - not money". Uttam still unfazed asks Praveen "Did you know that a Club Membership is worth Rs 15000/- today. Praveen was quiet.

3. Finding 3

3. What are the leader Reactions to Critical Incidents and Organizational Crises?

- Leaders see crisis as an organizational reality. They believe and hope that they have visualized possible scenarios leading to a crisis and would avoid it.

- Crises is an important factor in culture creation

- They handle pressure and believe are competent and confident of handling a crisis.

- They are sure of themselves, at least give an impression of being so.

- Creates new norms, values, working procedures, reveals important underlying assumptions

- Crisis heighten anxiety, which motivates new learning

- A crisis is what is perceived to be a crisis, and as defined by leader

- Crisis about leader, insubordination, tests leader

Example: TO BE OR NOT TO BE

Navin Kumar was accepting a VRS from his company after 20 years of service. He was getting a large sum of money in this deal. But this also would mean that he would not have a job. Ashok his son was appearing for his Std XII exams and is keen to pursue an engineering course after his schooling. His elder daughter, Nalini is of marriageable age. They have just seen a very good groom for her. His wife Shantabai, a housewife is a patient of Asthma. Should he communicate his decision to his family now?

4. Finding 4

4. What deliberate Role Modeling, Teaching, Mentoring and coaching activities do Leaders perform?

- Personal behavior communicates assumptions and values to others.

- Teaching through workshops

- Coaches in learning implicit knowledge

- Leaders are not shy of show casing themselves as an appropriate role model

- Leaders believe that they need to be extroverts in their leader behavior and should demonstrate what they believe in by practicing it

- Leaders do not indicate concern for people at the cost of performance, while they still like to spend a significant amount of time with people or on people driven issues, challenges, problems and concerns

- Leaders like to show they have something to tell and teach their people. They formally participate in seminars, training programs and communication meetings to share what they know and tech it if required.

- Leaders find enough time to coach high performing people.

5. Finding 5

5. What are the Secondary Articulation and Reinforcement Mechanisms of cultures in young organization design, structure, architecture and goals of an organization are visible?

- Rituals, stories, and formal statements cultural re-enforcers, not culture creators.

- On organizational stability these become primary and constrain future leaders.

- These are cultural artifacts that are highly visible but hard to interpret.

- When organization is in developmental stage, the leader is driving force. In maturity stage, these will become the driving forces for next generation.

- Leaders determine organization design and structure

- Leaders influence organizational systems and procedures

- Leaders partake in organizational rites and rituals

- Leaders actively involve themselves in design of physical space, facades, and buildings

- Leaders tell their own stories, legends, and myths about people and events

- Leaders make formal statements of organizational philosophy, values, and creed.

6. Finding 6

6. How do leaders influence Organization Design and Structure?

- Leaders influence structure, roles and responsibilities, many a time decide themselves for their top management

- Organizing organization brings leader's passion than logic

- They worry more on critical jobs and critical players

- How stable structure should be or variable

  - Some stick to original setup

- Some constantly rework on the same structures hoping to find performance solutions

- Leaders give up good theory for good practice.

- Structure and design reinforces leader assumptions.

- Leaders seek comfort in clarity and avoid ambiguity in defined structures, roles and responsibilities

- Leaders drive performance by pre determined key performance indicators and implement them through structures

- Leaders ask for flexibility and multi tasking while they demand performance but seek specialist expertise when they ask for advice.

7. Finding 7

7. What Organizational Systems and Procedures do leaders depend upon to influence cultures and organizational models?

- Leaders ask for performance through formal budgetary, planning and monitoring systems

- Leaders influence organizational systems like appraisals, reward programs, feedback and review etc

- Some leaders are happy to manage their organization by establishing processes and systems that controls the organizational destiny, figuratively speaking

- Formal leaders believe in systems to replace dynamic decision making

- Some leaders prefer a mechanistic organization that provides confidence and comfort to systems and processes and consequently streamlined methods and activities.

- They make visible parts of life in organization: daily, weekly, monthly, quarterly, and annually.

- They formalize the process of "paying attention."

- They provide consistency when they choose to and,

- Their inconsistency allows for subcultures

8. Finding 8

8. Do Rites and Rituals actually happen in Organizations and do members believe in them?

- Rites and rituals happen although many deny that traditions are an important part of their culture

- Some unknown actions of organizations tend to be spoken internally as rituals, a rose garden party, founder's day.

- Many leaders seek to project a new outlook from their predecessors

- Visible respect to seniors is still a reality in many organizations

- Leaders find influencing or changing rituals more difficult than other aspects of culture comparatively speaking

- Central in deciphering as well as communicating the cultural assumptions

- They articulate stories as powerful re-enforcers

Example: CHAIR OF CONTENSION

Weft Singh was a Textile Engineer from a reputed institute in the country. He was a very intelligent and hardworking person. He had several good ideas about effective handling of employees at the shop floor level. Every morning Warp Bahadur the Dept. Head scheduled a meeting with all his direct reports at the Conference room. They used to sit together and thrash out several shop floors related issues. Weft Singh was very much impressed by the working style of Warp Bahadur. After one such meeting, Weft Singh went into Warp Bahadur's

office for the first time, to clear certain issues, which he had in mind. Weft Singh after knocking on the door came inside the office and pulled a chair to sit down. He then started to discuss his issues with Warp Bahadur. Weft Singh while discussing felt a perceptible difference in Warp Bahadur's behavior towards him, but he could not figure out what was wrong. After an unpleasant meeting he came out and narrated this incident to a fellow colleague who was 20 years in the system. The colleague after listening to the story remarked " You should not have pulled the chair and sat down. Mr. Warp Bahadur does not like his subordinates to sit in front of him. He considers it as an insult" Weft Singh was astonished.

9. Finding 9

9. Does Design of Physical Space, Facades, buildings, and infrastructure including technological infrastructure influence culture and organizational models?

- CEO's see it as an inevitable reality, many try to discourage it only after they have become CEO's.

- Visible features are important to members, although many organizations actively attempt to dissuade its importance

- Symbolic differences in office layout and infrastructure is made

- It conveys a philosophy of the management to differentiate hierarchy

- Dress code has become another signal of difference

- Technology and internet connectivity have gained status signals

- Place of work, office décor, interiors, façade to the client and customer interaction location have made an impact on organizational identity and CEO's mind space

Example: THE LUNCH TABLE

Ram is a market support executive at Dodo Engineering Limited, which employed a total of 1400 employees. Dodo Limited has a common canteen for all employees ranging from the managing director to the peons. The canteen serves lunch between 11:00 a.m. and 2:00 p.m. to cater to be able to cater to everyone who comes to work during the day hours. Ram usually arrives for lunch at 1:30 p.m. along with the other colleagues from marketing, materials and various manufacturing sections. On January 24th, he has an important meeting with his department head at 1:00 p.m. which is likely to last till the end of the day. He arrives for lunch at 12:00 noon and finds that operatives have occupied all tables but there is space for at least one person to sit at a few tables. Ram returns without eating.

10. Finding 10

10. How do Stories, sagas about Important Events and People impact organizational culture and leadership?

- Stories about important people makes way for others to learn from their experience

- Stories of sacrifices mean more to people than successes

- Failure stories are not popular and are not encouraged in many cultures

- That stories happen, exist and continue to be spoken of is very real

- As history develops, stories evolve.

- Stories reinforce assumptions.

- Leaders can't control stories about themselves.

- Using stories to decipher org has its problems: Validity.

- Organizational events make way for story telling time

- There is a thin line between gossip and stories and over time this difference tends to get blurred

- There does not appear to be a formal process to capture and tell stories in an organization

Example: CREATIVE DESIGN INC.

Creative Design Inc. - one of the leading customers of the Textile Industry, sent a representative to "Sukun Mills". The representative was supposed to meet the Vice President Marketing, who unfortunately was called for an important meeting and could not keep his appointment. Since the representative had already come to the office, the Marketing executive explained to him the situation and apologized on behalf of his VP. He also showed him around the factory and the different products of the company that are being manufactured. This representative in his course of duty also had a meeting with the Vice President Marketing of "Badnam Mills" the very next day. The VP was inside his cabin and asked the representative to wait for some time. Time elapsed and the representative waited for around an hour. The second time when he enquired about the meeting, the secretary informed him that the VP is very busy today and would not be able to meet him today and rescheduled the meeting for the next

day. Next day they met each other. The representative went back to office and submitted his report to the Management Committee. "Sukun Mills" got the order.

11. Finding 11

11. What formal statements of Organizational Philosophy, Creeds, and Charters exist in the organization and dothe leaders influence much of it?

- Leaders are aware that they have to speak of history and values

- Leaders know the merit in articulating vision

- Leaders consciously reinforce HRM thinking to demonstrate his/her concern for people

- Many leaders break hierarchies to connect with people to gain personal credibility and popularity

- Leaders make position statements when they believe that they need, sometime there could be a time lag between expectation and leader behavior

- Leaders speak their mind in regard to organizational soft issues

- Formal statements like mission statement, code of ethics etc. only highlight a small portion of the assumptions

- Picture for public consumption is a reality although internal truths may be different

- Not a complete definition of the organization yet made to make a point.

12. Finding 12

12. How have Cultures specifically impacted the CEO's leadership style in the context of an organizational model? Are things changing?

- Making the work environment invigorating and challenging

- Culture implies the presence of an approach that is understood, accepted and identified by people.

- Employees will have more flexible work arrangements

- Work hours scheduling will become less important as organizations focus on performance and results

- Intelligence through knowledge transfer capability will separate the best employees from the rest

- Policies are tuned to needs, company facilities will become "virtual" through work-at-home, telecommuting and outsourcing, the work week will be less structured- employees will still work 40-plus hours, but at varied times and places other than the office and formal rules and policies that will lead to greater portability of health, welfare and retirement benefits.

- Free-lance teams of generic problem solvers will market themselves as alternatives to permanent workers or temporary workers would promote collaborative cultures will be the workplace model Society and some degree of materialistic and narcissist values may become prevalent

- Customers will expect individual customization of products and services

- Family and life interests will play a more prevalent role in people's lives and a greater factor in people's choices about work

- Families will return to the center of society and community involvement and social responsibility will become part of an organization's business vision, in fact *cocooning* will become more popular as workers look to their homes for refuge from the pressures of competitive work place and depersonalized society

- Companies will take on responsibility for elder care, long term care and other social needs through cafeteria-style benefits programs

Physicians and behavioral scientists and, more recently have long recognized the powerful influence of one person's expectations on another's behavior, by teachers. But heretofore the importance of managerial expectations for individual and group performances has not been widely understood. I have documented the phenomenon in a number of case studies prepared during the past decade for major industrial concerns. These cases and other evidence available from scientific research now reveal:

What a manager expects of his members and that the way he treats them largely determine their performance and career progress. A unique characteristic of superior managers is their ability to create high performance expectations that his/her team fulfill. Less effective managers fail to develop similar expectations, and, as a consequence, the productivity of their people suffers and colleagues, more often than not, appear to do what they believe they are expected to do.

Section 4: Case Analysis

Mapping Leadership to Cultures and Organization and Management Models

This section focuses on detailed case studies and a select list of 14 primary research based and another 8 secondary research based case studies have been articulated to demonstrate the connection between leadership style, culture and the organizational and management model that exists in the said company. The data provided in this section is confidential to the company in particular and has been provided here for the purpose of research only. Usage of the material in another context would need the consent of the respective companies please. The case studies were constructed from the following data sources:

1. Survey Feedback and Planned Interview Method – A detailed instrument was constructed to act as ready reference for the researcher with elaborate concepts, definitions and approaches to various aspects pertaining to this thesis. This being, namely culture, transformation, leadership, organization and management models, performance, architecture etc.. The instrument enabled the researcher to help the respondent as well as the researcher to probe and understand the various aspects pertaining to the respondent, the company etc. the instrument was not distributed but acted only as a guide to the researcher.

2. Scenario Analysis Instrument used with the respondents to answer open-ended questions and the content so generated.

3. Personal Discussions and the experience of the Researcher in the various companies that the researcher had either worked as a professional or has performed consulting services.

4. Secondary Research Data and Information from journals, analysts, consultants and market opinion leaders.

5. Published Case Studies about various organizations, CEO perspectives, anecdotes and quotes.

G Bromley Oxnam (Goodman 1997) defined culture as what is left after everything we have learned is forgotten. It consists of deepened understanding, a breadth of outlook, an unbiased approach and a heart that has deep sympathy and strength of courage.

Samuel Tilden (Goodman 1997) said that leadership is said that it is far more difficult to hold and maintain leadership, liberty, than it is to attain it. Success is a ruthless competitor for it flatters and nourishes our weaknesses and lulls us into complacency. We bask in the sunshine of accomplishment and lose the spirit of humility that helps us visualize all factors that have contributed to our success. We are apt to forget that we are only one of a team, that in unity there is strength and that we are strong only as long as each unit in our organization functions with precision.

George Mathew Adams (Goodman 1997) said of organizations as the only institutions that lasts a long time, do good and useful work, and are profitable, are those that are, and have been well organized. You get to feel of this immediately, when you visit such a place.

And now we commence our understanding of culture, leadership and organization and management models as thrown up through this research please.

The figure below provides a summarized version of the cases broadly analyzed for the purpose of this research project and also indicates the leadership style prevalent in that company in relation to its culture and organization and management model. The cases detailed later in this chapter provide a bird's eye view of organizational history, their dreams and aspirations and identifiable indicators in relation to culture, leadership and organization and management model. Each of the cases has been written with varying perspectives to provide perspective aspects of the

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organizations studied. Effectively organizations by themselves or for that matter culture and leadership by themselves strongly need inter connections and linkages to gain a meaningful appreciation of an organization, particularly its culture. in the opinion of this researcher it is very desirable to understand these linkages to help understand each of the three aspects of this research study, namely, Leadership, Culture and Organization and Management Model in its totality and that studying one without a relevance to the other two would perhaps be a little myopic, although this statement would over time need empirical validation in all fairness.

Sample Company	Business Role	Leadership	Culture	Organization Mgmt Model
Andersen	Consulting	Driver	Executive to Engineering	Performing Organization
Citibank	Financial Services	Visionary	Executive to Evolving	Competing Organization
Lalbhai Group	Diversified/F M C G	Builder	Operator to Evolving	The Institution
Amtrex Hitachi	Diversified	Driver	Engineering to Evolving	Performing Organization
Anagram Finance	Financial Services	People Strategist	Operator to Evolving	Human Organization
Unilever	Diversified/F M C G	Builder	Operator to Evolving	The Institution
Pfizer Incorporated	Pharmaceuticals Bio	Visionary	Executive to Evolving	Competing Organization
Schoolnet/I L F S	Education & Health	Scientist	Executive to Engineering	Intellectual Organization
Whirlpool Corporation	Diversified/F M C G	People Strategist	Operator to Executive	Human Organization
B N P Paribas Bank	Financial Services	Technocrat	Executive to Operator	Mechanistic Organization
I C I C I Bank	Financial Services	Technocrat	Executive to Engineering	Mechanistic Organization
H D F C Bank	Financial Services	Teacher	Executive to Engineering	Learning Organization
Coca Cola Inc	Diversified/F M C G	Visionary	Executive to Evolving	Competing Organization
Quintles Inc	Pharmaceuticals Bio	Teacher	Executive to Engineering	Learning Organization
Bennet Coleman	Media	People Strategist	Operator to Executive	Human Organization
Verifone Inc	Technology	Scientist	Executive to Engineering	Intellectual Organization
Sematech	Technology	Scientist	Engineering to Executive	Learning Organization
Asea Brown Boveri	Diversified	Builder	Operator to Engineering	The Institution
British Airways	Diversified	Technocrat	Operator to Evolving	Mechanistic Organization
General Electric	Diversified	Builder	Operator to Evolving	The Institution
I B M Corporation	Technology	Visionary	Operator to Evolving	Competing Organization
Standard Chartered	Financial Services	Driver	Operator to Executive	Performing Organization

Figure: 36 Sample Organizations and their predominant disposition towards a particular leadership style set in a cultural context for a specific type of organization and management model.

Case Study Number 1: Andersen

Business – Consulting

Leadership Style – The Driver

Culture – An Executive – Engineering Culture

Organizational and Management Model – The Performing Organizations

To Bobby Parikh, the Country Managing Partner and Narayan Seshadri, the Country Business

Consulting Head, transition into knowledge enterprise was their vision for Andersen above all

that could be articulated in the vision document and statement. They shared this vision together

with their India Leadership Team, consisting of Jairaj Purandare, Ameet Parekh and R Sankaran.

But they were driven by business bottom line, financial focus and the need to achieve tasks and

goals established to be accomplished Andersen is an outstanding example of performance driven

organizational culture. This is what is expected of them from their Chicago and New York office

of Andersen Worldwide. There was concreteness towards driving for results through structure,

style, roles, and benchmarks as it impacts organizational effectiveness making performance the

only end objective. The leader's orientation to retain competitive advantages by providing

profitability through consistent intervals and prefers revenue to growth. Most members of this

organization feel helpless in relation to vital matters as it is strictly driven from the top. People

feel pressure to have and express opinions and ideas that are different from their partners. Bottom

line paramount, financial focus primary objective, rigors of feedback high, low tolerance for

failures, political climate, survival driven beyond values, inability to work in team's evident, non-

negotiable goals. People are proud and happy to be acknowledged as a member of this

organization when tasks have been accomplished. Problems are not smoothened out, not avoided

but faced. Rules are applied uniformly here, without any consideration to special circumstances in

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special cases. In this organization every department/group is concerned only about itself. This organization can be described as fire-fighting organization, dealing with the issues as they emerge. Great value is given here to good relationships and loyalty to the organization. Attempts are not always made here to resolve conflicts without loss of face by a party involved in the conflict. People feel comfortable in-groups of their own affinity. Managers generally spend more times on their jobs, even at the cost of personal needs. Competitiveness and smartness are highly valued here. Seniors exercise their authority in most matters and their juniors accept theirs. Employees feel they can influence many important issues here. All matters are worked out meticulously, including course of action, and deviations are not liked. Although rules are worked out in detail, these are applied according to the background of a case. People care for the total organization and not only about their own groups or teams in some situations. Importance is given to long-term planning and working for the future. . Employees enjoy freedom to do their work, to plan and set their work pace, style and methods, but are severally accountable for their goals and targets. Generally employees here are warm, friendly, forth coming with a clear agenda on performance orientation. Maintaining harmony is highly valued here. Confrontation and frank communication are generally avoided here. Leaders here nurture and protect the interests of those who belong to them. Managers care a great deal about their personal time and do not like business to Intrude on it. Importance is given to compassion and caring. Hierarchical relationships are seen as necessary for running the organization. There is a general feeling of indifference among employees because they feel that they cannot influence critical matters here. Different ways of solving problems are encouraged here. Decisions are objective and clear-cut, and are not influenced by the context.

Generally, everyone here is mainly concerned about one's own affairs. People do not have time to think of future needs; they are too busy completing their assigned tasks and making revenues. People here are more individualistic; they complete assigned tasks for which they expect to be

compensated. Pleasant behavior is preferred here to telling an unpleasant truth. People here are treated according to their working assignments and not on the basis of kinship, cast, language, etc. Work responsibility here is given more importance than demands of the family. Driven by a performance system that overrides all other considerations and makes individual targets an important element achieving results. Nurturing and helping subordinates is encouraged here. This executive worldview is built around the necessity to maintain the financial health of the organization and is fed by the pre-occupations of boards, of investors, and of the capital markets. Whatever other pre-occupations executives may have, they cannot get away from having to worry about and manage the financial issues of the survival and growth of their organization. Achievement and competence is not always more important than hierarchical status.
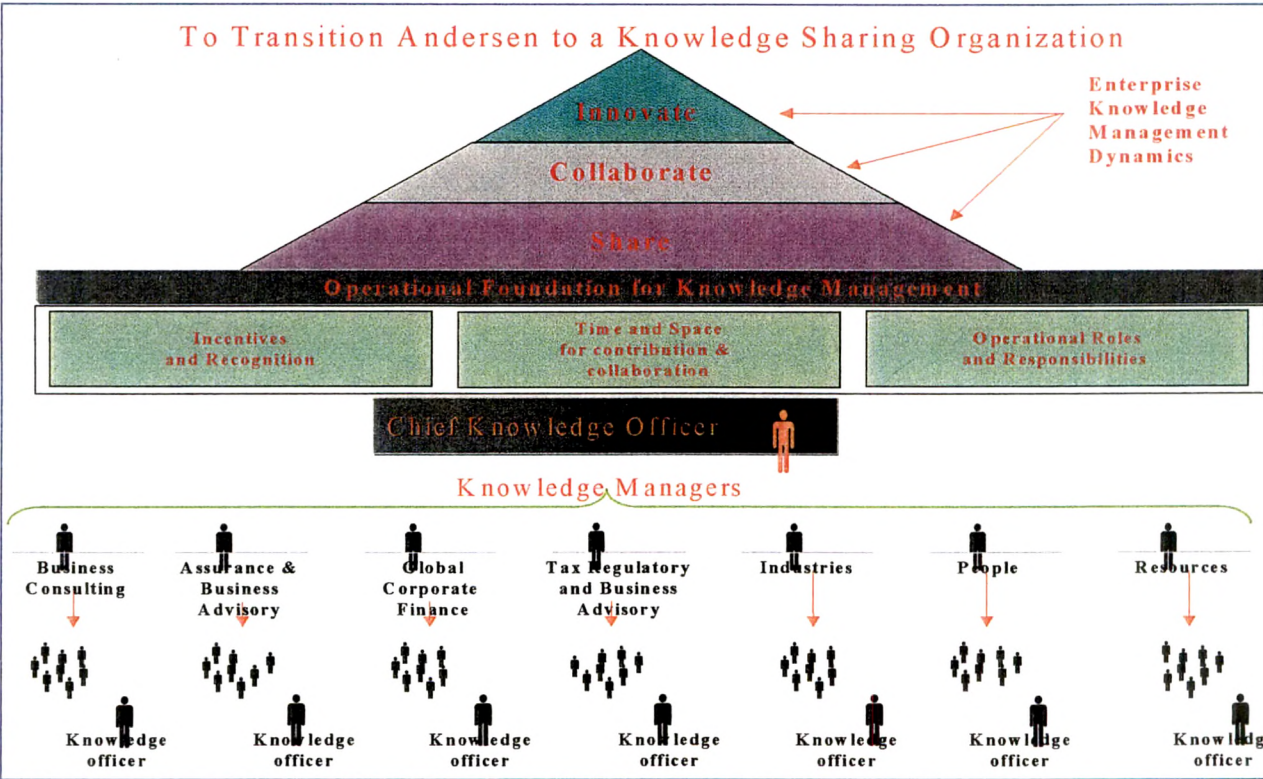
Figure 37: To Transition Andersen into a Knowledge Sharing Organization, Reference Andersen (2001)

The organisation emphasizes co-operation and co-ordination on a regular basis, The organisation demonstrates commitment to providing high quality service to its clients/customers. The work environment is highly motivating. The work climate encourages us to do our best and to perform as well as we can. The organisation treats all employees equally and fairly. Generally employees here are warm and friendly. Employees have a lot of freedom to do their work, to plan and set their work pace, style and methods. Employees trust top management. There is frank and open discussion with top management, providing authentic feedback. Employees usually are open and authentic in their work relations among each other. If there is a conflict or disagreement with top management, it is usually worked out directly. The organisation is more concerned about the needs of its people over simply getting the task done. The organisation places a lot of faith and relies on the individual sense of responsibility. The leader believes in competing in challenging environments by preparing the organization in advance, sets meaningful goals and targets and competes to conquer.

Members Feedback at Andersen

My role tends to coexist with my family life. I am not afraid leaning enough in my present role or for taking up higher responsibility. I am able to satisfy the conflicting demands of various people above me. My role has been of importance to the organization. My workload is challenging and stretching. I would like to take on more responsibility than I am handling at present. I have been given responsibility commensurate with my qualifications. I wish there were more consultation between my role and other roles. I have not had the right training for my role. Not all work I do in the organization is related to my interests. Several aspects of my role are unique and rare. I do have enough people to work with me in my role. My organizational responsibilities many times

interfere with my extra organizational roles. There is very little scope for personal growth in my role as I am on the job for 18 hours. I have to do things, in my role, that are against my better judgement and that bothers me as it falls under team working. My point of view may not always be represented. . Superiors rarely listen to Dissident/differing views. High performance organizations have a premium on information, knowledge, learning, capabilities and performance orientation. The individuals working in teams understand the business.

CEO perspective to Andersen on Client Relationships

Client and client satisfaction is more important than a lot of other factors for me. As a leader I assure my client of my availability whenever he needs help. I have no problem in discussing with my clients those issues that make me uncomfortable. I myself rise, and encourage my clients to raise, questions about what should or should not be done. I feel if I have a commitment to my client, and when his interest is affected, I communicate strong feelings of empathy and work towards correcting the situation. I encourage my client to collect the information needed to understand and analyze the main issues or problems. I discuss new ideas with my clients in relation to his problems, even without working out their details. I carefully study literature on consulting and use ideas/suggestions to make my consulting more effective. When the client discusses a problem with me, I suggest a clear solution that will help him deal with the problem. I take up my clients' cause and fight for them as long as I am a consultant with them.

Case Study Number 2: Citibank

Business – Financial Services

Leadership Style – The Visionary

Culture – An Executive – Evolving Culture

Organizational and Management Model – The Competing Organizations

Citicorp is the bank holding company of which Citibank is the largest unit; the two names are often used interchangeably. Citibank continues to be the largest American bank, with assets exceeding USD 210 B, shareholder equity of USD 11,181 M and a profit growth rate of 258 percent as per one of the recent counts. By the time Wriston handed over charge to Reed in 1984, Citibank had become the leading banks in the US and Reed leveraged this position, coupled with his leadership qualities to further enhance the worth and customer share of the bank in the coming years. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization vision. Citibank was among the first banks to start global operations, it was the first bank to extend lending activities to individuals in 1921; in 1951 it launched the first credit card-Diners Club in collaboration with Bloomingdale; in 1961 it created and introduced certificates of deposits, and so on. Wriston had managed to transform the traditional culture of the bank to an innovative organization offering a wide array of services ranging from mortgage financing and insurance to electronic banking. When Reed took over charge, he had a vision of transforming the back office into a factory producing high-quality products, so that the foundation of the bank would be made strong and credible. He took the risk of creating system wide changes, automated the processes and redesigned the workflow in order to cut time and increase efficiency. The Role of the CEO/leader in regard to strategy processes technology and people actions and leader's influence in the existence of specific types of cultures. Citibank was the first bank to use information technology as a competitive weapon. Reed understood that the future would

definitely require immense technological inputs, and therefore made ample provisions for the same. By the end of 1986, Citibank had more than 200 date centers, 1,25,000 terminals, and 85,000 of that were located in customers' offices and homes. All the branches have connections through a WAN that helps in daily information exchange, teller transaction information, etc. Moreover, these links are used to circulate new ideas and solutions across all the branches so that the knowledge base keeps on getting augmented over the years. Leadership Style as practiced by the management groups influences the culture. Citibank culture allows enormous autonomy and doesn't let the employees sit on ideas. The bank is organized as small, more or less autonomous "enclaves" providing enough opportunity for independent action. The levels at the firm do not provide any bottlenecks and deserving employees are sure to be noticed by the management.

Culture Journey Mapping: Citibank Operations
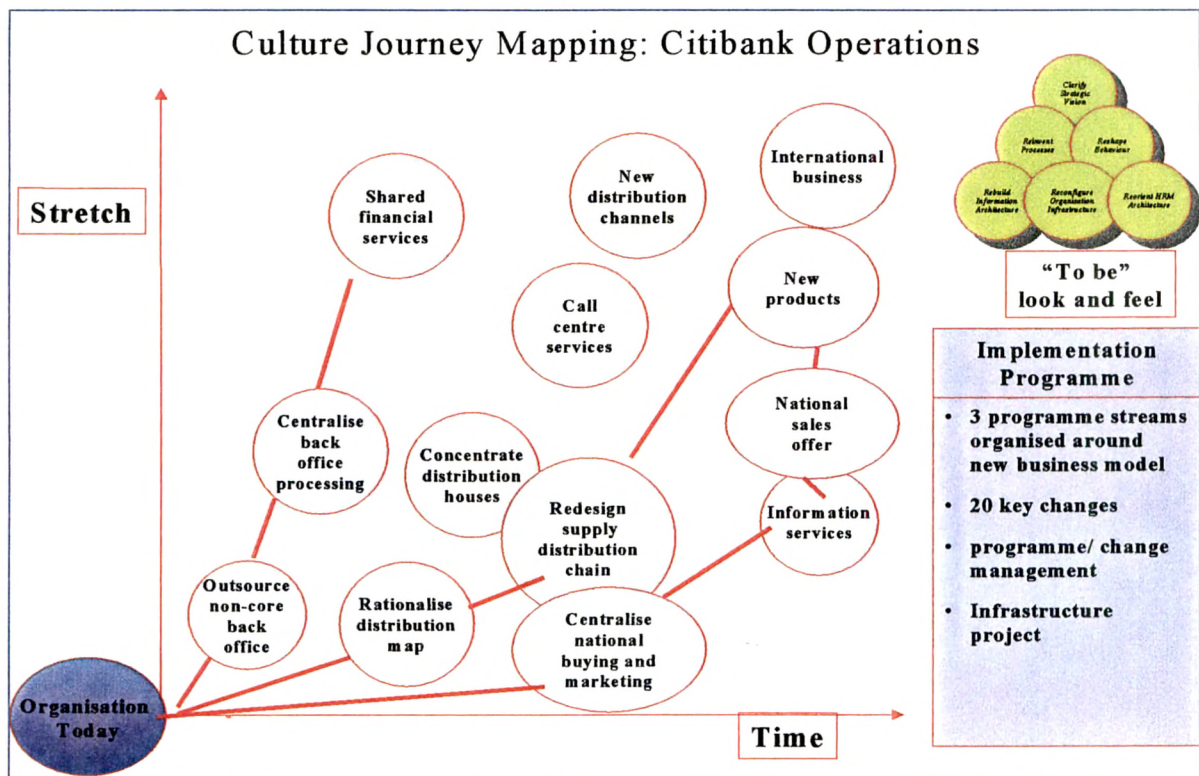
Besides this, Citibank's strategy of countering the environmental turbulence has been to pre-empt the changes so that they are prepared for all kinds of competitive threats. For instance, Citibank began investing in ATMs almost a decade before many of its competitors. Also, Citibank has always believed to spend money in order to get the best products for the customers.

For instance, the Card division periodically takes a few applications at random and approves them without performing any evaluation beyond the bankruptcy proof. Many of these are

Figure: 38 Culture Journey Mapping – Citibank Operations Experience

naturally bad risks. But Citibank lets them default in order to get a better statistical picture of how defaulters behave, This information is then further used in the Credit card scoring system for the larger population and thus, suffice the risk factors and customer behavior indicators over the larger client base. Hence, it believes in learning, even if it is at a cost, as long as the business objectives are met. CEO focus on performance, climate, communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers. The immense cultural diversity was seen as an asset by the firm and efforts were organized to utilize the workforce through effective Human Resources practices. Reed had once commented "Our global human capital may be as important a resource, if not more important, than our financial capital." The CEO encouraged diversity, deviations and internal contradictions in order to extract the maximum form the employees. The variety of profiles was not limited to just some top posts, but it cuts across all levels and functions. Citibank recruited people from diverse background so that fresh, different perspectives keep flowing in the firm. The pay is linked to the performance, as the top management believed that seniority is not important if it doesn't deliver the right things to the customers. The dynamic policies are still carried on with strong commitments and high flyers are identified early in their careers, and get special attention for development. Therefore, the organization makes conscious efforts to attract, develop, utilize and retain the required competencies to match the business goals.

The Analysis

The organization drives action through its orientation and emphasis to competition, performance and goals focused energies. These organizations ask a price for their actions. Nothing comes for free is the basic belief and they charge for all their actions, intended or otherwise. The organization believes in swift and effective communication, work long hours to conclude tasks, people live at work, identify with winning and use all resources at one's disposal to accomplish tasks. There is a Role of the leader in building work processes, in managing people strategy issues, and organizational emphasis on competing and performing in a complex environment. Leader's emphasizes on building future leaders through mentoring, coaching and teaching, emphasis on teamwork. There is a Role of the CEO/leader in enabling organization to restructure and right size. Driven by sharing strategic goals, communicates, shares values, distinctive concern for individual sensitivity, empowerment, delegation, clear accountability and demonstrated by examples. There is a Role of the CEO/leader in preparing the organization to change as required. Leader's has a role in sponsoring innovation, new ideas, take risks and implementing experiments. CEO/leader's has a role only partly in enabling inters dependencies between functions, businesses, technologies and the organization as a whole. High Performance Cultures are established to accomplish something within a timeframe. A clear understanding of the organizational objectives is a very important element of creating successful effective cultures. When what needs to be done and how we will know we have done it is known, life is simple. Their outlook towards commerce is simply driven by shareholder wealth and to a considerable degree personal gains and benefits.

The organization has effective measures of performance. From the sponsoring manager's point of view, the objectives may not be all that clear. The sponsor may "feel" that significant improvement in overall organizational performance (new business or reduced costs, or improve

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service)is needed. In this more common instance team has some serious work to do defining and refining performance measures. A High Performance culture can and should be expected to develop and refine its objectives and measures of performance. Vision, values, beliefs and his dream drive the Leader as a person. The Leader must be able to communicate the shared vision and create a meaningful goal to strive for. I think this is absolutely correct. The Leader must be a visionary, fired up with enthusiasm and able to translate this vision to his team, right from the soldiers in the trenches to the Generals leading the battle. He must dream yet be practical. The vision he communicates must be meaningful and strike a chord with his troops, only then will they really be committed to it. The Leader's emphasizes on the Individual and the Intellect, and a role in building individual and organizational knowledge. I see the Leader as a facilitator. Smart Leaders realize that they can not do everything on their own. The best Leaders hire people who they believe are smarter than them, energize them, empower them and equip them with the tools that they believe are needed for them to achieve superlative performance. The CEO/leader's has a role in emphasizing on culture aspects pertaining to empowerment, delegation, individual contribution, accountability and responsibility. Great Leaders lead by example. They have the power to transform organizations and inculcate a culture that is fully supportive of the organizational strategy. For example, the Ritz Carlton has a culture of Service Orientation where each employee, even a cleaner (I am told), is empowered to commit an on the spot refund to a grieved customer. This can only be done if the organization, right from the top, leads by example and not only empowers each employee but actively supports him or her in the quest of this goal. CEO/leader's has a role in actively participating in attracting, retaining and rewarding star talent and performers. While the CEO has a role in this aspect, this is not an activity that a CEO in a large organization will himself spend too much time on. However, most organizations do claim that people are their best asset and to that extent work with HR to put in place compensation policies that not only attract but also retain their best performers. The Leader has a role in helping the organization retain an open mind to an unknown environment. The Leader is supposed to

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have the vision to look ahead, to constantly scan the environment, not only for blue skies but also for dark clouds. Great industries (like the Steel industry in the US) have perished simply because they failed to keep track of changes in the Business environment. In these times of rapid change, the one thing that will distinguish the dynamos from the dinosaurs is a forward-looking approach and nimble-footed responses.

Even when management provides simple instructions such a desire to reduce cost, many questions remain cost reductions at the expense of sales? Reduce our own costs, but push costs off on some other organization or a supplier? Or the customer? Larger objectives quickly come into play, and the team is going to also have to be given the strategic objectives of the organization so it can figure out whether what is trying to do will contribute to the organizations strategy. A leadership and management that pays attention to high performance lead the organization. Unfortunately, the organization's strategy may be only in one person's head, or it seems to change with the wind, or is not followed at all by anyone in the organization. When a organization discovers that it doesn't understand the organization's strategy, it must stop progress and get briefed by someone who does understand it. In the sad event that there is no clear organizational strategy, the team will have to presume a strategy and run it past the sponsoring manager for confirmation. Once the strategy is set or understood by the team members, work can proceed on refining performance measures. High Performance cultures is chartered to improve performance in some way. Performance is associated with speed, quality, cost, and effectiveness. Finding good measures on these variables is not always easy. Effectiveness is very elusive and in the service industry. Quality may be difficult to define as well. To top all this off, most of us are blinded by the current set of performance measures we maintain. Most organizations count what can be easily counted, without regard to whether these counts define the organization's performance: Number of telephone calls answered, number of orders processed, number of thing

made, or shipped, or serviced, are only the starting point for understanding performance. A fresh start on measurement may be needed. Getting a better handle on performance usually means starting with your customer's point of view about your performance. Finding out what is important to your customers and building a set of measures around these variables is usually much more effective than counting what can be easily counted. Sometimes discovering who your customers are is a challenge by itself. Governmental organizations usually correctly assume their customers are the taxpayers. But even this simple distinction blurs when you look at public school systems that have students, parents, teacher organizations, and state legislative mandates as well. .

As managers rise higher and higher in the hierarchy, as their level of responsibility and accountability grows, they not only have to become more pre-occupied with financial matters, but they also discover that it becomes harder and harder to observe and influence the basic work of the organization. Other managers who think like they do, thus making it not only possible but likely that their thought patterns and world view will increasingly diverge from the world view of the operators. The most straightforward approach is to trace the money flow. Someone is paying someone else money for something. The one who is paying is the customer. One caution is that in large corporations, this rule might not be true. Corporations sometimes pay for services at one place in the organization and receive the services at another. When this occurs the provider can quickly become confused about which place is the customer.

Members Feedback on Citibank

There is no relationship between the leadership style of the CEO/leader and the culture of the organization. I have two examples in my career, e-commodities and Citibank. One a small company and another a large multinational. In both cases, the culture of the organization values are/were driven from the top. In a work place survey done in Citibank a couple of years ago,

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across various countries in it was found that the culture, the strengths and weaknesses were actually very similar across all the countries. The CEO/Leader has a role to play in the culture of the company. The CEO defines the culture, the objectives and this gets reflected in the values, in the kind of people that are recruited, the goals that are set up the attributes that are rewarded etc. Another example that comes to my mind is HDFC bank. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. There are certainly local influences that creep in especially in large companies, which is good and part of globalization, however the basic culture or values are replicated in a successful company. The CEO/leader does have a directly powerful influence over the existence of any one/all of the cultures in the company. There is no relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. Well if the company is focused on customer service or quality or people, it does not matter whether people are working for internal customers or external customers, the culture is reflected right through. GE is another good example of the same. Ref: Madhu Jaykumar

I do get the information needed to carry out responsibilities assigned to me. However other role occupants do not give enough attention and time to my role. Sometimes I do not have adequate knowledge to handle the responsibilities in my role. I have various other interests (social, religious, etc.) who remain neglected because I do not get time to attend to these. I am preoccupied with my present role responsibility to be able to prepare for taking up higher responsibilities. I am able to satisfy the conflicting demands of my peers and juniors. Many functions that should be a part of my role have been assigned to some other role. The amount of work I have to do interferes with the quality I want to maintain. There is not enough interactions between my role and other roles. I wish I had more skills to handle the responsibilities of my role. I am able to use my training and expertise in my role. I do know what the people I work with expect of me. I do get enough resource to be effective in my role. I do have time and

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opportunities to prepare myself for the future challenges of my role. I am able to satisfy the demands of clients and others, since these are conflicting with one another

CEO Perspective to Citibank on Client relationships

I tactfully react to my client if he does not act according to my instructions. I am interested in thinking out new and unusual solutions and encourage the client to do the same. I tend to collect all information and data even when these are not immediately needed, and I encourage the client to do the same. I help my client to become aware of some of his own strengths. I avoid meeting and working with the client who does not seem to take my bank or product seriously, and with whom I am not able to establish enough rapport. I help the client to examine the ethical or normative dimensions of what is proposed. I champion my clients' interests, even if the concerned persons do not pay any attention to what I say. I encourage my client to generate several alternatives before adopting one for solving a particular problem.

Case Study Number 3: Lalbhai Group

Business – Conglomerate, FMCG, Financial Services, Appliances, Garments

Leadership Style – The Builder

Culture – An Operator – Evolving Culture

Organizational and Management Model – The Institution Organization

Long before the dawn of Greek civilization, fifteen centuries before Rome conquered Gaul and Britain, ancient India had a tradition in fine textiles. The Indus Valley civilization around 2000 BC had given clothing more than mere utility value. Textiles became part of the aesthetic, cultural and religious life of the people. In the centuries that followed, empires rose and vanished, but the Indian tradition in textiles maintained it's standards. Apparel from India graced the Byzantinians and then the Turks who overthrew them. India alone seemed for hundreds of years worthy to supply fabrics for the apparel of Roman emperors and Egyptian queens. Trekking thousands of miles, the "businessmen" of those days obtained for their eager customers in royal courts those highly prized, delicately translucent muslin's which had such poetic names as Woven Air, Running Water and Evening Dew. India has a long and glorious tradition in textiles. It was tragically interrupted by Cartwright's invention of the power loom in 1785. This shifted the centre of cloth production to Manchester. The skills of hand weaving could not compete economically with mass manufacturing by machines. Still, the demand for fabrics made in India remained, because they were aesthetically superior to the machine products. Backed by a mighty empire, Manchester could not tolerate the rivalry of Indian fabrics. Those made by the weavers of Gujarat upset its trade calculations. The city of Ahmedabad on the banks of the Sabarmati river in Gujarat has a special relevance to the socio-economic history of India. Founded in 1411, Ahmedabad has a fundamentally urban character from its earliest days. Commercial enterprise is happily needed to sound trading practices. Institutions such as sophisticated banking systems,

occupational guilds and arbitration in economic disputes flourished early on. Much groundwork had already been done by the time the British started to implant a post-industrialization culture. At the turn of the century, the setting and climate were just what a clear-headed entrepreneur would look for. It was then that Mr. Lalbhai Dalpatbhai appeared on the scene. His vision opened up prospects of reviving India's ancient tradition in beautiful textiles through modern industrial methods. In 1905, the first mill of the Lalbhai Group, The Raipur Manufacturing Company went into production. Mr. Lalbhai Dalpatbhai's untimely death in 1912 was a great setback to his ambitious plans. Fortunately, his sons Chimanbhai, Kasturbhai and Narottambhai shared their father's dream. They not only consolidated but expanded the industrial ventures of the group. 1930 was the year the world suffered a traumatic depression. Companies across the globe began closing down. In India and the UK, the textile industry in particular was in severe trouble. At about this time, Mahatma Gandhi championed the Swadeshi Movement. And at his call, people all over India began boycotting fine and superfine fabric, which had so far been imported from England. The Lalbhai's reasoned that within the existing situation any Indian company that would meet the demand would surely prosper. The three brothers, Kasturbhai, Narottambhai and Chimanbhai Lalbhai decided to set up a mill to produce this superfine fabric. Next, they looked around for state-of -the -art machinery that could produce such high quality fabric. The best technology of that time was acquired at a most attractive price. And a Company called Arvind Mills was born.   ----1931. Since then there has been no turning back! Some highlights of this phase are recounted. Exhibiting sharp understanding of Consumer preference which had shifted from Coarse Fabric to fine and superfine fabric. For instance, we drew inspiration from the exquisite hand woven Dhaka saris of Bengal. Used special looms to duplicate this look in Mill-made saris. And we created the famed Arvind "Butta" saris, a best-selling Brand. Such footprints mark our trail to becoming a Successful Indian Multinational! The next chapter unfolds in the mid 80's, the Indian Textiles faced a major crisis. With the power loom sector churning out vast quantities of inexpensive fabric, many large composite mills gradually lost their markets, and

closed down. Yet, that period saw Arvind at its highest ever of profitability. This was the opportune moment chosen by the management for a re-think on strategy. It was time to shift focus from domestic to international. To a market that accepted only quality goods. An in-depth analysis of the world Textile market proved an eye opener! People the world over were shifting from synthetic to natural fiber. Cotton was the largest growing segment. Where conventional wisdom pointed to popular priced segments, which accepted high volumes at low price, Renovision pointed to high quality, premium niches.

RENOVISION: THE ABILITY TO SEE MORE THAN THE OBVIOUS!

Naturally, complex and expensive technology would have to be mastered. But since premium cottons commanded a higher price, higher profits were assured. Guided by Renovision, in 1987-88, we entered the export market for two segments. Denim for leisure and fashion wear. And high quality fabric for Cotton shirting's. Those were some of the initial steps towards establishing an Indian Multinational. We have come a long way since then. Sanjay Lalbhai was indeed Renovision and the Renovision Man for the Lalbhai Group. Renovision – The Ability to think beyond and innovate constantly.

With the best of technology and business acumen Arvind Mills became a true multinational over time. This transition meant many trials and tribulations, many a time when spirit was willing but the flesh was weak. Yet the corporation trudged along with a single-minded dedication to turn into a global textile conglomerate. History is replete with stories and sagas of the old times and the transition of this textile company. We chose to invest strategically, where demand was high and quality required was superlative.

Since then, there has been no looking back.

Arvind Mills the flagship company of the $ 498 million Lalbhai Group has now focused its attention on a few selected core product groups. Such a focus seemed pertinent to prepare the company for playing a dominant role in the global markets. The strategic reorientation meant looking at each of the business in a planetary dominance approach and reworking core strategy and philosophy to make it happen.

A one stops shop for all Cotton fabric requirements

The product range spans the entire gamut of Cotton fabric. They manufacture world class denim, high value shirting, Bottom weights (gabardines/chinos) and Knit fabrics. The new Multi Product Textile facility at Santej, 30km from Ahmedabad is a testimony to focus on value added Textiles.

Spread over 430 acres and built with an investment of Rs.1200 Crores, Santej facility is a testimony to the focus on value added textiles. Widely regarded as one of the largest and most modern multi product textile facility, it has made Arvind a one-stop-shop for all Cotton fabric requirements.

Arvind today is reinforcing its marketing efforts by focusing on brand led development. They expect to strengthen their existing relationship with global brands such as Marks & Spencer, VF Corporation, Calvin Klein, GAP, Benton, Polo, Esprit, Tommy Hillfiger, Hugo Boss and Liz Claiborne to list a few by developing value added products and providing superior level of service. The complex has enhance Arvind's product range and made it more responsive to the changing requirements of some of the leading garment brands. They have already achieved accreditation from Marks & Spencer and GAP for all our mills and Laboratories.

To turn the mission "To Achieve Global Dominance In Select Business Segments" into reality, the manufacturing and marketing operations are now spread across the globe. They have a presence in 70 countries across the world with manufacturing and marketing operations at customer friendly locations.

Analyze any corporate house entering the consumer business and you will inevitably need to look closely at its brand building and marketing strategy. But consider India's biggest textile house that has products tailored to fit virtually every segment of the consumer market. The brands fostered by Arvind include Lee & Arrow for the super premium segment, Flying Machine & Excalibur for the premium segment, Newport for the economy and innovative 'Ruf & Tuf' for the mass market. This is not all. They have recently made a foray into children segment by introducing Lee Youth, Ruggers Kids & Newport Kids.

Best known for its global dominance of the denim market, Arvind Mills, with an annual turnover of $ 251 million FY 98 accounts for more than 75 % of the total denim manufactured in India. Today, they are world's third largest manufacturer of denim, rolling out 120 million meters every year and largest denim exporter. In India, we are the largest denim manufacturers, the largest garment manufacturer in the branded segment and the largest retailer of jeans.

Lalbhai's other major presence includes Air Conditioning & Refrigeration, Telecom, Garments, Engineering, Agri Business, Chemicals, Pharmaceuticals, trading and Financial Services etc.

Global Strategy and brand marketing apart, Lalbhai's key competitive edge comes from its technological innovation. With more than $ 130 million invested in technology over the last five years alone, Arvind has taken a quantum lead over its rivals. The company is in the process of expanding its existing garmenting production facilities in India, Mauritius and Madagascar and

this will enable it to move up the value chain considerably. The most important factor in a competitive environment is something that has not been comprehended in India; the need for articulating a vision and then bolstering it by ironing out the glitches in the strategic focus.

The vision "To achieve global dominance in select businesses built around our core competencies, through continuous product and technical innovation, customer orientation and a focus on cost effectiveness" was carefully communicated.

Seeing that the our society is at the threshold of a paradigm shift with the rapidly expanding economy and the millions of opportunities it throws into the laps of men and women. All along Lalbhai Group has maintained a responsive yet levelheaded attitude towards the society and its constituting individuals to create a corporate culture that fosters excellence. Raking in this direction they have created a learning environment that nurtures individual talent and intellect. It provides a platform that challenges the individual capabilities urging him/her to constantly strive forward towards greater heights using development as the fundamental tool.

They infuse in individuals a spirit of entrepreneurship, which gives courage and conviction to pursue set goals towards logical achievement and a global mindset that transcends geographical and cultural boundaries evolving and organizing him to be a world leader. All this is manifest in an environment fostering innovation and leadership.

Drawing from the Team based structure we encourage individuals to mesh up into cross-cultural teams in all operational processes. This process provides opportunities for individuals to match their capabilities with organizational expectations creating a mechanism for updating the system. Coalescing corporate needs with the individual needs is crucial. These processes would articulate the connections between corporate success and individual behavior, instill institutionalized

processes to reinforce connections, and catalyze the chemistry that allows the connections to be translated into action which is beneficial for both the organisation and the individual. A strong sense of ownership and commitment towards the organisation and the business as a whole, is the basic premise of all our actions. They manage our institution as a trust, as empowered leaders and do all that needs to be done ethically for the purpose of the institution creating a vibrant institution for the future of this nation and the world at large.

They strive forward to be the best.

""Best is a matter of standards - and they set our own standards. And for them the motto being: We inherit nothing. We stand at the end of no tradition. We may perhaps, stand at the beginning of one... """

Development for Future

The base for the future...

With Lalbhai's pro-active style of management, the Research & Development Wing - **The Narottam Lalbhai Research Centre** - plays a major role in keeping the organisation at the forefront of developments in textile technology. One of the largest in-house institutions of its kind, NLRC is also one of the most reputed. It has the recognition of the Department of Sciences & Technology, Govt. of India. International recognition by UNIDO through its published register of accepted research bodies, is a cherished honor. Professional scientists drawn from various disciplines go beyond their normal institutional functions at NLRC by active involvement in various national committees and delegations. The scope of operations at NLRC broadly covers: * Development of new products, which are tomorrow's breadwinners and cash cows. * Development of process, both direct and supportive, which are time-efficient, cost reducing and

energy saving and which pay due attention to pollution control. * Re-orientation of systems through the use of hi-technology hardware and software for information processing and handling. * Systematic critical assessment of new technologies leading to their modification and adaptation. * Developments, which are oriented towards, import substitution. NLRC has a number of published research papers in magazines of repute, both national and international. It has also several patents to its name.

Beyond business, into Social concerns

The Founder, Mr. Kasturbhai Lalbhai believed that the function of any business should be to transcend profit motives. Social causes are in fact the vehicle for repayment of one's debt to society. Arvind Mills has so far contributed tremendously to various causes which include institutions connected with education, medical care and research, the performing arts, cultural heritage - and the rehabilitation of handicapped or disabled persons. Rural development schemes are specially formulated to benefit the poorer sections of people.

In 1978, The Arvind Mills created a trust to intervene in the social-economic developmental process at the village level for the disadvantaged section of the society. This trust titled as **Narottam Lalbhai Rural Development Fund** [NLRDF] initiated specifically designed rural development program in early 1979.It also formed yet another charitable trust for imparting training to frontline rural development workers. This is called the **Lalbhai Group Rural Development Fund** [LGRDF]. Both these trusts have made significant contributions in the development of the rural sector and also Agriculture and related aspects, providing technical know-how, field demonstrations and establishment of co-operative societies etc. It has also undertaken Watershed Development Projects, established irrigation society and organised well deepening in several villages. Health, Sanitation and Nutrition are being tackled through training

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program on health education and awareness for tribal women. Major developmental activities have also been undertaken by the trusts in the areas of Energy Conservation Programs, Education Program, Income Generation Programs, and Social Forestry Program and also in building up Rural Infrastructure. The often-stated reasons for the city's decay are known to all of us. A collapsing infrastructure and the rising population are the apparent reasons for the city's decline. The malady however is deeper. Poor quality of leadership that guides the destiny of the city, is, in our view, the root of the problem. We therefore, believe that time is now opportune for Arvind Mills to play a leadership role in improving the quality of life in the city. As a first step in this direction, we have identified three projects that we propose to carry out.

Slum Networking for Upgrading City Slums.

The need for improving the sanitation and the general environment in the slums is far greater today than ever before. The purpose of this project is to develop an integrated approach for upgrading the city slums. Essence of the integrated approach is to exploit the close association between slum locations and the natural drainage paths. This association coupled with spatial spread of the slums in the city and the contiguity of slums, will allow us to strengthen the infrastructure. Such infrastructures comprise underground sewerage with toilet facilities in individual houses, storm drainage, street lighting and solid waste management. In addition, within the slums we adopt an unconventional approach to managing topography, earth management and landscaping, to eliminate water logging and to arrest environmental degradation. The Ahmedabad Municipal Corporation and Arvind Mills are undertaking a pilot project in Ahmedabad. This pilot project will cover about three thousand families and will be started in four locations. Quite aptly, the Ahmedabad Municipal Corporation is sponsoring this program under the banner of "DEEN DAYAL UPADHYAYA ANTYODAYA YOJANA".

Setting Up a Specialty Hospital

Ahmedabad, as experience shows, lacks good facilities for diagnosis and treatment of non-routine ailments. Many people from Gujarat go to Madras or Bombay for the diagnosis and treatment of such ailments. We therefore, believe that the time is now ripe for setting up a specialty hospital in Ahmedabad. Such a hospital will provide secondary (diagnostic) and tertiary (advanced therapy, surgery, and case management) services in specialized branches of medicine.

Setting up Educational Facilities.

Good educational facilities and good facilities for providing education up to the college level, are not available in Ahmedabad. Lack of good schools in Ahmedabad is the biggest impediments in attracting talented people to work in Ahmedabad. We therefore, suggest that Arvind Mills should remove this impediment by setting up a good school for educating children. We propose that as a first step towards providing excellent educational facilities in the city, Arvind Mills should set up a school in Ahmedabad. This school will provide excellent schooling facilities up to the tenth standard. Arvind Mill can plan for providing higher education later. Arvind Mills has set up an organization for accomplishing this purpose. The organization is christened as PRAJNANIKET EDUCATION SOCIETY. We will register the organization as a society under the societies' act. In addition, the Society will undertake other educational programs. These include improvement of primary education in municipal schools and conducting high quality "Policy Research". At Arvind, social responsibility does not end with providing donations and funds. The top management, in addition to setting an example themselves, encourage senior executives to get actively involved in helping institutions grow in strength and confidence by working more efficiently towards their objectives. In fact it is Arvind's non-monetary support to fledgling institutions and causes that has proved more valuable in the long run. Such involvement is a rare

phenomenon among business houses. More than half a century of challenges triumphs, growth ... changes. All along, Arvind has maintained a responsive yet levelheaded attitude. This has resulted in a steady growth of Arvind's market share in textiles, through changing trends and consumer preferences. Unlike its environmental partner -- the Sabarmati river which has drastically fluctuating levels - Arvind is a picture of even-paced advancement.

The Analysis

Sanjay Lalbhai is a leader with a vision: Without a leader committed to learning, an organization will never approach its potential success. Such a leader must have a clear vision, deeply held and consistently communicated. The new vision should energize those striving to turn it into reality, despite the skepticism of those who holds on to old visions, old habits and old ways of doing things. The vision should enable members of the organization to anticipate what they can contribute to help achieve important results. A clear vision also helps an organization focus on those things/ideas that are central to their goals. The best visions are usually direct and uncomplicated, like that of Boeing's newest project, the 777 long-range twin-jet. One vision is "working together to produce the preferred new airplane family." The leader also needs to fire his team with the spirit of "what more we can do." For this the leader needs insights, strength and perseverance. Builder initiatives present special challenges to culture change projects. Individual initiative is sometimes viewed as competing with culture change. The most effective building programs engage people in developing their own individual initiative while finding or building supportive environments. The organization believes in creating effective structures and hierarchies that provides clarity to roles, responsibilities, tasks and actions. The knowledge emphasis in the institution is driven by systems that over ride individual initiative as long as the institutional norms are met. The atmosphere and interpersonal relations in the work group are friendly and co-operative. The members of the work group encourage one another's best efforts,

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reinforcing successful behavior. The work group organizes and problem-solves effectively. The members of the group maintain adequate standards of performance. The group communicates well within and outside our work unit. The members provide group input and may participate in the management process as appropriate. Developing trust among organizational members is at once difficult and essential to becoming High Performance Cultures. Members need to be taught from the start that building trust within the team is critically important to the team's ultimate success. As the culture forms, it is normal that the level of trust is low. Several members or all team members may have worked together before. Or they may know each other by casual acquaintance of interaction. But trust has something to do with loyalties, and at the outset the team will not have developed team loyalty. Rather, each team member's loyalties will be to his or her won organization or manager.

As the days and weeks of team building proceed, loyalties will naturally build toward fellow members. The organization has effective communication channels, with and without boundaries, people enjoy communicating in relation to business and tasks to be accomplished. This is often a two step process: one forward, and one step back. During the first few days, it is common for one or more members to respond negatively about the need for the team, its composition, the coaches, the task before them, or whether this is the most important thing they could be spending their time working on. As a result, several complaints before the organization for consideration is an issue. It is best not to name names. This will send a message to the complainers that they are on the verge of being discovered. Invariably the complainers will change their tune, rather than risk a negative reaction from their fellow team members. Members need to be coached to learn that it is important to trust one another. It is not possible, or desirable, for one member to do all the work for the team. Although, someone will almost always try. New members need to learn that to get the job done they have to rely on others to do their part. The analogy to this principle is that each

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team member needs to be trustworthy. Members need to learn that others are counting on them to do what they said they would do. But personal or business problems outside the team come up that affect individual members' ability to accomplish their agreed tasks.   As soon as it becomes clear to members that his or her task cannot be completed in time, the member needs to let the other team members know about the cause of the problem and ask for help. This practice goes a long way to convincing fellow members that one is trustworthy. When a call for help comes from a fellow team member, the others should carefully examine their own responsibilities and available skills or time to see if they can help. It's in the best interest of members to support each other, especially when the organizational performance is judged and rewarded as a whole. The time might come when the team member who has been asked for help, needs help himself. If help cannot be offered, the team should pull together and determine how to be revise the plan or bring in additional resources to get the plan back on track. This organization places a lot of faith and relief on the individual sense of responsibility.

People are well aware of the organization goals, objectives and the strategic direction/mission of the business. The company standards of performance, productivity and growth are higher than those of similar organizations. The organization rewards correctly that who/ what should be rewarded only. To day given the realities of global work force it is critical to structure organizations which can offer combination of high pay and high value at work. The group makes effective use of available equipment and resources. The members generally demonstrate pride in themselves and their work. The group actively seeks to utilize the skills and abilities of its members. The members do not feel constrained by rules, regulations and unnecessary bottlenecks in accomplishing their work. The group is excited about its work activities. The group has a record of consistent accomplishment. Conflicts are inevitable in organisations and nothing can be done about them. The best strategy is to avoid conflict situations. A conflict is like a problem; we

have to find the causes and take steps to find solutions. Conflict can be solved only if one shows one's strength to the other party. In a conflict situation both the parties have to give up something in order to reach a solution. A third party should be asked to give a solution to a difficult conflict. It is better to give some concessions to the opponent group to win their confidence. The best way to deal with conflicts is to withdraw from the scene for some time. It is better to lie low and live with the conflict. In a conflict situation, one party should get away to avert unpleasantness. Conflict management needs an involved process of joint exploration for solution(s). In most conflicts, one should fight out the solution. Compromise is the best strategy for managing conflict. When two parties are deeply involved in conflict, arbitration by an acceptable outside party may be very helpful. Accepting a few demands of the opponent group may help in resolving conflicts. If we wait for some time and don't attempt to solve problems, conflicts will get defused and resolved in due course of time. It is foolish to be bothered by conflict; they are there and we may as well live with them. If a group interacts with other groups only on necessary and limited dimensions, conflicts can be managed. Conflicts can be solved if the parties understand each other, and jointly search alternative solutions. The more powerful you are, the more effectively you can resolve conflicts.

If conflicting parties accept a part of each other's demands, conflicts can be resolved. An impartial arbitrator who finds solutions acceptable to both the conflicting parties can solve difficult conflicts. It is better to buy peace for some time even by acceding to some demands of the conflicting group, so that conflicts can be effectively resolved later. Waiting for some time to let emotions subside helps in solving the major problems. The culture involves a strong human interaction, team working and passion to work to a vision. This culture is the most difficult to describe because it evolves locally in organizations and within operational units. Thus one can identify an operator culture in the manufacturing plant, in the textile complex, in the appliance

manufacturing plant, in the garments factory in the retail outlet, and in the office. . Long Term desire to make lasting organizations that can stream through economic and business life cycles and does not have the pressure to retain performance under all circumstance.

Members Feedback at Lalbhai Group

The organization values history and tradition. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past. In the organization time is not an important consideration, as it is perceived to be relative to the tasks and is managed appropriately as long as basic human processes are followed. The expectations of my seniors are coherent with those of my juniors. I can do much more than what I have been assigned. There is a need to increase some parts of my role. There is no evidence of several roles (including mine) being involved in joint problem solving or collaboration for planning action. I wish I had prepared myself well or my role given its challenges. If I had full freedom to define my role, I would be doing some things differently from the way I do them now. My role has been defined clearly and in detail. I am rather worried that I lack the necessary facilities needed in my role. My family and friends complain that I do not spend time with them due to the heavy demands of my work role. I some times feel stagnant in my role. I am bothered with the contradictory expectations different people have from my role. I wish I had been given more challenging tasks to do. I feel overburdened in my role. Even when I take the initiative for discussions or help, there is not much response from the other roles. I need more training and preparation to be effective in my work role. I experience a conflict between my values and what I have to do in my role. I am not clear what the priorities are in my role. I wish I had more financial resources for the work assigned to me.

CEO Perspective to Lalbhai Group on Customer Relationships

Customer to me determines my livelihood. When I come across some new ideas or think of new ways of solving a problem, I enthusiastically explain these to my client. I accept several suggestions made by my client during the course of my consulting work. I guide my customer in the details of problems and their solutions. I can express my feelings of resentment/dissatisfaction/despair, etc. to my client without any hesitation. I give detailed instructions to my customer about what he should or should not do. I try out new ways of improving my communication with the customer. During my marketing assignment I spend a lot of time on working out the details of the specific tasks to be performed in relation to the clients' problems. I reassure my customer of my continual help and support. I do not express my resentment when an unpleasant exchange occurs during a selling assignment.. I help my customer to examine the appropriateness of any proposed action. I express happiness to my customer about things that are done according to previously accepted plans and resentment for what was not done.

Lalbhai Group - Lessons we have learned

Significant performance challenges energize members regardless of where they are in an organization. No team arises without a performance challenge that is meaningful to those involved. A common set of demanding performance goals that a group considers important to achieve will lead, most of the time, to both performance and team. Performance, however, is the primary objective while a process remains the means, not the end.. Organizational leaders can foster culturally sensitive performance best by building a strong performance ethic rather than by establishing a culture promoting environment alone.. Biases toward individualism exist but need

not get in the way of team performance. Real cultures always find ways for each individual to contribute and thereby gain distinction. Indeed, when harnessed to a common team purpose and goals, our need to distinguish ourselves as individuals becomes a powerful engine for team performance. . Discipline-both within the team and across the organisation-creates the conditions for team performance. For organizational leaders, this entails making clear and consistent demands that reflect the needs of customers, shareholders, and employees, and then holding themselves and the organization relentlessly accountable.

Lalbhai Group - Basics experience in making members work in cultures

Small enough in number. Can convene and communicate easily and frequently. Discussions are open and interactive for all members. Each member understands the other's roles and skills. All three categories of skills are either actually or potentially represented across the membership (functional/technical, problem-solving/decision-making, and interpersonal). Each member has the potential in all three categories to advance his or her skills to the level required by the team's purpose and goals. The member's purpose constitutes a broader, deeper aspiration than just near term goals. All members understand and articulate the purpose the same way. Members define the purpose vigorously in discussion with outsiders. Members frequently refer to the purpose and explore its implications. The purpose contains themes that are particularly meaningful and memorable. Members feel the purpose is important, if not exciting. . There are goals versus broader organizational goals versus just one individual's goals. Goals are clear, simple, and measurable. If they are not measurable, can their achievement be determined? Goals are realistic as well as ambitious.. The approach is concrete, clear, and really understood and agreed to by everybody. It requires all members to contribute equivalent amounts of real work. It provides for open interaction, fact-based problem solving, and result-based evaluation. The approach provides for modification and improvement over time. Fresh input and perspective is systematically sought

and added, for example, through information and analysis, new members, and sponsors.. There is

sense of mutual accountability.

Case Study Number 4: Lalbhai Group (Sub Culture)

Company: Amtrex Hitachi - Common Approaches to Building Culturally Driven Performance Ethic

Business – Air Conditioning, Refrigeration and Home Appliances

Leadership: The Driver

Culture: Engineering to Evolving

Organization and Management Model: The Performing Organization

AMTREX HITACHI LTD

A member of the Lalbhai group, Amtrex Hitachi Appliances Ltd (AHAL) formerly known as Amtrex Appliances (AAL) was incorporated in Dec.'84, as Ac quest Air-conditioning Systems (P) Ltd Company. It was converted into a deemed public limited company in Jun.'89. On 22, Jan.' 99 it issued 5165490 equity shares to Hitachi., Japan and Hitachi India Pvt. Ltd., on preferential basis making Hitachi group co-promoter of the company along with Lalbhai group. Subsequently it has been renamed Amtrex Hitachi Appliances Ltd.

It has a technical collaboration with Hitachi, Japan. Amtrex is a leading manufacturer of air-conditioners. It has two plants, one at Kadi, Gujarat (a backward area), manufacturing air-conditioning and refrigeration appliances and other durables, the other at Silvassa manufacturing air-conditioners. It currently manufactures room air-conditioners consisting of window, split and multi-split air-conditioners under a technical collaboration with Hitachi, Japan, and markets them under the Amtrex brand. AHAL has entered into a joint venture with Cornelius, US, which will hold 51% of the equity in the venture. In May 2000, the company introduced "Kalmin" a new 1.5

ton window AC with a unique feature of sleep mode that saves on power to a extent of 34%. FY 2000 (March ending) Sales – Rs 182 crore The Ahmedabad-based Amtrex Hitachi Appliances Ltd., a leading player in the home air-conditioner (AC) market, is targeting a 40 per cent rise in sales during 2002.

"We plan to sell 110,000 Acs during the year"", said Naishadh Parikh, managing director, Amtrex Hitachi Appliances. The company had sold 75,000 Acs last year. Overall, Parikh expects the AC market to grow by around 15 per cent from 600,000 in 2001 to 700,000 in 2002Amtrex Hitachi Appliances ended last year with sales of 75,000, up around 30 per cent from 58,000 in 2000. It ended the year as the second largest player in the home AC market next to LG India. The company, a joint venture between the Lalbhai group and Hitachi of Japan, has two brands in its stables Hitachi for the top end of the market and Amtrex for the lower end. Last year, 60 per cent of its volumes came from Hitachi, while Amtrex made up the remaining 40 per cent. According to Parikh, the balance will tilt further in favor of Hitachi during the current year. Almost two-third of our sales will come from Hitachi in 2002, he added. For the coming season, Parikh said that the prices would be 3-5 per cent lower than the opening prices of the previous season. He added that some new features have been added to the Hitachi ACs for the coming season. The range of the 'Kaimin' function, which adjusts the room temperature as per the customer's needs, has been increased, he added. After focusing on the Hitachi brand for the last two years, Amtrex Hitachi Appliances is launching a fresh campaign for the Amtrex brand beginning next week. With the punch line My lifetime AC, the company hopes to rev up Amtrex sales during the season.

""We will have 24 models under the Amtrex brand with the option of a remote control for each, Parikh added. While Madison is handling the advertising for the Amtrex brand, Leo Burnett is handling the Hitachi brand. "" According to Parikh, while the Hitachi brand had a single-digit brand recall in 1999, its brand recall has now reached 91 per cent. Anything above 90 per cent is

a universal brand recall, he said. Amtrex Hitachi Appliances has a plant close to Ahmedabad with the capacity to produce 150,000 ACs per annum. Parikh said that the company would raise the production capacity through continuous debottlenecking.

To Naishadh Parikh leadership essentially means:

1. <u>Establish Keen Ssense of Purpose, Urgency and Direction.</u> All members need to believe the team has urgent and worthwhile purpose, and they want to know what the expectations are. Indeed, the more urgent and meaningful the rationale, the more likely it is that a real team will emerge. The best cultural charters are clear enough to indicate performance expectations, but flexible enough to allow teams to shape their own purpose, goals, and approach. Amtrex history of coming from behind and becoming the India Number 2.

2. <u>Select members based on skill and skill potential, not personalities.</u> Cultures must have the complementary skills needed to do their job. Three categories of skills are relevant: 1) technical and functional, Hitachi factory, 2) problem solving, BPR Processes in the company, and 3) interpersonal. CEO styles and open door system. The key issue for potential teams is striking the right balance between members who already possess the needed skill levels versus developing the skill levels after the team gets started..

3. <u>Pay particular attention to first meetings and actions.</u> Initial impressions always mean a great deal. When potential teams first gather, everyone alertly monitors the signals given by other to confirm, suspend, or dispel going-in assumptions and concerns. They particularly pay attention to those in authority: The team leader and any executives who set up, oversee, or otherwise influence the team. And, as always, what such leaders do is more important than what they say.. The Amtrex Sales and marketing principles.

4. <u>Set some clear rules of behavior</u>. All real cultures in performance orientation develop rules of conduct to help them achieve their purpose and performance goals. The most critical early rules pertain to attendance (for example: "no interruptions to take phone calls"), discussion-"no sacred cows", confidentiality, analytic approach-facts are friendly, end-product orientations-everyone gets assignments and does them, constructive confrontation-no finger pointing, and often the most important-everyone does real work. Amtrex motto, Let us value time. For that would mean respect for customer.

5. <u>Set and seize upon a few immediate performance-oriented tasks and</u> goals. Most cultures trace their advancement to key performance-oriented events that forge them together. Potential cultures can set such events in motion by immediately establishing a few challenging yet achievable goals that can be reached early on. Amtrex Performance Management System and Variable Pay Program. Goals are established on a process basis.

6. <u>Challenge the group regularly with fresh facts and information</u>. New information causes a potential team to redefine and enrich its understanding of the performance challenge, thereby helping the organization shape a common purpose, set clearer goals, and improve on its common approach. Market data is shared every Monday morning with all of the management committee at Hitachi.

7. <u>Spend lots of time together</u>. Common sense tells us that members must spend a lot of time together, especially as the beginning. Yet potential teams often fail to do so. The time spent together must be both scheduled and unscheduled. Indeed, creative insights as well as personal bonding require customers, competitor, or fellow employees, and constantly debating issues. Hard work followed by week end parties.

8. **Exploit the power of positive feedback, recognition, and reward.** Positive reinforcement works as well in team context as elsewhere. "Giving out gold stars" helps to shape new behaviors critical to high performance cultures. If people in the group, for example, are alert to a shy person's initial efforts to speak up and contribute, they can give him or her the positive reinforcement that encourages continued contributions. Customer Service won may laurels and many brickbats but they mattered every day at Hitachi.

Lalbhai Group Leadership Intervention

1. **Keep the purpose, goals, and approach relevant and meaningful.** All members at Arvind Mills, must shape their own common purpose, performance goals and approach. While a leader must be a full working member of the team who can and should contribute to these, he or she also stands apart from the team by virtue of his or her selection as leader. Cultures expect their leader to use that perspective and distance to help the teams clarify and commit to their mission, goals, and approach.

2. **Build commitment and confidence.** Leaders, business managers and functional heads at the textile division and garments factories should work to build the commitment and confidence of each individual as well as the team as a whole.

3. **Strengthen the mix and level of skills.** This is a HRM Head's goal. Competent people available at all time. Effective leaders are vigilant about skills. Their goal is clear: ultimately, the flexible and top-performing cultures consist of people with all the technical, functional, problem-solving, decision-making, interpersonal, and teamwork skills the team needs to perform. To get there, team leaders encourage people to take the risks needed for growth and

development. They also continually challenge team members by shifting assignments and role patterns.

4. Manage relationships with outsiders, including removing obstacles. Leaders are expected, by people outside as well as inside the team to manage much of the team's contacts and relationships with the rest of the organization. This calls on team leaders to communicate effectively the team's purpose, goals, and approach to anyone who might help or hinder it. They also must have the courage to intercede on the team's behalf when obstacles that might cripple or demoralize the team get placed in their way. Lalbhai Group's relationships with trade unions, (TLA), vendors and partners, cotton traders and producers, machinery manufacturers and others are legendary.

5. Create opportunities for others. High Performance Culture is not possible if the leader grabs all the best opportunities, assignments, and credit. Indeed, the crux of the leader's challenge is to provide performance opportunities to the team and the people on it.

6. Do real work. Everyone on a real organization, including the leader, does real work in roughly equivalent amounts. Leaders do have a certain distance from the team by virtue of their position, but they do not use that distance "just to sit back and make decision." Leaders must contribute in whatever way the team needs, just like any other member. Moreover, team leaders do not delegate the nasty jobs to others. Where personal risks are high or "dirty work" is required, the team leader should step forward. Sanjay Lalbhai leads from the front. For taking credit it is always the professional manager. If something goes wrong in a decision or in action it is Sanjay Lalbhai who would answer the board or the press. This he believed in and practiced it under all circumstance. For SSL trust meant everything and he would give up

a lot to maintain trust and relationship. Perhaps it was this trust that may be led to a problem at Anagram, as we will see in the next case study.

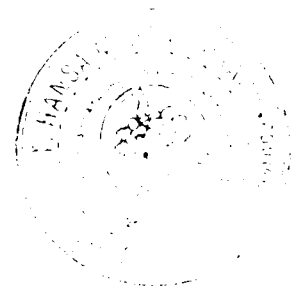**Case Study Number 5: Lalbhai Group (Sub Culture)**

Company: Anagram Finance

Business: Financial Services (NBFC)

Leadership: People Strategist

Culture: Low Operator and Low Executive

Organization and Management Model: The Human Organization

There is concrete lack of focus on building the corporation. Short-term results and gaining visibility is evident. Building personal loyalty is rampant. Ethics tends to be loosely interpreted and guidelines are arranged to suit business needs. Organizational members are trained to break rules although would not accept it openly. The purpose of supervision here is usually to check for mistakes and to catch the person making the mistakes. Supervision here is strongly driven on their subordinates to ask them for instructions and suggestions. The CEO enables the organization to change, manage people strategies and influence existence of specific cultures. The leader emphasizes culture as an important aspect of organizational building and believes in influencing people to shape cultures. Jobs are well defined/clear and people are aware of their role & responsibilities and all work relates to financial and revenue figures.

The leader focuses on people practices, HRM activities, organizational climate and its conduciveness to performance. Driven need to motivate and keep people in the right frame of mind to be productive and happy. Supervisors rarely take pains to see that their subordinates improve personal skills and chances of advancement and are not known for rewarding outstanding achievement. In influencing their subordinates, supervisors here try to use their

expertise and competence rather than their Formal authority. Supervisors here are more concerned with maintaining good relations with their personal networks and coalitions than with emphasizing duties and performance. The leadership is not concerned with obtaining problems as challenges and try to find better solutions than anyone else. This in turn influences colleagues to also let go in the event of a problem. When problems are faced here, experts are rarely consulted and they lay an important role in solving these problems. In dealing with problems, people here mostly consult their friends rather than with the best or the expert available.. Profitability is the only good word. Means are not as important as the end in itself. Yet leaders know that the rules are broken and they would watch as long as revenue numbers are achieved. There is effort to find better ways of doing things Performance, not personal relationships/considerations is what counts in this organization. Conflict is seen as natural, inevitable, and productive.

Case Study Number 6: Unilever

Business: FMCG Consumer manufacturing and Marketing Organization

Leadership: The Builder

Culture: Operator – Evolving Cultures

Organization and Management Model: The Institution

Three Unilever companies were merged in 1956 to form HLL. These companies were Hindustan Vanaspati Manufacturing Company -edible oil (1931), Lever Brothers India Limited- soaps (1933) and United Traders-personal products (1935). About 10% of the equity was offered to the public by way of an IPO in 1956. To comply with FERA, Unilever's stake was further diluted to 51% in the late 70's. To retain 51% foreign holding, HLL complied with stringent export and other stipulations imposed by the government, and diversified into businesses such as chemicals, fertilizers and exports. Over the last five years, HLL has expanded its operations by the merger and takeover route. It acquired TOMCO - an ailing Tata group company (1993), merged Unilever group companies Brooke Bond Limited (1996) and Ponds' India (1998), and has acquired cosmetic business of another Tata group company Lakme (1998).

Unilever group is one of the leading players in the world in personal and food products business. Since the beginning of liberalization, the Unilever group has been restructured with several mergers internally. With the merger of Brooke Bond as well as Ponds', Unilever's interest in Indian business will be entirely represented by HLL.

HLL has several subsidiaries like Hind Lever Chemicals, Indexport Ltd, Bon Ltd, Lipton India Exports

Ltd, International Fisheries Ltd, Nepal Lever Ltd, Yankee Doodle Industries Ltd, Health & Co Ltd, Thiashola Tea Co. Ltd, Daverashola Tea Co. Ltd, Doolia Tea Co. Ltd. Merrywheather Food Products Ltd, Lever Associated Trust Ltd, Levindra Trust Ltd, Hindlever Trust Ltd. HLL has 50% stake in two joint ventures with Kimberly Clarke and S C Johnson, and a minority stake in TOMCO company Vashishti Detergents. HLL has also formed a joint venture Lever Gist Brocades Pvt. Ltd for the manufacture of Instant Yeast. HLL amalgamated Industrial Perfumes limited with itself during F12/99 the amalgamating company came into lever's fold after the merger of TOMCO with HLL, the merger would help in the company in forming joint ventures in specialty chemicals. HLL operates over 100 manufacturing facilities across the country. Besides, there are several third-party manufacturing arrangements.

Corporate Strategic Objectives

- Profitable Growth in our FMCG categories
- Improving the profitability of Foods
- Securing the future of non-FMCG businesses
- Unilever's exit from Chemicals business
- Opening up of the Indian economy
- Critical to access world class technology
- Variety of options under active review
- Best solution for each non-FMCG business

- Aggressive investments in developing new categories
- Setting up new infrastructures especially Ice Creams
- Reasonable scales of operations achieved
- Focus now on improving profitability
- Improved margins on traditional portfolios -Tea, Oils
- New consumption opportunities for Tea, Coffee, Ice Cream
- Out-of-Home business unit in Bangalore to lead the activity
- Dedicated resources to grow institutional business in 3 regions
- Aggressive expansion in our 100 crore Food Service business
- The wholesale channel opportunity

Figure: 39 HLL Corporate Strategy – Reference Andersen

Product groups:

Soaps & detergents

Beverages (Tea/Instant Tea, Coffee)

Plantations

Personal Products

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Lakme Lever Ltd (color cosmetics business)

Aviance Ltd (direct selling business – hair & fragrance categories)

Indexport Ltd (oils)

Kimberly Clark Lever Ltd

Specialty Chemicals/Bulk Chemicals

Spreads & Cooking Products Category (SSC) & Bakery Fats

Frozen desserts & Ice Cream

Canned and Processed Fruits & Vegetables (Culinary Products)

Branded Staple Foods (Kissan Annapurna products)

Modern Food Industries (India) Ltd

Agri Business – Seeds & Plant Growth Nutrients (seeds business recently sold to Emergent Genetics that is acquiring a 74 per cent equity in the business and will route its investments through India Seed Holdings, a Mauritius-based subsidiary). Emergent Genetics, is affiliated with the Dallas-based private investment firm Hicks, Muse, Tate & Frust, Inc

Financials:

HLL Results - 2000

Rs.Crores	2000	1999	Growth %
PBT	1665	1388	20.0
Tax	355	318	11.6
PAT	1310	1070	22.4

Figure 40: HLL results 2000 – Reference HLL

On 12 February 2002, the $ 43-billion Unilever will play host to an awards ceremony-the Path To Growth Awards. Those who wish to take home a trophy will have to demonstrate how they successfully implemented the company's now-famous path-to-growth strategy, which calls for concentrating innovation and development on a portfolio of core brands. The two co-chairmen of the Anglo-Dutch foods, and home & personal care giant-Antony Burgmans and Niall Fitzgerald-will announce the winners at the OBJ (Unilever-speak for its annual review meeting, which for some reason apparently stands for Oh Be Joyful), which will be held on February 12, either in London or Rotterdam. The trophies will be handed out at subsequent cascade meetings in the 14 days after the OBJ by one of the Unilever chairmen at one of the group's regional bases.

The year may not be over yet, but if the progress made by the power-brand basket of the Indian subsidiary, the Rs 11,764.31-crore Hindustan Lever Ltd (HLL), is any indication, Chairman Manvinder Singh Banga and his core team could well be in the running for those glittering trophies. In markets that have stagnated, and some segments in which there has even been negative growth, HLL has been able to hold its own by backing key brands with all its financial and managerial might. Sales growth of the power brands was up by close to 5 per cent in the first half and leapfrogged into double digits (10.5 per cent) in the third quarter, even as key industry categories like personal wash, laundry wash and tea posted negative growth. It's still early to say whether HLL's power brand strategy will prove a long-term success, but as the Chairman points out: "We're on the right track, if you look at the growth of our power brands against the backdrop of the growth in the categories in which they operate. All our brand health indicators are getting stronger."

The New Culture

■ A pro-active, flexible, fast moving organisation

- Successful implementation of the strategic objectives and thrusts
  - power brand to expand profitably to grow the business
  - ability to manage the migration of the small tail

■ 7 smaller Category Business Units allows empowerment & freedom to get on with delivery

- Ability to drive market expansion through new channels / geographies
  - continue to devise channel and coverage expansion strategies

- Contain low cost competition
  - focus on achieving cost competitveness to counter low cost competition. Innovate aggressively

■ Attractive reward for actual Performance through Variable Pay bonusses & Stock-related schemes

- Continue to attract/retain top quality talent
  - business leadership programme
  - new category organisation structure

Figure 41 HLL - The New Culture – Reference HLL

The performance in the soaps and detergents business, which contributes 80 per cent to HLL's sales, is indicative of the progress made so far. In the Rs 3,203-crore toilet soaps market, where the industry has recorded a 7.5 per cent decline so far this year, Lever has been able to maintain its market share at last year's levels of 60 per cent. This has been on the back of a 60 per cent growth (so far this year) of Breeze, a 1 per cent growth of Lifebuoy in the third quarter (after six quarters of declining volumes), and a close to 4 per cent up trend in Lux. The figures may not be the most impressive, but the good news for HLL is that it has been able to buck the industry trend. In laundry wash too, Art Weijburg, Director (Detergents), expects to end the year with a 0.5-1 per cent gain this year. This is up from 39 per cent last year to 40 per cent in an industry that was flat in the first two quarters and which slumped by 3 per cent in the third quarter. Weijburg reveals that Wheel has been able to regain the leader ship status it had lost to Nirma last

year, by registering double-digit growth through the year. Not just that, Rin has jumped to No. 2 position and together Wheel and Rin bar now command a 25 per cent share in the detergents market.

HLL Results - 2000

Rs.Bn	2000	1999	Growth %
Net Sales	106.0	101.4	4.5
Other Income	3.5	3.2	8.2
Operating Costs	91.4	89.2	2.4
PBIDT	18.1	15.4	17.5
Interest Expense	0.1	0.2	(31.3)
Depreciation	1.3	1.3	1.7
PBT	16.7	13.9	20.0

Figure 42 HLL Results 2000 Reference Andersen (2000)

Serious Competition Ahead

That's not bad for a company that's not just been grappling with a sluggish market but losing market share to rivals like Colgate, Procter Gamble and Godrej as well as low-cost players like Nirma and CavinKare in recent years. Nirma, for instance, was largely responsible for eating into the 70 per cent of the soaps market that Lever once commanded and the declining volumes of the cash cow, Lifebuoy. In toothpastes, Colgate finally woke up last year to stall the strides being made by Close Up and Pepsodent. And in skin care, CavinKare, Godrej and Paras were

threatening to put a halt to the supremacy HLL enjoyed in this high-margin business. This was reflected in the dramatic 7 per cent dip in growth in 1999 and the virtually stagnant top line in 2000. The power brand strategy may have thrown up encouraging results, but if HLL is honing its game plan, its competitors aren't just looking on. Colgate, with its high-decibel 'Talk to Me' campaign, is determined to increase its lead in toothpastes. For the first time, HLL is facing serious MNC competition in detergents, in the guise of P&G, which has aggressively cut prices of Tide. In another declining category, tea, Tata Tea is set to attack the premium segment, which is currently dominated by Lever's Taj. And in ice-creams, where HLL is still coming to terms with the distribution challenges, there's Amul to contend with, which derives plenty of advantages thanks to its cost advantages and non-profit policy. And in foods, more than branded competition, HLL finds itself competing against the very raw materials that go into products, be it wheat grain or oil sold loose, or tomatoes, which obviously are much more cost-competitive.

The New Buzzword

Banga sums up his counter thrust in one word: focus. That indeed is the buzzword that reverberates amidst the old-world confines of Hindustan Lever House in Mumbai's financial district. And it's with focus as the central theme that HLL expects to continue ride on the growth of the power brands, improve profitability, and sustain it over the long term. "We have to focus on those brands with the maximum potential, size, and competitive strength. Our advertising and promotional expenditure, brand support and people time have to be realigned to focus on 30 instead of 110," says Banga. To be sure, advertising expenditure increased by 30 per cent in the third quarter, and HLL has spent Rs 70 crore on product upgradation, which is reflected in the relaunch of the soaps & detergents and toothpaste brands. The packaging, fragrance, fat content and lathering abilities of Lux have been improved, and ingredients like honey and almond oil added. Lifebuoy, at the carbolic end, has been repositioned as a health product, which also paves

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the way for the brand to be extended into broader health applications. The 30 brands aren't cast in stone, but the basket will constantly evolve. In the personal products category, which currently boasts nine power brands-Fair & Lovely, Clinic, Sunsilk, Lakme, Ponds, Pears, Nihar, Close Up, Pepsodent-four more are lined up as potential power brands. These are Vaseline, Rexona (deodorant), Axe and Lux (liquid). Then there are also 11 regional jewels like Rexona (soap) and Hamam, which HLL is sticking with because of the loyalty they enjoy in certain markets. Focus at HLL also means putting more people behind the vital brands, and breaking down the categories into 'mini-businesses'; the three major categories have been broken up into 9-10 mini-businesses. Soaps & detergents, for instance, has three prongs: personal wash, fabric wash and mass markets, into which the lower-priced brands like Wheel, 501, ok, and Lifebuoy have been put. If HLL is going to focus on just 30-40 core brands, that doesn't mean that the rest will be junked. Sure, there will be some that will be milked and gradually phased out. In personal products, 10 brands with no long-term future have been identified, and in foods, much of the International Best food portfolio (Rex, Brown & Polson, Tarla Dalal) will be pruned. The exception is Knorr-a $2.5 billion-plus global brand-which has been given power-brand status. Yet, in those brands that have critical mass and synergies with the core brand, an attempt will be made to migrate their consumers to the power brand basket. The migration process is still at an early stage, and a beginning has been made with Coco Care hair oil being devolved into Nihar. Similarly, Ala fabric whitener is being migrated into Rin (in three stages) as is the 501 bar into Rin bar. The umbrella branding strategy of the group will also call for extensions, but not before the strength of the core brand is ensured. In skincare, for instance, Fair & lovely is growing by 9 per cent, and the HLL top brass is convinced that the health of the brand has improved. That explains the decision to extend it into soap. Similarly, Close Up has been extended to Close up Whitening, and Lakme into services in the guise of Lakme Beauty Salons. Fair & Lovely may also be soap now, but the core proposition of the brand -fairness-remains the same. "By launching a soap, we are giving more consumers an opportunity to experience the brand," explains Arun Adhikari, Executive

Director (Personal Products). Indeed, increasing consumption is one of the key focus areas for HLL, particularly in markets that are close to saturation. Take shampoos, a category in which urban penetration is close to 70 per cent, where Clinic and Sun silk have been launched in 8-ml bubble packs. The objective? To woo one-time users (of sachets) to graduate towards larger packs, which are still not as large enough as the regular ones. All the same, Banga isn't convinced that the shampoo market is saturated. For, if you look at this category as a part of the larger segment of hair washes, penetration is just around 10 per cent. The trick then is to get more people who use soap to wash their hair to use shampoo. Simultaneously, HLL has grabbed the opportunity for a hair and body soap by launching one as a part of the Breeze range. Meantime, HLL's new ventures are taking shape, probably not as fast as some analysts would have expected. As part of Project Millennium, Lever had identified eight new forays, of which only one-confectionery-has taken off nationally. "We can move at lightening speed only in those businesses that we understand. In the new areas, plenty of care and caution have to be exercised, since we have to develop new competencies here," says Banga.

Finding New Niches

For Dalip Sehgal, Executive Director (New Ventures & Marketing Services), if a new project has to take off, it has to able to find a resting place in one of the existing businesses. Confectioneries have been launched under the Max brand, but Max is ultimately children's brand (thereby giving it the opportunity to further extend itself). But it will ultimately find its 'resting place' in the ice creams business. Similarly, Project Shakti-for which the company has tied up with 500 of the two Lakh-odd self-help groups in Andhra Pradesh-will help Lever make further inroads into smaller villages. Currently, Operation Streamline-the distribution thrust-reaches out to 80,000 villages of 2,000 households and above. Project Shakti will enable HLL to penetrate deeper into another

40,000 villages of fewer than 2,000 households. But that of course is only once-or if-it assumes national proportions.

Another new venture being actively explored is water. Lever is sure it doesn't want to be another me-too bottled water player in the market. According to market sources, the company is actively looking at the prospect of selling water in rural areas, and at one point was even considering a water purification system for those markets. "We will link the water venture to our capabilities and not play to the strength of others," is all that Banga is willing to reveal. It is this urge to be different that's also reflected in the turnaround efforts at the foods business. To wean away consumers who prefer chakki-atta, Gunender Kapur, Executive Director (Foods), says by fortifying atta with iron and vitamins, he's offering a product that's hugely relevant and not available. That's because at least 60 per cent of women and children in India suffer from iron deficiency. Similarly, Dalda Active has the same taste of vanaspati but not the health hazards associated with it. In ice-creams too, executive director J.H. Mehta is attempting to move out of the price war with Amul, by launching differentiate products, like the sundae tubs in the take-home segment.

Narrowing Pyramid

Even as Lever guns for focused growth, a concern being voiced in industry circles is whether it will continue to have the people to aid the company in that endeavor. "Thanks to the consolidation that's happened over the years, the pyramid at the top has narrowed," points out Rajan Chibba, Deputy Managing Director, and KSA Technopak. Adds Atul Vohra, Partner at headhunting firm Heidrick & Struggles: ''before Leverites were less receptive to headhunter calls; now they're willing to listen." So is Banga concerned? Not really. "Pyramids by nature are narrow at the top. Opportunities exist in Lever for good people. And don't forget that some 60 of

our people are with Unilever." Adds Prem. J. Kamath, Head (Management Resources). "In the process of creating mini-businesses, we are also able to provide more of our people exposure at heading a business at a much earlier stage."

Indeed, Lever needs all the help it can get from its 1,500-strong pool of managerial talent to take on the longer-term challenges. Of warding off its competitors, both big and small, in key categories; of increasing consumption in markets that are ostensibly saturated; and of returning to those heady days of double-digit growth.

M S BANGA'S Growth Mantras

FOCUS

Brands with maximum potential, size, competitive strength and potential for growth will get the full support of financial and human resources. Innovation and split into separate functions. Activities broke up into mini-businesses.

EXTEND

If the growth of the core brand is ensured, it becomes viable for extension. Example: Fair & Lovely skin cream into soaps, and Close Up to Close Up Whitening.

MIGRATE

If non-power brand is of significant size, and has the core proposition of a power brand, migrate it into the power brand. Example: Coco Care into Nihar.

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EXIT

Brands with no future will be milted and gradually phased out. Non-FMCG businesses will also be hived off, if not exited. Example: flavor and fragrances.

SUSTAIN

Grow only businesses that can be sustained in the years to come. Example: Although fragrance brands can be a Rs 20 crore business in year one, long-term growth potential is low. Hence they aren't in sharp focus.

PROFIT

Growth and leadership are important, but are of little help if they're unprofitable. Consumers have to be delighted, but shareholders have to be rewarded too.

INCREASE CONSUMPTION

Give the consumer an opportunity to use the product more often. Example: 100-ml standipack shampoos to ensure users increase consumption.

BROADBASE

Depending on the size of the opportunity, profit profile, synergy and long-term competitive advantage, new ideas are taking shape. Example: confectionery, water.

DIFFERENTIATE

Be it a new venture or innovation in an existing category, it has to be characterized by differentiation. Example: Annapurna salt (fortified with iron and vitamins) and Dalda Active (lower health risks).

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EFFICIENCY

Along with the launch of superior products, the endeavor is to make the supply chain more efficient. Example: In the wheat supply chain, Lever now procures wheat directly from the farmer.

The Analysis

Here is a classical model of an institution. **Changing work place needs in this organization managerial/supervisory goals clearly reflect the organisation's objective. And the leader M S Banga fits in to the Chair on a Born for Each other basis. The figure below depicts the changes impacting organization of the class and caliber of HLL.** The objectives of managers/supervisors in the organisation offer opportunities for developing ones skills. Action through making systems the critical consideration for organizational effectiveness. Driven by the need to promote and perpetuate intellect as it determines individual and organizational means and tasks and denies organizational members the time, space and opportunity to learn as things evolve. Taken up by the successes, stories, rituals and processes that have proved in time that it works and should be followed. Employees/colleague support and Collaboration can be expected in the organisation. . Sustainability only based on enhanced intellectual capital, innovation and newness of things done within and without the organization. Need to make teams work together to achieve group goals that achieves today's performance and tomorrow's systems.
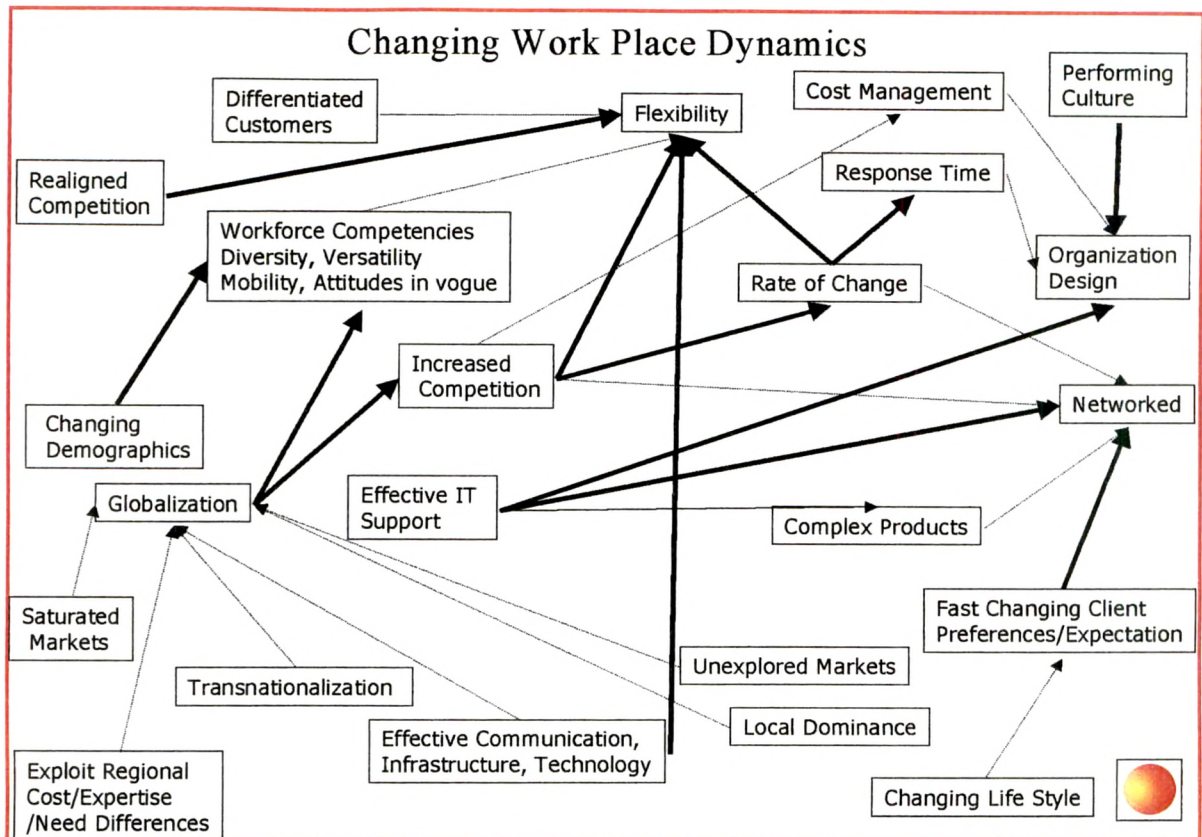
Figure: 43 Changing Work Place Dynamics

People are involved in the formulation of the organisation's objectives. One can get a sense of achievement from the management/supervisory takes in the organisation. The work procedures are clearly established, and widely understood. There is adequate freedom, autonomy and empowerment to work flexibly within agreed objectives. Opportunities for advancement are widely available in our organisation. The work groups are under pressure to produce and enable a competitive atmosphere. The leader emphasizes teamwork, enables interdependencies between functions, businesses, technologies and the organization as a whole. Spends over 50% of time to manage employee retention and rewarding high performers. It is not necessary to refer to the

superior/ supervisor to change things that are within established objectives. Goal achievement is the basis of recognition in our organisation. Action through making knowledge an important performance parameter. Top management can effectively formulate and articulate its vision and business strategy to the organisation. Preplanning is an important business consideration and decision making a critical management tool. There is a clear sense of direction and purpose behind any organizational move. There is adequate competency in both leadership and subordinates. Driven by conscious endeavor to support a cause that extends beyond commercial perspective in many situations. They address problem behavior by focusing attention on the needs, history and skills of the individual. They are personally driven by personal learning and mastery of skills and knowledge and teach skills in managing internal dialogues and belief systems. The leadership provides a role model for subordinates.

The top management emphasizes high productivity and service standards. The leadership is willing to experiment with new ideas and approaches to routine problems. Meaningful and productive meetings are often conducted by or in the presence of top management. The top management prefers to confront and/ or conflict and settle disagreements rather than avoid or ignore them. Action through policies, rewards, interactive processes, job design making people an important consideration in organizational issues. Action orientation measured by appropriates planning, measured steps, building consensus and reasonable task orientation. The leadership always seeks suggestions and ideas from everyone. Teamwork and collaboration is present within and among upper-level management. There is adequate sharing of power, authority and decision making with lower-level management. The management always strives to constantly improve working conditions, both physical and psychological. The leader influences the History and Tradition of the Organization. I'm reminded of names like Ford, Iacocca, Thomas Watson, etc. ... men who created durable, lasting organisations that have lasted well beyond their times.

Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. Dr Verghese Kurian and his work in Amul are fine examples of how a CEO with great style, commitment and transparency can communicate a compelling vision. Ambani and Reliance are another fine example. The Role of the CEO/leader in regard to strategy processes technology and people actions and leader's influence in the existence of specific types of cultures. Harold Geneen – created a great organisation and then tyrannized everyone in it. Leadership Style as practiced by the management groups influences the culture. Infosys' work in culture building at the operational level – almost entirely the effort of middle management in interpreting Narayanamurthy's vision. CEO/leader focus on performance, climate, communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers. Bill Gates and Microsoft. I haven't heard of very many other companies that are so obsessed with how they attract and retain talent. (Reference: Sameer Nagarajan – Unilever).

The institution is known for focused *Courting of the customer*: Listening to customers, however maddening it may be, sometimes helps. Customer requests and queries can often lead companies into unexplored territory and give them a powerful competitive edge. Benchmark *shamelessly*: This is the age of give and take. Companies are ready to share their know how and expertise and an organization need not hesitate to enlist the help of another that is good at something you need to know or do. It is uneconomical to reinvent something that somebody else has done.

Any hesitancy to seek outside information disappears once an organization recognizes the advantage of utilizing the knowledge of other companies. The adage that seems to work best is, buy, borrow and adopt'. Keeps your tab on *competitors*: Competitor information is critical. Identify your key competitors and take seriously the threat of your present and future competitors. Once you have competitor information, act on it. Encourage your people to continually ask:

"What has our competitor learned to do better or differently that we should adopt or leapfrog"? A learning organization has the motto: "seek ye the truth, come whence it may, cost what it will."

There is a distinctive relationship between the leadership style of the CEO/leader and the culture of the organization. "The CEO is both the head and the heart of the organization and as such influences, for better or for worse, the whole organization and its business culture." The CEO/Leader has a special role to play in the culture of the company. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. "The best companies in the world have a single, simple culture and style which distinguishes and differentiates them from their competitors. For example, Microsoft and Apple are two companies operating in the same space but with very different cultures, which finds reflection not only in its leaders and its work-practices, but indeed even in the consumer perception of their brands." The CEO/leader does directly influence the existence of any one/all of the cultures in the company. *"Through both thought and action, the CEO sets the informal code or guiding principal for the actions, style and ethics of all his employees – both collectively and individually. There is a* relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. *"While each function may have a sub-culture, they all flow from the same culture in a successful business." (Ref. Shunu Sen, Director, Hindustan Lever Limited)*

There is a relationship between the leadership style, management beliefs, work practices, norms, history and the leader's experience and of the CEO/leader and the culture of the organization. There is a strong relationship between the leadership style of the CEO and the culture of the organisation. This is evidenced in most organisations irrespective of size/scale, industry or ownership i.e. family run or managed by professionals. The length of the tenure of the CEO can, though not necessarily, have a bearing on how deep and wide the culture change takes root in the

organisation. The CEO/leader has a very important role in defining the values and ways of working. It is his vision of what the organisation will stand for not just today, but more importantly in the future, which will drive the change process. The change is also determined by the extent of belief and commitment that the CEO has in his vision. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. Most organisations have an identifiable culture and an outsider can 'smell' it very quickly. You need to only walk into a government office and you can sense what the cultural ethos of the place is! A quick walk through any factory will give you an idea of the work culture in that facility. Spotless shop floors and clean uniforms convey a culture that is easily identifiable.

Similarly, large well maintained gardens in the front do not necessarily mean that the factory management is environmentally conscious. For that you need to see the rear exit and the piles of waste which are well hidden! The CEO/leader does not directly influence the existence of any one/all of the cultures in the company. The CEO/leader directly influences the core of the culture of the organisation. You need to only see Saurav Ganguly on the field to decide for yourself how quickly a leader can impact, positively or negatively, the culture of the team. Effective leaders normally focus on influencing the core by example and deep commitment to the values they propound for the organisation. They do so both in the professional and personal lives. They are also realistic enough to leave, and they must, the rest of the organisation to build around it. The best example is of putting a grain of sand in an oyster – you don't need to do very much more to get a brilliant pearl! There is a relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. In my experience the core values of an organisation go across all functions and locations. If for example honesty is a core value, it is in evidence across the functions. Similarly, entrepreneurship runs through all departments if that is what the organisation propagates as its key value. The manifestation and

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degree to which these are apparent may vary from function to function or indeed from location to location. (Ref. Dalip Sehgal – Director, Hindustan Lever Limited)

Case Study Number 7: Pharma Incorporated

Business: Pharmaceuticals, Consumer Products, Biomedical and Healthcare

Leadership: The Visionary

Culture: Executive – Evolving Cultures

Organization and Management Model: The Competing Organization

Pharma Inc is a research-based, global pharmaceutical company. We discover and develop innovative, value-added products that improve the quality of life of people around the world and help them enjoy longer, healthier, and more productive lives, IS THEIR MOTTO. The company has three business segments: health care, animal health and consumer health care. The products are available in more than 150 countries.

Indian operations:

Hocine Sidi Said is placed comfortably in his chair as the CEO. Having accomplished one of the most complicated merger integration of all of the Pharma worldwide companies he has commenced what he was sent into India for. Go fix the company. Pharma India is an affiliate of Pharma Inc., a $28 billion research-based global healthcare company that discovers and develops innovative products that improve the quality of life of people. Pharma's journey in India started off way back in the 50's when a company under the name of Dumex Pvt. Ltd. was registered on 21st November 1950. Pharma's pharmaceuticals product portfolio spans a wide range of therapeutic classes from vitamins supplements and nutritional to antibiotics and cardiovascular. Corex, a cough syrup and Becosules, a B-complex supplement have been ranked No.1 and No.2 brands respectively, in the entire pharmaceutical industry*. Other leading brands from the Pfizer

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stable include Mini press* XL, Amlogard*, Magnamycin*, Dolonex*, Protinex*, Vicon*, Terramycin* to name a few. Newly launched brands include Combantrin*, Cardiovit*,

Figure 44: Leadership Focus on Operational Performance

Hepashield* and Magnex*. Pfizer in India operates in Prescription pharmaceuticals and Animal health. Pharma's business in pharmaceuticals over the years has been very successful. Not only have the established products become brand leaders in their respective therapeutic segments, but a slew of newly introduced products are carving a niche for themselves in the market. The success in developing drugs to promote human drugs has been paralleled by its triumphs in the field of

Leadership Focus on Operational Performance Levels...

Measures	PIL	PDIL
Net profit margin	8%	6%
Operating profit margin	19%	14%
Return on net worth	31%	34%
Return on capital employed	54%	35%
Personnel cost as a % of sales	10%	11%
Asset turnover ratio	4.55	3.59
Inventory turnover ratio	7.20	8.20
Days sales outstanding	38	24

COMPARISON/ IMPLICATIONS

- Distinct credit control policies and procedures
- Disparate supply chain processes:
  - Planning
  - Procurement
  - Manufacturing
  - Distribution
- Distinct HR policies
- Different performance management systems across the two companies

FROM THE MERGER PERSPECTIVE WHAT DOES THIS TRANSLATE TO?

- Opportunity to achieve at least the better of the two comparatives
- Opportunity to design a robust integrated performance management systems

animal health, where it is well positioned to meet its medical needs of livestock and companion animals effectively.

Pharma India has 2 manufacturing units in the country - a state-of-the-art facility at Thane, New Mumbai just north of the country's economic capital, Mumbai and the country's first ever fermentation plant at Chandigarh, a city north of the nation's capital, New Delhi. At Pharma, the aim is to have the best environment, health and safety performance in the industry. They strive to seek continuous improvement in environmental, healthy and safety performance, maintain a safe and environmentally sound manufacturing operation and contribute to the common effort to protect the natural and work place environment .EH&S Standards comply with all the statutory requirements of the country and state matters related to EH&S are given considerable importance.

Innovation is a crucial factor in the overall effort to improve health through better and safer medicines. "Helping people Pharma's strong concern for patient's health is reflected in the ever-growing investment in R&D. Research and development expenses have increased at a compound annual growth rate of 22% over the past 5 years.

The Analysis

Hocine stands for youth given his age, stands for performance given his disposition and stands for excellence given his impatience against mediocrity and stands for perfection given his responsibility as the CEO of a Pharmaceutical Company. Hocine Sidi Said is the man on the spot and ably supporting him is a team of professional Directors of the Board and the Executive Team. Hocine knows what he has come into this country for and what are his deliverables in the 3 years that he would spend in the country. And this organization is all about growth, innovation, market competitiveness, bottom line and building shareholder wealth. They are at it aggressively and

would do all to make their goals. An effective leader varies his use of authority according to the group and the situation. The organization values history and tradition. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past. In the organization time is not an important consideration, as it is perceived to be relative to the tasks and is managed appropriately as long as basic human processes are followed. This organization operates best in volatile and conflict prone environments where survival is driven by superior and competitive performance amongst rival organizations. Competitive organizations chose to be so through their internal positioning and stated objectives and is therefore a desired or planned outcome. Sometimes he merely announces his decision, at other times he persuades, consults or leaves the decision to the group, all depending on the group and situation. To a CEO leader perspective appears more clearly than a less effective on the strengths and weaknesses of individual members of his team. An effective leader realizes people have mixed feelings towards authority; i.e., they both like it and do not like it. To be a leader one must decide whether he is going to be democratic or autocratic or whatever may be an appropriate style. They are focused, target their rival and go after them. Managerial aspirations with respect to personal goals decline as they seek institutional achievements as against individual glory.. Although leadership styles are quite pronounced. In general the organizations are more cohesive, more aggressive and dynamic. More importantly it must be situational and then should stick to it. Effective leaders do not smooth over or avoid conflicts between members of the group rather than confront them. They think in terms of duties and activities rather than results and objectives. They are effective and efficient and ate those who keep their desk neat and clean.

A charismatic leader puts a great value on humor and uses it to keep a sense of perspective when the group is struggling with a problem. Besides the authority of his position, an effective leader tries to develop other forms of influence - his personality, competence, and character. An effective leader is one who leads a group to its goals. A conflict-managing leader encourages

honest disagreement in order to find better solutions. The structure of the organization is complex yet meaningfully designed to empower people to decide at the point of impact, cohesive internally. A people centric leader treats each member of his group in the same way An effective leader is one who usually gets his way in a group discussion. A team leader builds on strengths of his group, doing the things they do well and omitting those they cannot An effective leader is not lost in the jungle of duties and loses track of objectives. Transformational leader considers his men, their quality and development, to be his most important resources - far more important than materials or money. A learning driven leader is sensitive both to group and individual needs as well as the demands of the situation and to all of them leadership should be shared in a group, moving from one member to another, according to the competence required in the situation. Organizations do not become competitive unless they have by choice determined to do so. Competitive organizations nurture cultures that are target and goal conscious, decisive, clear understanding of their strengths, deep appreciation of factors that will enable them to peak performance and are aware of their resources and time lines including obligations to stake holders. The organization is driven by orientation to people, their actions, beliefs in the value of human good and concerns. Driven by organizational energy to learn, self develop, perpetuate individualization as they grow to compete. People increasingly come to be viewed as "human resources" and are treated as a cost rather than a capital investment.

People here are careful and concerned with following established rules and procedures with clarity and discipline. The main concern of people here is to help one another develop greater skills and thereby advance in the Organization. Achieving or surpassing specific goals seems to be the main concern of peoples here. Consolidating one's own personal position and influence does not seem to be an important consideration. The dominant concern here is to maintain friendly relations with others. They spend adequate time and resources to develop people's competence and expertise. In this organisation most informal groups are formed around experts.

The atmosphere here is very friendly and people spend enough time in informal and social relations. In this organisation strong cliques are not evident who are expected to protect their own interests. Businesslike relationships prevail at the professional level and friendly-comforting relationships at another level prevails here. People are warm, but get together primarily to ensure excellence in performance. People here have strong associations mostly with their supervisors and look to them for suggestions and guidance. People here have a high concern for one another and tend to help one another spontaneously when such help is needed.

Figure 45 Culture Change Management Post Merger

Pfizer Culture Change Management Post Merger

PFIZER
- Merger process directed and influenced by Pfizer Inc culture
- Perception of a low remunerative organisation vis-a-vis counterparts
- Parity and equity issues compared to peers in merged entity
- Focused around 8 core values of Pfizer Inc
- Buy-in achieved for people in key positions that have been identified as leaders in the merged entity

PARKE DAVIS
- Perception of being acquired rather merged
- Fear of potential loss of job security
- Intransigent attitude of influencers within the PDIL leadership
- Low buy-in at senior levels within the organisation to the merger integration process; feeling of being left out
- Perception of a 'better performing' company being taken over
- Fear that equalisation of titles, grades etc. may actually result in a shrunk role and adverse impact on compensation

IMPLICATIONS
- Attitude of PDIL leadership can delay the merger process
- "What's in it for me?" attitude of people who are a part of the alignment process
- Inequity in compensation, grades and roles
- Implications on job security due to rationalisation
- Motivating employees of new Pfizer to achieve new targets

FROM THE MERGER PERSPECTIVE WHAT DOES THIS TRANSLATE TO?
- Opportunity to develop a culture that facilitates the merger process and is aligned to Pfizer strategy
- Opportunity to do a comprehensive culture audit of the two organisations to determine key issues
- Sensitising all operational integration initiatives to differences in culture

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Ideology of top management tends to become organic in high performance environments, more market oriented, technocratic, and participative and team driven. There is relationship between the leadership style of the CEO/leader and the culture of the organization. Organisations that have well defined Culture through its Core Values and which find an expression in the day to day functioning of the organization have an edge over others. It is important that the CEO is seen as the face of the organization embodying the culture in his leadership. If the connectivity is shallow Culture is not worth talking about. The CEO/Leader has no role to play in the culture of the company. The CEO is the architect and has to be the proponent of the culture. Culture is based on a defined set of values, which should be both soft and hard. In other words, if the values are detached from business sustainability is unlikely. The CEO must talk the walk and walk the talk. The enrollment of the entire leadership team is the next logical thing to happen for the culture to get entrenched in the organization. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. Culture is not something that you can typeset or transplant from Company to Company. This must be evolved through discussions with employees and have a strategic connectivity to the future. Culture just for culture's sake is useless. It must be seen as having a place in the strategic positioning of the organization in a changing business environment. The CEO/leader does directly influence the existence of any one/all of the cultures in the company. CEO along with his leadership team must make the guiding coalition. For e.g. If there is an Open Door Policy system and if employees access through this forum, then there should not be a victimizing attitude towards those who communicate. There is a relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. All functions must be geared to one common culture e.g. Customer Focus, Innovativeness, Respect for people, Integrity, Learning Orientation. Therefore, no matter what function you handle, while the "What" will differ "How" you achieve cannot be different. (Reference: Harry Walder).

OPPORTUNITY	BENEFITS
Organisation design • Align India organisation structure to worldwide Pfizer structure • Provide permanency to key merger initiatives from a structure viewpoint • Reduce FTE costs • Involve best practices from an organisation design point of view • Rationalise processes and functions as a result of the merger	• Structure focussed on global and local business and market strategy • Robust organisation design • Increased productivity levels of the workforce • Streamlined activities within a particular function
Communication & Change enablement • Opportunity to address all key stakeholders at once • Communicate leadership role prominently • Alleviate fears, concerns in the minds of employees • Facilitate the success of the operational integration • Assess perceptions of different employee groups	• Streamlined and smooth integration process • Reduction of grapevine on potential outcome of merger • Awareness, buy-in and ownership of all stakeholders • Management understanding of the finer dynamics of handling a merger

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Figure 46: Cultural Change Factors Influenced by Leadership

Pharma Member's Perception

I reinforce and support positive behavior and performance in my subordinates. I actively encourage my subordinates to make the most of their potential. I am willing to take reasonable risks in the management of my work units. I take responsibility in ensuring that the employees I manage make their best contribution. I demonstrate by example, personal standards of competence and productivity. I am generally objective, friendly and professional in dealing with my colleagues. I take responsibility to seek change in organizational norms, values and standards when these are not relevant and need updating. I provide feedback, at regular intervals, to my superiors on my work. I communicate well with my subordinates, superiors and peers.

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Case Study Number 8: Schoolnet India / I L F S India Corporation

Business: Wholly Owned Subsidiary of I L F S – Social Infrastructure – Education and Health

Leadership: The Scientist

Culture: Executive – Engineering Cultures

Organization and Management Model: The Intellectual Organization

(1)   Background: Schoolnet India Limited is a wholly owned subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS). Schoolnet's mission is to enhance the quality and delivery of education across the learner spectrum and learning segments

(2)   IL&FS: IL&FS are a unique Financial Institution mandated with the commercialization of infrastructure projects and provision of a wide range of financial services. IL&FS commenced operations in 1988

(3)   Shareholders: IL&FS were born in the public sector and have evolved as a public sector controlled Institution. The shareholders of IL&FS are leading Indian and international Institutions including, inter alia :

(a)   Housing Development Finance Corporation (HDFC)

(b)   Central Bank of India (Central)

(c)   Unit Trust of India (UTI)

(d)   International Finance Corporation (IFC), Washington

(4)   Partnership with Government: IL&FS has been working with the Government and the private sector in developing frameworks for the commercialization of infrastructure

projects, across sectors including Roads, Bridges, Water Supply Projects, Transportation Systems, Power and Telecom. The initial projects in each of these sectors provide replicable models for initiatives of this genre. IL&FS seeks to build and enhance such public-private partnership models and frameworks in the delivery of its mandates

(5)   Social Infrastructure: The shareholders of IL&FS would like to catalyze Social Infrastructure initiatives with a specific emphasis on Health and Education. The focus is on providing greater outreach as well as improved delivery of services including inter-alia, in health and education. These projects also focus on models and frameworks that enhance cross subsidy for the less empowered, who have limitations in terms of their capacity to pay. Projects in the area of Social Infrastructure identified by IL&FS are guided by a set of common characteristics as under :

(a)   To enhance, upgrade and optimize existing infrastructure

(b)   To induct technology to enhance the outreach of services

(c)   To enhance private sector participation by re-directing resource flows

(d)   To develop them on a self-sustaining basis to ensure viability

(6) Impact on Learning Process: These changes in turn affect the learning process: what is taught, how students gain access to it, and what human achievements result. It thus clearly has enormous potential for advancing both intellectual excellence and equity in the learning process. In fact, research in learning patterns and cognitive skills show that learning abilities improve significantly when learning is multi-sensorial. Information Age: The new emerging technologies, particularly the Internet, multimedia and digital networks, can make a profound impact on education. These technologies alter the

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methods and economics governing how teachers and students produce, disseminate and use knowledge

(8) Role of Technology: Technology, therefore, can play a significant role in enhancing the delivery of education. Technology is unfolding new possibilities in the classroom as under :

(a) It facilitates virtually unlimited access to relevant content through on-line knowledge resources

(b) It provides new ways of learning and opportunities for participating in the creation of knowledge

(c) It enables the introduction of alternate instructional methodologies such as remote teaching, distance education and self-learning

(9) Framework for Technology Enabled Learning: Pursuant to this, Schoolnet has developed a framework for technology enabled learning, called Networked Learning^{TM}. Networked Learning^{TM} is an optimised integration of Technology, Content and Training

(10) Objectives of Networked Learning^{TM} : Under this framework, Schoolnet is formulating a number of learning programs to achieve the following objectives, including inter alia :

(a) To expand the reach of education

(b) To enhance the learning process

(c) To act as an agent of social change

(d) To catalyze continuing education through non-formal and vocational courses

(e) To promote assimilation with the global community of teachers and learners

(1) Business: As outlined earlier, Schoolnet's strategy is to build an e-business in education. The business is based on the following distinct components:

   (a) The K-10 Program

   (b) The Nalanda Program

   (c) Corporate, Adult and Vocational Training

   (d) Technology and e-solutions Services

   (e) E-business Services

(2) The K-10 Program: The K-10 Program (Kindergarten – Class 10) seeks to enhance Networked Learning^{TM} at the school level. The focus is to deliver interactive teaching and learning solutions to schools across the socio-economic spectrum

(3) The Nalanda Program: This Program is a facilitation program for children with learning disabilities. The emphasis is to provide a framework and a support system to enable students to effectively prepare for an alternate examination process through the National Open School (NOS) system and, thus mainstream such students back into higher education

(4) Corporate, Adult and Vocational Training: Schoolnet has identified Corporate Training as an area of focus using virtual classrooms, interactive multimedia and web-based courses. Schoolnet is establishing affiliations with premier Management Institutions and Consultancy firms and is building specific training modules for corporate customers as well as programs aimed at distinct niche markets. Schoolnet will also seek to build continuing education and skill development programs for Adult and Vocational markets

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A few Vocational Training Institutes have requested for Schoolnet support in establishing and re-vitalizing their programs. Initial discussions are in progress in this regard. Schoolnet has identified within the financial sector, industries such as Insurance, Mutual Funds etc. Focussing on emerging their training needs due to new markets or a change in regulations through the entire HR Value Chain viz. selection of personnel, identifying their training needs, and ensuring their placements with the job requirements.

(5)   Technology & e-solutions Group (TeSG): Schoolnet has constituted Technology & e-solutions Group (TeSG) to provide support services to IL&FS and group companies for all its current installations. TeSG facilitates identification, evaluation and implementation of new technologies to develop a competitive business advantage. TeSG develops new applications in partnership with third party service providers including solutions for e-business frameworks. TeSG has established base capability in design and development of web-based business solutions and is in the process of diversifying its customer base

(6)   E-business: Schoolnet's K-10 Program provides a platform to develop online access to students and parents through delivery of educational Content. The product range will be extended by integration with Adult and Vocational Training Programs to address other learning needs that develop with evolution of the customer relationship. Schoolnet is establishing a Central Hub in collaboration with IBM with necessary infrastructure to support the above services

(7)   Philosophy: The approach of Schoolnet is to supplement and enhance the value of existing educational systems by accessing best practices in learning/training by developing collaborative frameworks with best of breed partners.

Background: Learnet India Ltd. is a subsidiary of Schoolnet India limited to develop innovative & cost-effective interactive multimedia solutions in the field of learning and training. Learnet's main operational base is at Mumbai. The company has a development centre at Bangalore

(2)   Mission: Learnet's mission is to deliver content online and offline with the help of innovative multimedia and software solutions. Learnet's forte is in digital communications that forms the essence of our existence and growth. The company creates both generic and custom-based, cost-effective interactive multimedia and software solutions for applications in the field of education, learning and training facilitate scalability. The design of these applications facilitates scalability and portability across technologies and delivery platforms, which could range from the CD-ROM, DVD-ROM and the WEB

(3)   Services: Besides interactive multimedia solutions, Learnet also undertakes:

- Creation of multimedia databases and content
- Design and programming interactive interfaces and systems implementation
- Turnkey software solutions both for content and technologies to deliver content
- Application software development both for online and offline delivery in the field of learning & training
- Training & Consultancy for content creation and software technologies for content delivery
- Digitizing & archiving assets i.e. video and audio clips, hand-art, photographs, images, etc

(4)   Alliances: Learnet provides offshore development services for several leading international companies including Mind Lever Inc._and Dorling Kindersley Multimedia, UK.

Learnet's services include development, repurposing of content into local languages and migration of legacy material to multimedia formats. Further, details of Learnet's customers and products are provided in subsequent sections of this chapter

(5)   Team Composition: Learnet currently has over 250 full time professionals at Mumbai and Bangalore. Learnet has the following functional teams.

Project Management Team

- Project Managers

- Project Leaders

- Team Leaders

Creative Team

- Instructional Designers

- Visual and Graphic Designers

- Production Artists

Content Team

- Subject experts

- Content writers

Software Engineering Team

- Systems Analysts

- Software Engineers

- Authors

Quality Assurance Personnel

<u>Support Team</u>

- Project Coordinators

- Accounts and Administration

The Analysis

This is a new Age Corporation. Driven by the need to promote and perpetuate intellect as it

determines individual and organizational means and tasks and denies organizational members the

time, space and opportunity to learn as things evolve.. Action driven by merciless meritocracy

and rewards to processes and systems that goes beyond human dependence. Long Term

sustainability only based on enhanced intellectual capital, innovation and newness of things done

within and without the organization. The goals/objectives of this organisation are clearly defined,

shared with everyone and regularly reviewed. There is an opportunity to participate in the process

of setting goals/objectives. This organization promotes and perpetuates intellect as an end in itself

with limited time, space to learn as organizations evolve, best in class focus, content than process

delivery mechanisms with an organizational purpose beyond bottom line. Organizations will be

built around individuals. And individual competencies and creativity is key to the business success. The leadership is creative, peculiar and is adapted primarily for this culture.

The leadership views business as a scientific journey and are in no hurry for immediate bottom line. Rather wait to build a robust value proposition and product portfolio. Time is of essence for them and that means more time is of more essence. The individual will be the foundation of the organization Intellectual nomads is preferable to extremely loyal but average performers. The organisation has mechanisms for periodic evaluation of its achievement of goals/objectives. Top management devotes adequate time to dynamic planning, and involves subordinates in the process. Top management in this organisation supports high achievers. Preplanning is an important business consideration and decision making a critical management tool Top managers ensure that adequate development and training are available to subordinates for assigned tasks. There is a robust system for regular and meaningful evaluation of performance. The leader does his own thing. Coaching, teaching, building other scientists, knowledge managers and enables work processes that make work life intellectually stimulating for organizational members is their priority. The leader pays attention to building knowledge and enables the organization to retain an open and invigorating mind to unknown environments.

Performance, not personal considerations, is what counts in this organisation. Jobs are well defined and people are aware of their roles, responsibilities and performance measures. The organisation encourages and rewards high quality of work/service at all levels. There are sufficient opportunities to clarify changing roles and relationships. Superiors are fair and just with subordinates, using performance and competence as their evaluative criterion. Concern for security expectation and needs requires that you dedicate yourself to your people's physical well-beings, environment, terms and conditions of employment, mapping career needs and aspirations, working conditions, compensation, supervision, and benefits. Demand that your managers do the

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same. Providing a space for people to not have hygiene issues to cope with. Enable appropriate and competitively benchmarked compensation. Caring to belonging expectations and needs involves scrutinizing the social interaction, group dynamics, community feeling, participation in decision-making, and sense of family your people experience.

Focus on delivery through advancement of learning, knowledge, skills but lacks need for attitudes and appropriate behavior to make things happen. Do you feel like a family member yourself? Keep in touch with the environment, morale of people, what makes them tick etc? Create an environment for recognition expectations and needs entails thoroughly evaluating how and when your employees win formal and informal recognition via oral and competency mapping, skill building, training for future jobs, employability, written praise, promotions, bonuses, awards, honors, and other means. No two people are exactly alike and the kind of recognition craved by one may not satisfy another. Providing the atmosphere for high quality-of-work expectations and needs requires you to define the sort people interesting and challenging. The number of employees working part-time is likely to be larger than the full-time employees Adhocracy will prevail over any other known forms of organizational structures -There are two distinct kinds of organizational people

There are fundamental questions that the organization seeks to answer to itself and to its members. But in all of this benevolence there is a crude reality that intellect determines all actions. What makes people feel inspired and excited? How do I demonstrate leadership over difficult situations, job needs and decision points? What calls forth their most creative effort? Individual differences become even more crucial at this point. Hoe do I make all people feel that they are growing and learning? Enabling individuals and organizations for self-actualization expectations and needs helps you to look inside the hearts and minds of your people. Why do we need to care? What do people seek from their life? How is it important for organizations to

understand and appreciate it. How do we fit in an intellectually stimulated individual into an organization? Do you comprehend their dreams? What do they really wish to become? Do they feel that their dreams lie within their eventual grasp? Spend thoughtful time with each worker.

CEO Perspective to Client Relationships

For me client comes first. I join my client in searching various resources for information that is useful for solving problems. I encourage my client to try out new ideas/ways (which seem to be better) without even waiting to consolidate the previous ones. I accept and appreciate the help provided by my client to analyze problems and work out solutions. I encourage the client to come frequently to me for advice and help on problems that he may face. I frankly express my feelings and reactions and encourage the client to be very frank with me too. I clearly prescribe to my client the norms that I think are appropriate and which they should follow. I feel excited about trying out new ways of approaching problems, and I take relationships as a challenge. I primarily work on the specific tasks that the client should do, and do not give much importance to so-called "feelings". I believe that feelings get taken care of when task difficulties are solved. My dream is to create a self-propelling organization that has internal renewal capability to prod organizational performance, individual effectiveness and shareholder satisfaction. This would then make me an institution.

Schoolnet Member's Perception

In our organization, the communication between superiors and employees is adequate, communication with the management is largely both upward and down wards. Adequate communication is provided to employees about organizational direction and/ or changes. There is adequate oral communication within work groups. There is adequate if not more written communication in the organisation. Perhaps there is need to eliminate some amount of paper

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work. In an area of responsibility, communication is satisfactory between the manager and the subordinates. Organizational communication between corporate office and the field personnel is satisfactory. The present extent of organizational communication is satisfactory. Communication is free, open and easy. Communication across business units/functions/locations is adequate.

Case Study Number 9: Durable Corporation

Business: F M C G Consumer Durables, Home Appliances

Leadership: The People Strategist

Culture: Executive – Low Operator - Executive Cultures

Organization and Management Model: The Human Organization

Background:

World's leading manufacturer and marketer of major home appliances

Manufactures in 13 countries and markets in more than 170 countries

Market leaders in North and South America

Specialists in Homemaking -90 years of providing solutions to American homes

Indian Operations:

- 1996 Durable Brand enters India

- Now the #1 selling refrigerator brand in India

- 1999 - Over 10 Lakh appliances sold - largest Indian appliance Company

- Over 4000 dealers and 500 service centers in India alone

- State-of-the-art, environment friendly technology and processes

- India's first CFC free Refrigerator factory at Ranjangaon, Pune

- First Indian Home Appliance Company to receive ISO 14000 - the international environment
  friendly certification

They make the following appliances:

Refrigerators, Washing machines, AC, Microwaves

550 Home Care Centers across India.

Call Centers in major cities working all 7 days a week - Just a call away.

24 hr Call Center in New Delhi; register your call any time.

Attractive "Home Care Plans" for post warranty appliance care.

Relocation assistance when you shift home.

The Analysis

Their orientation is to enable history to be cherished and continued. The organization is built upon stories that lasts over time and that is believed and revered by people as important learning of the past.. The leader is remembered for his/her gesture on a personal occasion of a member. When working on solutions to problems, here leaders keep in mind the needs of organizational members as well as Society at large. People here are usually disciplined and empowered and refer problems to their superiors and look to them for solutions only when they are unable to resolve them conclusively. These organizations articulate their cultures through people actions. Supervisors usually solve problems here; subordinates are not involved. When people here make mistakes; they are not rejected. Instead, their friends show them much understanding and warmth. Here the philosophy is that the supervisor and the subordinate can make no mistake. Usually people here are able to acknowledge and analyze their mistakes because they can expect to receive Help and support from others. Significant stories revolve around people actions and concerns demonstrated through medical, health, education and social support. When the subordinate makes a mistake here, the supervisor treats it as a learning experience that can prevent Failure and improve performance in the future. Subordinates here expect guidance from

their supervisors in correcting or preventing mistakes. The CEO enables the organization to change, manage people strategies and influence existence of specific cultures. The leader emphasizes culture as an important aspect of organizational building and believes in influencing people to shape cultures. Employees enjoy a lot of freedom to do their work, to plan and set their work pace, style and methods. And this organization values history and tradition.

Generally employees are warm, friendly and forthcoming. Employees are proud and happy to be acknowledged as a member of this organization. This organization places a lot of faith and relies on the individual sense of responsibility. People are well aware of the organizations goals, objectives and the strategic direction / mission of the business. The company standards of performance, productivity and growth are higher than those of similar organizations. Long Term orientation to delivering value through people development individualized tasks, creating an environment that is self-exhilarating. The organization rewards what should be rewarded. Problems are not smoothened out, avoided but faced. Peoples are permitted to do their own thing to a remarkable degree. People here come to your help when needed without hesitation. Employees feel proud of this ground of men and women. People are expected to use their discretion in their work here.

Jobs are well defined and people are aware of their roles. These is effort to find better ways of doing things Performance, not personal considerations, is what counts in this organization. They have a work and off work identity that they cherish. Action through policies, rewards, interactive processes, job design making people an important consideration in organizational issues. Conflict is seen as natural, inevitable, and productive. Communications are free, open, easy. People interact easily and informally and in a family like atmosphere. Employees feel like a young person and would be fortunate to get and continue with this job. There is a lot of trust, mutuality and faith in this Organization. Things are well systematized and work goes on efficiently. The

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quality of work at all levels is high. Promotions reflect the stated promotional policy. Dissident views are listened to.

Case Study Number 10: B N P Paribas Banking Corporation

Business: Financial Services

Leadership: The Technocrat

Culture: Executive – Operator Culture
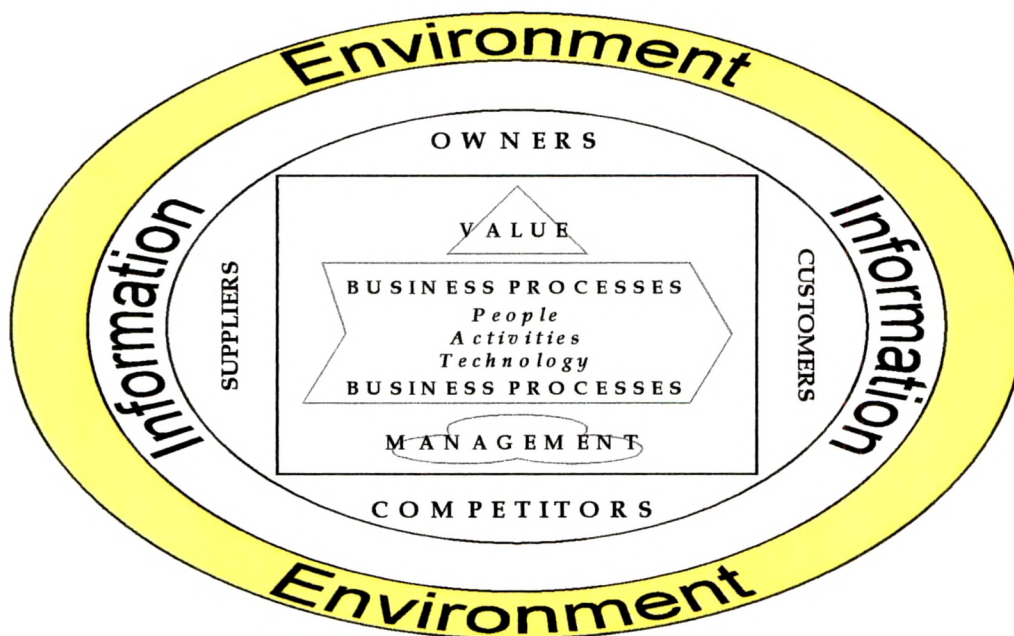
Organization and Management Model: The Mechanistic Organization

Figure 47 Environment Analysis – Open State System

BNP Paribas ('BNP') - Indian Branches ('the Bank') is a branch of BNP Paribas-Paris, a French bank having its headquarters at Paris. The Bank has eight branches in India viz Mumbai, New Delhi, Calcutta, Pune, Bangalore, Ahmedabad, Chennai and Hyderabad. The Bank has a presence in India for over 140 years.

BNP is a multinational bank with branches in approximately 80 countries. BNP is a listed company on the Paris stock exchange with a AA rating. The Bank is a branch of BNP and has commenced operations in India since approximately 140 years. **The Bank has capital of INR 10 million, held by BNP, Paris and is approximately 0.04% of its total assets (March 2001). Its reserves and surplus total INR 2,125 million (March 2001) aggregating approx. 8 percent of its total assets.**

Relations with management

The management of the Bank is not its owners and reports directly to the management of BNP. All strategic decisions and operational budgets are approved by BNP management. The Bank reports to BNP on a monthly basis. These reports include budget to actual variance analysis and profitability analysis. The Bank has performed well in the recent past and has had a steady growth. There are no imminent possibilities of any changes in ownership of the Bank. BNP and Paribas group have merged worldwide and emerged as a new entity called BNP Paribas. The merger has also been effected locally. Paribas had a small presence in India. It had only one office in New Delhi and has approx. 10-12 employees and limited operations. Hence the merger has not much affected the Indian operations of the Bank. The Bank relies heavily on the inter-bank markets for funds. Call rate ranges from approximately 6 per cent to 10 per cent for most periods and hence provide the Bank with cheap funds. At March 31, 2001 approximately 20 per cent of its total assets were funded from call borrowings. Deposits constitute a cheap source of funds to the Bank and fund approx. 60 percent of the total assets as at March, 2001.The strategy of the Bank in terms of its depositors is two-fold: Through its private banking marketing system, target cash-rich wealthy individuals. These cash-rich individuals are the customers of many foreign banks in India and place deposits with banks who offer the best rates. The Bank encourages deposits by altering the deposit rates offered on a timely basis. The Bank also

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influences the currency in which it prefers its deposits by offering better rates to individuals for currencies in which it wishes to encourage deposits. Through its corporate banking channels, attract short to long term deposits from corporate, trusts/funds and financial institutions. With deregulation by RBI of interest rates for deposits exceeding 15 days, the Bank has become flexible in its pricing for deposits. Deposit rates are now negotiated and the Bank has a good clientele through this stream. The Bank has a capital of INR 10 million, held by BNP, Paris. As stated earlier in the environment section, the RBI, on the recommendations of the Narasimham Committee report, has increased the capital to risk ratio ('CAR') for banks from the current 8 per cent to 9 per cent with effect from March 31, 2000. As at March 31, 1999, the CAR of BNP stood at 9.09 per cent. Further, the RBI has also increased the risk weights attached to foreign currency open positions (effective March 31, 1999) as well as government/approved securities (effective March 31, 2000). The Bank has raised a sum of USD 6,000,000 for 10 years through a sub-ordinate debt issue privately placed with BNP, Paris @ 6.955% per annum with effect from March 24, 2000.

Human resources

The Bank has approximately 400 employees and it spend approximately 30% as salary for employees during 2000-01, which is its largest operating expense, comprising approximately 50 per cent of operating expenses. The employee turnover of the Bank is low since the Bank provides career security as well as performance linked compensation. The Bank has a formal procedure for recruiting personnel. Each department head is responsible for recruitment/filling up vacancies in their department. For every identified vacancy, first the Bank's existing employees are provided the opportunity of the vacant post. If the post cannot be filled from existing internal resources, the Bank considers recruiting from external resources with the aid of employment agencies, advertisements in newspapers, etc. All recruitment, whether from internal

or external sources is performed only on the basis of formal interviews. The Bank has a training-manager who ascertains the training requirements of the various departments in consultation with the heads of the respective departments. Based on the above, a training calendar is prepared which includes internal as well as external training program. The performance of employees is appraised annually. Goals and targets are set at each appraisal and achievement of the same reviewed at the next appraisal. The targets are quantitative as well as qualitative. All objectives set are assigned a weight (priority), on which basis the annual appraisal is conducted. The HR department obtains feedback from the employees by organizing informal meetings of groups/individuals. It is ensured that each employee is aware of his performance/expectations and his concerns and management knows problems. The Bank's compensation package above average levels in the industry. The package comprises a fixed and variable component. The variable component is linked to the performance of the employee.

Key players

The primary competitors of the Bank are the branches of other foreign banks in India and the emerging private banks. Since the strategy and objectives of these banks are largely similar as also their asset and liability profile, these banks compete intensely to gain the best quality assets and obtain the cheapest and relatively permanent funds. The Bank's competitors are tech-savvy, lean organisations riding on waves of product innovation. American Express, Standard Chartered Grindlays, Citibank, Hongkong Bank, Bank of America, Deutsche Bank, BNP Paribas and ABN Amro are some of the large foreign banks operating in India. These banks have generally confined their operations to urban and largely metropolitan areas. With better access to superior technology many of these banks are now looking at expansion and diversification with hopes that the operating environment and major restrictions will be relaxed, keeping with the liberalisation wave and GATT norms. These banks are now facing stiff competition from some of the new

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private sector banks who also have access to superior technology and low operational costs. The target customers of foreign banks are common. On the private banking side, the Bank focuses on cash rich wealthy individuals (preferably NRIs) to place long term deposits. Also, the bank has launched new products in the private banking sector and it mainly targets high net worth individuals. Further, on the commercial banking side, the marketing team tracks corporate, trusts, foreign companies, financial institutions, etc for short to long term deposits. With RBI de-regulating interest rates for term deposits over 15 days, interest rates for deposits are negotiable and the Bank is even willing to pay rates higher than market rates as long as it has a reasonable spread. These banks also look for foreign companies who are required to maintain QA-22 accounts (interest free current account) in India. These deposits are marketed by offering the companies certain other free services (spread free forex, etc). The Bank competes with all commercial banks to obtain the best quality credit in its books. However, the Bank is extremely careful regarding assets, as they create credit risk. The nature and size of customers in a bank's books remain fairly the same throughout a period and are not as flexible as deposits. The volumes of a bank increase or decrease based on the credit off-take of the same customers and rarely due to addition of new customers. Further, the Bank also competes in the fee based services arena (LCs, guarantees, forex services). Fee based services provided by the Bank are an extension of fund based activities and the Bank enjoys similar market share. With the RBI tightening the norms for maintaining capital adequacy coupled with narrowing spreads on funded lines of businesses, the Bank has also made a foray into service based products such as cash management, requiring no risk capital investments. Many foreign banks and few private sector banks have also entered this arena considering their limited availability of risk capital. Their objective is to create new niches and raise fee based activities which have low or no risk capital requirements due to proposed hike in capital adequacy ratio (9 per cent by March 2000 and 10 per cent thereafter) and narrowing spreads in fund based lines of businesses. Over the last 3-4 years, with the expectation of de-regularized environment, several private banks have been set up (ICICI

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Bank, HDFC Bank, Global Trust Bank, IndusInd Bank, IDBI Bank, etc). These banks have witnessed significant growth over the last three years providing value and service comparable to foreign banks and hence threaten to capture market share at the cost of nationalized banks and foreign banks in the future. The major advantage, which the private sector banks have over the foreign banks, is their low operational and overhead costs. The margins on the traditional business of banks are shrinking constantly, as a result of which banks have to change the range of products and improve the quality of the products they offer to remain competitive. The strategy of the Bank going forward, is to provide more fee-based services as against fund-based business that used to be their primary focus earlier. BNP worldwide has expertise in the field of bond stripping, options, futures, co-branded credit cards etc, which can be leveraged by the Bank as and when the RBI permits these products in the Indian market. BNP also has expertise in the Euro and has developed software to cater to this requirement, something that is not done by any of its competition and has spent approximately USD 600m. The Bank has made a few presentations in India regarding the Euro where it received a good response. It has also set up a help desk in Treasury for any questions from its customers. The Bank also intends increasing its trade and commodity finance activities. The Bank has commenced its retail banking activities. However, this activity has not taken off in full swing and is in its initial stages. The COUNTRY'S largest bank-sponsored mutual fund, SBIMF, is seeking a 50 per cent partner for its asset management operation, SBI Funds Management. It is understood that negotiations for offloading a 50 per cent stake in the Rs 50-crore paid up equity capital of SBI Funds Management, has been held by with BNP Paribas, the French banking group. SBI currently holds the entire paid-up equity capital of the MF arm. A senior team of BNP Paribas officials from the bank's Paris head office is understood to have had meetings with senior bank and AMC officials in this regard. The bank is already SBI's partner in its life insurance foray by way of the tie-up between its subsidiary Cardiff SA-France and SBI for the latter's life insurance foray. Cardiff is expected to hold 26 per cent in the Rs 250-crore initial paid up equity capital of SBI Life Insurance Company.

If the negotiations succeed, BNP Paribas Asset Management may partner SBI in its MF venture which manages Rs 3,000 crore in domestic assets over a total of 20 schemes. The MF also manages one off-shore fund, the India Magnum Fund, in association with Morgan Stanley which accounts for Rs 600 crore in assets. BNP Paribas Asset Management, which operates under the Parvest brand, has a total of Euro 15 billion in assets under management spread over 76 funds in 20 countries. Of this, 5.90 per cent of its assets are in Asia with the firm operating out of Japan and Singapore. The JV with SBIMF, if it comes through, would help the MF arm advise the insurance venture on asset management and help it earn additional fee income from proving such services. It would also help the two concerns come out with a unit linked insurance product and exploit other synergies between the two, feel industry experts. Customers of the Bank mainly include corporate and individuals to whom the Bank provides fund and fee based services. The primary focus of the Bank for all these years has been large corporate i.e. corporate banking. The Bank has commenced private banking activities wherein it provides fund and fee based services to high net worth individuals. Further, the Bank also provides correspondent banking services to other banks. Each of the above customers are reviewed using the risk parameters set by the Bank to identify good customers. In making its selection of customers, the Bank looks not only for good quality customers but also volumes or ability to reach a good volume in the future. The Bank is expanding its operations and has launched two new products, "BNP Prosper Wealth" and "BNP Prosper Value" in the Private banking sector. The Bank has also commenced its retail banking division towards the latter part of 2000-01. The retail banking division is in its initial stages. The management approves a list of prospective customers for the Bank. This list of prospective customers is categorized under the different branches of the Bank, which would be responsible for establishing relationships with these customers. Within each branch, the branch manager allocates the prospective customers to each relationship manager. This list is updated every quarter to include/exclude names that fit the set parameters. The Bank has a presence in India for over 138 years. The strategy and objective of the commercial banking divisions in India

is to attract high quality assets by providing high quality services. The Bank is in constant touch with its customers through its relationship managers ('RM'). By maintaining a continuous relationship with its customers, the RM understands the needs and requirements of the customers. The RM provides the customers with existing products that "best fit" his requirements. Over the years, the Bank has accumulated approximately 300 of such customer relationships where it provides comprehensive banking services. As stated in the section of Business Processes, the Bank has established a Product Development department which analyses the existing products and services of the Bank and its competitors, customer requirements and develops new products/services or improvises on existing products/services to meet changing customer needs. Since a large proportion of the Banks customers comprise of good corporate's, with rise on competition, to retain its customer base, the Bank has been compelled to offer sub PLR products to its customers, resulting in a decline in its margins. The net profit of the Bank in 1996-97 1997-98,1998-99,1999-00 and 2000-01were Rs 237 million, Rs 181 million, Rs 225 million, Rs 215 million and Rs 134 million respectively. This translated into return on total assets of 1.39%, 1.83%, 0.98%, 1.06%, 0.95% and 0.50 percent respectively. The decline in 2000-01was mainly on account of loan loss provisioning on account of non performing assets, loss on revaluation of securities, reducing margin and expenses incurred on setting up of retail banking activities. The total assets of the Bank in 1996-97, 1997-98, 1998-99 and 1999-00 were Rs 9.97 billion, Rs12.98 billion, Rs 18.53 billion, 26 billion Rs 23 billion and Rs 27 billion respectively. The Bank focuses on providing personalized services to all its customers. It follows a 'relationship banking' philosophy. On account of limited availability of resources, to enable it to pursue the above philosophy, over the years it has restricted its operations to only corporate and high net worth individuals through its private banking service. Before making a foray into retail banking, the bank is currently in the process of setting up the requisite infrastructure to continue to pursue the above philosophy in retail banking as well.

Employees

- Low employee turnover due to the following:

- Competitive remuneration packages

- Career stability and good growth prospects

- Conducive work environment

- Commitment to employee development and training.

Management

The Bank views itself as an Indian bank aiming at servicing the best corporate and high net worth individuals in India. It is however, also concentrating on setting up retail banking network cater to retail clients. The Bank has a matrix form of management structure, ie across business lines and branches. The CEO and Country Manager - Jonathan Lyon, head the Bank. He is supported by two Deputy Chief Executives - T Ramenason and Philippe Arroyo and a Chief Inspector and Chief General Manager Risk - Madhusudan Rao. (Refer Attachment 2 for organisation chart and the business processes section for the lines of business and functions.)

Leadership abilities

The Bank's management consists of professional and experienced personnel. Top management mainly comprises representatives from HO, which have worldwide experience in the banking industry. For eg, the CEO of the Bank, Mr Jonathan Lyon, was in charge of the Private Banking division at BNP, Paris, before assuming his current responsibilities.

Strategy

The Bank's goal is to increase profitability. It follows a cautious and gradual growth strategy. The risk factor is accorded a high level of significance while chalking out its growth and expansion strategy. The Bank is primarily a commercial bank. However, it has major plans to enter into retail banking and is currently in the process of setting up its infrastructure for this purpose. The Bank also intends to provide advisory services since it does not involve any capital and generates money for the Bank in the form of fee-based income and free floats. Their strategy is to provide good quality services to its customers while maintaining a low profile. The Bank's expansion plans are also affected by the Reserve Bank's "go-slow" policy with regard to allocating licenses to foreign bank's for opening new branches. (Apparently, the RBI allots license for opening only one branch per year by foreign banks). BNP plans to open a new branch in Bombay (Bandra). Last year it has opened a new branch in Hyderabad. The Bank has appointed relationship managers for each of its present and prospective customers and suppliers who liase with the concerned parties and obtain information on the needs of these parties in order to modify their products and services to meet general requirements of customers. The Bank is given full authority to run its business in India by BNP Paris so long as its bottom line reflects the results. However, BNP Paris has set few limits and restrictions on the operations of its branches and approvals from Paris have to be obtained by the Bank for large credit disbursements and other transactions involving high risk. The Bank has formed an Asset Liability Committee ('ALCO') which manages the assets and liabilities of the Bank. The ALCO normally meets once a month to review the Bank's performance and any issues. However, at times it meets more frequently, as and when need arises, depending on significant events affecting its internal and external environment. The members of the ALCO include:

CEO

Deputy CEO-Operations

Chief Inspector and Chief General Manager - Risk

Chief General Manager - Treasury

Financial Controller and

Heads of Corporate Banking and Private Banking, on request

Further, the Bank also has a management committee ('G-5') that meets every morning to analyse and manage the assets and liabilities of the Bank (limits are reviewed, corrective action taken whenever required, planning for the day, etc). The first four members of the ALCO and the Chief dealer constitute the G-5. The primary goal of the ALCO and the G-5 is to ensure a proper match between the changing maturity profile of the assets and liabilities of the Bank. One of the FEs generated by the Bank is a maturity balance sheet. In addition the Bank also has a cash flow package which is used by the G-5 in the daily meetings to ascertain the action plan for the day, ie call borrowings, etc. The Bank has commenced its private banking division in December 1997. It plans to commence/increase business in cash management, money market mutual funds, commodity/project/export finance, co-branded credit cards (with SCB) as well as international cards (once SCB receives approval from the RBI).

Private banking

This division concentrates on servicing high net worth individuals, ie individuals having liquid assets (liquid assets = deposits, listed instruments) of USD 100,000. BNP (worldwide) has a name in private banking internationally. In fact Mr Lyon (CEO of the Bank) has the expertise in this field. The Bank has received its license for conducting non-discretionary portfolio management services from the RBI and SEBI in April 1998 and July 1998 respectively. This division is focusing on providing investment advisory services to its clients instead of plain

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vanilla products of the Bank. The Bank does not adopt an aggressive approach in this area, but keep feeding its clients with information regarding the Indian markets, etc based on the reports received from its panel of brokers. It understands the needs of the customer and accordingly provides him with the best product to meet his requirements. The head of private banking and an investment analyst, at which time important clients are visited, makes frequent visits (once in 3 months) to the Bank's branches. The Bank provides broking facilities to its high net worth customers through its broking arm BNP Paribas Equities India Private Limited. The Bank prepares a detailed line of business wise ('LOB') business plan with active participation of the line managers, which is sent to BNP Paris. This is supplemented with an annual budget. The line managers then set the annual performance targets for their teams based on the annual budget. The Bank's accounting and business software generates cash flows on a daily basis. These cash flows reflect the maturity of its sources and application of funds and calculates the gaps.

Motivating employees

The management team ensures employees are adequately motivated to perform quality work. Further, management has set formal upward and downward communication channels. Creative ideas of employees are well accepted and encouraged. Employees are provided performance-linked rewards (in the form of annual bonuses).

Business Processes

The Bank is currently primarily engaged in "wholesale banking business" and a majority of its customers are corporate and large partnership concerns. Over the last couple of years, the Bank has also commenced private banking activities, exclusively targeted towards the premium

segment of the market. The Private Banking arm has launched two new products, 'BNP Prosper Wealth' and 'BNP Prosper Value' to address the wealth management needs of high net worth individuals. Further, this arm has also commenced the rendering of depository and custodial services to such individuals. The Retail Banking division of the Bank has tied up with Visa International ('Visa') and Master International ('Master'), inter-bank credit card settlement agencies, for 'Merchant Acquiring (Point of Sale)', a new product. By installing swipe card machines at certain reputed shops/establishments, the Indian Branches facilitate credit card transactions between the shop/establishment and Visa/Master for a fee. POS machines have been installed at merchant establishments. In this connection, the Bank has already incurred a loss of approximately Rs 1-2.5 million. In addition to the above, the Bank has also obtained the necessary approvals and licenses from the Reserve Bank of India ('the RBI'), India's central bank, for installing Automated Teller Machines 'ATMs' at various locations in India. These ATMs have commenced operations in the latter part of 2000-01. The Bank has acquired additional premises on lease at Mumbai and New Delhi during the current year with a view to expand its operations in India. Also, there has been an increase in the number of employees form approximately 335 employees as at December,1999 to 406 employees as at December, 2000. This change is primarily attributable to the setting up of the Retail Banking division. The Bank has introduced a new deposit product, a Mumbai Interbank Offered Rate ('MIBOR') linked deposit.

The Bank has the following main Lines of business ('LOB'):

Corporate Banking

Private Banking

Treasury

Project Finance

Trade Finance

Cash Management

The performance of the Bank is monitored and controlled LOB-wise. The following are the support services to assist these LOBs:

Human Resources Development

Operations

Administration

Risk, Inspection and Legal

Information Technology and Organisation

Financial Control

Credit

Product Development and Market research.

The Product development department of the Bank is responsible for developing new products and changing existing products according to the changing needs of its customers. This department utilizes technology to improve the quality of services offered as well as offer new products and services. The Bank now has a monthly dashboard, which is a document that provides a list of risks and controls and the Bank's level of control. In addition to the above the Bank also has a detailed Accounting Risk document. The edge that BNP has over its competitors is the quality of service it offers. For eg Indian Oil Corporation, which earlier opened LCs (for trades with Iraq) with SBI, has transferred this business to the Bank because of the quality of service the Bank provides.

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The Analysis

The main function of Performing Organization should be to, define the goals of the organisation in terms that all members of the organization. The banking organizational units are the traditional pyramidal pattern of organizing with functional structures, high degree of specialization, substantive size and governmental orientation. These organizations work with an automated, machine like efficiency. Authority, influence and information are arranged by levels, each higher level have successively more authority, more information and substantive voice in enabling change. Staff can understand; combine the process of defining corporate goals with that of setting, related meaningful foals for managers at every level. They can extend the scope of a budgetary control scheme by setting targets for activities which are not usually evaluated; change the beliefs, attitudes, values and structure of an organisation so that its members can adopt to the challenge of succeeding in new technologies and markets. In choosing goals, objectives for an organisation, they should be, directly concerned with success or failure of the business; distinguishable from other objectives at least for administrative, purposes; measurable or assessable, neither too few nor too many in number; The most practical way to express objectives is: in financial terms; in terms of the results to be achieved; in terms that everyone in the organisation can understand; in terms of the resources needed to carry them out. Objectives should be the same for all people in the organisation; it is not necessary is set objectives for every department in an organisation. Consequently departmental objectives should derive from corporate objectives and be expressed in terms relevant to that department's activities' objectives should originals with the department responsible for carrying them out. When setting a standard of performance the standard should be: much the same as the present level of performance; left to the job-holder to establish;

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Considerably higher than the present level to provide a challenge to the job-holder; above the present level but not excessively so..

BNP Paribas Banking Corporation - Effective Leader Perspective

An effective leader varies his use of authority according to the group and the situation. Sometimes he merely announces his decision, at other times he persuades, consults or leaves the decision to the group, all depending on the group and situation. An effective leader sees more clearly than a less effective on the strengths and weaknesses of individual members of his team. An effective leader realizes people have mixed feelings towards authority; i.e., they both like it and do not like it. To be an effective leader one must decide whether he is going to be democratic or autocratic and then stick to it. Effective leaders tend to smooth over or avoid conflicts between members of the group rather than confront them. An effective leader thinks in terms of duties and activities rather than results and objectives. An effective leader is one who keeps his desk neat and clean. An effective leader puts a great value on humor and uses it to keep a sense of perspective when the group is struggling with a problem. Besides the authority of his position, an effective leader tries to develop other forms of influence - his personality, competence, and character. An effective leader is one who leads a group to its goals. An effective leader encourages honest disagreement in order to find better solutions. An effective leader treats each member of his group in the same way. An effective leader is one who usually gets his way in a group discussion. An effective leader builds on strengths of his group, doing the things they do well and omitting those they cannot. An effective leader often gets lost in the jungle of duties and loses track of objectives. An effective leader considers his men, their quality and development, to be his most important resources - far more important than materials or money. A significant method about this culture is based on human interface and interaction. And most line units learn those high levels of communication, trust and teamwork as essential to getting the work done

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efficiently. An effective leader is sensitive both to group and individual needs as well as the demands of the situation. Leadership should be shared in a group, moving from one member to another, according to the competence required in the situation. An important feature of management by objectives is the occurrence of regular discussions between managers and their subordinates. The purpose of those review meetings is to assist subordinates in the day-to-day conduct of their activities. The leaders focus on adding technical and functional values to business situations enables competency development that is vertical and incisive and promotes organizations to drive business through technological excellence. To enable the manager to pick up any short-comings in the subordinate's performance more readily; to take stock of progress made in achieving the agreed objectives; to give recognition to successful achievements and set objective for further improvements.

Case Study Number 11: ICICI Banking Corporation

Business: Universal Bank

Leadership: The Technocrat

Culture: Executive – Engineering Cultures

Organization and Management Model: The Mechanistic Organization

Diversified financial services group offering a wide range of products and services to corporate and retail customers. At year-end fiscal 2001, the group had assets of Rs 740.4 billion and stockholder's equity of Rs 75.9 billion. Net income for fiscal 2001 was Rs 6.6 billion. Most of the group's activities are carried out through ICICI, which accounted for substantially all of the net income of the group and 97.4% of its consolidated assets at year-end fiscal 2001.

ICICI was formed in 1955 at the initiative of the World Bank, the government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. Until the late 1980s, ICICI primarily focused its activities on project finance, providing long-term funds to a variety of industrial projects. ICICI typically obtained funds for these activities through a variety of government-sponsored and government -assisted programs designed to facilitate industrial development in India.

With the liberalization of the financial sector in India in the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services. As India's economy became more market-oriented and integrated with the world economy, ICICI capitalized on the new

opportunities to provide a wider range of financial products and services to a broader spectrum of clients. It set up independent operations through the incorporation of subsidiaries and affiliates in the areas of venture capital funding (1988), asset management (1993), investment banking (1993), commercial banking (1994), Internet stock trading (1999), home finance (1999) and insurance (2000). Simultaneously, it began diversifying our funding plans away from complete reliance on government-assisted programs to more market-oriented sources.

In 1996, ICICI merged into it SCICI Limited, a diversified project finance and shipping finance lender, of which ICICI owned 19.9% (including the conversion of partly-convertible notes of SCICI into equity shares on December 15, 1996), to eliminate overlapping business activities and to create operational efficiencies. In 1997, ICICI acquired ITC Classic Finance Limited, a non-bank finance company focused on retail deposit taking and corporate finance with Rs. 14.0 billion (US$ 299 million) in assets, to create a deposit distribution network, primarily in the eastern part of India. In 1998, ICICI acquired Anagram Finance Limited, a non-bank finance company primarily in the automobile financing sector, which had an asset base of Rs. 9.6 billion (US$ 205 million). This was done to support ICICI's entry into the retail asset financing market. In May 1994, when ICICI obtained its commercial banking license to establish ICICI Bank, the Reserve Bank of India imposed a condition that ICICI reduce its ownership interest in ICICI Bank in stages, first to not more than 75.0% and ultimately to no more than 40.0%. In fiscal 1998, ICICI reduced its ownership interest to just below 75.0% as required, through a public offering in India. In March 2000, ICICI Bank completed an equity offering in the form of ADSs listed on the New York Stock Exchange for an amount of US$ 175 million.

After this offering, ICICI's ownership interest in ICICI Bank was approximately 62.2%. Effective March 10, 2001, ICICI Bank acquired Bank of Madura, an old private sector Indian bank, in an all stock merger, and our ownership interest in ICICI Bank reduced to approximately

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55.6% after the merger. ICICI has been in discussions with the Reserve Bank of India to determine whether and to what extent it may still be required to sell or reduce its interest in ICICI Bank. During fiscal 2001, the Reserve Bank of India reiterated its requirement of a reduction of ICICI's holding in ICICI Bank and advised ICICI to draw up a firm plan for dilution of its stake.

In line with Reserve Bank of India's directive, ICICI reduced its interest in ICICI Bank to approximately 46.4% through sales of equity shares of ICICI Bank in the Indian secondary markets to institutional investors in March 2001. As a result of the foregoing, ICICI Bank ceased to be a subsidiary of ICICI as of March 22, 2001. This was accounted for under the equity method of accounting from April 1, 2000, the beginning of the fiscal year in which ICICI's majority ownership in ICICI Bank was deemed to be temporary. Further, during the first five months (April to August) of fiscal 2002, ICICI sold another 0.4% equity interest in ICICI Bank in the Indian secondary markets to institutional investors. At August 31, 2001, ICICI held a 46.0% interest in ICICI Bank.

As part of its efforts to transform itself into a universal bank, ICICI and ICICI Bank entered into a reverse merger (ICICI merging into ICICI Bank). The deal also envisaged merging ICICI Personal Financial Services Ltd and ICICI Capital Services Ltd with the bank.
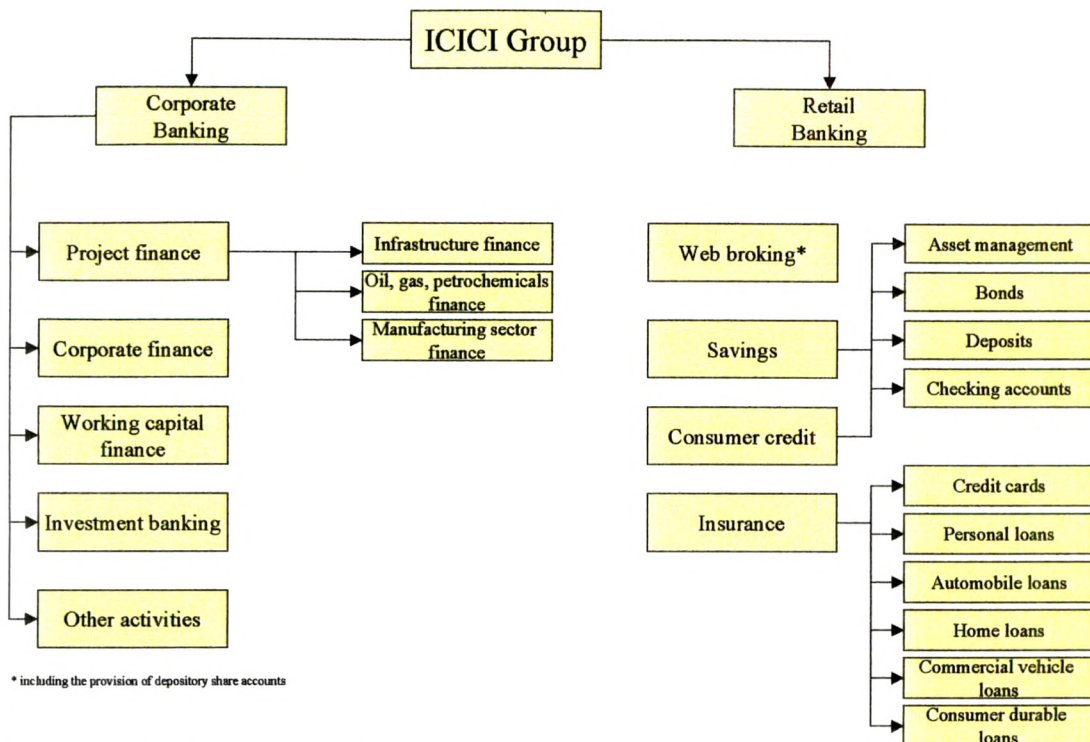
Figure 48: ICICI Group – Business Structure

The Analysis

This is one large corporation. Its size is overwhelming and its business orientation is admirable. Its strength arises from its ability to decide and move in a fairly competitive market place. Not all of their processes and systems are world call but their endeavor to become one is not left to any doubt. These corporations are largely conglomerate, multi business, geographic organizations, thick internal architectures, long hierarchies, open to change although long in time, stable goals, consistent methods, predictive approaches, systemic and role driven. Communication is selective here; people usually give or hold back crucial information as a from of Control. While making decisions, people here make special attempts to maintain cordial relations with all concerned. Decisions are made at the top and communicated downward, and people here generally prefer this alternative. People who have demonstrated high achievement have a big say in the decisions

made here. Decisions here generally made without involving colleagues or subordinates. Only select few become privy to organizational priorities. Decisions here are made and influenced by specialists and other knowledgeable people connected with the specific project only and are strictly hierarchical. Decisions are made here by keeping in mind the good of the employees and society. Only management trusts a few people here, and they are quite influential. Trusting and friendly relations are highly valued and high value is placed on trust between supervisor and subordinate. Decision making is centralized at the top and it is the top levels that make appreciative judgements to determine what is important in the environment at varying points in time. A general attitude of helping generates mutual trust and those who can achieve results are highly trusted. The main thing that is rewarded is excellence in performance and the accomplishment of tasks. Knowledge and expertise are recognized and reward so is loyalty more than anything else. This culture is based on human interaction and most line units learn those high levels of communication, trust and teamwork as essential to getting the work done efficiently. There is significant emphasis on adding technical and functional values to business situations enables competency development that is vertical and incisive and promotes organizations to drive business through technological excellence.

There is indeed a strong relationship between the leadership style of the CEO/leader and the culture of the organization. This is evident in every scenario experienced by while executive level decisions are undertaken. The CEO/Leader has a concrete role to play in the culture of the company. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. Quite the contrary the CEO/leader does not directly influence the existence of any one/all of the cultures in the company. There is no relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. Large corporate are in a position to identify actions with their leaders given consistency and patterns that tend to follow. Over time this becomes an influences for culture

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pertaining to decision making. (Ref: Renuka Ramnath, CEO and Managing Director – ICICI Ventures Limited)

Case Study Number 12: HDFC Bank

Business: Financial Services,

Leadership: The Teacher

Culture: Executive – Executive to Engineering Cultures

Organization and Management Model: The Learning Organization

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalisation of the Indian Banking Industry. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai. The bank commenced operations as a Scheduled Commercial Bank in January 1995. HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the clear market leader in mortgages in India. Its outstanding loan portfolio covers over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment. The authorized capital of HDFC Bank is Rs.450 crores. The paid-up capital is Rs.281.2 crores. The HDFC Group holds 24.5% of the bank's equity while about 13.3% of the equity is held by the depository in respect of the bank's issue of American Depository Shares (ADS/ADR Issue). The Indian Private Equity Fund, Mauritius (IPEF) and Indocean Financial Holdings Ltd., Mauritius (IFHL) (both funds advised by J P Morgan Partners, formerly Chase Capital Partners) together hold about 11.6% of the bank's equity. Roughly 18% of the equity is held by FIIs, NRIs/OCBs

while the balance is widely held by about 300,000 shareholders. The shares are listed on the Stock Exchange, Mumbai and the National Stock Exchange. The bank's American Depository Shares are listed on the New York Stock Exchange under the symbol "HDB".

Management

Mr. Jagdish Capoor took over as the bank's Chairman in July 2001. Prior to this, Mr.Capoor was a Deputy Governor of the Reserve Bank of India. The Managing Director, Mr. Aditya Puri, has been a professional banker for over 20 years, and before joining HDFC Bank in 1994 was heading Citibank's operations in Malaysia. The Bank's Board of Directors is composed of eminent individuals with a wealth of experience in public policy & administration and commercial banking. Senior executives representing HDFC and J P Morgan Partners (formerly Chase Capital Partners) are also on the Board.

Presence:

Present in over 77 cities in India with over 165 branches and over 475 ATMs .

Offerings:

Offer account access through the Internet, Mobile, ATM, Phone and International Debit Card . Offer personal loan, car loan, loan against securities or two-wheeler loan, savings or current account or a fixed deposit or credit card or mutual funds, Phone Banking facility.

Financial Position:

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HDFC Bank Limited's American Depositary Shares, or ADSs, began trading on the New York Stock Exchange on July 20, 2001 under the symbol "HDB". HDFC Bank offered a total of 12,476,884 ADSs at an initial public offering price of US$13.83 per ADS for a total of US$172.5 million, including the underwriters' overallotment option which was exercised on July 24, 2001. Each ADS represents three underlying equity shares. HDFC Bank's equity shares are listed on the National Stock Exchange of India, The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad. For the quarter ended December 31, 2001, the Bank has posted a strong performance with total income of Rs. 525.1 Crores as against Rs. 372.7 crores in the corresponding quarter of the previous year, a growth of 40.9 %. After operating expenses and provisions (including specific and general credit provisions as well as mark-to-market provisions on investments), the Bank reported Profit Before Tax of Rs. 108.4 crores for this quarter, a 37.7% increase over the Rs 78.7 crores for the quarter ended December 31, 2000. After providing Rs.32.9 crores for taxation (Rs 25.9 crores for the corresponding period of the previous year) the Bank has earned a Net Profit of Rs.75.5 crores as compared to Rs. 52.8 crores in the corresponding quarter of the previous year, a growth of 42.9%. Net Profit for the nine months ended December 31, 2001 was Rs.206.8 crores, up 43.0% over the nine months ended December 31, 2000.

The Bank has also achieved a healthy growth in its key balance sheet parameters. As on December 31, 2001, total deposits were Rs.15,133 crores, an increase of 34 % over Rs 11,296 crores as of December 31, 2000. The Bank's success in offering its retail customers convenient, one-stop banking services was best reflected in the savings account deposits which grew by 60.2% on a year on year basis (Dec. 2000 to Dec. 2001) to Rs.2551 crores. The Bank's customer assets (advances, corporate debt investments, etc.) increased from Rs.6,302 crores as of December 31, 2000 to Rs. 8,824 crores as of December 31, 2001, a growth of 40%. Total Balance Sheet size crossed Rs.20, 000 crores for the first time.

The Analysis

Top management is in control of this organization. The organization is complete with internal expertise, market savvies and aggression necessary to make the organization succeed. The people who are rewarded here are those help their junior colleagues to achieve and develop. The ability to control subordinates and maintains discipline is afforded a greater importance in rewarding Supervisors. The ability to get along well with others is highly rated and rewarded and when confronted by risk situations, supervisors here seek the guidance and support of friends. In risky situations, supervisors strongly emphasize disciple and adherence to policies, conservatism to orders. In risky situations, that are rare in any case, supervisors, have a strong tendency to rely on expert specialists for their advice. Colleagues generally go to their supervisors for instruct in risky situations. In responding to risky situations, supervisors here show great concern for the people working in the Organization. In responding to risky situation, supervisor's here take calculated risky and strives above all to be more efficient or productive. Innovation and change are initiated and implements here primarily by experts and specialists. Top management primarily orders innovation or change. Before initiating innovation or change, leaders here generally seek competency development and learning for sanction and guidance. Those who initiate innovation or change here demonstrate a great concern for any possible adverse effects on others (in the organization or outside) and try to minimize these effects. They consequently strive to learn from their past experiences. They share best practices and benchmark their processes. Innovation or change here is mainly initiated and implemented through highly result-oriented individuals. Subordinates here seldom undertake innovations that disturb their existing friendship in the organizational or carn the enmity of organizational members. Employees have a strong feeling of participation in decision making. Leaders provide regular feedback on goals, targets and work performance. People have a sense of security in our organisation. The managers/supervisors are

given a lot of autonomy in determining their activities and work procedures. The organizational personnel evaluation process highlights work performance of results although it is not very sophisticated, by choice and desire to keep it simple. There is satisfaction with the rewards system and the remuneration policy of the organisation. We encourage work groups to try new ways and procedures. Have a large measure of influence over objective management and goal setting, although much of it is informal and established by the top management. The work procedures and supervisory policies are effective. The employees have opportunities for training and personal development. There is a particular emphasis on training, competency development, skill up gradation, knowledge management and learning from experience, peers, environment etc. Superiors permit and expect subordinates to participate in their own (i.e.subordinates) goal setting only where possible and where it has been mandated in the organisation. Working conditions and facilities are well regarded, available, appreciated in the organisation. Competencies are developed and people are adequately trained to do their jobs. The reward system is seen to be identified with work performance.

The leader mentors, coaches, teaches, builds other leaders, and enables work processes that make work life easy for organizational members. Experts and experienced creative practitioners are invited to share their ideas with members of the organisation. Employees are encouraged to attend external programs. Experience and concerns of the organisation are shared with other organisations. Employees are encouraged to experiment. Innovations are rewarded. Periodic meeting are held for sharing result of experiments. Periodic meeting are held for sharing on going experiments. The culture fosters learning, attempting to create intellectually stimulating environments. Encourage conditioned and innovative solutions that are in line with internal ways of dong things. There is high internal energy, and adaptability to individuals, although team working and steady state performance continues to be an important evaluation parameter. There is freedom to act, fair play in targets, time to develop, opportunity to apply, experiment, enabling

the unknown to a moderate degree. Employee seminars on new developments are organized. Task groups are created for implementing and monitoring new projects and experiments. Detailed plans reflecting contingency approaches are prepared. Task groups are created to examine common elements between old practices and innovations. Newly proposed practices are linked with known practices. Records of experiences are maintained. Periodic meeting, chaired by top or senior management, are held to review innovations. Relevant existing skills are utilized in implementing change. Task groups are created for data based critiquing of the innovations. Periodic meetings are held to review and share experiences. Task groups are created to evaluate and report on plus and minus aspects of innovations. Task groups are created to follow up on experiments. Widespread debates are held on experiences of implementation. Realistic appraisals are made of ht support needed for continued use of innovation. Implementation plans are modified when experience indicates that modification is needed. Various groups are encouraged to prepare alternative forms of implementation. Establishing a climate of cheer, enabling building blocks to commence, evaluating need for corrections, improvement, course changes and growth are some of the initiatives taken by the Teacher. . This executive worldview is built around the necessity to maintain the financial health of the organization and is fed by the pre-occupations of boards, of investors, and of the capital markets.

There is a relationship between the leadership style of the CEO/leader and the culture of the organization. The leader sets the guidelines for the behavior of the entire organisation. The people below watch the leader and emulate him. A leader who delegates well and communicates well with his employees creates an organisation that is vibrant and open as against one who runs it with an iron fist. The CEO/Leader has role to play in the culture of the company. Cultures exist on a mutually exclusive basis in all the companies. I.e. No Company will have one identifiable culture. Cultures differ from one organisation to another. Though they may be broadly classifiable into a few types, each organisation is unique in its culture. The CEO/leader does

directly influence the existence of any one/all of the cultures in the company. The CEO may not directly influence but the indirect influence is huge. There is no relationship between culture and different functions (Marketing/Production/ Finance/ Personnel/ Research/ IT etc) of the company. The culture of an organisation runs through all functions equally. Unless it is a multi-divisional large company with leaders for each function who are totally independent of the rest of the organisation. (Ref. Samir Bhatia – Director – Corporate Banking)

Case Study Number 13: Coca-Cola Incorporated

Business: F M C G Consumer Markets

Leadership: The Visionary

Culture: Executive – Executive and Evolving to Engineering Cultures

Organization and Management Model: The Competing Organization

Alex Von Behr moved to India in January 2000 as president and chief executive officer of Coca-Cola India. Prior to that he was based in Singapore for the three years as senior vice president and director of operations for Southeast and West Asia with the corporate office of F&N Coca-Cola in Singapore. Von Behr's priorities. Taking over from Von Behr is Sanjiv Gupta, the current COO as the CEO of Coke India.

• Personally spend more time on people management

• Focus on two HR programs—Way Forward and Pegasus

• Identify potential fast track managers

• Rebuild an environment based on performance and motivation

• Reposition Limca as a brand

• Focus on Maaza and Thums Up to continue

For example, the company has, indeed, recruited back some of its managers it had dispensed with. For example, it's Chennai operations has seen some employees returning. Confesses Mr. Von Behr, "I think whereas two years ago, we were focussed on just getting the business done. But we are now really focused on making sure that we have a great environment for good people. I spent a lot of time, personally, looking at areas that go beyond day to day business, like people management."

The company has put in place its much-talked about integrated bottling network system. As a part of this two-year restructuring exercise, the company has decided to take over 34 of its 54 bottling units, which will be turned into company-owned bottling operations (COBOs). The rest (about 20) will be allowed to function as franchisee-owned bottling operations (FOBOs), sources said.

Presence:

Kinley:

Packaged drinking water is one segment that Coca-Cola India is banking on heavily. Not surprising, considering that the packaged water market has an estimated growth of 100 per cent. And although this market is still nascent in India, global biggies such as Aquafina (Pepsi), Perrier (Nestle) and Evian (Danone) have pitched tent with a vengeance. And, of course, there are the home-grown brands, Bisleri and Bailley

Eager not to be left behind, Coca-Cola is launching its drinking water brand, Kinley, in Andhra Pradesh, Karnataka and Tamil Nadu. The national launch has been slated for end 2000. Priced at Rs 12 for a 1-litre PET bottle (in Tamil Nadu, the retail price is Rs 10 a bottle), Kinley is being bottled at Coca-Cola's green field manufacturing plant at Bidadi, near Bangalore. According to company sources, great pains have been taken to ensure the purity of the water. A special imported tamper-proof closure – which, unlike breakaway caps, is impossible to re-seal – is one of the USPs of Kinley. The company claims that the brand also has the certification of the Federation of Family Physicians Association of India (FFPAI).

Powdered drink concentrate:

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TARGETING the huge untapped beverage market, Coca-Cola India has launched its first ever-powdered drink concentrate, Sun fill, and plans a gradual entry into the tea and coffee segments with its ready-to-drink packs. Pitched against Rasna of Pioma Industries, which commands 70 percent of the powdered soft drink concentrates market, Sun fill is currently available only in one flavor-- orange. More flavors, including mango and elaichi, will be added in due course.

Financials:

In an effort to spur its growth in the non-alcoholic beverages market, Coca-Cola India Ltd, which posted a turnover of Rs 2,900 crore in 1999, is in the process of arming its arsenal with a wide range of products for the Indian consumer. Coca-Cola had asked for waiver of the clause on the ground that continuing losses in its eight-year stint had eroded its net worth significantly. Its losses have mounted to Rs 2178 crore, which amounts to 66 per cent of its total investment of over Rs 3,200 crore in India over the last eight years.

Company officials had earlier claimed that the Indian venture would strive to break even during the current financial year with Rs 4,000 crore turnover target, but will take some more time to wipe out the accumulated losses. The Atlanta-based soft drinks giant Coca-Cola company on Wednesday announced about $400 million write down of assets in local operations, 50 per cent of its total $800 million investment in the country to date. The write down, following a comprehensive review of Coca Cola's Indian bottling operations, is estimated to be approximately $400 million, Coca Cola chairman Douglas Daft told investors at a meeting held in Atlanta on Tuesday. "Based on the review, the company expects to write down the carrying value of its assets in India during the first quarter (Jan-March 2000)," he said, according to a company release. Daft said despite the accounting write down, Coca Cola remained fully committed to the

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growing business in India and believed strongly in the tremendous per capita consumption growth opportunities in the country. The write down of assets would be recorded in selling, administrative and general expenses, he added. When contacted, Coca-Cola India's spokesman said of the $800 million invested in the country so far, $400 million has been written down.

COLA major Coca-Cola has approached the government for a five-year extension for divesting 49 per cent equity in its bottling subsidiary, Hindustan Coca-Cola Holdings. The Atlanta-based cola transnational hold 100 per cent equity in the subsidiary. At the time of approval to the bottling subsidiary, the government had put the condition that Coca-Cola had to divest 49 per cent equity in the company within 3-5 years. The approval for the marketing subsidiary was given in July 1997. This means that the outer limit for equity dilution for the transnational is June 2002. The MNC now wants a five-year extension to the stake dilution. The extension has been sought on the ground that the current market conditions are not "conducive" for the company to come out with an initial public offering for the stake dilution.

Coca-Cola has also said it had been unable to find any partners for offloading its 49 per cent stake since its operations were still running up losses. It has not, however, made available the loss figures it has incurred so far. Coca-Cola has so far invested $840 million in its Indian operations. It had, however, written off $436 million early this year. According to sources, the writing-off was done in order to show better returns on investments and higher profitability. According to insiders, despite the writing-down of such huge amounts, the company may not be able to break even in the next five years. Hence, the request for the five-year extension.

The transnational set up the marketing subsidiary as part of its strategy to integrate all its bottling operations — both company-owned and franchisees. However, after setting up the subsidiary, Coca-Cola started buying out the franchisee bottles, apparently keeping in line with its global

policy. All together, it bought over 38 franchisee bottlers. According to industry sources the poor financial performance has also something to do with the much-too frequent changes in the top management. Coca-Cola India has seen four CEOs in a seven-year period. The transnational originally got approval for setting up two bottling subsidiaries — Hindustan Coca Cola Holdings and Bharat Coca Cola Holdings — which in turn, will have one subsidiary each under its fold.

The Analysis

Performance is critical in this organization. The organization is built on brand, quality and customer loyalty. Here, people seek the help of experts to analyze and prevent mistakes. Most interpersonal and interdepartmental conflict here arises as a result of striving for higher performance. In analyzing and resolving these conflicts, the over-riding consideration is high productivity. Here, conflicts are usually avoided or smoothed over in some situations to maintain a friendly atmosphere. Arbitration or third party intervention (usually performed by experienced or senior people) is sought and used here. In a conflict situation here, those who are competent and have an eye for the market, force their points of view. In resolving conflicts here, appeal is made to principles, organizational ideals, and the larger goals of the Organization. Experts are consulted and their advice used in resolving challenges.. After due consideration, those in authority here issue instructions and expect them to be carried out to ensure speedy execution of decisions. Most communication here is informal and friendly. The dress code is informal and asks for a friendly disposition in thought and action. It both arises from and contributes to warm relations. People here ask for information from those who are experts on the subjects. Relevant information is made available to all that need it and can use it for the purpose of achieving high Performance here. People here communicate information, suggestions, and even criticism to others out of concern for them.

Case Study Number 14: Quintiles

Business: Pharmaceuticals, Biomedical, Healthcare, Clinical Trials and Data Management

Leadership: The Teacher

Culture: Executive – Executive to Engineering Cultures

Organization and Management Model: The Learning Organization

Processes in consideration set:

Profile:

"Quintiles Transnational is the world's leading provider of information, technology and services to bring new medicines to patients faster and improve healthcare. With a global workforce, Quintiles provides the full range of drug development and commercialization services to pharmaceutical and biotechnology customers worldwide.

Quintiles is a recognized leader in the use of technology and information to help its customers make better decisions faster. Quintiles' proprietary database of aggregated, de-identified patient-level medical and pharmaceutical transaction data is one of the largest in the world. Through its Quintiles Series of Web-enabled products, Quintiles' customers can access this database to conduct real-time customized queries of the most current market data available in the industry.

This combination of expertise, service breadth, unique market data and Web-enabled technology allows Quintiles to dramatically improve the speed and quality of drug development and

healthcare delivery. Founded in 1982 and headquartered near Research Triangle Park, North Carolina, Quintiles is a member of the S&P 500 and Fortune 1000. "

Quintiles Europe provides a service called 'Cardiac Alert'. This service involves electrocardiograms ('ECGs') of patients being received, interpreted and reported at a central location, viz. London. These activities are part of a larger clinical trials process that pharmaceutical companies, which are Quintiles' clients, carry out for their new products. Such clinical trials are conducted for the pharmaceutical companies at various sites across the world. As part of the trials, ECG readings are taken at these sites (clinical trial sites) and are transmitted to 'Cardiac Alert' in London. QDPC has acquired operations of the 'Cardiac Alert' service from Quintiles Europe and is in the process of migrating the same to India. Along with the migration, the service centre has to be set up in Mumbai (e.g. physical facilities, legal requirements, etc).

There are 3 types of ECG analysis methods or studies that are offered by QDPC to drug companies:

- Paper Lab (where the ECGs taken at sites are physically sent by courier to QDPC for analysis; turnaround time is 4-5 days)

- Digital Lab (where the ECGs are transmitted to the central location using specialized digital equipment; turnaround time is upto 2 days)

- Trans telephony (where ECG waveforms are transmitted in the form of sound over PSTN; turnaround time – immediate – call centre)

- Clinical trials processes of drug companies, e.g.:

- ECG interpretation

- Blood samples analysis (in future)

- MRI analysis (in future)

Post-migration, QDPCI will offer the above studies, customer interaction and data analysis services, covering Cardiac Alert operations, directly to end-user clients. As services would now be offered from a different remote location, clients may have concerns on service reliability, turnaround times and confidentiality.

Further, the migration coupled with setting up of the service centre has to be achieved within tight timelines (by around mid Feb 2002 – start date was around Oct 2002).

A critical aspect of the migration is the telecommunication infrastructure, which will enable India to receive ECG readings from various clinical trial sites across the world. While there are optimal solutions available, sub optimal solutions may be implemented initially in the interest of meeting migration deadlines.

The Analysis

The organization emphasizes an appropriate management style that foster learning. Driven by organizational energy to learn, self develop, perpetuate individualization as they grow to compete. Experts and experienced creative practitioners are invited to share their ideas with members of the organisation. Employees are encouraged to attend external programs. Experience and concerns of the organisation are shared with other organisations. Employees are encouraged to experiment. Innovations are rewarded. Periodic meeting are held for sharing result of experiments. Periodic meeting are held for sharing on going experiments. Focus on people productivity through learning drivers on what can be done should be done. Employee seminars

on new developments are organized. The organization focuses on learning environments that involves brings together intellect, knowledge, systemic processes, personal mastery and role models. Task groups are created for implementing and monitoring new projects and experiments. Detailed plans reflecting contingency approaches are prepared. Task groups are created to examine common elements between old practices and innovations. Newly proposed practices are linked with known practices. Records of experiences are maintained. Periodic meeting, chaired by top or senior management, are held to review innovations. Relevant existing skills are utilized in implementing change. Task groups are created for data based critiquing of the innovations. The climate is conducive and non threatening to share successes and failures and is not a performance consideration. Periodic meetings are held to review and share experiences. Task groups are created to evaluate and report on plus and minus aspects of innovations. Task groups are created to follow up on experiments. Widespread debates are held on experiences of implementation. Realistic appraisals are made of ht support needed for continued use of innovation. Implementation plans are modified when experience indicates that modification is needed. Various groups are encouraged to prepare alternative forms of implementation.

CEO Perspective

I am aware of and clearly understand the goals and objectives of the merger. I am ready to adapt and adjust in order to make this transition happen. The organisation will be able to adapt to the transition and changes as a result of the merger/ integration. The organisation will be able to cope with the new business pressures arising out of the merger/ integration. The organisation will function without any major interruptions due to changes in top management and administration. . People in companies learn from the problems, dilemmas and difficulties they encounter, together with their attempts to overcome them. In other words, there is no such thing as *the* learning organization, but a variety of learning organizations that can benefit from each other's

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experiences. Our organisation provides greater autonomy and freedom. Our organisation's practices are more employee-friendly and oriented to providing warmth and support. Our identity lies strongly with this organisation. Companies have much to learn from each other, too, but this can only be achieved if the contrasts are raised and the differences between them made explicit.

Our organisation provides greater scope for responsibility to individuals. Our organisation is more open and free in its communication. Companies have much to learn from each other, too, but this can only be achieved if the contrasts are raised and the differences between them made explicit. The standards followed by our organisation are higher and more rigid. This organisation rewards me better. This organisation manages conflicts better. The organisation seeks adequate input from employees on those changes that affect them, or are about to be implemented. Work groups are open to and ready for organizational changes. Defensiveness and exaggeration go hand in hand. Sometimes a third party can facilitate cultural change within groups. There is a very natural tendency to evaluate is a help to effective cultural communication. Organizations must attempt improvement in communications simultaneously if there is to be hope for genuine improvement. Effective cultural intervention and change management driven communication is always therapeutic. This demands a thorough self- awareness on the part of the initiator. The maladjusted person suffers from a communication breakdown within himself and with others. Behaviorally driven cultural change is primarily a sensitive people process, not a word process. There is a strong relationship between obstacles to behavioral modification and communication and providing therapeutic help to individuals with emotional maladjustment's. Understanding about a person, teams, group desires and organizational goals is more important for effective communication than understanding a sheer individualistic understanding with a person. The person who listens empathetically runs the danger of being changed himself. Self-expression, self-insight and self-concept are essentials for cultural change programs and needs to be always communicative. Heightened emotions facilitate communication efforts.

Case Study Number 15: Bennett Coleman & company

Business: Communication, Media and Entertainment

Leadership: The People Strategist

Culture: Executive – Operator to Executive Cultures

Organization and Management Model: The Human Organization

Joint Managing Director: Samir Jain

In the mid 1980s, the company was running like an unstructured composition of over two dozen publications with the PBT been just INR 11.8 M for 1983-84, which was less than 2% of the turnover. The main reason was that the editors were given the maximum control and the business was not been run professionally. The editors were left to run the publications without the business perspectives. Jain changed the Indian media world and his group as well by directing the firm and running it as any business firm. Jain shifted the focus on gaining the market share of the profits. He defined the goal as "the ownership of the market" and this started to revamp the firm in terms of growth. Also, he was able to change the firm due to his new plans, confidence and leadership qualities. His unconventional ideas shook the Indian industry with surprise and he revamped the firm with paradigm shifts in its working strategies. Within a decade, the profits increased by 11,000 %, sales rose seven times and the reserves multiplied by a factor of 21. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. Jain was in favor of total professionalism and therefore, created the post of brand managers for the publications. These executives were responsible for the growth, profits of their respective brands. They decided on issues of pricing, product mix, brand extensions and had the power to

review the editors' proposals. The brand managers were also responsible for the synergy of the editorial, circulation and space selling departments for the newspapers. Also, ideas were burrowed from other spheres of business like variable rates for a newspaper, marginal onward pricing mechanisms for advertising, etc. Also, customer interaction and feedback was increased so that the editors knew what was required from them.

The quality improvements in the newspaper and the other products were seen as the benchmark for many of its competitors and Samir Jain truly revitalized an ailing company. The Role of the CEO/leader in regard to strategy, processes, technology and people actions and leader's influence in the existence of specific types of cultures. The company was made to redefine its product portfolio, repositioning some of its publications and killing others. Forays were made into new markets as well. For instance, Times FM, a new medium for radio advertising was started. Along with this, Times TV was set up as a marketing outlet for Doordarshan programs. Jain had always been daring and ready to take up new, exciting and challenging tasks. The same spirit was imposed in his business deals as well. The editors were turning to be more powerful than required and so he let go off the post of editor. The post of managing director was created and a former cigarette company was brought in to head it. The executive director was not included in editorial meetings. Jain defended these moves by claiming that it was required to position the firm based primarily on the business requirements. Many respected editors left the group but the group achieved its objectives and emerged as one of the country's most profitable companies. Also, The Times of India emerged as the leading newspaper of the country and the sixth largest read daily in the world.

Case Study Number 16: Saraide Corporation and Verifone, Inc. (till 1998)

Business: Communication and Technology Integration

Leadership: The Scientist

Culture: Executive – Executive to Engineering Cultures

Organization and Management Model: The Intellectual Organization

CEO: Hatim Tyabji

Background:

Tyabji is leading the Internet's "web in your pocket" notion through his apt leadership skills and

business acumen. The business world started talking about him after he founded and became the

chairman of Verifone, Inc. from 1986 to 1998. In 1998, he founded Saraide to drive the

convergence between Internet and Wireless communication. In 1999, he negotiated 80% of

Saraide to Infospace.com, a leading Internet information and infrastructure provider, creating the

largest global alliance in the wireless Internet services industry. The leader influences the History

and Tradition of the Organization. The obvious problem that Tyabji faced while increasing

employees was to imbibe the uniform value system all across in minimum possible times. As

people came with different backgrounds, Tyabji ensured that a common program was in place

throughout all the offices, readily available for all the new joiners as well as old-timers. A three-

point program was present in email and printed form. The first part was Excellence in

Philosophy, a set of eight values, called the "little blue book". The document was in different

languages including English, Mandarin, Portuguese, Spanish, Japanese, German and Italian. The

second part was Excellence in Thought, a compilation of strategies and examples of common

actions required in the business. The third part was Excellence in Action that encouraged and firmly believed that action is the foremost entity in any business plan or otherwise. Tyabji proclaimed that each individual was important to the firm and reiterates this thought by saying "....lets celebrate the individual, and lets make sure we don't forget...". This program has been a strong and indispensable factor in the success of the firm and the required match with the above values is gauged during the selection interviews at all the levels. Also, sustained attempts are continuously made to make employees aware of the above generic guidelines so that the whole firm continues to move as per the set objectives. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. Different countries have different sets of values and they live and do business differently. For a global firm that has spread into 45 odd countries, its tough to have a 100% uniform set of ethics throughout. Tyabji followed a strict code of ethics and made it a point to make it mandatory for all the offices. He goes on to prove the same when he exclaims, "... just because it is locally all right to slip somebody an envelope under the table that isn't all right here. The only way you get that message across is to start turning away orders...."

This point continues to hold water as the policy is followed uniformly throughout the firm and defaulters are not tolerated at all in the firm. The Role of the CEO/leader in regard to strategy, processes, technology and people actions and leader's influence in the existence of specific types of cultures. Tyabji always wanted and acted in ways that would bring decentralization to the minimum levels possible in the firm. The model of Verifone made all the country offices fully responsible for all their decisions and business revenues. There was a global policy that it would be a paperless office. So if email didn't work, the whole firm came to a standstill. Since the firm didn't have Internet, so they had set up their own Wide area network. The DEC's supply of VAX'ss was used to circumvent this problem. It should be noted that both the structural and technical policies were visionary and much ahead of times. Both of these seem to be pretty naïve

nowadays, but Tyabji made it a point to counter the tough problems at that time to give the firm a competitive edge in the business circles. His dedication and motivation gave the required impetus to the whole firm and encouraged the employees to follow their leader in whatever small ways that were possible for them at individual and group levels. Leadership Style as practiced by the management groups influences the culture. One particular quarter was exceedingly good for the firm and there was an announcement that a 2-day off would be given to the whole company as a celebration and reward. The issue was to select the two days and Tyabji initiated a discussion with the top management to decide the exact days. However, due to the diversity in the workforce, there was no consensus on the days and so Tyabji had to think of some creative way that would ensure the interests of all the employees from different countries. He declared the following statement, "

There's Holy Saturday and Easter Sunday. Good Friday is normally off. So lets take the Thursday and Wednesday before that and declare it as a holiday worldwide. I also happen to know that Singapore doesn't have Good Friday off. So lets be sure that we let each of the offices choose their days." The amount of decentralization in deciding small things like these send strong messages all across and led to a trust worthy environment throughout. Singapore took Monday and Tuesday. UK took Thursday and Wednesday. The interesting thing happened in Spain where they took the entire week off. This was compensated because the extra two days were taken from the quota of 10-days leave annually given by the firm. The message that was sent across by this incident improved the trust of the employees on the management.

Case Study Number 17: SEMATECH

Business: Technology

Leadership: The Scientist

Culture: Executive – Engineering to Executive Cultures

Organization and Management Model: The Learning Organization

CEO: Bob Noyce

Bob Noyce charismatic leadership helped to transform the semiconductor industry of US. The Japanese manufactures had started to capture the share of the US market quite progressively and by 1987, the US share had fallen to a mere 39%. The trends revealed that by 1992, this figure would plummet to a dismal 20%. For the once upon leaders, the US chip makers collectively realized the extent of the crisis and formed a consortium of 14 US firms in 1998 by the name of SEMATECH- an acronym for Semiconductor Manufacturing Technology. Only four years after SEMATECH, the US industry rebounded and again exceeded the Japanese global market share. By 1994, the US share was 48% as compared to the Japanese 36%. It was unlikely that SEMATECH would have survived without the leadership qualities of Bob Noyce, though sadly he expired in 1990 before seeing the full success of his dreams. There is no exaggeration in saying that Noyce's efforts were a pre-requisite for the superb performance of SEMATECH. The leader influences the History and Tradition of the Organization. Noyce was instrumental in setting up the democratic style of working within SEMATECH that created a wide number of new linkages, networks between itself and the firms in the industry. The kind of unity shown by the participating firms was unprecedented and the levels of team work shown at the lower levels was setting standards across the different sectors as well. This opening up was in synergy with

Noyce's general style of working and he was making the others also benefit from the mutually beneficial environs within the consortium.

A common (Browning and Shelter 1995) cafeterias for managers and workers, no high walls in between offices, social events for everyone, common sharing of accomplishments, future goals and rewards along with constructive discussions assisted Noyce and his team to share, augment and achieve objectives for SEMATECH over a period of time. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. Noyce had embodied the democratic style and values from his Congregational upbringing. He was always interested in creating a community of equals than in formal structure. He didn't want employees to see the organizational structure as a series of hurdles they had to jump over to get something done. Talent and merit was to be considered the most important in Noyce's books rather than anything else. Peter Mills, the CAO of SEMATECH claimed that he had never enjoyed working so much with anyone as he did with Noyce. He had always wanted people to learn from their mistakes and therefore preferred the democratic style of leadership. At Intel, Noyce had given the engineers stock options so that they would share gains and be motivated to perform to their best of the abilities. Both at Intel and later at SEMATECH, he used low partitions so that the feeling of openness was prevalent throughout the office place. Leadership Style as practiced by the management influences the culture.

Managers are not cultural leaders (Trice and Bayer 1993) unless they influence how their followers collectively think and act. In the case of Bob Noyce, he was a gifted person with innovation, magnetic personality and an egalitarian attitude. He had the confidence of the industry leaders and the US congress, and successfully synchronized the different firms in a combined attack on the growing Japanese share. Turner Hasty, A TI executive who was to later become the COO of SEMATECH described his first meeting with Noyce as personally exciting-

like a teenager getting ready to meet Michael Jackson or Elvis Presley. He commented (Boyd and Noyce 1990) the following "Bob really was 10 feet tall. He just appeared 5 feet 8 inches to the untrained observer." At Intel, he acted symbolically and made it a point to make his employees feel comfortable.

The new furniture was given to the subordinates while he used older forms (Wolfe and Noyce 1983). These actions helped him to win the trust of the employees throughout his dynamic career and paid off when he wanted the support of people from diverse backgrounds. CEO focus on climate, communication, HRM practices training and management attention on retaining high performers. Noyce paid special attention to the training all the employees with the desired values (Beyer 1993) and technical skills. Noyce was a strong believer in training to indoctrinate employees with the desired values and accordingly, he brought a consultant named Bill Daniels to work at SEMATECH after he had successfully done the same at Intel. All the top managers and their secretaries were required to attend the training sessions. This gave a strong indication to the rest of the employees and that helped in the flow of the values throughout SEMATECH. Castrucci, the COO of SEMATECH, was known for his authoritarian management style and he continued to act in opposite ways to that desired by Noyce and his team. As the opposition from Castrucci increased, Noyce had to take the tough stance and fired his COO in due course of time. This hard action was something uncommon to Noyce's style of leadership, however it helped the firm to grow in the intended direction. It also sent out signals to the whole consortium that Noyce meant serious business whenever the values of the firm were into consideration. The training program set forth well articulated norms and behaviors of democratic style of management at all levels of the firm.

Case Study Number 18: Asea Brown Boveri (ABB) (Kennedy 1992)

Business: Engineering, Electronics and Technology

Leadership: The Builder

Culture: Executive – Operator to Engineering to Evolving Cultures

Organization and Management Model: The Institution Organization

CEO: Percy Barnevik (Beyer and Browning 1999

ABB was formed in 1987 through the transnational merger of Asea of Sweden and Brown Boveri & Company of Switzerland. At the time of its operations, ABB was spread over 140 countries, with a workforce of 2,40,000 people and annual turnover of over USD 17 B. ABB emerged as the metaphor of a new kind of organization- a stateless, borderless organization growing under the guidance of its CEO, Percy Barnevik. The leadership (Kapstein and Reed 1993) has been responsible for not only the financial gains, but also the integration and coordination of the extreme diversity of its products, operating regions and national markets. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization visions. According to Barnevik, "ABB is an organization with three internal contradictions. We want to be global and local, big and small, radically decentralized with centralized reporting and control. If we resolve these contradictions, we create real organizational advantage." ABB has set the path of continuous transformation that is made a benchmark by many they leading firms. ABB's size and range of markets enables it to access a larger variety of resources, talents and solutions than many of its competitors. ABB insists to get zero-defect and just-in-time deliveries from its suppliers at highly competitive rates. Barnevik emphasized that the diversity of the firm should be leveraged so that the problems of integration's can be solved within practical domains.

Barnevik has been famous for his accuracy, speed and maverick style of working throughout his career. Once the merger was announced, the CEO announced a task force of five top managers and gave them just two months to design a new structure. The main features including breaking ABB in four business segments, 40 business areas, setting the matrix were put in place in the required time. Also, "Barnevik 7-3 formula", its better to make swift decisions and be right 7 out of 10 times than to waste time trying to achieve perfection all the 10 times, was implemented throughout the firm. The Role of the CEO/leader in regard to strategy, processes, technology and people actions and leader's influence in the existence of specific types of cultures. The "razor-thin" organization present in ABB makes it possible for smooth communication at all the levels. Between the top management team, consisting of Barnevik and the executive committee members, and about 2,00,000 shop floor employees, there are never more than 5 hierarchical levels. All the 1,300 ABB companies around the world are separate legal entities and have different balance sheets, and solely responsible for their respective cash flow and dividends. Barnevik has never tried to limit the powers of the employees at any levels, and therefore this empowerment has augmented the motivational levels of the work face bringing about higher commitments, accountability and performances. The structure of ABB is on two-axis, one is based on the country and the other is based on Business Areas (BAs). There are about 65 BAs (including transformers, locomotives, robotics, etc.). The countries and BAs intersect at the level of ABB's member companies. The local cross-product coordination helps to synergies common distribution networks sharing resources and offering integrated packages to clients worldwide. The shuttling of managers in different units is also carried out so that uniformity is achieved. Often the support or services functions are brought nearer to the line functions so that the knowledge generating functions know what is actually needed at the user levels. For example, R&D specialists are at times made to work outside their modern and spacious labs and brought to the various business units so that they value and understand the actual needs of the customers and develop goods accordingly. ABB spends about USD 1.3 B on R&D every year (7% of its sakes)

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and wants it to be channeled in the right direction so that the value of the shareholders can be

maximized through delivering the required products to the customers.

Case Study Number 19: British Airways (BA)

Business: Hospitality, Transportation and Airlines

Leadership: The Technocrat

Culture: Executive – Operator and Evolving Cultures

Organization and Management Model: The Mechanistic Organization

CEO: Colin Marshall

In the late 1970s, BA was a loss-making, inefficient, state-owned enterprise that was characterized by lethargy and insensitivity to its customers. However, by 1983, the carrier had cleaned it up and started to become the preferred flier for many of its customers. In 1992, the airline generated about USD 500 M as profit on a turnover of USD 9 B. The turnaround was made possible through some drastic measures led by the CEO, Colin Marshall. Before Marshall came over, Lord King of the Thatcher government had made it possible to prepare BA for privatization. When King recruited Marshall in 1983, the airline had already started making some profits. However, it was due to the leadership of Marshall and his visionary attributes that BA sustained its performance based on business strategies and customer-based quality service policies. Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization vision

Marshall brought with him a work ethics and style entirely new to the company. He was a workaholic who regularly checked on the details with accuracy. This was opposite to the slow and laissez-faire style of the earlier days. He was more directive and believed in making and implementing decisions fast. He made the airline focus externally so that they could get the feel of what the customers actually wanted from them. Recalls Marshall "... the airline has forgotten that it was a service industry..."In 1986, the airline developed a corporate mission statement to

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guide its activities. The main goal was "to be the best and most successful company in the airline industry."

Marshall brought the much-needed professionalism in the company and started to make the employees understand that the focus on customers is imperative for success. BA now boats of humane, personalized efforts to make customers feel cared for during the whole duration of their interaction with the carrier. This change in the culture has been brought about slowly through means of various efforts. The whole lot of 35,000 employees go through a 2-day training course called "Putting People First", where the daily activities are undertaken keeping the interest of the customers as the driving force. Leadership Style as practiced by the management groups influences the culture. After the initiative pertaining to "Putting People first", the next initiative launched by Marshall was called "Managing People First". This was a course designed for BA's 2000 managers to help them learn how to motivate, to involve people in decision making, to delegate responsibility and to plan an create vision at lower levels as well. This helped the firm change from a hierarchical, operationally driven way to a way of nurturing entrepreneurship and customer focused initiatives. Also, to build organization-wide problem-solving orientation, the airline started to disseminate relevant information across the organization. The progress on some of the critical indicators is published monthly in internal journal, explaining the activities and achievements in different service areas. The airline has developed methods to tap the internal problem solving potential and skills with group abased activities, TQM, etc. Also, to increase the motivation and involvement, Marshall issued 74% of the stock of BA to its employees after the privatization took place. CEO focus on performance, climate, communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers. BA works with over 200 separate performance/business strategies, which are both qualitative and quantitative in nature. These are published and used while gauging the performances of managers throughout the firm. BA has also generated awards

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for innovative and useful solutions under its suggestion schemes "Brainwaves (suggestions for improving efficiency) and "Green waves" (suggestions for improving environmental situation). Marshall also realized that as BA grew to diverse sectors, there was an urgent need of training and development on the cross-cultural front as well. The crew and the staff were trained accordingly on the different cultures and customers' requirements. Also, as a large proportion of the workforce composed of women, the turnover was high due to family commitments. This led to a continuous loss of trained skills and resources. The continuous flux meant that Marshall had to keep track of the available resources in the firm and keep on updating the skills of the workforce as per the requirements. In addition to the this, the airline offered a variety of a typical choices for employees including part-time basis, split and share jobs, twilight shift, career breaks, etc. that gave enough flexibility to share personal and work life for most of the employees.

Case Study Number 20: General Electric (GE) (Noel and Charan 1992)

Business: Conglomerate

Leadership: The Builder

Culture: Executive – Operator to Evolving Cultures

Organization and Management Model: The Institution Organization

CEO: John F Welch

GE remains as one of the largest firms of the world with revenue of USD 65 B, and is the leading producer of diverse items like light bulbs, dishwashers, locomotives and power plants. It has a salary bill of USD 13 B for 3,00,000 employees and does the CEO, John Welch, lead a firm that owes largely to the dynamic leadership and cultural transformation. Due to the enormous size of the firm, there were immense dangers of potential failure as the integration of the whole GE family was turning out to be quite challenging. GE was becoming a more bureaucratic mammoth, difficult to manage in the times of growing challenges. Welch was aware of the problems and started to revamp the firm with his leadership style and unparalleled business acumen. The leader influences the History and Tradition of the Organization. Welch (S Sherman 1989) believed that working with customers is a useful way of anticipating and meeting their needs. Therefore, the concept of boundarylessness was brought into the customers' arena as well. For instance, working with BMW helped the firm innovate the first thermoplastic car body panel for the Z1 two seater. In order to leverage on the customer requirements, GE started customer education programs that continue to focus on the GE products, customer needs and the future requirements. For instance, the program with the Aeroflot helped GE to learn more about the Soviet technical and business ways. This was a major learning for the GE's Soviet markets. Welch knew that GE needed to be at ease with the local customers and their requirements if they had to compete with global or strong local players.

The business perspective was always kept in mind while growing in different regions or product ranges as this assisted in the continuous improvement of GE as a truly global firm. The Role of the CEO/leader in regard to strategy, processes, technology and people actions and leader's influence in the existence of specific types of cultures. The initial focus was based on restructuring portfolios. GE organized itself along three interlocking circles representing its businesses: the core business, high technology products and the high growth services. Businesses outside these circles were sold off and the reshuffling, divestitures and acquisitions led to 43 SBUs consisting about 350 businesses and consolidated into 14 business divisions. GE eliminated around 1,00,000 jobs and Welch acquired the nickname of "Neutron jack" for his actions that saw GE acquiring USD 16 B worth companies while selling USD 9 B between 1981 and 1987. He categorically stated that GE would exit from business if it were not 1 or 2 in those businesses across the globe. Leadership Style as practiced by the management groups influences the culture. Welch always wanted the organization to grow along with its individuals. The corporate cultural renewal program was initiated by him all across GE to infuse new ideas about managing itself, people and breaking the organizational boundaries to create and use the creative energies lying latent all across the firm. As Welch very simply put "...for a large organization to be effective, it must be simple...". Welch initiated attempts to create a boundary's firm so that GE set afoot on the new concepts like portfolio planning, decentralization, market research, action learning, MBO and work-outs that lead the industry into the next century. The idea of empowerment was central to all the new policies implemented within GE. At GE's Plastics division, for over a decade researchers had been working on Ultem, a heat-resistant plastic. Without seeking or getting approval from corporate headquarters, they invested USD 1 M to build a pilot project and the corporate management was brought into the picture only when the unit was making samples and discovered close to 200 applications for the product. This product has now finally grown to a mega-business for GE Plastics.

Case Study Number 21: I B M Corporation

Business: Technology

Leadership: The Visionary

Culture: Executive –Operator to Engineering to Evolving Cultures

Organization and Management Model: The Competing Organization

One of the world's largest and most successful firms of the past fifty years found itself floundering as it entered the 1990s. In 1991, IBM's sales dropped 6.1 percent, to $64.8 billion, its first decline in revenue since 1946. And, for the first time in its history, IBM incurred a loss-$2,8 billion. And that loss grew to $5 billion in 1992.   Its problem? IBM was operating as it always had, but its environment had changed dramatically. The computer industry today is one of continually accelerating change. For instance, the life cycle of a notebook computer may be as short as three months. Many of IBM's competitors, moreover, are aggressive, flexible, and extremely quick, garnering the rewards that accrue to those who are fist to the market with new technology.   At the center of this dynamic environment stood huge, bureaucratic, centralized IBM-a Company still dominated by its mainframe computer division. As it always had, IBM required that all-major decision. As it always had, IBM required that all major decisions be made at corporate headquarters at Armonk, N.Y. Those decisions were guided by policies that virtually forbade any internal competition with the mainframe division, subjected new product plans to endless discussion, and kept IBM divisions from competing unfettered with their more nimble competitors. As a result, IBM introduced it personal computer four years after Apple did, entered the PC-compatible laptop market five years behind Toshiba, and followed Digital Equipment into the mini-computer market only after an eleven-year lag.

To turn the corporation around, top management unveiled an extensive structural reorganization. Some of the major changes being implemented are: The creation of semiautonomous, business units, each with profit and loss responsibility, but also able to make its own manufacturing and pricing decisions. Every business unit manager must sign an annual contract with corporate management agreeing to goals and objectives in such areas as growth, profit, return on assets, quality, and customer satisfaction. Each business unit decides for itself how it will meet those goals and objectives. A drastic reduction in work force. After avoiding involuntary layoffs for over 70 years, IBM has pruned its work force by 160,000 and its payroll by about 40%. Most-but not all-of this reduction has been accomplished by voluntary buyout and early retirement programs. By design, the majority of these cuts were primarily in managerial and staff positions. Reorganization of the research and development function. Insiders have complained that IBM takes too long to get products outside the door, testing them repeatedly and delaying delivery. As a result, top managers, engineers, and customer-service representatives worked together to create a leaner department that emphasizes speed and eliminates useless paperwork and excessive product testing.   Several obstacles to effective implementation of the restructuring remain. One is the ongoing attempt to change IBM's culture, which, historically, has not encouraged autonomy. A recent survey of many of the firm's top managers revealed that many still do not accept the need for changing the "old IBM." Another is the challenge to maintain high-quality standards while improving customer responsiveness and speed to market. IBM officials have always boasted that their products have always met or exceeded quality standards. But IBM must now pursue with speed.

Case Study Number 22: The New England Bank

Business: Financial Services

Leadership: The Driver

Culture: Executive –Operator to Executive to Engineering

Organization and Management Model: The Performing Organization

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The New England Bank – CEO Mr. Hari Sharma –

BUSINESS TODAY FEBRUARY 2002 ISSUE CASE STUDY

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The painful silence in the room was rudely broken with the screeching back of the chair in the furthest corner. A dozen hard-nosed British bankers sat still in their pin stripes. Board meetings were increasingly ending like this at the over 100-year-old British Bank the New England Bank. The man standing up from his chair to make an abrupt exit from the boardroom was the CEO, Hari Sharma. As he stood up he exchanged a lasting look with chairman of the bank Sir Richard Adams. Three years ago Sir Adams and the other men in the room had given a hearty applause when the same man Hari Sharma had entered the room. And why not - they had spent over two years in convincing Sharma to join. At the time the Bank was at a critical junction. The Asian crisis had just happened. Many of its competitors were pulling out of the region. The problem was New England was firmly rooted in the Asian region. Unlike the others it did not make sense for them to pull out of Asia and plough resources into Europe and North America. The latter regions were already over banked. New England did not stand much of a chance besides these regions were low growth ones. The bank believed in the long-term growth potential of the Asian region. But Sir Adams knew they needed a champion for the cause and that is why they had carefully chosen Sharma. An Indian by origin Sharma had worked for over two decades in a top American bank. He was a star performer there and according to many one of the strong contenders for the

top posts in the long run. In Sharma, Sir Adams saw a great combination - a gut feel for the region and a background and experience that could get the job done. They knew he came from a background where aggression was a norm. But at that point that is what they wanted. The Bank went on an aggressive buying spree in the region. The acquisitions resulted in it fast reaching the top position in the region. The CEO and chairman formed a formidable dup. The strategy was simple it kept liquidating assets of the bank in the developed world and moving them to the developing world. It also started acquiring companies and building a strong presence on the retail banking side. The expansion made sense to the market, which responded well.

Sharma lived up to expectations. His joining the bank was well taken by market analysts, institutional investors and shareholders. He sold the story of an aggressive Asian expansion plan successfully. Overall he captained the ship well. During his stint he even warded off a couple of takeover efforts. His shareholders firmly supported the charming CEO's growth story.

But internally problems began from day one. Sharma's aggressive style was out of place in the new bank. It was like implanting a large organization culture on to a smaller organization. It began to ruffle feathers especially at the top. Cracks in the formidable team began to emerge. Soon they were developing into bigger disagreements between Sir Adams and Sharma over management style. The very qualities Sir Adam had hired him for became a problem. The rift between the two men became larger by the day. Soon it was obvious both could not last. Sir Adams was due for retirement at the end of the financial year. But few on the board wanted him to go. The mindset of the board and Sir Adams was alike. Hence they had begun to exert pressure on Sharma. But at the back of their minds they all were in a dilemma. The temptation was to resist change in a culture they all relished by backing their chairman. But that would mean letting go of a CEO who was producing results.

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The New England Bank– CEO Mr. Hari Sharma

New England Bank made a **strategic selection**. Horse for course. Changing market scenario, critical business need and appropriate timing drove its decision. External factors and not internal factors. They hired Hari Sharma because they needed a leader, a winner, with a leadership style that would influence securing the current organizational business performance, consolidate and grow. For our analysis we need to understand the organization model, the leadership style and the organizational culture.

Hari Sharma in turn attempted the creation of a **Performing Organization** – Bottom line paramount, financial focus primary objective, rigors of feedback high, low tolerance for failures, survival driven beyond values, inability to work in team's evident, non-negotiable goal orientation. All indicators of a performing organization. The organization was focused on the external factors and demanded aggressive internal performance to keep pace with growth.

And his leadership style was that of a **Driver** driven by a performance system that overrides all other considerations and makes targets an important element for achieving results. Focus on priorities that are determined quickly, followed through decisively and ensure that different parts of the organization are focused on their own deliverables. Action oriented to provide criteria for success and failures and ensures it is adequately communicated and holds accountability on streamlined systemic norms. Long Term orientation to retain competitive advantage by providing profitability and growth. As Hari Sharma acquired banks he expected fast paced consolidation.

But, Hari Sharma now worked in a **culture** that was alien to aggression. That meant discomfort at aggressive deadlines, early mover strategies, propelling growth through acquisitions and mergers

rather than an organic growth from within. People become sensitive to radical changes that were not a part of the Bank and its culture in the last many decades, perhaps. Since cultures are temporarily confinable to commercial compulsions, issues did not surface. However, attempts to create a **Performing organization, using a Driver leadership style** was effective as long as the intended hiring objectives were relevant. And as long as the native cultural issues could be suppressed for commercial purposes, while establishing current business performance, building critical mass in terms of size and setting the organization to a path for consolidation. Thereafter, the choice of another leader appeared very appropriate for the Sir Adams and the Board. For the Board, Hari Sharma had served his time and their strategic selection goals very achieved.

Now they needed a **Builder. A Builder leadership style**, that would focus on building for the future through institutional processes, demanding systems that connect organizational functions and works through structures that are streamlined, regulated and planned. Action oriented through appropriateness of actions driven by circumstance, enabling learning to be documented, creates knowledge sharing atmosphere, drives decisions through consensus and takes meaningful time to accomplish tasks. Long Term desire to make lasting organizations that can stream through economic and business life cycles and does not have the pressure to retain performance under all circumstance. A builder, who is driven by encouraging things to be worked out, provides job clarity, coaches and rewards for performance. This Builder leader did best fit the culture that had all along existed in the culture of The New England Bank. And Sir Adams and the Board did not deem it appropriate to influence the culture with Hari Sharma's leadership.

In summary, this is an open and shut case. Hiring of Sharma had nothing to do either with influencing organizational change or facilitating an interpersonal congruence between Sir Adams and Sharma.

But in reality, organizations exist. So do cultures. And so do the leaders who have the responsibility to understand, manage and influence culture to enable a lasting change. Neither Sir Adams nor Sharma were prioritizing it. As organization grows so do cultures. Yet growth in organization and change or impact in culture does not mean similarities or incongruent aspects of the culture. As organizations grows so do its people and more particularly so do its leaders. As time passes these leaders in turn begin to influence the organization culture. While it is possible that homegrown leaders influence culture in a particular way, so do direct and lateral hires that bring in their concrete influences. Effectively, organizations, cultures and leaders co exists. **If the norms of influence had been followed, Sharma would have moved from a Performing Organization to that of a Competing Organization and his leadership style would have adapted situational from a Driver needed for performing organizations to that of a Visionary necessary in a competing organizations.**

But, For New England Bank Hari Sharma, the leader, was not brought to change or influence the culture. He was brought for a strategic reason, turnaround, and once accomplished he was dispensable.

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Figure: 49 Leadership Impact on Organizational Culture in an Organization Model and the Transition Pattern.