

# NURTURING MANAGEMENT TALENT IN INDIA

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**FORUM OF FREE ENTERPRISE**

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*"Free Enterprise was born with man and shall survive as long as man survives".*

— **A. D. Shroff**

1899-1965

Founder-President

Forum of Free Enterprise

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## Introduction

It is a subject presently occupying the attention of managements the world over, and given that it is in extremely short supply, and the need to attract it and nurture it, in sufficient numbers, is very real. It is a management problem that is immediate, here and now.

## Talent — The key resource of a business

If one were to attempt to define our times, words or phrases such as accelerating pace of change, discontinuity and complexity would figure high on many lists. Everything today somehow boils down to change and speed, mixed with a generous dose of confusion and chaos. With the times changing at a speed like never before, conventional truths and guideposts, in every field, are meeting their nemesis.

In times such as these, business survival and prosperity are clearly not a function of capital resources alone. Nor

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\* The author, renowned industrialist, is Chairman of Aditya V. Birla Group of companies. He was awarded the "Management Man of the Year" Award by the Bombay Management Association on 26th May 2000 in Mumbai. The text is based on his acceptance speech on the occasion.

are they as dependent critically on scale or technology or labour, in the conventional sense of the word. Even the newer strategic models do not give us sufficiently clear bearings on how to run our business. The point is that when everyone in a Grand Prix drives a Ferrari, it is clearly the driver - and his skills, attitude, temperament and sense of purpose - that make the difference!

The one, single dominant force that has then emerged is talent - attracting talented people, nurturing them, developing them, and giving them space. People - not just working but searching for their own identity and for a holistic meaning to their life.

The sharp focus on talent today stands out clearly. To cite a few examples, Microsoft has around 200 full-time recruiters. A recent survey by a leading international consulting firm (Amrop) revealed that 40% of top management's time is being spent on HR or talent-related issues. Another survey by the Harvard Business School identified the ability to spot talent and develop it as being the third most sought after attribute for a successful CEO.

Customers, yes; shareholders, yes. But businesses will also have to embrace this stakeholder just as well - the employee, the talent pool, the intellectual capital, the resource that is the most fungible, the one that can easily walk out the door. Every organization has to create a sense of ownership among people who will not be owned. A business of any worth today has to grapple with this

compulsion. Talent is, in fact, central in the new paradigm; “People Power” is the way we call it - without that, even the best of operational and strategic thinking will come to naught.

### **What is talent — the changing nature of talent .**

Let’s reflect a bit about what exactly ‘talent’ means? I believe that the term has become too complex to define. Instead, let me quote from the book “Excellence”, written by John Gardner who says that: “There are those who perform great deeds and those that make it possible for others to perform great deeds. There are pathfinders and path preservers. There are those who nurture and those who inspire. There are those whose excellence involves doing something well and those whose excellence lies in being the kind of people they are, lies in their kindness or honesty or courage.”

Going a step further, the term ‘talent’ has a broader connotation in another sense. In the corporate world, ‘talented’ might earlier have referred to a person with expertise in a given functional area or a given business, or even a person who had achieved a pre-determined objective. Today, we have to look much beyond — these are almost taken for granted. We now take stock of a person’s managerial and leadership potential, the ability to straddle different functional areas, businesses, cultures and geographic boundaries — all in a seamless manner. We need to assess not only intellectual skills, but also

softer skills such as emotional intelligence, values, creativity, the ability to work in teams, to think out of the box, entrepreneurial abilities, and also, importantly, the willingness to learn and share.

A recent study by Prof. Janice McCormack of the Harvard Business School aptly described top-notch talent today as someone "...having the vision of an architect, the theoretical mindset of a physicist, the attention to detail of an engineer and the financial acumen of an investment banker." — in short, the ability to not get cowed down by "competing imperatives."

### **Why has the talent issue become so critical?**

People were always important in the scheme of things. So one may ask: why has the emphasis on people become so intense, why all this commotion now? Let us try to answer this question.

Firstly, no doubt about it, the supply-demand imbalance in the area of talent has become acute, not only in India, but also globally, and getting more so. In India, there are a host of new industries - information technology, financial services, media and entertainment — all vying for the best people. There is the flood of multinational companies who are out to attract the best brains, not just for their operations in India, but for their overseas needs. The outstanding success of India's leading educational institutions, especially the IITs and IIMs, has drawn them

to take a pick at our brains and capabilities. India has, in effect, become the world's scouting ground for talent. In recent weeks, we have seen countries such as Germany, Ireland and Japan open their doors wider to Indian IT professionals.

Second, there is the desire to 'be one's own boss' - more and more, a talented person wants to strike out on his own, or work in a company which offers a significant entrepreneurial environment. So the pool of people from which to select is contracting, relative to the demand for them.

There is a third factor behind the scarcity of talent. Until recently our pre-occupation with talent was confined largely to the higher levels of an organization. Today, every level of a company's operations requires talented people. In the wake of intense competition, and the consequent need for speed, the top-down approach to managing is increasingly proving ineffective. Dispersal of decision-making is also being driven by complexity — the sheer geographic spread of companies, the diversity of product lines and the need to be close to the customer. Decisions need to be made at every level and decisions need to be quick. So, we have to spot, incubate and groom talent at every level of the organization, because more people need to be making high-quality decisions.

And finally, much higher degrees of business complexity result in a much larger premium on talent. Complexity

calls for an integrated approach, the ability to look at a problem from different perspectives, and a high degree of creative and non-linear thinking. Coupled with that, there is the need for heightened cultural sensitivity as national boundaries are becoming hazy and business is becoming truly global.

### **India — well placed to nurture talent**

I have tried to identify some of the key factors driving the demand for talent, which has now come to be the strategic resource. However, despite the scarcity, we are fortunate that India has many of the right ingredients that help to nurture talent. We just have to look at our present times to realize the considerable advantages we possess as regards talented people. I am sure we all must have been taken aback with the surge in the globalization of Indian talent. We all knew it was there — but today the entire world recognizes it, and how. As the joke in Silicon Valley runs, if a person's name is Shreedhar, we need not check on his IT skills! Across a range of areas — engineering, computer programming and financial services — the Indian brain has begun to command the highest brand equity. Indians are breaking the glass ceiling and staking their claim at the upper levels of global firms, in increasing numbers.

How did this happen? Unlikely as this may seem, India does seem to have some of the pre-requisites that can be leveraged to nurture talent. We have the much-sought-



after facility with today's 'Lingua Franca', the English language, as also a relatively high degree of numerical aptitude. And, we have an innate capacity to adapt, without which it would not have been possible for Indians to strike roots overseas and become among the more successful of the immigrant communities, in a number of countries.

Of course, competition also does much to nurture talent. And we, in India, work in a very competitive environment, pretty much from childhood. We even have interviews to get admitted to a nursery school! Even leaving aside this extreme, we are constantly being graded, scored, evaluated and ranked. The admissions to applicants ratio at our premier educational institutes is more demanding than that of even the most elite universities abroad. The same is true of our Civil Service, where, as the saying goes: 'it is easier to pass through the eye of a needle'. Right from the start, the name of the game is competition — and the keen sense of competition is a great plus in a globalising economy.

### **What retards talent in India?**

On the flip side, although our country does have many of the right enabling factors, we need to recognize and deal with some of the powerful attitudes and forces that not only retard talent, but also are hostile to it.

For one, there is the fear of failure. There is an almost indelible stigma attached to failure, much more than in

the West. The family, the peer group, the society, the banker — all still frown on failure - of any sort, no matter how heroic and daring the effort that preceded it. The attitude thwarts experimentation and stifles innovation. Better to be 'mediocre-ly' right than 'stunningly' wrong. The possibility of getting a second chance is rare. It is difficult to think of the exploits of a Thomas Alva Edison happening here — the daring experiments, the failures, the bankruptcy, and then the success.

A second obstacle to talent is conformity. There is less acceptance of the offbeat. Dissidence is not looked upon too favourably — the nail that sticks out invariably gets hammered down. Conformity is all around us — in the dress code, in the jargon of our times, in our patterns of strategic thinking, at a point in time. The herd instinct is evident even in the way we invest, with everyone running after the same scrips, in the same industries, at a particular moment. Being different is difficult. Where are the contrarians? When will we let a thousand flowers bloom?

Finally, I believe that our educational system contributes, in substantial measure, to our inability to draw out the store of talent that is latent in us. Students, at the school level, are overburdened with rote learning. Listening and being talked to, is the norm; questioning, discourse, the spirit of discovery, curiosity and inquiry — all are rare. The curriculum is narrow and outdated and, to a large

extent, 'memory-centric'. Unlike in the West, the options offered are few.

### **Major talent-related issues that Indian organizations are encountering**

At this point, I would like to share my thoughts on some of the critical talent-related issues that we, in Indian organizations, need to address. No doubt, many of you, in this audience, are already working to tackle similar issues, and you would be having your own unique perspectives on these. In my own organization, although we have been putting in a lot of effort, in these and related areas, we are some distance away from having all the right answers. Perhaps, many of these are fuzzy issues and there are no definitive answers. Each organization must chart out its own approach and course, given the specific context in which it operates.

**Issue-I:** The first major issue is that of keeping the adrenaline flowing in talented people. The game does not stop at identifying talent or inducting it. Talented people get bored easily and so they have to be kept constantly challenged.

In our organization we have addressed this issue by fast tracking deserving talent, offering definite career paths, providing cross-functional exposure across different businesses, and secondments to our operations abroad. The objective is to offer a very high quality of exposure,

faster, thus enabling the manager to increase his overall intrinsic worth and to take on higher responsibilities, much earlier in his career.

**Issue-2 :** A second issue concerns how best one can integrate talented people into the organization, in a way that there is no undue disruption. I bring this point up because, quite often, mediocrity does tend to drive out talent or make it ineffective. Integrating talented people into the organization involves handling a host of sensitive issues and this is a task that will fully test the leadership abilities of senior management.

At the same time, as we move about with the process of integrating talent, we do need to subject ourselves - and talented people — to some kind of a reality check, every now and then. The best of talent has to operate, ultimately, within the boundaries of organizational objectives, and talent, no matter how highly regarded, cannot become dysfunctional. Creating an ivory tower is not desirable. In the same vein, we have to keep in mind that talent means much more than 'white collar'. We cannot glorify a certain kind of talent, at the cost of talent in other areas. Always, maintaining the right balance is the challenge.

**Issue-3 :** The third issue I would like to touch upon is one very much in the spotlight today. It is the growing divergence in compensation and reward levels, between the talented and those less so. This differential is widening

by the day — in absolute and relative terms. How we handle this divergence is again absolutely critical to an organization's health. Today, the clamour for stock options runs high. Incorporating a significant performance-based component in the compensation package is almost mandatory. Again, there are no clear-cut solutions. It goes much beyond the criteria of affordability. We have to look at larger and fundamental issues such as equity, value systems and organizational morale.

Until we find an answer to this dilemma, let me read out this very interesting text of an advertisement, which appeared in the London newspapers in the year 1900. Ernest Shackleton, the famous explorer, inserted this advertisement when he was recruiting team members for the National Antarctic Expedition. The advertisement read as follows :

**“MEN WANTED FOR HAZARDOUS JOURNEY. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honour and recognition in case of success.”**

Shackleton later said of the call for volunteers that ‘it seemed as though all the men in Great Britain were determined to accompany me, the response was so overwhelming.’

Perhaps, taking the cue from this, the real challenge lies in striking the right balance between material rewards and the larger sense of mission.

## Conclusion

In conclusion, I believe that making India talent-friendly will require actions at the macro level also. Nurturing talent and keeping it here and putting it to good use requires resolving some tough quality of life issues. For instance, India ranks low in any human development or quality of life index. Talent cannot flourish if the enabling social and physical infrastructure is not in place. Only then can we reverse the brain drain decisively. This is a task that needs the involvement of all of us - in business, in Government, in our educational institutions, in our professional bodies. Attracting brains is a lot more difficult than attracting FDI or portfolio investments. But then that is also what will make us really competitive.

At the end it all, we have to ask ourselves not only whether we have talented people, but also whether we have enough of them — and whether we are doing everything we can to nurture them in greater numbers. We are a billion Indians, about one-sixth of humanity. Do Indians constitute the universe of talented people, in equal proportion? **That** is the question we must keep at the back of our mind. **That** is the question we — in business, in government, in our schools and colleges, and in professional bodies such as the BMA — must put our hearts and heads to.

*The views expressed in this booklet are not necessarily those of the Forum of Free Enterprise.*

*"People must come to accept private enterprise not as a necessary evil, but as an affirmative good".*

— Eugene Black

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