



# **MANAGING ORGANIZATIONAL & MANAGEMENT CHALLENGES IN INDIA**

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## ABOUT PRESENTATION TEAM

1. **Nitin Mendiratta**, an engineer working with Engineers India Limited, New Delhi - with over a decade of work experience in custom software development, e-learning/online education, web designing and project management.
2. **Shyam Gupta**, third generation leader of his family business with over a decade of managing his small scale enterprise. Widely travelled Shyam also does Custom Car Modifications. In year 2000, his design work was featured on BBC programme - "Wheels".
3. **Nikhil Bhatia**, a young entrepreneur with MBA degree from England. Nikhil is India representative of popular Italian Cosmetic Brand "Lord and Berry". L & B was sponsor of the Beauty Pageant Miss India 2009 and has 1500+ stores worldwide.

21st June 2010

Dear Selection Committee:

When we go for a check up to an Eye Doctor, he puts our face against a machine or flips various lenses in front of each eye asking, "Does this make it clearer or worse?"

This metaphor can be easily applied to our purpose of writing this essay and your intention of holding this competition. It is for all of us think and find a right vision, mantras, philosophy, ideas and viewpoints or lenses.

Combination of such lenses can make a Telescope, Microscope, Periscope and a Kaleidoscope that will give us a hope, vision and the grandest and most beautiful vision of India's future.

In this read we have detailed our ideas, thoughts and innovations. This is not report paper of our employer but about our own contributions and initiatives for an effective management and governance in India.

Someone said, "Eyes give sight and heart gives Insight!" To a foreigner India may appear a chaos but when we see from heart, entire complexity is demystified. Reason for which is the Spiritual nature of India.

Soul of India's management is human centered management. Management in India is more philosophical than efficiency expertise. India is about Idea Leadership, Idea Management - which is bigger and beyond business strategy.

Our experience in management and history of professional success has convinced us that only better thinking will make better India!

Respectfully submitted,  
Nitin Mendiratta.

# MANAGING ORGANIZATION AND MANAGEMENT CHALLENGES IN INDIA

## UNDERSTANDING INDIA

**Different types of India:** (1) Government Organizations (2) Traditional small and Medium Business Enterprises (3) Large Indian Companies and (4) Foreign Multinationals. Different approaches are required to manage different types of India.

**Myth:** India will reach where America is today in 50 years from now. In areas of IT, Medicine and Communication, India is already ahead of many countries. Therefore our management systems in these organizations should be advanced and ahead of what exists in other countries.

**Fact:** Religion is our inseparable constituent. India is birth place of four major religious traditions. Virtually every major religion has strong connection with India "Bharat" itself means "Seeker of Truth". However, 33 Crore of Devi-Devta's are not enough to make us stop us from taking bribes.

**Traditional Business motto of India is "Shubh Labh":** Shubh means benefit and betterment of everyone which must be combined with Labh

meaning profit. India is not ruled by profit maximization but to pursue business aims profitably.

**India's Perception of Money:** To whom does the money belong? The one who earns? Or does money belongs to Society? Or is it God's property? Or is money the God Himself? Karl Marx to Donald Trump everyone has their answers; but Indian Intellect considers money as Goddess Mother Lakshmi; and her Vehicle is? 😊

## CHANGING INDIA AND GLOBAL TRENDS

**Economists claim:** India and China will lead the world by about 2040-2050. The two countries comprised half the world's wealth before 1700, and then were devastated by foreign occupation and other factors. India became independent in 1947, and China's - "People's Republic" in 1949 - it then took them another 50 years to achieve a good growth rate, and they are now growing faster than any other country.

**Changing India:** Evolving from Socialism of Mahatma Gandhi to Capitalism of Sonia Gandhi. Trouble with Tata's Nano was a reminder of wide gap between rights of poor farmers and global aspirations of Corporate India. Malls are becoming temples for youth. Television and Internet is their prophet governing how they should live life.

**Keywords for Today's India are:** Globalization, Multiculturalism, IT Revolution, and Convergence of Politics with Social Interests, Economy and Culture. Companies are moving Government out of domestic economy with little restriction and no influence.

**Challenge for entire India:** Aiming at world leadership and setting global goals while benefiting the common man with consistent performance despite changes in the political environment and economy and Correct Business practices.

**World is distributing its work:** India is becoming IT Hub, China is becoming world's factory, Gulf is already world's oil reserves, France is hub for fashion, America is world's war and weapon industry and of course Afghanistan and Pakistan are world's terror factory.

Open Market, Free trade practices are resulting in boundary less economics. Even small scale business enterprises in local towns of India now have access to world market for their products and services.

## **(1) GOVERNMENT MACHINERY**

**Myth: Government control is not required!** America which symbolized victory of capitalistic economy, with individual freedom, open markets

promising common good also came under recent economic depression. This proves that there is need for appropriate Government policies and control.

**Problem:** Mai-Baap, Bada Saheh, Babu, Zamindari type work culture in a country which aspires to be global super power is laughable. Government Machinery is ineffective, non-impacting and in some places expenditure on resources or entire working machinery is more than the revenue earned. Their thinking pattern is still that of British Raaj; assuming as if they rule the country and are not paid servants of public. Further, effort of Indian companies collapses in the face of how our government works.

**Suggestion:** Government's take on proactive initiatives for business can be well understood from an old Joke: Clinton meets Laloo and says, "Give me Bihar for one year and I will make another Silicon Valley". Laloo replies, "Give me Silicon Valley and I will make another Bihar in one month!"

**Problem:** Government should no longer pay for their inefficiencies by raising taxes or borrowing. Tax paying citizens expect better results from Government without having to pay increasing taxes. Further, lack of transparency in Government working leads to corruption.

**Suggestion:** Government must become more like business and should also be judged by their results. Government must create an environment that attracts, retains and grows human and financial resources. Just like businesses Government should be smart, responsive, efficient, and maintain public trust. Message to Government should be to do more, and better, with less.

**Suggestion:** Shift is needed towards IT Driven Management. Even valuable IT tools, machines and systems are also just tools; new technology alone won't change anyone's behaviour. However IT tools and mechanisms can assist in decentralisation of Power.

## **(2) CHALLENGES FOR SMALL BUSINESSES**

**Basic Issues:** Employee Motivation, Lack of ownership and belongingness responsibility, non commitment, negative behaviour and "We have always done it this way" - attitude. Government is also more inclined toward bigger businesses and SME's are left to themselves.

Threats include global competition, takeovers, economic recession, phenomena like dot com bubble burst etc. SMEs also face shortage of qualified people and intellectual property rights are another challenge.

**Traditional Solution:** is to use Ramayana and Krishna based Management Methods - Rama - the manager himself, Sita the Morality, ethics and values. Key leaders - Lakshmana, the aggressive implementer, Hanumana, the unquestioning servicing follower. Ofcourse, Vibhishana, who had immense faith, and is an ideal and ethical follower of Lord Rama who knew the secret traits or knowledge of work.

Similarly Krishna was effective in giving directions, and guided Arjuna to victory. He managed Dharma (Yudhishtir), Bishma Pitamah (Age old administrative wisdom), Anger of Karna, Power of Bheem, and Intellect of Dronacharya.

### **(3) CHALLENGES FOR LARGE INDIAN CORPORATES**

**Fundamental Concerns:** Managing Diversity of Region, Ethnicity, Gender, Language, Culture; more as compared to other countries. Now that India has gone global more factors have been added to diversity issues in addition to all the disadvantages caused by red tape, corruption and beurocracy.

**Corporate Responsibility:** Companies need to live in harmony with all the stake holders namely: customers, employees, investors, vendors, government and society. With diminishing national boundaries companies enjoy greater freedom; but also have greater responsibility towards all the stake holders. Further, such companies must be awarded tax benefits and incentives for doing the common good.

**Social Apprehension:** Efficiency cannot be the sole objective of economic activities. Values like welfare and sustainability also count. Recent bankruptcy of large banks reminds us that the market alone is imperfect and cannot guarantee its own survival. Good governance, private and public, is clearly a key ingredient for economic growth.

**Unpolished Talent Pool:** Our young minds are a bit unpolished for global competition. India can import latest machinery, technology, financial investors but now most important priority is to get or prepare specialized human resource, which can do the nation building job for us, people who can bring the new age management methodology to keep up on the global level.

We need people with international work experience, who have played in the global field. Further, we need human engineering at national level to create better Individuals to make better India.

## (4) CHALLENGES FOR MULTINATIONALS

**Greater Challenges for MNCs:** Foreigners call India a complex chaos - It is only an Indian who can see through the complexities, the underlying structure that can generate change. What is Mahabharata for others is a mere child play for Krishna.

**Amartya Sen's Argumentative Indian will question:** Why Western based Management? Do we want our citizens to become resident non-indians? Not every Hollywood movie dubbed in Hindi is a hit. Western education philosophy and practices is unable to save necessary social institutes like family and marriages. By promoting western mindset are we not pushing India in the same direction?

**Cultural Knowledge:** Is the strategic asset, which multinationals are not aware of. A lot of knowledge of India is un-captured. Until recently, there are not many books on Indian way of Management.

**Different Rule Books of Business:** "Art of War", by Chinese Sun Tzu is today widely used for corporate leadership and management. Sun Tzu gives clear emphasis on (1) sharing incentives, says greed is not bad. (2) Iron discipline and (3) agree to Winning is the ultimate goal for which deception may also be used as a tactic.

However, India believes (1) To be detached, (2) greed is bad and (3) to treat everyone as equal and see things in larger context. Further, Modern management books sound more like war manuals, as if we all are not employees but like Ninja's and Mafias fighting for survival.

**Need for a Local Governance System:** Global Companies need new localized corporate governance system by which corporate are directed and managed; an ethical, moral and value based system under which corporate decisions are taken. This is not just about financial integrity but also social and ethical corruption.

**Increased responsibility of Managers:** In this phase of unprecedented economic expansion, we need knowledge workers. Whose loyalty is not just towards ancient company logo but also towards (1) doing the job right (2) contributing how the work gets done and (3) Country India; which means motivating, coordinating, keeping people together, articulating clear goals on where company should go.

**Many of above challenges can be solved if (1) we innovate in our way of working and (2) if our work style is Mission and Vision driven by nature. Let us discuss these two in detail:**

## **(1) INNOVATION IS THE KEY**

**How innovation can help?** India needs Ideas that have social and financial progress: Don't wait for Electricity to reach Villages, Create Solar Power, Wind Power and Battery Power - There is huge market and long term profit as well!

**Today is the best time to innovate:** Creativity and Innovations are the brightest side of business. Knowledge is doubling every 10 years. Today the time between realization of an idea and its delivery in market is the shortest it has ever been in history.

We need to spiritualize business and society; combine rural development with urbanization, transformation with education and financial growth with social development. Also, If companies are social entities then they must justify their existence by becoming instruments of social progress.

**Another Example:** let us take three problems (1) Burden on urban infrastructure is increasing with people migrating from small towns to big cities. (2) Education of India and (3) Urbanization and Township Planning. Lets synthesize city development with education to make an education city; where various school, colleges, universities are constructed in nearby locations for city development purpose as well as for collaborative with research say in areas of engineering and medicine.

In addition, build infrastructure for Technology Park and Housing. Entrepreneurs can invest in individual units and develop commercial property. Such city planning can cause social reform. Alternative is take an industry, say Oil Refinery - take that as a single unit and team up with entrepreneurs, investors, private companies for planned residential and commercial property development.

## **(2) MISSION DRIVEN, VISIONARY WORK STYLE**

Staples of fear, punishment, manipulation and/or office politics cannot keep educated people together for long. If Vision without action is daydreaming then action without Vision is just Random Activity. Mission and Vision helps set organizational priorities. Mission defines what organization will do while vision provides focus to assess that individual, department and organizational progress in that area.

Benefits of mission centric working are: improved productivity, employee unity, enhanced financial performance, increased job satisfaction, enhanced reputation, distinct character and brand building of company. With organization priorities right, logic, values, perception and decision making becomes easier. Employees also don't just want to work for the company they want to belong to an organization.

## Case Study 1:

**Vidya Sanskar International School, Faridabad:** Spread over 40 acres of land and with over quarter of a million state of the art learning facilities, and India's first International School offering Cambridge Curriculum from Nursery to Class 12<sup>th</sup>; with Student Teacher community of people from UK, South Korea, USA, Canada, Thailand, Tanzania and India.

**Mission:** To nurture knowledgeable and ethical, sincere and compassionate, responsible and confident leaders of the global community who contribute positively to the common good.

**Challenges Faced:** Parents complained school is only teaching curriculum and not values of "Vidya" and "Sanskar". Students must be taught righteousness, emphasis on quality education, student motivation, community development, work culture based on ethics and values, positive behaviour and student assessment.

## **Solution 1: Innovations: Knowledge Currency**

(Moral and Ethical Incentive)

Introduced "Vidya" or Knowledge Currency. Idea is to move from Dhan-vaan to Vidya-vaan. This currency could be earned by students based on their performance in academics, co-curricular, discipline, punctuality, attendance, class-room behaviour, social responsibility, neatness, helpfulness and other life skills. This is an intelligent matrix to evaluate students rather than just exam marks and is a fluid, non structural way of management.

It is difficult to improve things which cannot be measured. "Vidya" Currency makes entire education system measurable and sets a holistic development focus for organization. Distribution and Implementation Mechanism of Currency was in accordance to school's mission and psychology. These could be redeemed as day-offs, chocolates, collectibles, cups, pens, mugs etc.

This is an example of Social and Ethical Incentive for Better Performance, Leadership Grooming which is cultivating goodness. This innovation ensures overall betterment of organization and its community in new way with lesser conflicts, higher productivity and smooth working.

### **Solution 2: Value Trees (Interactive and Innovative Learning)**

There were six trees in the front lawn of the school. I assigned a big Sign Board in front of each tree as: "Knowledge", "Ethics", "Sincerity", "Compassion", "Responsibility", and "Confidence".

For young kids it was a fun and play activity. Unable to complete homework, water the knowledge tree for 3 days. Two kids had fight, teacher asked both students sit under Sincerity Tree and eat lunch together. If a student lies? "Run five times around the "Ethics" Tree!"

This inclusion of trees was supported by presence of goose and peacocks in the front lawn. This inclusion of Nature is very distinct cultural characteristic of our India. Snakes, Elephants, Monkeys have always been part of our society, culture and religion.

In evenings, when students visited the lawn, all school bags were voluntarily kept circularly surrounding the knowledge tree. Teachers and students would sit under trees and devise their own unique games, discussions and chats on the value assigned to the tree.

Fine example of work culture which is self propelling towards nobility. This is not rule by fear or stick. Both methods of management are examples of fine art, in which heart and head are motivated together.

## Case Study 2:

**Profile:** Almost 50 years old Construction Engineering Consulting in areas of oil for gas, metallurgy, infrastructure and other industrial projects.

**Challenges Faced:** In addition to problems listed earlier in the essay, I found (1) social glue missing in the company, (2) Old working design pattern and thought process and (3) Limited use of Internet and Intranet capabilities.

**Initiative 1 - Rejuvenated the Spirit of Engineers:** The social glue was missing in the company. I designed Post Cards on theme of engineers and circulated them via emails. I gave slogans such as: "I create a better world by better thinking - I am Engineer of India", "I design future, I am Engineer of India" and "Engineers Make the World!" etc.

**Initiative 2- Open letters for dialogue and discussion:** I wrote letters and articles on (1) Areas of Improvement (2) Subjects of common interest, such as global leadership and others mentioned earlier in this essay. Purpose was to focus on word "Leadership" more and "Management" less.

**Intention to change the thought process:** What is impressive about design visualization and literature is that it transforms the mind of reader into the state of the mind of the person who created it.

These enterprise development postcards and articles gave a common vision, helped in internal brand building and rejuvenating the spirit of togetherness in the large technical workforce.

**Initiative 3 - Acknowledging and Strengthening Goodness and Nobility:** I identified good and disciplined people - who were reserved but kind and did small things right; for whom service to others was leadership; and who did not hesitate to take inconvenience do the common good...

I gave them designed table top frames with quote/picture of a famous person that best suited or resembled their personality, such as Mother Teresa, Netaji Bose and Sadhu etc. which would set a benchmark, a reputation and leading icon to live up to.

Purpose was to their strengthen nobility; their faith in goodness and to encourage their ethical and sincere behaviour.

Management is an Art - In this "Desi" way of management, I used power of Art, Psychology, Literature, Science, Internet together to make a truly "Desi Style" of management.

**Introduction of E-Culture:** I used company's email and intranet for sharing of knowledge and ideas. Help build an e-bridge between the young employees and senior management, beyond the hierarchical structure.

Just like oil refinery brings out crude from the bottom of earth and refines it into useful and beautiful petroleum products; similarly all these attempts were of human engineering - preparing better employees with character refined in universal values of dedication and service.

This nurturing of employees by power of positive suggestions through postcards and letters democratised organization and promoted dialogue, debate and consensus along with a cohesive glue of ideas.

Organizations should work in a way that employees use their 100% capacity and not just 5-10%. In India most of employees have two Mentors/Masters and Role Models (1) Organizational and (2) Moral/Ethical/ Religious (In form of Book or Guru/Person). It is

responsibility of companies to build work culture conducive for such mindset to develop and prosper.

Future of India is dependent upon innovation of science and technology. Good future of India is dependent upon coming together of social reform with Indian culture and innovation.

In the name of making this world noble!

In the name of creating a better India by better thinking!

May God bless



**MADE IN INDIA**