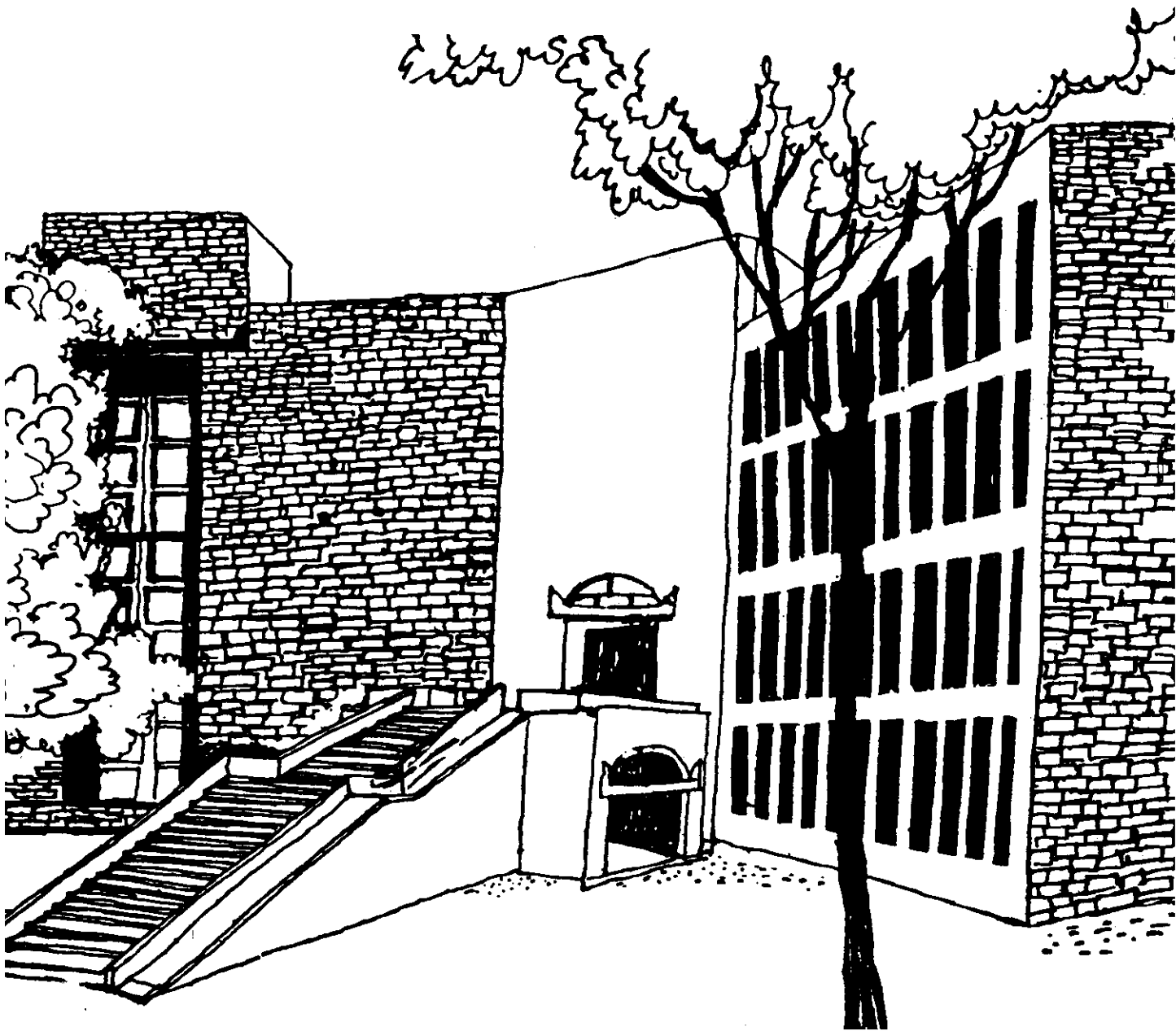# Working Paper

Discovering People Potential:
Organisational Constraints
and Facilitators

Deepti Bhatnagar
Mukund R Dixit

WP1264

WP
1995
(1264)

Indian Institute of Management
Ahmedabad 380 015, India

Discovering People Potential:

Organisational Constraints and Facilitators

Abstract

The paper highlights the importance of discovering people potential for organisations. It argues that constant search for people potential in teams and as individuals has to be an important item on organisational agenda, more so in the current context of rapid changes in the environment of today's organisations. Potential discovery processes are needed for fuller utilisation of talents which often remain unidentified and underdeveloped. After presenting a conceptual framework, the paper discusses organisational factors which influence the potential discovery process. It presents the case study of a successful organisation which has consciously chosen systems and processes that facilitate the discovery, development and utilisation of people potential. Need for organisational mechanisms to sustain the potential discovery process is emphasised.

Discovering People Potential:
Organisational Constraints and Facilitators

Background

This paper is based on our learning and insights garnered primarily in a project on Innovations in Management, sponsored by the International Management Development Network (INTERMAN), Geneva. In this project we studied a variety of Indian organisations which were committed to unconventional mission and objectives, and which developed and utilised new approaches to managing people and organisations. As we tried to make sense of our learning from these organisations, it began to dawn on us that whereas innovative organisations were different from conventional organisations in the same industry in a variety of ways, they shared a striking similarity with each other - namely their constant search for people potential. Such organisations did not believe that the capabilities of their people were confined only to the areas denoted by their qualifications, past experiences, and present departments and designations. And the organisations took it upon themselves to discover the untapped potential. On reflection we noted examples of similar explorations in other organisations known to us through our teaching, research, and consulting assignments. We also felt that there could be many organisations which may not have realised power of their organisational mechanisms and processes in discovering the potential of their people. When we confronted the managers with our analysis of the implications of their processes for potential discovery and their impact on people, they exclaimed: "Is that so? We did not know that this was also happening." We feel that this aspect of people potential discovery be looked at formally and presented to academicians and practitioners.

A preliminary presentation of some of the ideas to a gathering of HRD professionals had evoked "Sounds good but tell us more when you have developed these ideas further" kind of response. In this paper, we have made an effort to develop potential discovery as a concept and discuss the organisational factors which facilitate and obstruct the discovery of people potential. The paper also presents the example of an organisation that has made potential discovery an integral part of its way of managing. For want of space, comprehensive survey of literature is not included here.

People Potential: Its Meaning and Need

The term "potential" refers to a 'future promise', 'a capability that is hidden'. 'Potential' is a catchall term used to represent unidentified or unsurfaced knowledge, skills, attitudes and behaviour that can make a positive impact on the organisation and its linkage with the environment. At the organisational level, potential can refer to the capacity of the organisation to offer goods and services, and to respond to changes in the environment, beyond the proven capabilities. The organisation can make a hitherto unknown impact in the present domain or enter a new domain and make a mark. It could lead to novel and unusual posturing of the organisation vis-a-vis its external and internal environment. Organisational potential is more than the arithmetic sum of the potential of the people in the organisation. For organisational potential to be identified, it becomes imperative to discover the people's potential first.

A Second Look at Johari Window

Johari Window (Luft and Ingham, 1961) provides a useful way of presenting our ideas. In Johari Window, the, Open area of the window shows all those attributes which the individual as well as those who interact with him/her know about. Blind area includes individual attributes about which other people know but the individual himself/herself is ignorant. The Hidden area includes attributes which the individual is aware of but which are not visible to others. Finally, the Dark area consists of latent attributes of which the individual as well others are ignorant about. Although it presents an useful framework for enhancing self-awareness, Johari Window is extensively used in training and

educational programmes for identification of *weaknesses* of individuals and the need to broaden the Open area through self-disclosure and giving *negative* feedback.

If we use the window to look at the strengths of individuals in the organisation, another perspective emerges. A second look at the window suggests that it could be a valuable framework for looking at people potential. A diagram is presented below.

A Window for Potential:

Strengths of the individual	I Know	I Don't Know
Organisation Knows	OPEN AREA Are there enough opportunities?	BLIND AREA Can the organisation communicate and build?
Organisation Does Not Know	HIDDEN AREA Can I get a chance to express?	DARK AREA Can we discover together?

Adapted from: Joseph Luft and Harry Ingham. "The Johari Window", *Human Relations Training News*, 1961, 5(1), pp. 6-7.

In the OPEN area, where presumably the individual as well as the organisation knows about untapped potential, the important question is about the availability of opportunities in the organisation to utilize the talent. Do sufficient conditions exist, and if not, can such conditions be created by altering work allocation, group composition, task boundaries, power distance, etc. to ensure fuller utilization of potential?

In the BLIND area, where the individual is unaware of his/her potential as seen by others, a key issue is about sharing such perceptions with the person concerned. An equally significant concern is about lending organisational support so that individuals can develop the chance display of talent into an enduring ability. For such growth to occur, it is necessary to provide time and encouragement to individuals. Also, provision of organisational space for relevant exposure and grounding is necessary.

The blind area depicts a situation in the organisation where the individual may not be aware of his/her skills in a particular area, managing interpersonal conflict, for example. The promise of such a skill may become apparent to others who at several occasions may have noticed the natural flair of a particular individual to resolve such conflicts effortlessly. This is a situation where the organisation has identified the potential but the individual is unaware. This could be because the individual did not pay explicit attention to it or the individual never looked at himself that way. The organisation needs to communicate its understanding to the individual, encourage the individual to make explicit efforts to develop the attributes further, and ensure organisational support for such development.

In the HIDDEN area, the concern is for the individual to share one's self-knowledge about abilities and talents with the organisation.   In such a case, the difficulty is about getting a chance to share with others one's strengths, and not be seen as boasting. Often both these conditions are hard to find. In the daily organisational battle to meet routine pressures, efforts to raise nonroutine issues often do not register. Obtaining organisational attention becomes yet more difficult if the nonroutine issue concerns one's own hidden talents. For information about people potential to surface, a climate of trust and openness is desirable. People need to believe that self disclosures are valued and earnestly followed up, and not ridiculed or ignored. Follow up requires organisational systems to register such

information, commit it to the organisational memory, and subsequent efforts at an appropriate time to develop and utilize the potential.

The hidden area presents a situation where the individual is aware of his potential but the organisation is not. Reasons for this need to be explored. May be the individual is not happy with the opportunity given to him and hence he is deliberately hiding his potential, or he did not find an appropriate forum to express himself. Reducing the hidden area implies disclosure by the individual of his/her strengths to others who may not be aware. Such disclosure can stimulate others to provide opportunities to the individual to develop the abilities further and apply them in the organisational context. The other reaction could be ridiculing. This would discourage the individual from sharing further. Here again the organisation has to worry about creating an environment for sharing and development. Willing reduction of the blind and hidden areas by 'sharing the good news' can ensure that more positive information is available in the 'open' quadrant about the potential of people to contribute their talents. Some organisational mechanisms for utilising such talent are discussed in a later section.

The DARK quadrant in the window presents the greatest challenge. As discussed earlier, the foray into the unknown can at times throw up pleasant surprises. The real challenge of discovering potential lies in trying to reduce the dark and unknown area as most of the potential of people lies dormant in this area. Organisations that develop approaches to fathom this unknown reservoir meet pleasant surprises from time to time. Celebrating such surprises helps the organisation as well as people to achieve more and discover more. It becomes a rewarding experience for everyone associated with the exploration. The discovery of potential then needs to be linked up with organisational plans for consolidating the abilities and their subsequent utilization. However not all explorations into the unknown meet with success. There may be times when false hopes and misleading signals, errors of judgment or intentional attempts to mislead render the effort futile. The challenge is to create an organisational climate in which discovery of potential is highly regarded and occasional setbacks are taken in stride.

Why Potential Discovery Processes?

The need for discovering potential and channelising it to meet the objectives of the organisation has intensified today. With increasing liberalisation of the Indian economy rapid changes in work technologies, competition, regulations, organisational alignments with the environment, community expectations, etc. are forcing organisations to think about new skills, abilities, and attributes required to meet the challenge of change. To cope with such changes, organisations are trying to reengineer themselves and uncover new sources of competitive advantages. A common organisational response to such pressures is to checkout 'dead wood' in the organisation and hire new people who have proved themselves in the required field and build around what is 'known' in people. A natural corollary of this is to signal obsolescence to existing members who have not 'displayed' the requisite skills and capabilities. Downsizing, voluntary retirement schemes, and sometimes multiskilling through training are consequences of such an approach. The costs to employees are tremendous. If they are fired, it has terrible implications for them and their families, particularly in the Indian context where alternate job opportunities are extremely scarce. Hiring new employees entails the need to acclimatise them to the new culture, and need not always be a smooth process. If employees are not fired, but made redundant by the onslaught of unfamiliar technology, living with a sense of personal inadequacy can induce high psychic costs for people. Having to absorb redundancies inflates financial burden for the organisation.

Potential discovery processes should provide considerable help to organisations to overcome these problems. In a discussion with the chief executive of a large telecom organisation, we found that the organisation provided meaningful opportunities to seemingly 'redundant' employees by opening out training in electronic technology to all those interested. The programme was *not* confined to people

3

who were young and had science background. The CEO and his team were surprised to find that some of the older employees displayed 'unusual' skills in absorbing the new technology. Organisations often lose such opportunities because they do not try. The thought of enabling employees to learn and do something different has not occurred to them.

In another instance, the Blind Men's Association (BMA) located in Ahmedabad asked itself why it should look only at the eyes of the blind and design programmes that enable the blind to cope with their handicap. Instead BMA decided to look at the other faculties the blind have, and developed programmes to strengthen and utilise them. This led to the development of various unconventional programmes like computer training and software development, stenography, and school of physiotherapy (which is the first of its kind in the country). BMA even organised a cricket match for the blind. The principle followed by BMA is simple: Instead of preoccupation with weaknesses, discover strengths and develop them.

Organisational processes of discovery and subsequent utilization of the not-apparent attributes forge a bond between the discoverer and the discovered. This in turn provides new linkages with the environment.

Current Approaches to Potential Management - A Critique

Current approaches to spotting strengths pay substantial attention to seeing what is obvious. Literature in human resource management is devoted to exploring improved methods of employee selection, recruitment, training, appraisal, feedback and counselling, etc. (Dessler, 1991). The emphasis in these approaches is on dealing with known capabilities. The proxy indicators of capabilities are the candidate's academic background, prior experience, performance in company's interview and written test, references and recommendations by others and the hobbies of the candidate. This assessment is partial and static. Partial because the assessment is governed by the organisation's current needs. It is static because it does not provide for strengths the candidate might develop after joining the organisation. For example, for recruiting employees, selection methods suggest how best to design application blanks so that candidates get a fair chance to disclose all relevant information about themselves, and organisations get a fair chance to assess the suitability of candidates in relation to competency-requirements of organisations. For conducting selection interviews, members of selection committees are suggested techniques which can help them gather maximum amount of relevant information in a short time about proven competence of candidates as evident from their academic achievements and earlier work experience (Campion, Pursell, and Brown, 1988). Candidates on the other hand are advised on how best to highlight their strengths in a job interview by giving proof of their past accomplishments (Payne, 1979). The accent is on the known area. This comfort with the known and the proven is understandable at the entry stage when organisations have little time and opportunity to venture into the unknown area.

In most organisations, the preoccupation with the known continues after the entry stage. Initial placement decisions are based on past qualifications and track record. Subsequent job assignments and work allocations rest on the individual's past contribution in the organisation. Building upon the known enables people to consolidate their skills and competencies in a particular area. It gives time for their skills to mature in a specific field. Increased familiarity enables them to think of improved ways of performing and may, if creativity is encouraged, even lead to product- and process-related innovations. Concentration of individual energy in a narrow field can result in noticeable contributions to the organisation and sometimes to the profession. Building upon the known reduces risks and uncertainty; also it can result in solid member contribution to the defined area which is a valued outcome for any organisation. But preoccupation with the known alone has restrictive implications.

Intensive focus on one area excludes numerous possibilities of development and contribution in other areas.

To us, the organisational challenge is to initiate and legitimize an occasional peep into the dark, and discover jointly new interests, talents and possibilities. To put it differently, organisational challenge is to increase the open area by reducing the field of the unknown, which by its very definition is infinite.

Organisational Factors Influencing Potential Discovery

A number of factors influence the way people potential is discovered or not discovered in organisations. In our field work we have been able to identify the following.

☐ Organisation's View of its People
People are referred to as human resource by organisations. In so doing, people are treated on par with other resources in the organisation like money, material, equipment, and technology. Organisations tend to develop their human resource management strategies on the following implicit assumptions.

- The resource has only those attributes that have been identified by the organisation.
- The resource is available exclusively to the organisation.
- The attributes of the resource change only when the organisation initiates a process of change.

This view by the organisation constrains the potential discovery process. Moreover, these assumptions are not valid. People possess many attributes in addition to those identified by the organisation. These attributes influence their functioning. In addition, unlike machines, people are members of many other organisations. They belong to a family, a club, an association, etc. People learn from and are influenced by these organisations as well. Interaction with the employing organisation is one of the many sources of change in their attributes. Hence their attributes change even without any intervention by the organisation. The organisation has little or no control over such changes. Furthermore, these new attributes are carried to the organisation.

In view of the dynamic nature of this resource, a continuous process of identifying the attributes and the changes therein is needed. Static assumptions restrict the discovery process. Negative, static assumptions and expectations also tend to fulfil themselves (Livingston, 1988). Being aware of the distinctly different characteristics of human resources can help the organisation to discover people potential as it develops in response not only to the interactions within the organisations but also outside the organisation.

☐ 'Sticking to the Knitting' and 'Core Competence'

Strategies that exhort corporations to stick to the knitting (Peters and Waterman, 1982) and to identify their core competencies (Prahalad and Hamel, 1990), and build their product market strategies around them restrict the potential discovery process. The processes and strategies that strengthen the core competence are accepted. Possibilities of engaging in apparently unrelated activities and discovering potential for new competencies are not even considered.

Following the core competency argument, many organisations cope with market pressures by divesting their non-core businesses. This could lead to loss of significant potential which organisations need to consider before divesting.

☐   Stretch Strategy

On the other hand, strategies that stretch the organisation would lead to the discovery and exploitation of new potential. Hamel and Prahalad (1989) have talked about goals that are out of tune with current organisational resources. They have coined the term 'strategic intent' to express this goal. Among several examples of strategic intent such as 'Encircle Caterpillar', 'Beat Xerox', 'Be a second Ford' and 'C&C', it is 'C&C' which would lead to a better potential discovery than others. C&C tries to link the then unrelated fields of computer and communication. Other intents like 'Beat Xerox' where the focus is on doing better than Xerox, limits the potential discovery process. All the energies of the organisation are channelized towards beating Xerox. Any other effort like developing alternative uses of the 'toner' is out of step with the 'strategic intent'.

Compared to the 'strategic intent' approach, many Indian companies have pursued "single product" strategies. Organisational efforts are spent on making a single product produced with foreign collaboration a marketing success. The employees are trained at the collaborator's place to do exactly what the collaborator is doing. Thus replication of task technology of the collaborator and adoption of his rules of the game restricts the potential-revealing possibilities of Indian organisations. Invariably when such an organisation expands or diversifies, it is a case of another foreign collaboration and another round of restrictions.

☐   Academic Qualifications

Academic qualifications tend to assign competence labels to people. It becomes difficult for them as well as others to think beyond those labels even after the employee has spent considerable time in the organisation. For example, for somebody trained as a mechanical engineer and posted as a design engineer, neither the individual nor the organisation considers unrelated future responsibilities such as training and counselling, or marketing. As cognitive misers, organisations let their members' past qualifications influence the assignment of future responsibilities.

This hangover gets expressed as follows:

- An engineer is an engineer is an engineer.
- An accountant is an accountant is an accountant.
- How can you be assigned this job? You are not academically qualified to do this.
- Are you an MBA?
- You neither have knowledge nor experience in this field. How can you be considered for this job?

Recognising this hangover as a block to people development is the first step in overcoming it. Encouraging people to try out things outside their academic boundaries could help discover the new potential.

A housing construction company overcame this block successfully. It installed computers in its office and loaded a sophisticated design software. It then asked all the interested employees to learn, to try and exploit the full potential of the software. This encouraged its

members to experiment with the unfamiliar, and in the process to discover their hidden potential. The company has followed unconventional methods for allocating responsibility to its people: personal interest more than past degrees and expertise have determined areas that members have chosen to contribute in. This flexibility and freedom has resulted in extraordinary self-learning and growth for individuals, and numerous surprises in terms of unexpected talents for the organisation.

☐   Designations

Designations often connote not only task responsibility but also expertise (for example, Vice President Marketing is expected to be an expert on marketing-indeed that is often the stated reason for assigning the responsibility of marketing to him/her). Such perceptions tend to associate individual competence to those labels alone, and to little else. This gets expressed in organisational conversations as

-     You are Manager-Marketing. How can you attend the meeting on quality control?
-     You are a worker. This is a managerial responsibility.

☐   Hierarchy and Formal Reporting Relationships

Often the structure of the organisations limits the potential discovery process. In hierarchy-oriented organisations, the superior-subordinate interactions centre primarily around the task. Relationships are formal and straight-jacketed. Distance between different levels is carefully maintained. Abilities are viewed primarily in terms of suitability for the next promotion in the hierarchy. Thus occasions for new talents to surface are few. Rarer still are efforts by superiors to recognize, channelize and utilize new potential when it does manifest itself.

☐   Bureaucracy and Rule-orientation

Bureaucracy and rule-orientation tend to fog ability to spot new abilities in others. Clear demarcation of task boundaries discourages nonmembers to suggest new ideas and solutions to problems facing a particular section or unit.

☐   Appraisal and Rewards Systems

Appraisal systems that bind both the appraiser and appraisee to performance criteria built around known abilities in known domains come in the way of discovering/expressing new potential. Performance is evaluated with regard to key performance areas (KPAs). A salesman is rewarded if he exceeds the sales target (his KPA). He is not given recognition if he helps the client in resolving his industrial relations problem. He was supposed to sell and not show his potential in solving the IR problems (which may be the KPA for his colleague in the Industrial Relations department. Stepping out of the confines of one's job description is viewed as poking nose in others affairs and is discouraged. The employee is admonished for such behaviour.

In most organisations, the performance appraisal system focuses primarily on key performance areas, and not on discovery of potential and its exploitation. Faced with a narrowly-defined appraisal and rewards systems, superiors and subordinates shun experimentation, learning from failure and doing things they had not done before. This perpetuates the domain of known abilities. Following organisational factors facilitate the potential discovery process:

☐   Cross Functional Small Group Activities

Working in small groups often creates a mutually supportive climate. If threat of evaluation and rejection is low, members feel secure enough to share their undeveloped but different ideas. In a supportive and encouraging group, exploration of one's own promise appears less risky, and therefore easier to undertake.

Forming interfunctional teams gives members a chance to apply themselves to part-familiar and part-unfamiliar tasks. Straddling across the known and the unknown terrain can stimulate new approaches, ideas and abilities to surface. This creates opportunities for new potential identification.

☐   Dealing with Unfamiliar Situations

Having to deal with totally unfamiliar situations can sometimes lead to chance discoveries. A common response to such opportunities is: "How can I do it? I have not done this before." An alternative approach resulting in self discovery could be: "Let me try to do this because I have not tried it before." The outcomes of such opportunities could vary. The stark unfamiliarity can terrorise some individuals into inaction or panic. Supportive attitude could help. For others, the same familiarity forces them to look for resources within and the search, though painful initially, leads to uncovering a dormant interest or talent. Whether the organisation is willing to give an opportunity is the question.

The experience of a company implementing ISO 9000 quality standards in 1990-91 presents an interesting example of such a discovery. At a time when little was known about these standards in the country and therefore little professional help could be sought from external experts, the organisation decided to go in for ISO-9000. What followed was an exercise in self-learning and self-discovery. The organisation started with asking the fundamental question: 'What is ISO-9000 ?' As people struggled to seek the answer, differences in hierarchy and status lost their prominence. Self-learning, sharing and learning from each other became the norm. As organisational effort in moving towards the ISO-9000 series intensified, this common pressure yielded several spin-off benefits. The organisation discovered its potential to work in small, cohesive teams. Those who obtained a better understanding of the system started sharing their understanding with others and new relationships of teacher-taught started emerging. As people from different departments cross audited each other's department, interfunctional capabilities surfaced. "I did not know that you had such a good understanding of my department," and "I did not expect to learn so well at an advanced age" were some of the remarks reflecting the uncovering of potential in a new situation.

In another organisation, we found the process of self discovery almost transforming people. During lunch break in the course of a training programme, we met an internal trainer who was engaged in teaching sessions on Total Quality Management (TQM) in an inhouse programme. He shared with us his excitement at enabling his participants to discover that they indeed had the ability to contribute to quality enhancement. He had been a shop floor engineer all through. The training manager had asked him to teach the Quality Management tools to his workers in the vernacular. This assignment was totally new to the engineer. The engineer worked hard, prepared his notes the previous night, generated illustrations from day to day routines and conducted the class quite well. The trainer was surprised by his ability to teach and face a class room situation confidently. He was thrilled that he had discovered his potential as a trainer. His participants were pleasantly surprised that even at a late stage, they could learn new things about their own capabilities, and in the process, grow as individuals.

8

☐   Culture of Experimentation

'Do it right the first time and every time', is a sound guideline if the task on hand is familiar and can be defined clearly. If the task is new and unclear, then there needs to be provision for experimentation and failure. A culture that encourages experimentation and tolerates mistakes would help discover potential better.

In a housing construction company in Madras, the function of designing houses was recognized as one of the key capabilities. Initially the company had to depend on outside designers. Later, it decided to acquire technical resources for its exclusive use. The need to build draughting skills and work out the estimates internally was felt very strongly. The company made a major investment in some modern technical equipment and state-of-the-art computer software to ensure speed and quality in designs. Architects and draughtsmen were developed to work on the new equipment. All the draughtsmen were encouraged to develop competencies in handling the software. While they were learning, people were not reprimanded or penalized for the mistakes committed. By developing inhouse competence, the company became a major user of modern software for design, and it planned to move into three-dimensional designs. Use of computer technology also offered customers a wide range of choices regarding facilities in their prospective houses. When computers were acquired, senior managers spent a lot of time in developing different applications, particularly with respect to designing apartment houses. According to a vice president of the company, "More than qualifications, it is the inclination to learn and develop capabilities which is key to solving problem". The company provided sufficient space to interested people, irrespective of their qualifications and designations, to experiment and learn computers.

☐   Discovering and Communicating

The culture of experimentation which can absorb initial failures is not sufficient. In a spirit of learning from experiments, failures need to be analyzed and lessons drawn for the future. Also information about the employee potential discovered in the process needs to be communicated to the organisation. "I did not know that you are a good team manager in a crisis," is not sufficient. This aspect needs to be made known in the organisation. It can make every employee a discoverer and discovered at the same time.

☐   Discovery Box

Like suggestion boxes, organisations can have 'discovery boxes' in which people can send information about unexpected talents which may be surfacing in organisational nooks and corners, and like new ideas sent to suggestion boxes, need to be spotted, nurtured and groomed. Organisations can develop mechanisms to process the 'discoveries' sent to the 'discovery boxes' on an ongoing basis.

Potential Discovery Process at Excel Industries - A Case Study

We regard Excel Industries, Bombay, as an interesting example of an organisation which is engaged successfully in the potential discovery process. An analysis of factors contributing to this success is presented below.

Excel Industries, a medium-sized company manufacturing agricultural and industrial chemicals is commercially a great success. With a commitment to retain the traditions of Indian culture, Excel Industries believes in the "dignity and capability of every human being and an environment where

everyone is motivated to realize his or her own full potential."[1] The company has consciously adopted a variety of organisational approaches to ensure an ongoing search and utilization of people potential. It has won several awards for new process development. Following are some of the contributing factors:

☐ **A School-like Environment**

The company has created a school-like environment where there is continuous learning and sharing. Every office has a blackboard. It is a well established practice in the company to go to the 'board' to explain or develop a point. According to Mr K.C. Shroff, the Managing Director, the blackboard eliminates hierarchies and against the blackboard the person is more expressive. It helps in reducing defensiveness. When people present even half-baked ideas, such ideas become the 'property' of the group to be developed further. Broad-based participation in developing ideas on the blackboard right from the inception stage ensures shared ownership of the idea and develops respect for each other's contribution. The blackboard culture of the company is an innovation that has not only developed new ideas but also cross-functional teams.

☐ **Cross-functional Cross-level Teams**

Excel consciously involves as many people from as many functions and as many levels as possible in solving the technical and process problems of the organisation. This is used as a source for developing ideas for new technologies and identifying potentials.

☐ **Emphasis on Multiple abilities in Selection of People**

Whereas high academic qualifications are an important consideration for selection of people, they are not the only inputs. Excel selects people on the basis of their proven competence in the past and potential to develop multiple abilities in the future. Excel believes that the academic discipline pursued by an individual in the Indian educational system reflects one of his several abilities and interests. Thus choice of a profession or a branch need not reflect one's true interests and aptitudes. In a country where the demand for seats in professional courses in academic institutions far exceeds availability, an individual tends to study a discipline or a profession where access is available, or based on what everybody feels is worth pursuing, and puts in his efforts to do well. Therefore building an individual's entire career on past academic qualifications may not lead to adequate utilisation of an employee's full potential. Excel therefore tries to explore other aptitudes and talents of people before assigning work.

Whenever the company sets up a new division, it tries to recruit local people. The corporate philosophy emphasizes taking local people and developing their competencies. The top man, however, is sent from the Excel corporate office to ensure the continuity of the company culture.

☐ **Teamwork from Day One**

To develop teams right in the beginning, assignments are given to new recruits in teams. Team members are assigned responsibilities not necessarily related to their *past training and experience*. The intention is to discover latent capabilities of people in group situations.

Fifty years of Excel: A Celebration and a Prayer.

☐   Concern for Potential Identification and Utilisation

Discovering the potential of its people continuously, developing and utilising it to meet the developmental needs of the company and the country is a major concern of the management at Excel Industries. The organisation respects creativity and contribution of employees irrespective of their designations, qualifications and background. It is a common practice at Excel to rotate people through various jobs with a view to develop their overall competence and discover hidden potential. In one instance, a project manager was made the HRD Manager because the company found that while implementing a particular project, he displayed an unusually high level of people skills and a high concern for their development. Continuous search for people potential is an interesting concern.

☐   Allocation of R and D Projects to Teams

Research and development assignments are given to groups and not to individuals. Normally, the R & D team stays with a project from inception right through its implementation. To ensure continuity in operations, some of the R & D people stay back with the project. There is a constant review of the successes and failures of the production processes. Task forces are appointed at different time intervals to do a thorough review of processes.

In promoting the spirit of innovation and improvement, anybody at Excel can suggest ideas for improvement of any function. Attempts at leg pulling and credit stealing are criticized.

Running idea development at a conceptual plane and experimentation hand-in-hand provides high flexibility for development of not only new ideas but also new processes. Parallel experimentation makes it possible to test out one's ideas and also to build a base for generating new ideas. Creating a laboratory-like environment supports the achievement of the objectives of the company.

Processes developed in the organisation like rotation, involvement in cross-functional teams to discuss solution to problems that are not directly related to one's area of operation, setting challenging targets, analyzing failures so as to derive lessons rather than to pin down someone, and unconventional job assignments result in an all-round capability search and development of individual potential. The premise that employees should be given opportunities to explore their capability beyond what is reflected in the academic achievement itself is innovative. The implication is that the management can gain by creating opportunities for surprise discoveries. Excel Industries believes that it is not enough to generate surprises; a company should continually strive to build on the discovered potential.

Sustaining the Discovery Process

To sustain the potential discovery process, organisations need to create a culture in which potential discovery is an important concern, where individual growth is valued, and setbacks arising from experimentation are constructively analyzed as opportunities for learning and improvement.

The discovery process needs to be sustained by recognising the discovered potential, providing resources to develop it further, and creating opportunities for utilisation of the potential. If this is not done, the potential may never get developed, or, the individual may find an outlet for potential expression and growth outside the work organisation. In either case the organisation loses the opportunity to benefit. When integrated adequately, the discovery process can lead to a ripple effect

whereby individuals who are excited by the discovery of their strengths by others, start looking for positive attributes in others. The net outcome for the organisation can be extremely beneficial.

In a sense, organisations in the potential discovery mode raise the expectations of their people from themselves and others. When managed properly, positive expectations have the power of bringing about their own fulfilment (Livingston, 1988). Such organisations also run the risk of creating chaos in the organisation. Often, the chaos is a result of burgeoning opportunities in the organisation. It has to be managed by a system of potential monitoring. While the discovery processes are unstructured, the potential documentation, development, and utilisation stages need formal systems and structures. Like the performance appraisal and review meetings with employees which deal with the past, there could be potential discovery and feedback meetings, with future as the primary focus. Also, the discovery, development and utilisation of people potential needs to be integrated with the organisational reward system. In other words, organisation on the potential discovery track have to create a culture and systems which integrate potential discovery with other parts and processes of the organisation.

References

Campion, M.A., Pursell, E. and Brown, B (1988): Structured Interviewing: Raising the Psychometric Properties of the Employment Interview. *Personnel Psychology*, 41(1), pp. 25-42.

Desster, J. (1991). *Personnel/Human Resource Management*, Englewood Cliffs: Prentice-Hall, Inc.

Hamel, G. and Prahalad, C.K., (1989): Strategic Intent. *Harvard Business Review*, May-June, pp. 63-76.

Livingston, J.S. (1988): Pygmalion in Management. *Harvard Business Review*, September-October, pp. 125-130.

Luft, J. and Ingham, H. (1961): The Johari Window. *Human Relations Training News*, 5(1), pp. 6-7.

Payne, R. (1979). *How to Get a Better Job Quickly*, New York: New American Library.

Peters, T.J., and Waterman, R.H. (1982). *In Search of Excellence: Lessons from America's Best-run Corporations*, New York: Harper and Row.

Prahalad, C.K., and Hamel, G. (1990); Core Competence of the Corporation. *Harvard Business Review*, May-June, pp. 79-91.