Driving Organisational Growth

A case study of a company that used sharp focus on Talent, Processes and Cost Control to navigate its way to transformation

talentonic

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The Background

This client is a leading manufacturer of low voltage electrical and electronic controls in India. They operate in the electrical switchgear manufacturing industry. The company employed ~700 permanent workforce split across the corporate office, marketing offices and manufacturing locations. While competitors grew fast, the client organization had a flat revenue growth over the last many years with a tapering bottom line. This resulted in their facing issues like declining market share, low innovation, lack of modernization, cost pressures and therefore low investments.

Problem Statement

Our engagement with the client was to strengthen Human Resource levers like agile and efficient Organization Structure, Talent, Performance Management and Review cadence to help the organization perform as per market opportunity. During the course of the assignment we identified the following issues:

01 **Lack of role clarity and KPIs**
Roles in the organization were legacy based and the number of roles were added basis requirements from managers Vs business need. This not only increased the employee cost as % of sales but, also created role ambiguity

02 **Weak review cadence**
Across the organization focus on reviews and MIS was low and decisions were more people centric rather than data driven. A weak review cadence had given way to low focus on performance

03 **Dated HR processes**
While the company had invested in digital technologies the HR processes and systems were dated and were not able to drive a culture of collaboration, efficiency and ownership

04 **Limited focus on Talent assessment and growth**
The organization had not focused much on identification, growth and retention of key talent and this had created a culture of mediocracy

The company wanted to move from a "Non-Performance" framework to a "Performance and Process" framework and wanted to become ready for growth in a phased manner.

Our Intervention

1. **Defining the structure and roles for the future**. We conducted one-on-one meetings with the leadership team, FGDs and group sessions with senior management to understand the organization's current state. This coupled with analysis of HR data like attrition, performance ratings, etc. helped to create an organization scorecard. Thereafter, study of organizations with similar requirements was conducted. These all were then amalgamated to create a consolidated organization structure that was unique to the organization and while it was focused on the future, it still kept the good parts of the organization's glorious history. Roles and responsibilities for the leadership team and departmental and individual goals/KPIs were defined.

2. **Setting the performance and reward framework for the ideal state**. Reviewed and revamped the Performance Management System (PMS) and linked it to other HR systems. Created a competency model for the client. A comprehensive variable pay structure was implemented in the organization. A robust review cadence mechanism was set wherein we worked with the leadership team to define the review formats, frequency and even participated in the initial reviews to ensure the same is engrained in the Organisation's daily working.

3. **Removing redundancies to create an efficient organisation**. Opportunities to eliminate redundancies and overlaps were identified. Discussions with the department heads were conducted to understand the processes and unique roles. Role workshops were conducted. A custom template was used to capture the job role activities. Activities consuming the most time were shadowed. A thorough work load and time analysis of the roles helped rationalize the organization structure and make it leaner.

4. **Talent assessment and capability development**. 360-degree feedback and assessment centers for the employees were conducted to assess the available capabilities within the company. Capability development paths for the employees were then recommended.

Business Benefits

1. The client was able to achieve an annualized savings of ~Rs. 2.25 Cr. through manpower and structure optimization.
2. Talent assessment and development capabilities of the company significantly improved with a new Performance Management System in place.
3. The client was able to identify key pools of talent and develop them. This also led to identification and exit of non-performers at senior levels.
4. On the back of the changes implemented, the client organization was effectively able to double its revenue over the next 2 years.

Our Learnings

1. Organisations especially those with a long history rely heavily on their tenured and trusted senior leaders and therefore, sometimes lose track of the talent, processes, systems required for future growth. As industries undergo change there is also a need to re-access an organisations talent inventory, performance systems and structures.
2. A strong performance management system and review cadence is essential to successfully implement any change
3. To grow, it is not always necessary to increase an organisation's structure and manpower. It is important to identify pools of redundancies and also pools to be strengthened. This client organization was able to double their revenue with a structure that was 15% lighter.