

CHALLENGES FOR LEADERS IN THE NEW BUSINESS SCENARIO IN INDIA

Dr. Shagun Ahuja¹
Dr. Renu Sharma²

Abstract

Leadership is a practice that combines training, organizational development, and career development efforts to encourage improvement of individual, group and organizational performance. Its purpose is to enhance employee performance and productivity, which leads to employee and customer satisfaction and an increase in the profitability of the organization. Leadership development and learning theories are extremely important for any organization to be successful in the long run. Leadership initiatives lead to high efficiency and performance, which in turn leads to the accomplishment of the goals and objectives of the organization.

Introduction

Every organization creates value for its customers in a number of ways. As a whole enterprise, the organization's core competency – it is know how or its ability to deliver its value promise – is based upon what employees know as individuals and as a collective. If know how is based on knowledge, skills, and abilities, then leader should view learning and development not as a basic requirement, but as a strategic tool that will drive organizational competitiveness.

Leadership is a practice that combines training, organizational development, and career development efforts to encourage improvement of individual, group and organizational performance. Its purpose is to enhance employee performance and productivity, which leads to employee and customer satisfaction and an increase in the profitability of the organization.

A major worldwide survey conducted under the auspices of IBM and Towers Perrin entitled ***Priorities for Gaining Competitive Advantage*** has identified several key groupings of leadership policies and practices which have been used to gain competitive advantage:

¹ Associate Professor, Department of Commerce, Govt. College, Ambala Cantt

² Assistant Professor, Department of Commerce, Sanatan Dharma College, Ambala Cantt (Corresponding Author)*

1. Culture:

- a. Promoting an empowerment culture
- b. Promoting Diversity and an equality culture

2. Organizational Structure and Control:

- a. Emphasis on flexible organizations/work practices
- b. Emphasis on utilizing IT to structure the organization
- c. Emphasis on horizontal management
- d. Emphasis on increasing and promoting customer service
- e. Emphasis on rewarding innovation/creativity

3. Link between pay and individual performance

- a. Shared benefits, risks and pay for team performance
- b. Resourcing
- c. Emphasis on external resourcing
- d. Emphasis on internal resourcing: training and careers
- e. Emphasis on internal resourcing: managing outflows

4. Communication/Corporate responsibility

- a. Emphasis on communication
- b. Emphasis on corporate responsibility

Each of these elements is interrelated to the others. If one element is at odds with the others, no matter how clear the strategy, mixed messages will get in the way of implementation. HR planning can ensure that the key elements are integrated into a focused plan for building competitive advantage through people.

Challenges for Leaders

In today's highly competitive business world, leadership focuses on employees. This helps to increase the performance and the competencies of employees which enhance individual employee growth and organizational growth in the long run. Profitable organizations ensure that all of their employees are trained in such an efficient and effective way that they become role models or benchmarks for other organizations.

1. **Learning Strategies and Theories:** Leadership learning strategies and theories, such as behaviorism and situated learning, accentuate individual employee objectives should join with

the organization where their career ladders are developed and guidance is given for reaching their potential successfully. When an employee becomes a competitive advantage for the organization through effective human resource development, he or she is responsible for the success of the organization. Organizational goals are accomplished through excellent employee performance.

2. ***Human Resources as the Strategic Partners:*** In the present era the HR's main task is to play the role of strategic partner in the business enterprise. This is due to the reason that administrative functions like recruitment, training, retention, and the employee related paper work is at the low end of the HR value chain. In aligning human resource planning with the business strategy, the human resources of the organisation have to play the strategic role.
3. ***Increasing Role of Women Employees:*** Throughout the world there is increasing role of women employees both in managerial cadre and in non-managerial cadre. The various companies in India launch time to time various recruitment programmes for women. Employment of women presents several challenges which leader has to face. These are in the form of balancing career and family life, prevention of sexual harassment, and prejudices against women.
4. ***Human Resources as the Competitive Advantage:*** HR can become the competitive advantage for firm and companies aspiring to become global players. If the work force is going to be global the company needs to recruit the right talent and the role of HR is very critical in hiring decisions of the firm. Effective management of the workforce provides a very definite competitive advantage to those firms that are progressive enough, leverage the HR department appropriately.
5. ***Double Income Families:*** The trend already is towards both the husband – wife going out of their homes in pursuit of their careers. This trend is only going to increase which would require the HRD to be responsive to their needs. Leadership which could provide a in-house leisure planner, a travel manager, and an entertainment adviser would be appreciated.
6. ***Scarcity amidst Plenty:*** Human talent pool is limited while the demand is far outstripping the supply. There is a virtual war among companies to corner their share of the limited human talent that is available. HR will be ideally at the core of the work force management.
7. ***Countering Erosion of Trust:*** The workplace could become a very insensitive place because of business decisions like lay offs, golden handshakes etc. which might leave those lefts behind in a

state of fright and suspicion. It is upon leaders to take up this challenge of bringing in some sensitivity and trust into the work place.

8. **Re-humanizing:** The past decade saw major efforts in the direction of humanizing the work place. The future might again require major efforts on part of the leaders to make bonds which have got more or less severed due to the onset of email, telecommunication, flexitime etc. Employees would see less of each other due to the convenience offered by modern technology.
9. **Employee Retention:** Employee retention offers the significant competitive advantage to the organisation. The global companies retain the competent and efficient performers. Leaders should also take the leadership role in employee management communications.
10. **Developing a Self-Renewal Capacity:** Self-renewal means building innovation and commitment to change into the organization's values. The HRD program should have developed within the organization an ability to constantly innovate. The self-renewing organization is constantly able to initiate new strategies leading to continue innovation.
11. **The Organization of the Future:** The organization of the future will be different from today's organization. In a world of global competitiveness and technological innovation, organizations are reengineering, restructuring, and flattening the hierarchy to meet market pressures. Leading companies now envision an endlessly changing organization. The new term is reconfigurable---an organization that is flexible and able to change on an annual, monthly, weekly, daily, or even hourly time frame. There is a continuing need for long-range strategies to improve organizational decision-making and work relationships to meet these changing conditions.
12. **HRD and Leadership:** In today's extremely competitive global world, HRD allows organizations to be successful because it allows effective management of employees through effective leadership. Organizations should appreciate that leadership can shape managerial successes and minimize the risks and threats for the business. Leadership is the root of success of any organization and consists of a vision of the leader to motivate employees, the aim of the leader to empower employees in the business, the objective of the leader to be transparent, collecting and implementing external information, and taking challenges to achieve success through high performance, productivity and innovation. HRD is fundamental to an organization's effective leadership. Therefore, an organization's leaders must possess HRD skills for creating an environment where employees are given major importance and developing HRD

strategies that endeavor to satisfy the goals of the employee development and employee education are the three major concepts that a successful HRD professional would implement in his/her organization. The HRD skills of an organization should be concentrated upon implementing learning theories such as behaviorism and situated learning, conducting training programs, transmitting information and experience to all employees, involving them in organizational success and providing them with career counselling.

13. **Change Agent:** In contact of performance improvement role leadership acts as a key organizational change agent, to create a congenial environment in the organization by improving adaptability, capability, and capacity of the employees. This is possible when the employees know very well the changes necessary for attaining the mission and objectives of the organization. Leaders keep analyzing internal HR processes and procedures which meet the changing business scenario and enable employees for a better business strategy and HR strategy.
14. **Leading by Example:** Since learning is so important to the enterprise, Leader leads the way. As a result, Leader master knowledge in three content areas related to their: position, profession, and organization. HR professionals master the generally accepted body of knowledge for the profession. This is best represented by their advanced degree or certification. Leader stays abreast of trends as well as the regulatory and operating environments in their industry. Many HR professionals have also gained street credibility by joining cross functional teams, completing externships, or spending a few years of their career outside of HR in the line functions of their organizations to better understand the “business of the business”.
15. **Culture Building:** Culture in an organization is the perception about the developmental environment prevalent in the organization. Leadership contributes in creation of the culture that characterizes openness, trust, fairness, and all the values close to the organization. Rebuilding the corporate culture is the area of focus for leadership with an aim to have disciplined thought, disciplined action and disciplined speech. Thus leadership stimulates a culture of learning in the organization. The leadership program helps the employees to identify the relationship between work and learning.
16. **Counselling:** Leadership provides every manager with an opportunity to demonstrate his genuine interest in the welfare and development of every member of the department. In this relation even the individuals with unsatisfactory performance are likely to appreciate the efforts

of their boss to help them improve and succeed in meeting the criteria for productivity and success. The employees need not keep guessing the expectations of their boss from them.

17. ***Outsmarting the Competition:*** Today's work environment is increasingly competitive. Most organizations create value and competitiveness through the smart deployment of human potential. This potential is enhanced, refined, leveraged or brought to bear through the purposeful enrichment of the knowledge, skills and abilities of its people. Therefore, learning is as essential a strategic action as having a business plan to operationalize goals or having an investment plan to capitalize on financial or other assets. Unlike other capital investments, the value of learning appreciates, rather than depreciates. Leaders add strategic value to their organization by elevating the importance of learning and positioning its delivery as a competitive tool. Leader links the learning activities to how the organization creates value for its customers.
18. ***Focus on Quality:*** In the past in the protected environment with a lot of demand even for sub standard products customer and quality were never considered important and the entire focus was on quantity of output. Management believed only in "carrot and stick approach" of its employees and never thought of in terms of developing its quality of output. Now there is a wave in favor of Total Quality Management which calls for a change in the mindsets of individuals. This is successfully achieved through massive leadership efforts.
19. ***Emphasis on Core Competencies:*** With the licensing era coming to an end in India, companies now no longer need to preemptively secure licenses in diverse and unrelated areas to outwit their competitors. There is now a perceptible shift in favor of developing core competencies through mergers and demergers. Companies specialize their groups through leadership for gaining competitive advantage.
20. ***Improvement in Capabilities:*** Leadership leads to the improvement in the capabilities of the employees by making them aware of the skills required for the effective performance of the job and by making the employees aware of the performance standards. Leadership enables the employees able to take risk and make them innovative.
21. ***Improvement in Team Work:*** Leadership enhances collaboration and team work in the organization. Employees trust each other and also become more open towards each other. Therefore, Leadership improves the organizational climate.

22. **Technological Changes:** Recent spurt in computerization and technological up gradation is, on the one hand, streamlining process and paper work and increasing quality, service and speed on the other hand making several jobs obsolescent. Many companies which realize that they are not adding value in all functional areas are increasingly outsourcing all but the most critical functions. These changes may make Indian workers redundant at some places. The redundant workers everywhere need to be rehabilitated through training. The changes have to be brought about with a human face. At this point Leadership plays a critical role.
23. **Optimizing the Human Resources:** The organisations have to optimize the human resources. The organisations have to address the issues like, which skills and competencies are vital for the execution of the business strategy, which skills should be performed by the core staff, what support systems are needed to help employees shift from team to team, how does a company should operate in multigenerational and multi cultural workforce. HR professionals have a critical role to play in helping their companies to find answers to the issues like these.

Suggestions for Leaders

Relying on the human resource department to recruit the best employees, design appropriate and effective training programs and institute successful retention programs can give the organization a competitive advantage. While competitors struggle with maintaining an experienced and motivated workforce, the organization can focus more on productivity and increased sales and at the same time the leadership plays an integral role in the workforce development.

1. **Hire Professionals with Experience:** Leaders vary in the kinds of skills and experience they bring to a job. Many are administrators proficient at processing payroll and executing benefits programs, but have little more leadership status than the clerical workers.
2. **Give HR Leadership Positions:** The human resource department often is given job descriptions and told to fill the positions. Salaries are predetermined and the HR staff has little or no input in the hiring process. So the HR manager should be involved completely in the hiring process and the formulation of recruitment policy.
3. **Allow Leaders to Determine Training Program:** In addition to defining employee jobs and required qualifications, an actively participatory HR department can monitor employee activity

levels, morale and customer service success to design and implement appropriate training programs with line supervisors and executive management teams.

4. ***Provide Leadership Tools to Monitor Employee Performance:*** The human resource department can build programs to track those employees who stand out. When the human resource professionals are involved in designing and providing employee reviews, they can help the organization to spot talent and advise it on how it can best groom employees for promotions. They can provide designated employees with specific training and help the organization to devise opportunities for growth, serving as its eyes and ears for seeking out the best candidates that will push the organization into a competitive advantage.
5. ***Communication:*** Good communication is the foundation of sound management. The performance of all managerial functions depends on successful communication by the managers at various levels. Leadership has to play an important role in ensuring that the communication is clear, correct, and controlled wherever possible. Communication is a key to ensure involvement of employees. Nothing substantial can be achieved unless people within the organization work towards the shared vision and mission. Leadership should ensure that how we can reach out to people and relate with them in the sense of understanding what they want, how they think and what motivates them. Identifying the areas of improvement and the training needs and trying to bridge gap between the desired performance and the present performance should be the main objective of Leadership.

In today's global environment, efficient and effective employees are a major source of success of and organization. A competitive advantage can be achieved if the performance of employees is increasing through the effective use of Leadership theories and activities. To meet the demands of the consumers and to provide complete consumer satisfaction, organizations have developed new ways to increase employee's performance where the objectives of the organization and the individual employee are met. Leadership development and learning theories are extremely important for any organization to be successful in the long run. Leadership initiatives lead to high efficiency and performance, which in turn leads to the accomplishment of the goals and objectives of the organization.

References:

1. **Ehrlich, C. J. (1997)**, Human resource management: A changing script for a changing world. In D. Ulrich, M. R. Losey, & G. Lake (Eds.), *Tomorrow's HR management: Forty-eight thought leaders call for change* (pp. 163-170). New York: John Wiley
2. **Ayupp, Kartinah and Perumal, Anandan (2008)**, Learning Organization: Exploring Employee Perception (July 16, 2008). *Icfai University Journal of Organizational Behavior*, Vol. VII, No. 3, pp. 22-33
3. **Torraco, R. J., & Swanson, R. A. (1995)**, The strategic roles of human resource development. *Human Resource Planning*, 18(4), 10-21.
4. **Mehta Sandhya, (2011)**, Human Resource development for Competitive Advantage, *International Journal of Multidisciplinary Research*, Vol I, Issue I, May 2011.
5. **Blimes, Linda, Konard Wilzker and Pascal Xhonneux (February 10, 1997)**, Value in Human Resource, *Financial Times*, p. 10.