The Need for Social Transformation in Corporate India

Abhishek Goud (PGDM 2011-2013 Marketing)

An extract from a speech at SPJIMR
By Dr. T.V. Rao, Founder President, National HRD Network

Dr. Rao is the founder president of the National HRD Network and the Indian Society for Applied Behavioural Sciences (ISABS). He was a professor at IIM, Ahmedabad from 1973 to 1994. After IIMA, he worked at the Academy of Human Resources Development, set up with the support of RMCEI of IIMA, as honorary director. As the importance of Human Resources as a function in the Indian corporate world grew, Larsen & Toubro set up an HRD Chair Professorship at XLRI, Jamshedpur. They called on Dr. T.V. Rao to head it. Dr. Rao's interests are primarily in the field of competency mapping and he believes it is an importance measure of success. Dr. Rao has served as Advisor, HRD to the Reserve Bank of India, BEML (Bangalore) and State Bank of India. The following extract is from his keynote speech at S.P. Jain Institute of Management, during the annual academic conclave in January, 2012.

UNDERSTANDING THE NEED FOR TRANSFORMATION

Social transformation in the country is not of the type that is required. Whatever transformation is taking place, it's due to technology and internet while the transformation in the mindset isn't taking place. As Sam Pitroda said at the National HRD Convention in November 2011, *"We are living with a 19th Century mindset, 20th Century processes and 21st Century needs."* All my attempts at making transformations in the country have been disastrous. I was asked to suggest transformations that are required in the Civil Services. After visiting various academies and places, I came up with some of the most innovative transformations that could be applied, like "Competency Mapping." It is very difficult to measure the output quality of officers in the civil services. A 500-odd page document of recommendations was given and it was accepted, but in the final report, not one point was present.

REASON FOR LACK OF PROGRESS

Dr. Govindarajan from the Tuck School of Business in the USA very famously quoted his 3 box theory, swearing by the need for innovation. He says, if you want to progress, you need to be aware as to where you're putting your time and effort. The time and effort may be in managing the present (box no.1), then selectively forgetting the past processes (box no.2), and finally focusing on the future (box no.3). Most successfully transforming organizations balance the three boxes. The policies of our country, as with most organizations fighting to transform, have forced us to get stuck only in box no.1. Many banks have a notorious way of pleasing the government with wonderful statistics while in reality not implementing anything.

WHAT ABOUT SOCIAL TRANSFORMATION?

While organizational transformation is going up, social transformation is actually going on the negative side. What's the evidence? YouTube showcases a scandal of someone and hits run into hundreds of thousands whilst a video of a "new role of a manager" hardly gets a hundred hits. We need to demarcate the role of the academic institutions. Unfortunately, management education has caused damage to the public services like introducing KRAs and KPAs into this sector. If not explained properly and quantification is over stressed, then performance metrics can be manipulated. For example, "releasing" grants for the construction of schools are enough to quantify the duty without bothering about the completion of the project.

POLICY PARALYSIS

Basic facilities are lacking. There is no planned, systematic or committed way in which we are heading towards transformation. And speaking about our policy makers, I am only going to echo what industry leaders like Sunil Mittal and Ratan Tata have said that people are preventing transformation rather than promoting it. By nature, India is a divisive nation. For example, one is always worried about his/her department without regard to what is happening to the organization. We haven't been able to learn to trust each other. Businesses have taught us to look at each other with suspicion. We

are used to looking at our neighbors with envy, with a feeling that "*let them do it first then I will follow.*"

IS THERE LIGHT AT THE END OF THE TUNNEL?

There are people who have done unusual things. People who have gone into the social services sectors, who've made a difference - and this number is growing. Business school graduates are now moving towards this sector. Even in organizations, leaders are now building on the successes of predecessors. Rather than breaking down structure and imposing personal views, leaders are making their own contributions. Top management needs to be highly involved in Human Resources and in social and organizational transformation process.

SUCCESSFUL PRACTICES

After studying and auditing the practices of the companies that were awarded by the National HRD Network, we came to 7 conclusions:

- *They managed leadership transitions well*

- *They managed transition challenges through liberalization*

- *They focused on customers and quality as a strategy to cope with challenges through liberalization*

- *They demonstrated that they are changing a[nd] learning organizations*

- *They used Personnel and HR Departments [to] initiate and manage changes*

- *They invested heavily on training*

- *They integrated personnel with HRD*

Most of the successful Business Today Top 5[0] companies are looking at succession planning as [a] important spoke in the strategy wheel. They are [also] using 360 Degree Feedback as a management tool. [In] most of these companies, the CEO plays the role of t[he] HR and the strategy department works in synergy wi[th] the HRD to generate transformation within t[he] organization.

So what do successful enterprises need? I feel that the[y] should all have:

- Competency Mapping Systems
- Performance Management Systems
- New incentive mechanisms
- Assessment and Development Centers
- Succession Planning

CEOs should personify the HR practices of t[he] organizations.