

Close Encounters

Dipayan Baishya

THREE years back Bajaj Electricals was going through a tough phase — a stagnant topline, declining margins and a net loss on its balance sheet. While some restructuring was underway, the company's president and COO R. Ramakrishnan could feel that not every mes-



KEENAN: HONESTY COUNTS

sage from the field was reaching his corner room. As in most companies, business unit honchos sitting in Mumbai would initiate new policies which branch heads across the country would willy-nilly implement. Business unit heads are seen to be in a powerful position and branch heads are way down the pecking order, so even if there was some uneasiness with the new policies, it was pretty much swept under the carpet and never reached the top management. As a re-

Indian CEOs have learnt to talk to the troops rather than depend on a small coterie for advice

reality check

sult, headquarter's strategies weren't translating to results on the ground. That was until Ramakrishnan decided to turn a regular review meeting into a brainstorming session where branch managers were asked to form teams and come out with suggestions in areas like policy, procedures, control and administrative systems and present them before the senior management directly.

The results were astounding. Says Ramakrishnan, "The holy cows of policy were questioned and they were all valid points which no one had earlier appreciated. These issues had never come up before, even in one-to-one conversations. But now the branch guys were willing to speak up before the senior management on things that bothered them. The debate was now issue-based rather than personality-based." Changes were made in almost every aspect of sales management, right from the

credit rating approval mechanism for dealers to discounting policies. The new process has now been almost institutionalised across the company and Ramakrishnan says, "it's an excellent way by which conflicting opinion is encouraged and status-quo questioned."

Be it Jack Welch of GE, Andy Grove of Intel, Harvey Golub of American Express, Bob Galvin of Motorola or Chuck Knight of Emerson Electric, effective leaders have used the inquiry processes extremely effectively in leading their companies through long periods of growth and profitability. The current corporate environment de-



RAMAKRISHNAN: OPEN FORUM

mands that issues within the company need to be addressed immediately and therefore CEOs need to have a pulse on the entire organisation rather than rely on a small senior management coterie to get inputs.

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No Yes-Men

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Conflicts within the organisation crop up when information and power are unequally distributed among the participants and when there are no clear rules of engagement — especially about how the final decision will be made. Unasked questions and undermined decisions are often the main reasons



AGARWAL: BETTER PEOPLE

for corporate failure and CEOs often make the mistake of just limiting their interaction to a select set of people within the organisation. Mukul Agarwal, managing director of Unisys Global Services India, says that the scourge of the 'yes ministers' quite often prevails in corporate India. "That brigade is typically composed of people who are dependent on the organisation. The CEO often doesn't get the real picture," he says.

For an organisation and its CEO, it's important to build an environment where there is unity in command but diversity in counsel. Agarwal says that it's important for organisations to have qualified and marketable employees who have no obligation to stay in the company. "If people are in an organisation by choice and not by obligation, they will be willing to confront you and keep you on your toes. CEOs need to encourage that," says Agarwal. Micro-management often results in dissatisfaction, and Agarwal says that it's necessary to ensure that work is distributed and power isn't centralised within the organisations.

This is all the more important when organisations are going through a process of change. Perry Keenan, director and vice-president at the Boston Consulting Group points out that it's always the middle management that bears the brunt when new projects are implemented on steroids. If the need for change is not discussed and debated, animosity towards the project is established from the outset. "Let's not fool ourselves, horrendous change programmes have torn organisations apart," he says. "Honesty and consistency in communication, leading by example and building consensus are important in times of change. To get the buy-in of the entire organisation you need to first

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DANI: LEAD BY EXAMPLE

identify the opinion leaders and engage them in debating every aspect the issue."

After a string of overseas acquisitions, Jalaj Dani, president for international operations at Asian Paints, found himself managing a workforce across 22 countries, each having their own management values, cultures and ethos that at times were at a dissonance with the rest of the organisation.

Dani insisted on a HR audit on all the units Asian Paints was acquiring before the acquisitions went through, and today he says, "Organisations have no choice but to deal with people from different backgrounds and the biggest challenge for the leader is to pull them together. During any post-merger integration there has to be what I call a 'manthan'. There is always a sense of hesitation, which lasts for quite some time. But the guiding principle must be trust and the leader has to set the example — I do what I say and what I say is what I do."

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