Management

Built to change

The success of any organisation depends on its culture and leadership. If either is strong, the organisation will survive. However, if both are strong then the organisation will soar to great heights. General Electric (GE) under Jack Welsch and Infosys Technologies under Narayana Murthy are among the best examples. While GE always had a strong culture, it grew four times when its leadership supported the culture. Strong leadership and character at Infosys built a winning culture. Read on to find how building a value-based culture creates an environment conducive to growth and success ...

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Haven't you heard people say, "We don't have great leaders?" In my opinion, perhaps we don't have great followers. Leadership is not about great leaders; it's about followers, employee loyalty, knowledge of customer need, and a shared vision. In every position, at times you need to lead, and at others, to follow. And when you are not leading, be a discerning follower. Have courage and trust your instincts rather than rely on logic. Jim Casey, the founder of United Parcel Service (UPS), wasn't a charismatic or flamboyant leader. However, he was a humble, self-effacing, and a simple person with good listening skills. He took notes while listening to his employees and customers. Listening to employees helps you understand how to retain their loyalty, and subsequently, helps in seamless transition of the company.

Corporate culture

Missed your customer requirements? Having quality problems? Poor execution? Lacking constructive feedback? Poor productivity? You have installed the latest equipment, systems, software, processes, strategies, and tools, but still continue to battle these problems? A culture that doesn't support new systems, processes, software or strategy may be the culprit. Culture is the way we do things. It is a value that has many qualities, of which loyalty is an important one. Loyal employees learn to reduce costs and improve quality, which in turn enriches customer value proposition. Loyalty of employees is earned by developing mutual trust and respect, and taking interest in the welfare of the people you work with. Thus, if you face any of the abovementioned problems, analyse if wrong behaviour and actions are the reasons you are missing customer commitments, not addressing quality problems, and not sharing proper feedback. You may be attending to stoppages in line production, equipment breakdowns, and tool breakages. But do you address tougher

issues head on, that is, changing habits or behaviours by addressing the root cause? In a machine tool company's main factory, a bean canner chose to wrongly report to the more successful and profit-making branch that its telephone expense had grown 100 per cent in a particular year. The fact was that business had doubled in sales volume, profits had almost tripled, and communication and telephone expense was about 5 per cent of profits and about one half of a percentage of sales volume. This culture of 'devious feedback' and action thereupon is perhaps one of the reasons why this one-time market leader is non-existent today.

Building a value-based culture

The approach should be:
- Get to the bottom of what is culturally helping or hindering a particular process
- Take charge of clashing culture issues before they take charge of your business
- Work on the culture along with other business imperatives

Align these three critical factors. First have a strategy and define your goals, second define the competencies required to achieve the goals, and finally, define the culture required to support, drive and accomplish the strategy. Working on culture requires personal investment. Define and demonstrate the culture that is needed, explain it to everyone in the organisation, make sure they understand why it is critical, and hold yourself and others accountable for the results. A particular machine tool

building strategic business unit (SBU) grew four times in three years, not by accident but by using the following steps to build a value-based culture:
- Identifying core values to support the objectives and reflect the desired culture
- Bringing core values to life and development of dos and don'ts for a behaviour list
- Designing a process and weaving core values into the organisation by redesigning the processes and systems, and identifying all the core values and elements of importance
- Demonstrating importance of core values through accountability; this was done by senior managers

Innovation - a prerequisite for change

To bring in change, cultivate innovation, which is the product of a creative spirit. As competition increases and the marketplace gets overloaded with products and services, the search for innovative solution intensifies. Companies employ different strategies. Some choose to outsource their challenges by hiring others to find solutions for them. This may tap expertise readily not available within. However, it does not help employees develop innovative thinking. Special 'innovator' groups or 'skunk work' teams leave an impression among the non-chosen that it's not their work. Innovative ideas can come from anywhere, so developing innovative thinking, as a core competency for all employees, will increase innovation contribution from

all stakeholders. Training programmes help employees develop knowledge, skills and attitudes in all three areas of innovative thinking, that is, creative, strategic and transformational thinking. One of Hewlett Packard's competitive advantages is its spirit of invention and service.

Change catalyses the process of leverage timeless assets. To master change, one needs to look outward, inward, and forward. Outward refers to the change in the environment; the Internet will change companies and societies forever. As power has shifted to consumers, the customer is in control. The requirement of speed and agility is increasing. Regional economies are becoming borderless and are moving towards a single real-time global ecosystem. Looking inward means adapting to change and thus creating sustainable value. This is not easy. It means seeing the truth and acting on it. Author Gary Hammel says that to survive companies need to mirror the Internet, that is, be open, democratic, tightly networked, experimental, endlessly adaptable, and utterly restless. A balance in strategy, structure and processes, metrics and rewards, and culture and behaviour will help companies perform at their peak

levels. Looking forward is finding new opportunities for leveraging change and creating new values. Today, in order to survive in the competitive scenario, companies must be built to change.

Responding to change

Implementing change is both an art and a science. However, executing change is a process that is governed by a set of principles. Change is about adopting new behaviours, developing fresh attitudes, and doing things differently. Any initiative for change must first start by applying disruptive forces to unfreeze the status quo. Change needs a lighthouse to guide and navigate through the rough transition and provide energy to overcome obstacles. Each change initiative requires a specific rate of change. An evolutionary change process is long lasting. Change cannot be mandated from a distance, it needs to be locally sponsored and managed, that is, the principle of proximity. Don't stop when change looks complete; rather, finish it and review the result.

People respond to change in many ways - some simply choose to ignore, some try to convince others that they are on a

change programme even though they have no intention of changing, and some see the changes, don't like it and view themselves as victims. The fearful may engage in a self-protectionist, cautious, and even paranoid behaviour as they try to avoid an undesired fate. Long-term employees who fight for status quo are the ones who typically try to protect tradition. But futurists are adaptable, flexible, global in their thinking, experimental, and career resilient. Those who have high self-esteem are in control of their destinies.

Conclusion

Everybody responds to change differently; a leader unlocks the barriers and leads the transformation from the front. The key to success is to build a strong value-based culture, openness, agility and resilience to change and innovation, and abilities of teams and individuals to transform. ■

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