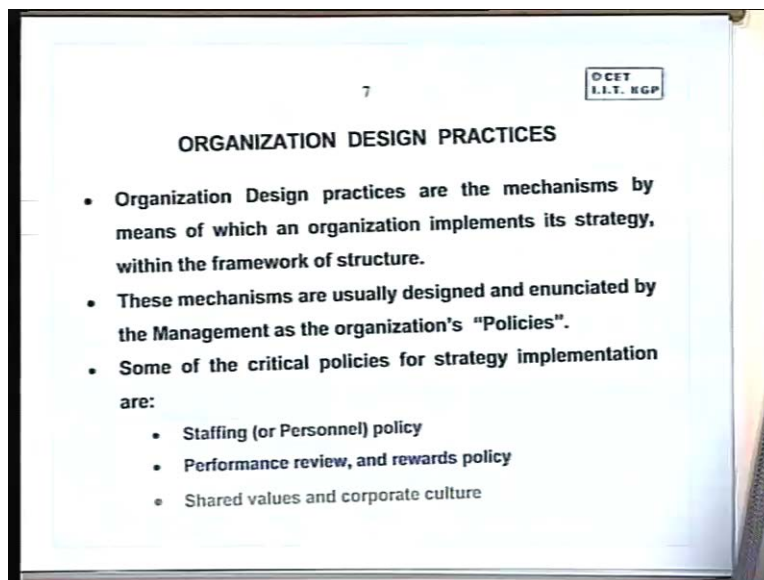


Strategic Management
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Lecture No. 09
Case study: The House of Tata

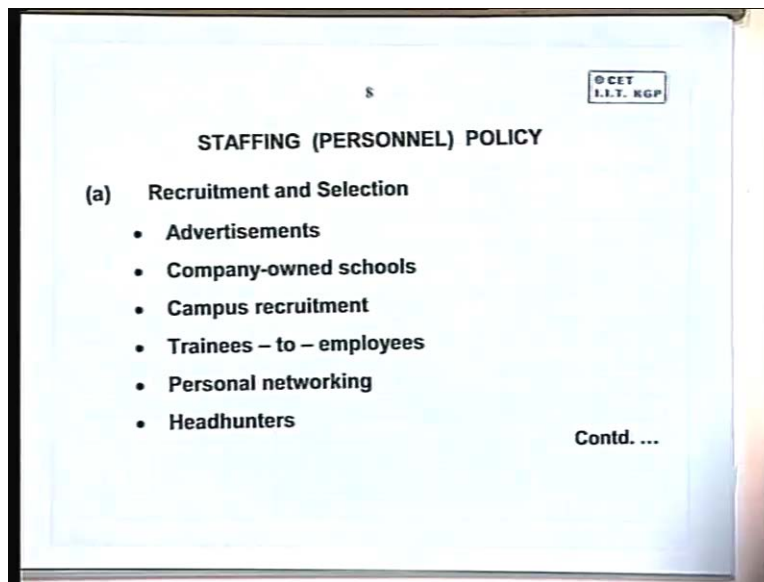
Okay organization design practices: organization design practices are mechanisms by means of which an organization implements a strategy within the framework of its structure. See, remember the keyword is now you have inherited a structure you can't do very much about it.

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So, within that structure you try and design mechanisms to make the best outcome. These mechanisms are usually designed and enunciated by management as the organization's policies, various policies. Some of the critical policies for strategy implementation are staffing or personnel policy, performance review and rewards policy, shared values and corporate culture. So these are all people oriented policies and we see two cases here: one is Disney and the other is Westinghouse. In Disney's case you see a stark relief as distinct from Westinghouse where they have built a culture, all right. They had a performance and the reward system, staffing policy was clear cut and enunciated. Westinghouse, the case only gives the evidence of a short-term orientation, no common thread running through the whole organization. There are many divisions, many groups; there is no evidence of any common thread running, of any common platform, of any one interacting with one else and the absence of a culture or a shared value.

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Staffing or personnel policy: recruitment and selection advertisements, company-owned schools, campus recruitment, trainees-to-employees, personnel networking and headhunters. This is a list of ways to go about, all right, getting people and there is always a cost which is attached to getting new people and there is always a risk attached to getting new people because you may not ultimately get the kind of people that you want and as I said, in India, the risks are much more because once we get people it is not easy to get rid of people. It is very easy to get people but not easy to get rid off whereas in the western world it is not so. This is a very very important aspect, okay.

There are many companies, which have got laid down policies against each of these. For instance, some companies would have policies to say that children of senior management irrespective of their qualification and experience they cannot be recruited in the company. Why why what is the underlying principle of making a policy like that?

Favoritism. Bias. Personal networking. Recruitment by personnel networking-do you support this? Why why? So say say that we have got, let us say ten faculty members here and we have a vacancy by the way now for seven more because we have got a sanction for seventeen faculty members. So I am looking for faculty members. Now do you think I should I should support this personnel networking principle by any professor come and say I know very good faculty member and so on? So why don't we take? Can we take him or her? I can't make out, one at a time. Yes you tell me. What do you think? Should I take? Sir it depends all on the professor who has recommended someone from outside. It depends upon the credibility of the man who has recommended. But all my professors are credible. No that, what the point he is making is yes. So then what happens if my personnel judgment comes in right? Your personnel judgment is necessary. All right. So he says if I personally feel that the professor who is recommending is on the up and up and his judgment is good therefore if he says this third person is a good professor then I should believe him, only then I should recruit him. Sir, after the interviews or some test

may be. Why? Sir, because...because it costs money. I am saying as a policy would you support it? You would? Like what?

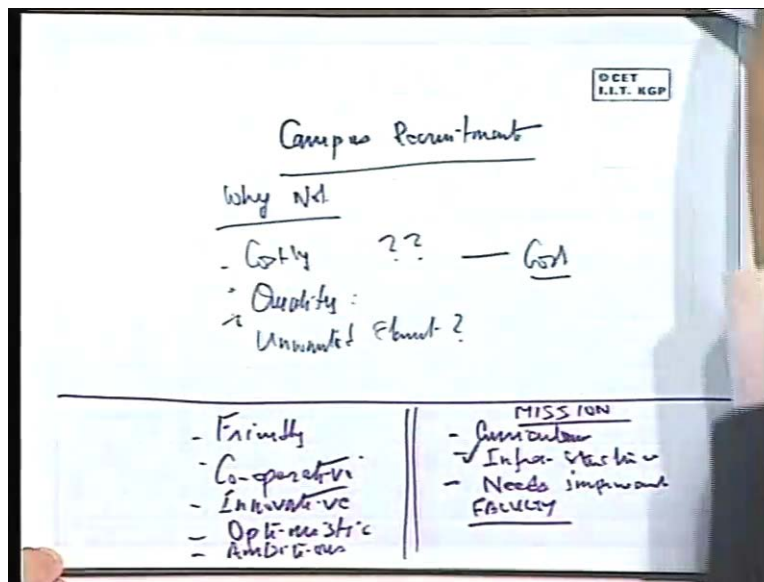
Say when you are running an organization and the top most post...No say let us say take VGSOM itself. I am CEO of VGSOM, tell me. For faculty probably you can. For? Faculties you can do. Faculty you can do. Students I can't do. Okay. Why not? You don't need to evaluate faculty? Faculty is very very important. In fact faculty is so important that the when you take a faculty, okay, even the head of department, you know, when the selection board is set up, head of department is not allowed to be there for a for a professor. You have someone coming, the visitors, nominee comes from Delhi, ministry. Why? Because if the HOD is there he may be biasing the other members, you know, like the director or the Dean FMP.

So, the underlying principle is he should be absolutely unbiased so that favoritism is not present. In personnel networking don't you think favoritism can be there? It can be beneficial also. So, checks and balance. So we are coming on to the view, yes we can have this other policy subject to there being a board, there being panel members on that, okay, with a higher authority who will also approve such things and so on and so forth. Right. That is one way but how do I have faith in the students that they are all immature all right, they have the capacity to judge. It can be one of the inputs, that is it. True. Very few very few will be willing to go. See, he is a man from industry. He looks at practical things but again we are talking of policies. Why are we saying staffing is one of the very important mechanisms and when you dig a little deeper you will find that at first sight it looks like a very self-evident thing, you know, advertise and then you have company owned schools. What does that mean? Many companies run schools, no. Should they immediately take the graduates of the school? No sir no no. Why not? You are training them, I say, as per your own standards. Company-owned schools, you are you are ensuring the standards of the school. The school might be a business, school might be a different business from what you are doing. Okay. You should not mix up all your businesses unless they are related. Don't put your eggs in the same basket.

Well, in L & T we had started a school, the Diploma College, exclusively for the children of employees. So, the intake was not, you know, very bright students all the time; employees' children means your eligible. So the cut off was only forty-five percent in class ten, okay? And one policy we had made, I was also on the on the board of trustees of that, and we thought it proper to make that we take them for training. It was sandwich course-three year Diploma-but we will not take them in our company because L & T core policy was that the company value and the strategy was to take on merit so that at any time throughout these fifty years and more we have people who have come on their own merit and not by any other merit. So that being the overall policy it was felt that even if it is our school we will try to place in other companies but we won't take in our company. We will train them, summer training and other training.

Campus recruitment-should it be a policy? Yes, automatic. Why? What are the what are the minus points of campus recruitments? Any minus points? Can be costly. Let us see minus points. Why why introduce campus recruitment as a policy?

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So, why not? Let us say what are the bad points. Costly. Then. Only entry. Yeah okay, only entry. Why shouldn't they advertise or why should I come to campus? I might gain better because here I am selecting ten twelve campuses. I am not saying some others are saying. Who said costly? Yeah he is saying costly. Tell. Okay I am saying two question marks. Cost is one important factor in recruitment. What about quality? What about quality? Are you tapping the best quality? You don't know. Say how many campuses can you visit? I know that lot of people who don't visit VGSOM are losing out on quality but they don't visit. It is foolishness. They should come to VGSOM.

You might be biased, might be, but are you biased? But isn't it self-evident? How many if you advertise in a national papers what is the reach of that advertisement? Much more than going to twenty. How many how many can you visit? If you advertise? Why? What do you mean by unwanted elements? No no I I have not understood. What is this unwanted element? You mean antisocial elements or what what do you mean by that? All right. They apply, so so what's wrong with that? I I reject them. Cost-it again comes to cost. So whereas on the one hand you have a better you have a better response but on the other hand there is more cost. So you have to you have to then decide as a manager, in your company, in your situation what kind of cost you are willing to incur and how much choice you want to have.

Say you are taking unskilled workmen. Will you advertise in papers? No. Why? Because they are unskilled? You may get you may get five million applications. There are rules also and laws. You have to give it to the employment exchanges, okay? Anyway the point I am trying to make, recruitment policies are extremely important from strategy point of view. This is not so evident. You usually don't relate a staffing or a sub unit of staffing, that is a recruitment, as important for strategy and strategy implementation but when you dig deeper you find it is there because over a period of time the kind of people that you get depends on the kind of mechanisms that you have setup in a) recruiting them b) inducting and orienting them, c) training them, all right and d)

previewing their performance, e) rewarding or punishing them. So if you if you do this well you lay solid foundations for a good strategy implementation, for a good company. If you don't do it so well then slowly you will erode your competitive advantage. That is the point.

What about headhunters? Very costly. Why? Means how much do they charge- about ten lakhs or what is it? How costly are they? You don't know I will tell you. They usually charge twenty percent on the annual compensation or they ask for twenty percent, you can negotiate with them and then settle anywhere depending on the clout of the seller. You know, again Michael Porter's, it comes here. If it is a very big and powerful and they guarantee that they will give you exactly what you want then they won't reduce their price. If it is a small freelance but has good contacts he may give it to you for twelve percent, ten percent. That, you can negotiate.

So it depends on the kind of recruitment also, does it not? If you are looking for a vice president, all right, then you may think that headhunter may be a better route than making a public advertisement, all right. Well, you can headhunt yourself also and that comes under personnel networking. Well, they do screening also. Some of the good search search consultants headhunter is not what they call themselves they call them as search consultants. They will first screen out and then they will short list and then bring it to the client's attention.

Trainees to employees-what do you think of this? Should be have there as a policy? Many American firms do that in USA. That is why there the summer training is so very important. In fact, people take interviews for summer training like they take interviews for job training here. Is it desirable for the company to do so? If so, why? Less cost. Better quality may be because you have seen for longer time. What are the minus points? Yes that is one minus point. What else? You are limiting your search. Are you not? Again you are limiting your search. See once we are very clear about what is your mission, goal and what is your strategic plan then you can hone in the kind of the recruitment policy that suits your strategy. Example: a construction company, L & T's ECC division, they have a policy or they had they will not recruit from top rank Colleges, engineers. Why? Sounds very stupid no to start with; that means they are missing out on the best people. Why why? You know how many persons stay with the L and T? Within the first six months thirty percent go, GETs. But L and T'S policy is it still comes to the campuses, we still recruit. Within one year fifty percent are gone but we still do it here but not ECC. ECC does not go at all to L & T or did not. I may be little dated now. They had a powerful reason for it, which was consistent with their strategy. Pay packet. Pay packet. I will tell you the reason. Most engineers, from top run colleges in India, they would hate to take a construction site job, which was ECC's bread and butter. They wanted people to stay at, any one ever visited a construction site, how you have to stay there, in green field projects. You are lucky you are in a town like Kharagpur you where they that, otherwise it is a very tough life but it is a very satisfying life because at a very young age with no experience you get terrific responsibility. You are the engineer in charge of the site, there may be five hundred laborers there; all kinds of problems.

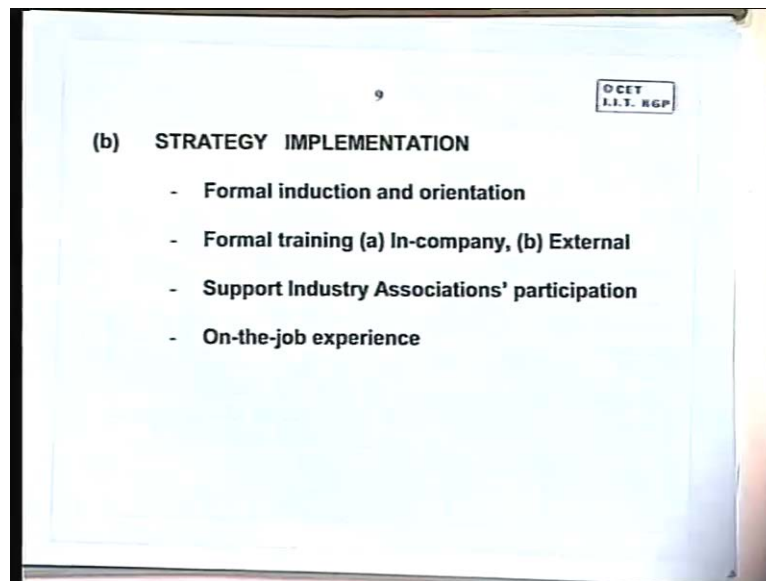
So, their experience was that the top rung colleges, the boys don't want to work in construction site. So then they said let us go to the second rung colleges and there from second rung, we only take toppers, you know, first two persons or three persons. So we balance and these people will value a job with L & T ECC. They will make a career and we will train them in managerial and

other qualities to make fine managers later, for our kind of business, we are in the construction business which means you are away from you know the, shall we say, advantages of civic communities cities and so on.

So strategy is very important even in recruiting policies and it has a long-term effect. That point is clear? It is very important. Remember don't take it lightly.

Formal induction and orientation: how important is it?

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Do we have in VGSOM any policy of formal induction and orientation? No. Is it formal or informal? It is formal. We have one day of orientation. Is that enough? It is enough. Do you think we can improve on it? Yes. What is our mission? What is our mission? We have a mission statement. It is there in the brochure. Where is brochure committee? What is a mission? So what is the kind of training we want to give to develop a CEO? Is it just ten courses of work and one dissertation and summer training or you need something more? Think about it and can induction and orientation be used as a mechanism to fulfill that long-term strategy? Anyway if you have any ideas let me know. We should have a suggestions team here but the suggestion should be only for long term good not for your immediate good because that is private agenda for future students who come how you can improve the school.

Formal training in-company and external: So we have no evidence from the Westinghouse case whether they did any of it but from the Disney case we saw the kind of training they had. It was really rigorous. That operation manual thirty page that you mastered, you noted no? Yes sir. They were not allowed to start work unless they passed that test. They did the role-playing and then passed. So getting into Disney was not enough. To start their work they had to pass a rigorous test. They felt it is so important. What else? They were told huge amount of information that manual had about Disney itself. The whole idea being anyone of the visitor asked them anything they should not be in a position they should not say 'Sorry, I don't know you will have

to go and ask so and so department.' That is the kind of service they did not want to happen. They should be able to give you answer on the spot on any subject.

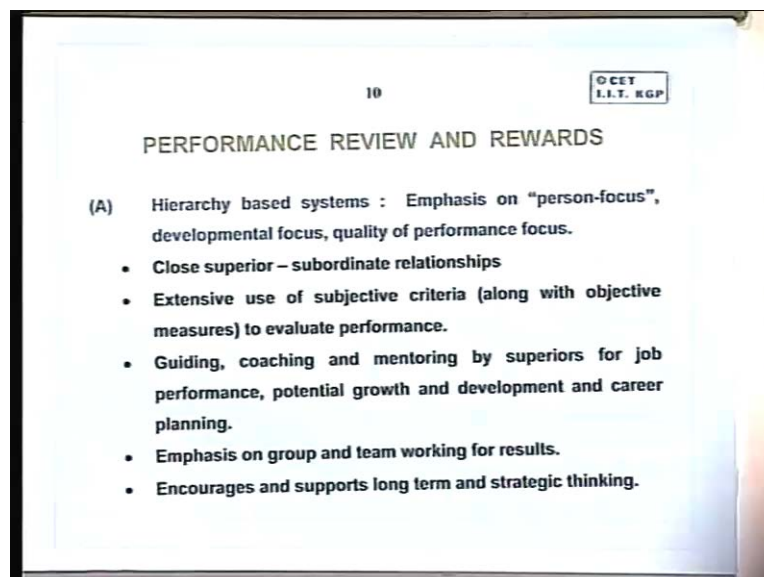
In-company and external program-why external? Why not in-company? Say, a company has resources-you have a choice, you have enough budget. What would you prefer? Think about it. Kalyan. I can get all the, I can get all the skill that I want. I will hire out all the professors. I have the budget. I don't need my own faculty. I will hire a faculty. I will read out VGSOM and say I want on strategy management. Send professor Kalyan Chakravarti. Well basically what he is trying to say and I say it for him, is that they get exposure to other executives. That is very important for the socialization process. You have these programs in IIMN and so on, other executive-level programs because you can measure yourself-your executives against the work of other executives. That is very important which you miss out if it is an in-company program; that competitive edge is not there. Okay?

On-the-job-ex... Support Industry Associations' participation-why? How is it part of training? Develop contacts, what else? You gain knowledge. It gives you a window on the outside world and particularly if you have if you have picked executives who have potential for senior and higher management. As they go higher and higher and higher what is going to happen? The proportion of their job, which is inside looking and outside looking changes in favor of more outside looking jobs, isn't it? Dealing with stakeholders outside the organization, going more and more away from the detailed operations, which take up so much time of middle level and junior level people. So this is the learning experience for them when they have platform, like you go to CII you are on the committee of CII. You meet other people, so you network right; you make contacts and you also learn about so many other market intelligence information, how other companies are doing. So this is part of your training for top management, okay?

Yes, absolutely.

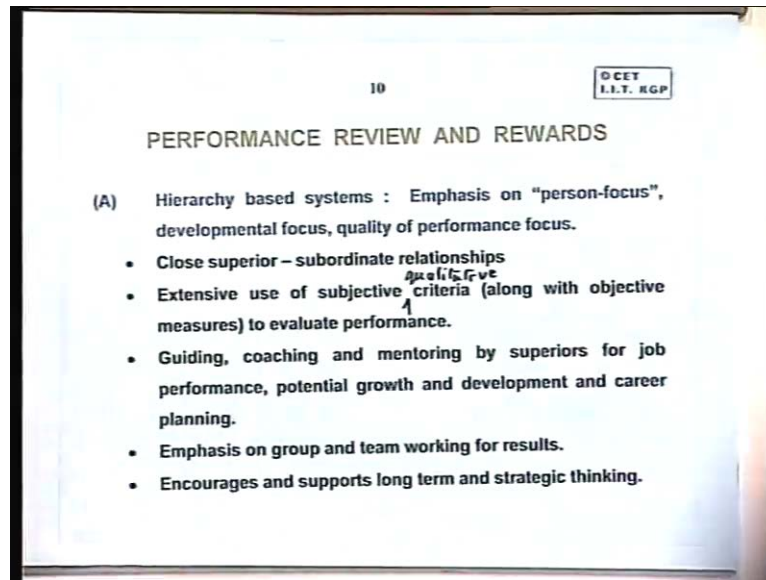
Performance review and reward-there are two types of systems, which I use.

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One is hierarchy-based system-these are very broad broad classifications-and that is emphasis on 'person-focus', developmental focus, quality of performance focus. What does it mean? This is distinct-the hierarchy-based distinct from performance-based system-this is market-based approach.

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What I what is meant by market-based? Contractors agents? What does it mean? Say I appoint a dealer he is innocent conceptually; also delivering contributing like my employees is contributing. But how am I rewarding him? I am giving him a discount for what he sells, right? So it is a market based approach. Whether he develops certain skills, whether his attitude changes, am I so interested in it? Not vitally interested but in my own employees am I now interested that he changes his attitude, his values are proper, he is developing skills so that he can do jobs of senior management later on? So this is the distinction.

Hierarchy-based systems is normally very suitable when you are talking of managerial ranks, where you have got a investment, a stake in the person who will be with you, who are handling very important matters in respect of your company. So close superior subordinate relationship between a boss and a subordinate.

Extensive use of criteria along with objective measures-this should be qualitative criteria. Qualitative-like what? What is the qualitative criteria? Say you have a sales manager and your vice president sales, all right? You have objective criteria also like what was his target, his budget no, so many crores of rupees sale for the year and let us say he has made his target. What is meant by qualitative criteria when you review his performance? Soft skills. What does that mean? He can talk nicely politely, these are the things or...So he should be a good salesman-the art of conversational selling. What else? Qualitative-a very important qualitative criteria is can he motivate his people in his department to do better? Means is he a loner performer, that is he is

good as a sales engineer or salesman or can he work through his people, can he motivate can he develop his people? Can he build teams because if you are talking of higher-level people? Aren't these the qualitative criteria, which are very important? Is he himself a team worker? One is building a team, the other is ability to work in the team or he has very bad low skills of team working. So these qualitative qualities then become very important in middle and senior management performance appraisal.

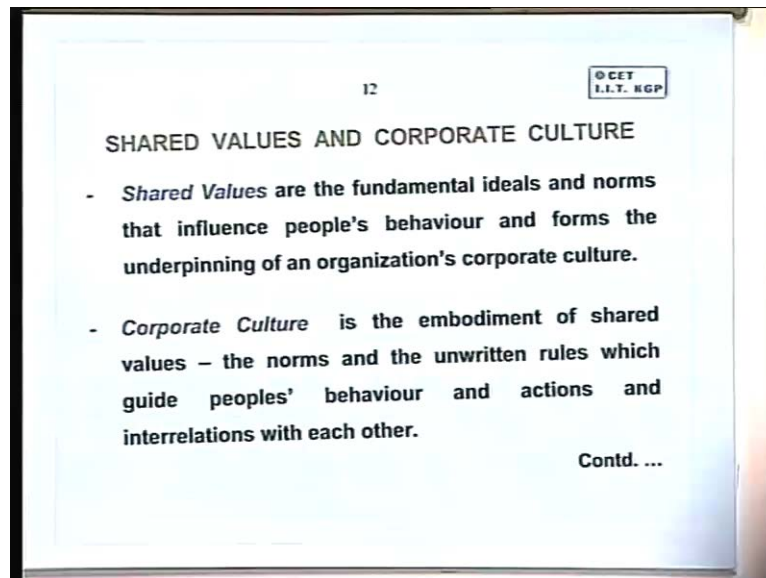
What do you judge his integrity to be? Very important. What is the meaning of integrity as distinct from honesty, as distinct I am say I am differentiating? Commitment to job. Commitment to the job. Yeah that is that is part of integrity. If you are working somewhere, all right, you have joined; your integrity is professional integrity. You must do a good job of it. Honesty is a little more basic level, you know. Are you padding your experience account and so on.

So isn't it very important? Imagine what happened to Enron, what was the underlying root cause of Enron becoming the way it became? Managers in very senior positions, top management, who had lack of integrity, there were thinking of themselves first, to the exclusion of the organization that they served. Extensive use-guiding, coaching, mentoring by superiors for job performance; potential growth and development and career planning. So it is a whole basket of qualitative criteria, all right, which strategically become very very important to the organization because over a period of let us say a decade or two decades if your mediocrity, people who lack, let us say knowledge, skills, who are not result-oriented, who lack integrity, if they slowly go up to the top of the organization that organization is doomed, it is going for disaster.

Emphasis on group and team working for results. Encourages and supports long-term strategic thinking. So these qualitative criteria are very important for performance review and this is on hierarchy-based system. So, person-focus, development focus, quality of performance and the other side is performance-based, all right, which is the reverse-no close superior subordinate relationship, emphasis on measurable quantity of output, quantitative basically, no group or team focus, compensation is performance-based design. What does that mean? That means the salary component, which is a fixed component, is low. It may be sixty percent and forty percent is what he can earn if he performs to this extent which is measurable. What is the example of this? A medical representative, salesman right? Supports unrelated diversification strategy at corporate business level-what does this mean? Westinghouse, they are looking for quick profits no strategic aim or vision. Westinghouse: the problem the problem which I find is there wasn't any common platform or thread to bind this, as someone said that although you it is important to have core competency and you focus on it and so on, it is not impossible to run a company well and profitably even if you are in two or three or four industries. And I can give you an example. L & T itself, has it not run well and profitably? What is the relationship with cement division, all right, with switchgear division? Tell me. Is there any relationship? No. Or valves division or computer software? Aren't they disparate? But still it hasn't gone the way of Westinghouse. Why? Common culture, which transcends the various sectors of the business that you are operating in and what is the common element in all this? Common element is the human being, the people. So, people actually provide you the common thread through values and through culture and then finally, the collective values and culture, that becomes a kind of corporate

personality okay? That is what makes it possible even in unfocused businesses to still do well which brings you shared values and corporate culture.

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Shared values are fundamental ideals and norms that influences people's behavior and forms the underpinning of an organization's corporate culture. You see, it translates from the individuals into a collective culture and the catalyst is what? Leadership.

Corporate culture is the embodiment of shared values-the norms and unwritten rules which guide people's behavior and actions and interrelations with each other. So tell me someone, what is the culture of VGSOM as an organization? I keep coming back to it. I am interested to know. We are at a stage now where we are going to take off from a small school into a big school. Three years down the line, god willing, we will have two hundred and forty people, students. So we need to put a little foundation. Anyone is interested will bring me in project management for summer training because we are going to start [Foreign Language] on seventh May for the new extension building. So if anyone wants to do a project management, all right, build sixteen thousand five hundred square feet state of the art school building in twelve months. You may apply to Dean VGSOM, all right?

All right. So, anything about corporate culture, any anyone wants to contribute to this? So can you sum up VGSOM's culture as an organization as you see it? Who will sum up? Who will stick out his or her neck? Tell me. Friendly? Predatory? Each is competing with the other to get ahead, the classmates. No? What else? Tell me. I am sure you are all creative people. You are not devoid that you can't tell me. Tell me. What is that corporate culture? Cooperative. Okay, co-operative. What else? Sir, innovative. Innovative, good. Don't laugh because I will ask him two or three innovations which which we have done and what else? Optimistic, all right. This is what we are now and what do we want to be? What do what is our business? Ambitious. So, what is our mission here? What are we going to be and is our culture supporting our machine or

is inhibiting? What is it doing? We want to be leaders in the service of the nation. Have we brought into play any strategy to ensure that? Yes or no? No. No. All right. Tell me what we should do? I can tell you one or two things what we have tried to do. For instance, your curriculum, would you say is benchmark with the good curriculums, curricula of other schools in India? No?

Like what? Harvard Business School? In India curriculum is good? It is good. What else? Infrastructure? Infrastructure requires improvement. What else? Faculty needs improvement. Yes, so there is much room here. We are not following a strategy which is in consonance with what is our mission, is it not? So who will make a strategic plan and how will we implement it? Plan is an easy part you know but implementation is very difficult. One of the implementation is make a new infrastructure, make building. So one way is one of you to come and as a project do a project on this. Everything, basically the project we have to have it ready before July two thousand and four. So everything that entails coordination, then there is a site engineer, all right, there is an architect and there is a technical chief technical consultant Major General Narayan who is appointed by Vinod Gupta Charitable Foundation okay? And then you are the Dean's nominee-anything I want to know, is the project going on time, essentially is time and cost and specification being maintained, basically.

How to monitor a project, how to see that it comes on time, how to coordinate, how to solve any contingency problem, which comes along the way-all done. Twenty-seven, by tomorrow we will have people, contractors, prospective contractors who will collect tender papers. Fourteenth of April is the last date, fifteenth April for submission of tenders and twenty second April we will award contracts. All fast-time is of the essence. So it is not a pie in the sky. It is going to happen but someone has to keep track. First thing you have to do is make all important activities, make a bar chart, which will be the basis of follow-up with contractor. He will have to submit his bar chart, all right and guarantee that he is going to complete activities as per this schedule and we hope to put a bonus penalty clause also on it. So bonus penalty clause, in order to administer it you have to follow as per the bar chart. So anyone excited? Think about it. Sleep over it. Here is a in-house project you can do.

Sir, one doubt, sir. Yes. Fifteenth will be summation and twenty second you are awarding the contract. So, within those seven days you want to reduce the tender as well as negotiate with the party or? We will negotiate only on twenty second and award it. It can be done. The tender papers are formatted in such a way that all costs, the comparative statement can be made fast. You follow the positive way of executing projects and that is, you set your target and then make a strategy, which fulfills it.

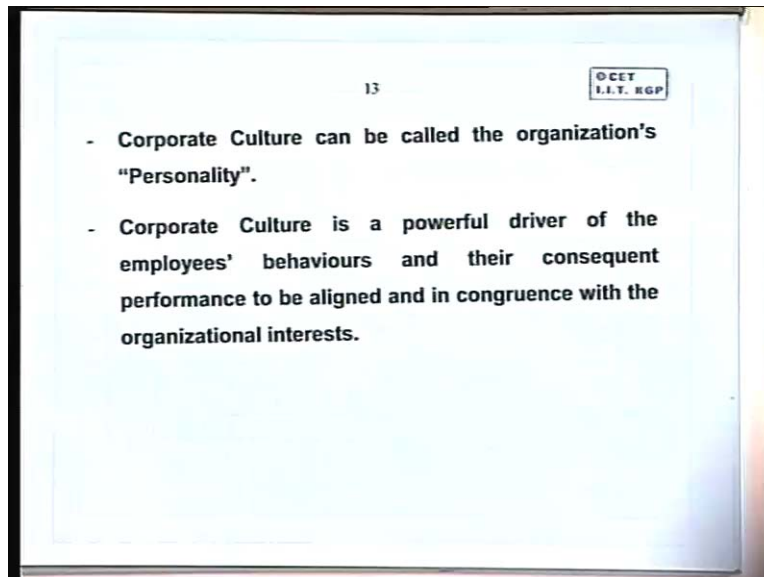
I told you what Mr. Dhirubhai Ambani had told, that you give good ideas, all right? I told the second year. When he was, one year he was chairman of L and T, and he says you are professional people, you give the ideas I will provide the money and I will give the clearances. Don't think about why you cannot do this, cannot do that. What can you do? Just tell me and then we will make it happen. Stipend negotiable. Some have planned a dissertation. It can be converted but then you have to start teaching. You can't teach as a assistant professor because you require a Phd for it but you can register for a Phd and you can become like a scientific officer, that grade when you can't take classes but you can assist professors. Think about it.

Here is a chance, real project. So infrastructure-search is already on for a faculty. Now you can advertise for it. We have seen the list. Networking, you have to decide on a strategy, how to bring the professors or a combination of all. One facilitating factor is there is the clearance from the board of governors to IIT that they can have a throughout-the-year advertisement on the web so that it is not done on annual basis, you know, where advertisement come in national paper and then you apply and then any one can apply at anytime and it will be processed. So this is to make the process faster. This has been introduced in Delhi IIT, Roorkee and we are following suit.

How soon? That is a difficult question because right now we have two or three people in the pipe line but...Applicant process is roughly about three months three months. Sir, we can use the IIT faculty for ITMIS? Of course we can. Any time. Sure. Even now? Yes we can provided provided they are available. You will have to see their load and so on. It is just a practical consideration. In principle, yes, certainly.

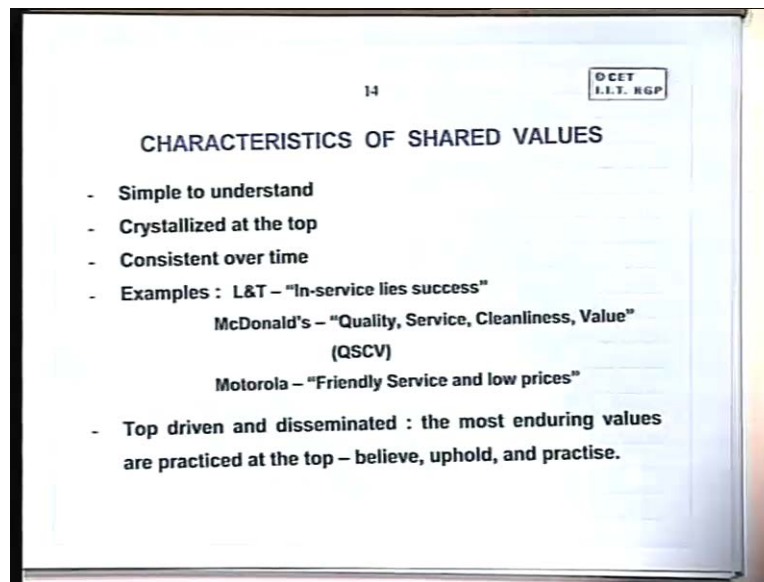
Okay so, as I said, a corporate culture can be called the organization personality

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Corporate culture is a powerful driver of the employees' behavior and their consequent performance to be aligned and incongruence with the organizational interests. What should be some of the characteristic of shared values?

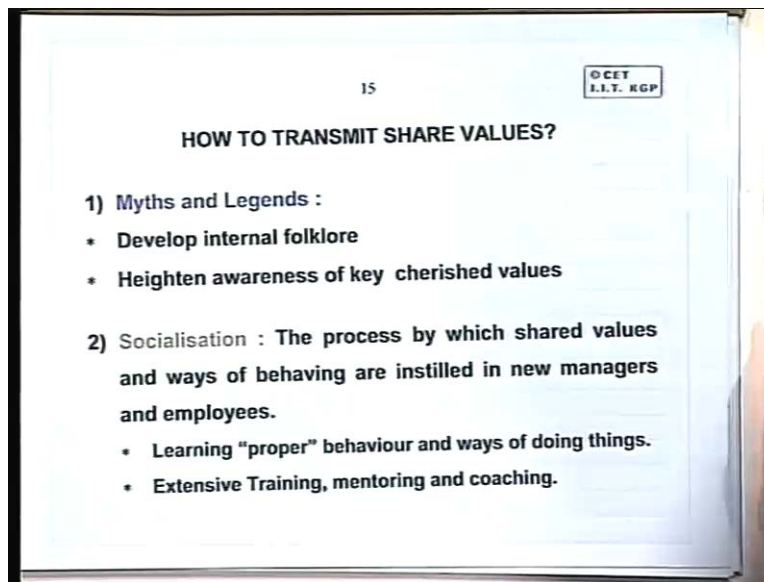
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Simple to understand because you may have large number of people, ten thousand in the case of or third twenty eight thousand in the case of Disney. Crystallized at the top-so value usually is top to bottom driven particular in the case of entrepreneurial companies being setup. it is usually the man who sets it up whose values permit it. These are all Disney’s values basically. Consistent over time-example is L and T. It is simple-in service lies success. This is the value. McDonald’s- “quality service cleanliness and value”. So if you have McDonald’s anywhere in the world you see the big M sign, you know there is shared value across continents whoever may be the franchise. He has to abide by this, “quality service cleanliness”. Motorola “Friendly service and low prices”. Even if they can charge higher and you are willing to pay higher their shared values says don’t charge high, keep your legitimate margin but charge low.

Top driven and disseminated: the most enduring values are practiced at the top and the way to practice is believe in it, uphold it and practice it. And last but not least when you have the value how do you transmit?

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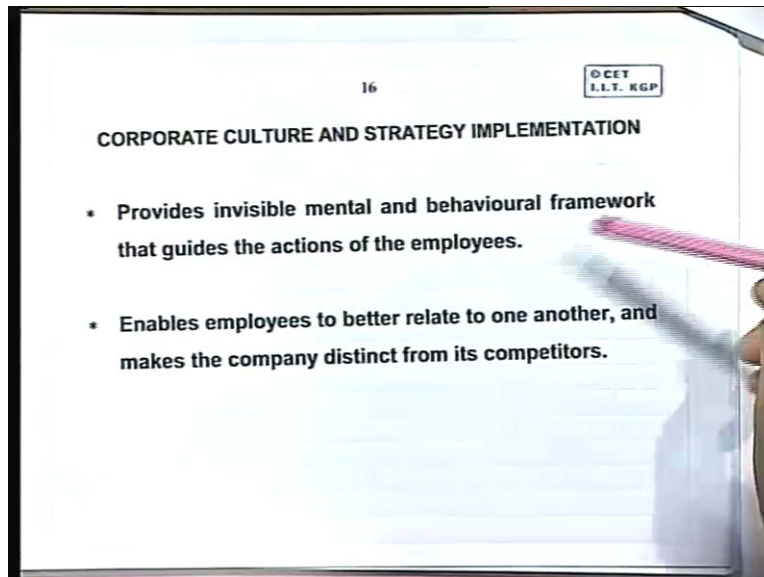


Across various levels, across various divisions, across various geographical locations myths and legends develop internal folklore. In L and T we had a legend or a I won't call it a legend, it is a folklore basically. So when Mr. Holck Larsen, Mr. Soren Toubro, they incorporated a partnership company, Larsen and Toubro limited, they had only very little capital with ten thousand rupees. They promoted the company and they hired in Malet Bunder in Bombay, one room with one table and one chair. So whoever came in first he could sit on the chair the other partner had to go and get orders. So it is folklore, which establishes a value, all right, that is market driven, all right. You have to come on time, all right and you have to do the job all the time irrespective of your rank, okay.

So, these are the kind of folklore. There is a one folklore which is there, mentioned in in the book from which, that is Lee, that says that in three M, which is known for his innovation there was one engineer all right. He was on to some project and then the project was not succeeding so he was asked to withdraw from the project, give it up but he didn't do it. He persisted to a point when he was fired from the company but still he went and persisted. He did it in his garage. Finally, he got the project, it is a new product. He could convince the management. He was reinstated with full orders, promoted and so on. So there they are establishing a value of persistence, all right, or the innovation and so on. So, this is the thing.

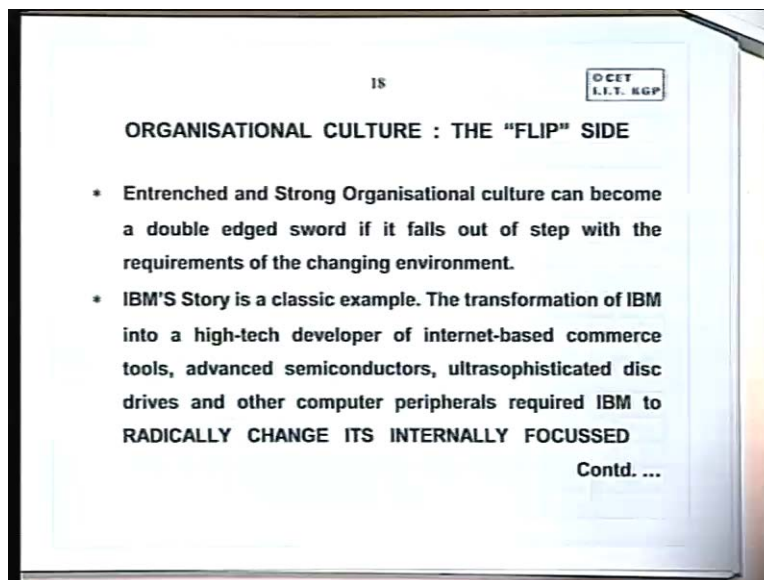
Heighten awareness of key cherished values-that is not good to have it and lock it up in the closet but people must talk about it all the time. Socializing-how to share value; socialization, the process by which shared values and ways of behaving are instilled in new managers and employees. Learning proper behavior and way of doing things; extensive training mentoring and coaching these are the ways. And corporate culture and strategy implementation provides invisible mental and behavioral framework that guides the actions of employees enables employees to better relate to one another and makes the company distinct from its competitors, okay?

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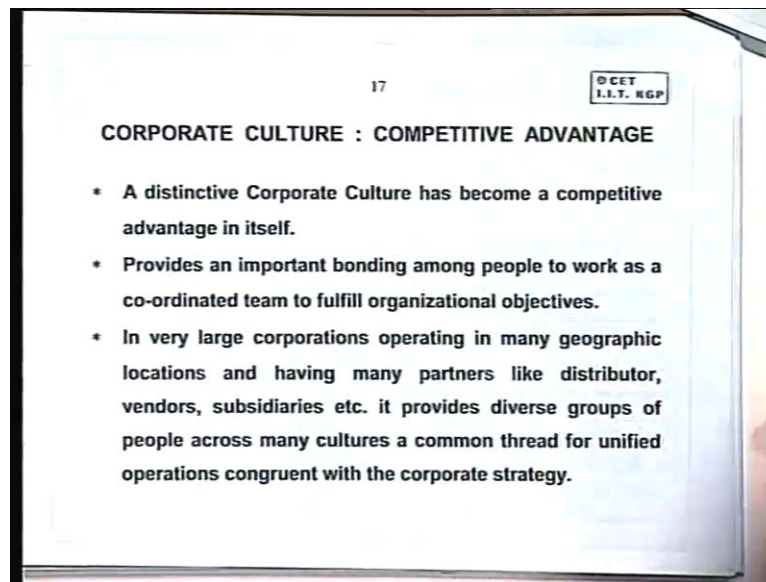
So we will end today's session and before I that I just want to show you one, the FLIP side.

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Entrenched and strong organizational culture can become a double-edged sword if it falls out of step with the requirements of the changing environment. IBM'S story is a classic example. The transformation of IBM into a high-tech developer of internet based commerce tools, advanced semiconductors, ultra sophisticated disc drives and other computer peripherals required IBM to radically change it is internal focused corporate culture all right to retain it is competitive advantage.

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What happened to IBM all are aware of it or no? They were absolutely dominant and that was the mainframe culture they had. So much so that when the market started changing to distribute distributed computing they refused to see the sign till it started hurting and fortunately in the nick up of time they could change this culture and so they came out. When they focused all their energies on the vast strength that they had in R and D so on they could but some people say they have still lost out a lot on people like apple and so on. This is a value view.

So, distinctive corporate culture has become a competitive advantage in itself, provides an important bonding amongst people to work as a coordinated team to fulfill organizational objectives. it is so very important when you talk of very large and dispersed organizations when you don't see each other when you rely all the time on information flow but timeless consistent kind of culture that you built up in very large organizations. All right. So with that we come to end of today's session and in the next session, which is on the ninth of April.

Thank you.