

21/3/2018



**DOON UNIVERSITY**

**SCHOOL OF MANAGEMENT**

**MID TERM EXAMINATION –MARCH 2018**

**LEADERSHIP SKILLS & PRACTICES-MMS 517**

**MBA-II SEMESTER**

**TIME: 2 hrs**

**MAX MARKS : 30**

1. "There is a darker side to leadership too". Explain. 10 marks
2. Discuss the case given: 20 marks

## Consultancy Development Organization

Unnat Kohli wrote this case under the supervision of W. Glenn Rowe

It was just after 3 p.m. on Friday, January 4, 2008. Rohit Sharma, director of Consultancy Development Organization, stormed into the office of the deputy director of projects, Mukesh Kumar:

One of our organization's prestigious members, Krish Industrial Consulting Limited, has complained that it received the information on the Mahanadi Electrical Company proposal from us after the last date for submission. As a result, it has lost the opportunity to participate. Why was it delayed?

Kumar replied:

It takes time to gather information. We engaged New Infotech Limited to collect the information. They took their time to send the information. We have to follow government rules to get it printed in our newsletter, *Business Opportunities*, and then it is mailed to all members. There are procedures. What can I do if there is a delay? I have to follow these procedures.

"Do we have any plan to reduce the time lag so we can get the information to our members in time for them to use it?" asked Sharma.

"No. We work as the government tells us from time to time," replied Kumar.

Sharma could not believe what he had just heard. This was not the first time that he had felt let down by his employees. He left the room feeling embarrassed and vowing to himself that this latest incident would be the last.

### Consultancy Development Organization

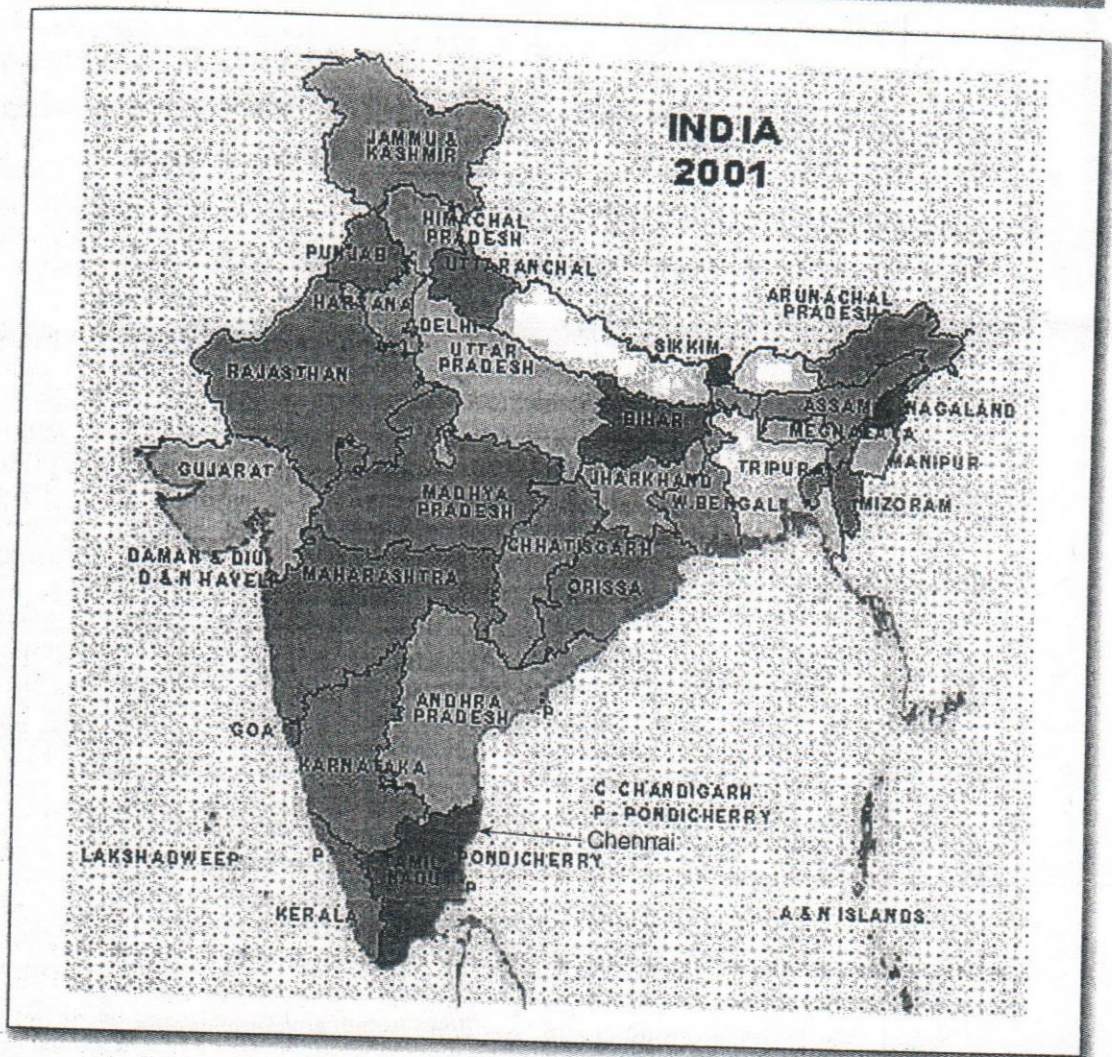
In January 1990, Consultancy Development Organization (CDO) was set up by the Indian government in conjunction with the Indian consultancy industry as a not-for-profit body to help develop the Indian consultancy profession. CDO acted as a facilitator by providing information on consulting opportunities, a database on consultants and a platform for policy suggestions and networking. Among its main activities, CDO organized annual conferences and training programs and published a fortnightly publication on business opportunities, which listed CDO's expected consulting assignments.

CDO was based in Chennai (see Exhibit 1) and its membership included 200 individual consultants and 40 consultancy companies. It was headed by a full-time director, Rohit Sharma, who was supported by eight professionals and 20 support staff (see Exhibit 2). The Governing Council (the board) of CDO comprised 20 members, of which two-thirds (14 members) were elected by the general membership and the remaining members were nominated by the government. CDO's chairman was appointed directly by the government for a fixed two-year term. Approximately three-quarters of CDO's annual expenses were met through government grants.

### Rohit Sharma

Rohit Sharma joined CDO in October 2007, as a full-time director. He had an MBA from the Indian Institute of Management (IIM) in Ahmedabad, India's premier business school.

**Exhibit I** Map of India

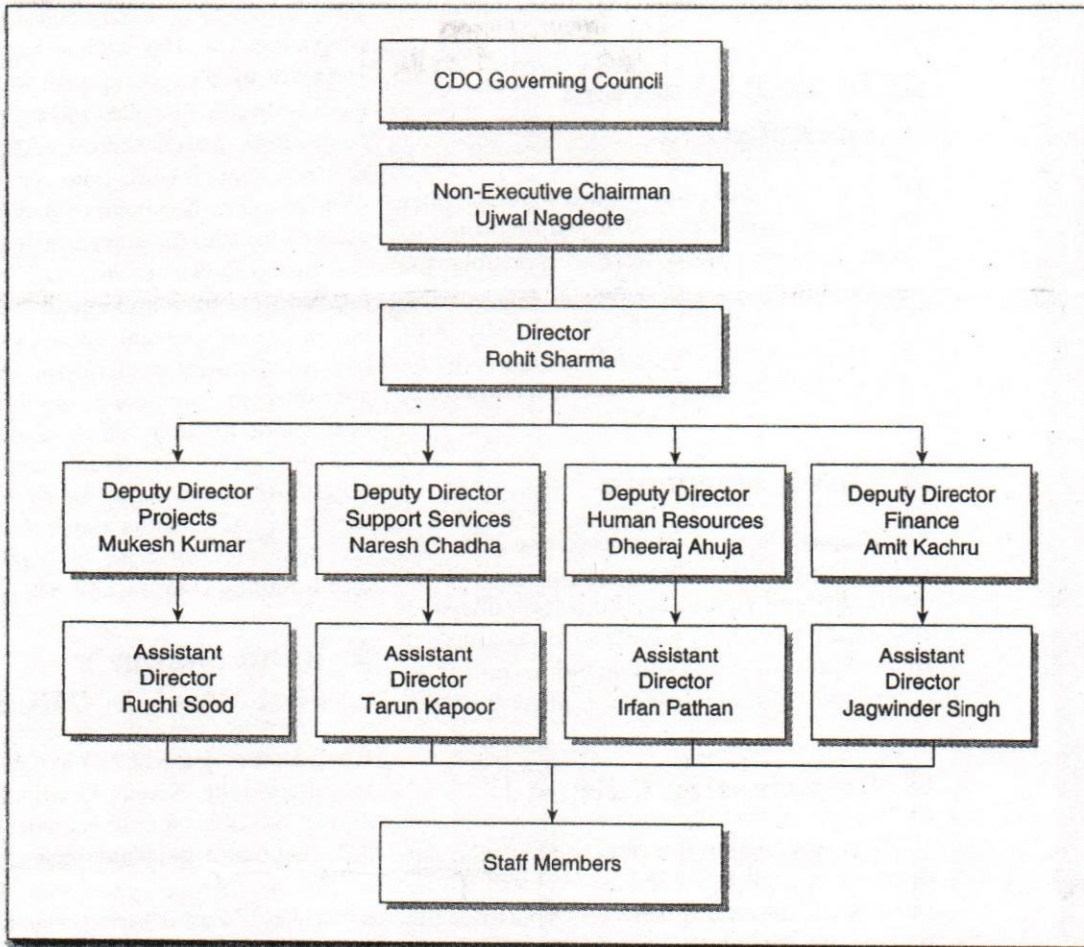


SOURCE: Office of the Registrar General and Census Commissioner, India, "India 2001: State Map." Retrieved from [http://www.censusindia.gov.in/maps/State\\_Maps/maps.htm](http://www.censusindia.gov.in/maps/State_Maps/maps.htm), accessed April 12, 2008.

Prior to joining CDO, Sharma had worked for 20 years in various positions in the industry, consulting both in India and abroad. Sharma had a reputation for being a hard task master and a dynamic, hard-working person with a vision.

Sharma had been appointed to the post of director by the Ministry of Industrial Promotion, which was the nodal government ministry in

charge of CDO. Prior to Sharma's appointment, the Ministry of Industrial Promotion had used the CDO director position as a parking place for unwanted government officials, a practice that had led to three directors joining and leaving CDO in the last three years. Nevertheless, Sharma accepted the challenge of leading CDO and turning it into a leading player.

**Exhibit 2** Organization Chart of Consultancy Development Organization

SOURCE: CDO Organization Chart.

### **█ Mukesh Kumar**

Mukesh Kumar received an engineering degree from Delhi University. After graduation, he worked as a junior engineer in a government organization. He joined CDO in 1992 as an assistant manager and had progressed through the ranks to become one of four deputy directors who reported to the director. Kumar was hard working and knowledgeable but lacked ambition and drive. He was currently the deputy director

of projects at CDO, the second-most prestigious profile in CDO after the director.

### **█ Naresh Chadha**

Naresh Chadha, a commerce graduate, had been employed at CDO since its inception in 1990. He was politically well connected and regarded as a hands-on employee. He had worked in various positions in CDO, ranging from administration to marketing, and was

currently deputy director of support services. His work included organizing annual conferences and conventions. He reported to the director.

### ▣ Dheeraj Ahuja and Amit Kachru

Dheeraj Ahuja and Amit Kachru were the other two deputy directors at CDO who reported to Rohit Sharma. They were responsible for human resources and finance, respectively. Prior to joining CDO the previous year, both Ahuja and Kachru had spent their entire careers serving the Indian government in various roles.

### ▣ Ujwal Nagdeote

Ujwal Nagdeote was the non-executive chairman of CDO, appointed by the government. He was a politically well-connected, knowledgeable and respected figure in the industry. Nagdeote served on the board of a dozen leading Indian companies and played a dormant role in the affairs of CDO.

### ▣ Organization Culture

CDO had four deputy directors and four assistant directors. The deputy directors reported to the director, and the assistant directors reported to the deputy directors (see Exhibit 2). The director, deputy directors and assistant directors comprised the officer category, and the 20 support staff (personal assistants, secretaries, clerks and peons<sup>2</sup>) comprised the Class II category. Each officer had at least one personal assistant or secretary and one peon. All clerks worked in the administration wing of CDO, where all files were located.

In 1990, when CDO was established, the staff was recruited according to the structure prevalent in government organizations. In the early 1990s, clerks were needed for typing and

administrative tasks, and the peons were required to run office errands, such as delivering files, dispatching letters, serving water, and preparing tea and coffee for the officers. However, by 2008, computers were available to all the officers, and coffee and tea machines were common in the office. The clerks and peons did not have enough work; however, they were very difficult to fire, because they had job security, in accordance with the government system.

At all levels of the organization, the salaries were fixed and equal with no variable pay or rewards system. As a result, employees had no incentive to perform. Until Sharma's appointment, no outside appointments had been made for the past 10 years. The culture was not very professional, and government organizations constantly interfered, wanting to use the CDO facilities (such as CDO's office car) and staff for their own purposes. As a result, morale within CDO was poor.

### ▣ Rohit Sharma's First Week In Office

When Sharma joined CDO in October 2007, he was greeted by Naresh Chadha and Mukesh Kumar, two of his four direct reports. That week, the attendance was abysmally low. Sharma learned that most of the staff were absent because it was Diwali<sup>3</sup> season. Even though Diwali was five weeks away, some of the employees had taken time off to be with their families and friends. They had scant regard for Sharma, which was reinforced through their absence. Sharma was aghast to see that no one on the administration staff had bothered to fill the water coolers with fresh water or to clear the cupboards in his office.

### ▣ National Convention

CDO was organizing the National Convention scheduled for January 15, 2008. For this annual

<sup>2</sup>Peons were persons of menial position, such as messengers and servants.

<sup>3</sup>Diwali, the festival of lights, is an important festival celebrated throughout India.

conference, eminent speakers had been invited to address consulting issues and discuss their experiences with the participants, generally the member organizations and individuals and executives from the corporate sector.

On January 4, 2008, Sharma went to the office of Naresh Chadha, the deputy director in charge of the National Convention to inquire about the conference's progress, particularly the number of speakers that had confirmed and the number of participants that had registered.

"We sent letters to the members. Their responses continue until the last date. We have not set any targets. Do not worry. We will have good numbers," replied Chadha, casually sipping his tea and eating pakoras.<sup>4</sup>

Sharma returned to his own office an unhappy person. He was feeling uneasy: there was not much response to show and most activities had been delayed. The annual conference was not expected to be successful. The attitude of most employees was callous and inept. The fiscal year-end was on March 31, and he was concerned that CDO's performance would be seen as much below average.

### International Consultancy Congress

The International Consultancy Congress was scheduled to be held in London, England, from February 3 to 6, 2008. Sharma thought it would be a good opportunity to interact and network with consultancy organizations in other countries. He considered taking one of his officers with him to boost morale.

According to government rules, any foreign visit had to be approved by the Ministry of Industrial Promotion. Thus, Sharma had sent the proposal for his own participation and that of Naresh Chadha on December 1, 2007. After several follow-up attempts, he was informed on January 3, 2008 that the proposal had not been accepted. This rejection had a

<sup>4</sup>Pakorras are a deep-fried South Asian fritter made by dipping pieces of vegetable in a chickpea flour batter. They are generally eaten as a snack.

further demoralizing effect on employees who now thought that Sharma, despite all his talk, was not able to do much.

### Sharma's First Three Months

Sharma realized quickly that employee morale at CDO was very low and was compounded by the absence of career development and low remuneration. The company had no clear strategy or direction. The government grants took care of the salaries of staff and the administrative expenses. Consequently, employees had no motivation to perform or to increase the business.

"How are we expected to facilitate our members?" asked Sharma.

"It is not our concern. In any case, the members pay very little and our salaries are paid by the government. You should not worry so much. Whether you undertake the same or more activities, you will be paid the same salary," advised Kumar.

Sharma faced the choice of continuing on the path of his predecessors (i.e., doing nothing new and having an easy time) or working towards a turnaround strategy for the organization and setting it on a growth path.

### The December 28, 2007 Meeting

Sharma had called a meeting of all officers and staff on Friday, December 28, at 9 a.m. He asked them for ideas for the growth of CDO. Divergent views were expressed:

CDO has been in existence for 18 years and has been doing well. It can continue to function as such.

The government grant received annually is sufficient to pay for the salaries and some activities only.

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alk,

We are a government controlled organization. We undertake activities as directed by the controlling Ministry of Industrial Promotion.

There is no incentive for extra effort or growth. Following the government pay scales, we get the same salary whether we do the same activities or take up more.

Members of CDO pay very small subscription [membership fee]. They are not interested in any major initiatives, which may lead to their paying more subscription.

Sharma disagreed. He observed that he had joined the organization because he believed it had great potential. Consultancy was fast growing, and India had an edge in the global consultancy field because of a large professionally skilled pool of workers and the relatively low cost of consultants. CDO could greatly help in developing the consultancy profession in the country. He outlined his five-year vision:

- CDO should be fully self-supporting and not dependent on government grants. For this purpose, CDO must increase its income from its own activities by at least five times.
- CDO should function on a non-government pattern and the employees need to be accountable for results.
- CDO should strive for a 10-fold increase in memberships, both individual and corporate. The members must benefit from CDO's activities. They must receive information about a larger number of business opportunities within the country and abroad, online, without delay.
- CDO should help consultants in consultancy exports, through studies, data collection and providing opportunities for networking.
- CDO should function as facilitator by using its government links for policy intervention to promote the profession.

- CDO should also take up consultancy assignments that can be outsourced to its members, to generate income and to help employ its members.
- Support staff need to be given work responsibility after being trained in new skills that can be useful for the organization.
- Employee morale needs to improve, performance needs to be linked to incentives and promotions need to be introduced.

Some of the executives were enthusiastic but only if these changes could lead to better prospects for themselves. Others expressed apprehension, particularly regarding the operational freedom they would have from the controlling ministry. The Governing Council also had to be consulted for endorsement.

### **✶ Mahanadi Electrical Proposal Incident**

Mahanadi Electrical Company (MEC) was an electricity distribution utility in the eastern state of Orissa (see Exhibit 1), which supplied electricity to about one-fourth of the state. The distribution system was very old, and breakdowns were frequent, as were the failure of transformers and interruptions to the electrical supply. Consumers were unhappy, and the State Electricity Regulation Commission had asked MEC to revamp the distribution system. Accordingly, the company had invited bids for consultancy work, which involved the preparation of a feasibility report for the revamping of the distribution system. This major assignment was worth about US\$2.5 million, and few consultancy companies had the necessary competency in this field.

Krish Industrial Consulting Limited (KICL), a founding member of CDO and one of the competing companies bidding on the MEC project, was confident of being awarded the assignment and was waiting to receive the information needed to bid for the job. On behalf of CDO, New Infotech Limited (to

whom this work was outsourced) was collecting information regarding potential consultancy assignments from tender notices published in newspapers, websites and other sources. This information was then passed to CDO, which published it in a fortnightly newsletter that was mailed to all of its members. The last date for receipt of bids by MEC was December 15, 2007, but KICL received the CDO newsletter with the information on this assignment on January 1, 2008. The CEO of KICL had expressed his disappointment to Sharma regarding the delay.

### ✦ January 4, 2008 Incident

On January 4, Sharma stormed into the office of Kumar to inquire about the MEC proposal and why it had been delayed. Kumar had been non-apologetic and

unfazed that KICL lost the opportunity to participate. He had justified the situation by suggesting he had been following government guidelines.

Sharma could not believe Kumar's lackadaisical attitude. KICL was an important member of CDO, yet Kumar seemed unper-

turbed by KICL's loss of business because of CDO's delay and ineptness. Kumar's attitude was a clear reflection of the state of affairs in the organization. Sharma left the room very frustrated. Things needed to improve or CDO would lose its elite status as the nodal agency for consultancy in India, and his career would be at stake.

Sharma wondered whether he had made a mistake by accepting the director's position and whether he could do anything to improve the situation at CDO.

## ———— Navigating Through Leadership Transitions ————

### Making It Past the Twists and Turns

By Christine M. Riordan

*All things change; nothing abides. Into the same river, one cannot step twice.*

—Heraclitus

*Agility and adaptability are mandatory these days, as leaders prepare, manage, and sometimes reinvent themselves in order to navigate the twists, turns, and transitions they must make. Otherwise, making the wrong move could eventually scuttle a once-promising leadership career.*

Many points in our jobs and careers require, even demand, changes in our leadership behaviors, competencies, attitudes, and thinking. How well we navigate these potentially treacherous junctures often determines our ultimate success—or failure—as leaders.

Whether change involves the strategic direction of the corporation, a merger, acquisition or reorganization, the development of a new product line or a shift in the competitive market place, or new bosses or co-workers, leaders must constantly monitor their environment and adjust their leadership skills to match the new demands. This requirement for constant personal modification can be daunting for anyone not agile enough to adapt.

It is imperative that leaders determine how they need to adjust their leadership behaviors and style to navigate the changes surrounding them. This task sounds easy, but