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Employees First, Customers Second: Turning Conventional Management Upside Down

Book Review

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From a brand losing market share and customers to an organization that delivered accelerated growth by focusing on employees and leveraging the value zone. Nayar narrates how he defied the conventional wisdom that companies must put customers first, and then turned the hierarchical pyramid upside down by making management accountable to the employees, and not the other way around. Nayar fired the imagination of both employees and customers and set HCLT on a journey of transformation that has made it one of the fastest-growing and profitable global IT - one of the twenty most influential companies in the world. Nayar recounts the exciting journey of how he and his team implemented the employee first philosophy by: creating a sense of urgency by enabling the employees to see the truth of the companies current state as well as feel the romance of its possible future state; creating a culture of trust by pushing the envelope of transparency in communication and information sharing; inverting the organizational hierarchy by making the management and the enabling functions accountable to the employee in the value zone; and, unlocking the potential of the employees by fostering an entrepreneurial mind-set, decentralizing decision making, and transferring the ownership of change to the employee in the value zone."Employee first, Customer Second" (EFCS) is an engaging philosophy. It's a serving CEOs account of working with day to day challenges of gravity, established mindsets and capturing markets which were unthinkable. EFCE is as much a book on strategy as it is on Execution. It is the story of HCL Tech's evolution from being a software outsourcing outfit for mid size companies to one cracking mega deals with large corporations globally. It's a tale of unconventional management practices which have succeeded in transforming an Indian organization into a global name with presence in multiple geographies and competing with the very best in business. Looking at the reality, accepting the problem and creating a vision around the solution to create the future.

The book has five themes:

Mirror Mirror: It was created to allow managers & employees to accept reality about their performance & accountability. Managers need to know where their businesses stand and where their business is headed, even if the journey is a successful one or failure. Acceptance is the key to first improve your business. EFCS states, Mirror is a communications exercise that involves talking with employees throughout the organization about the truth as they see it and getting them to acknowledge the reality. He classified employees **as "The transformers are the Gen Y employees"**. They are employees who asked questions and expected logical answers. They are individuals who spend a lot of time surfing the internet and new technology. They do not make themselves readily available to any company and will leave company for the next best opportunity. **The "lost souls"** are the employees that are more negative than others. They are the ones that are convinced that nothing could be done to improve the business. These individuals are the ones that affect businesses today. He suggests, "I think they often saw themselves as realists and truth tellers, the only ones who really understood how things worked, or didn't." (EFCS, 29) .**The "fence sitters"** are the largest group. They are more observers and listeners. Nayar states they were always in the "watch and wait" mode. They tend be optimist about life and the company. "Leaders are just as likely to avoid the mirror and make all kinds of excuses for themselves."

Building Trust: Trust Through Transparency: Creating a Culture of Change

Creating an environment of trust in the organization through structured interventions like sharing information – financial, behavioral and creating a platform where a CEO can engage with 35000 employees and get an insight into their problems and issues and putting an accountability to resolve the problems. . "We will have to rejuvenate those employees who have lost their enthusiasm, improve outdated process, build strategic partnerships, and develop new products and services." The transformers loved the idea and accepted the concept. The fence sitters asked questions and felt the company needed something new. The lost souls did not attend conference, so there was no negativity amongst the groups. Credibility is the key, if a person is knowledgeable and trustworthy people will trust what he or she said or does. Managers must be consistent at what they do and hold employees accountable.

1. Transparency ensures that every stakeholder know the company's vision and understands exactly how his or her contribution assists the organization in achieving its goals.
2. Transparency helps to ensure that every stakeholder has a deep, personal commitment to the aims of the organization.
3. For the Gen Y members of our workforce transparency is a given.
   Fourth, in a knowledge economy, we want customers to be transparent with us, to share their ideas, their visions for the future, and their strategies for solving core problems.
4. Knowledge companies like HCLT often do lateral hires-people brought in from outside the company to work on specific projects or initiatives.

The more transparent the process was the more people will trust the organization which will give the company a competitive advantage. He states, "We believe that by putting our employees first-doing everything we can to enable those people who bring real value to you-we will serve you far better than ever before."

Inverting the Pyramid: Enabling and empowering the people, the value creators and making them accountable. The Innovative tools that were created to counter the real people challenges - True 360, Smart Service Desk (SSD) Happy Feet. Smart Service Desk was based on a problem management system. EFCS states "Whenever a customer issue arose, we would create an electronic ticket that detailed the problem and tracked its progress as it worked its way toward a solution." (105).The 360 Degree Survey is a survey that allows subordinates to evaluate their bosses. Happy Feet redefine the important zones within HCLT.

Redefining the Role of a CEO: Transferring the responsibility of change to the employees, the reason behind this concept was to focus on the value zone to put employees first and give them more responsibilities. According EFCS, "Too often, the CEO's initiatives create shifts in the organization that are not sustainable and do not produce everlasting change-that is, deep-down, fundamental, long-term change." (144) He wanted to make change that will have a lasting effect.

Seek Understanding in Misunderstanding: This book is for every management practitioner. The Business head will experience the play of strategy, blue ocean thinking and aligning of people to the future and executing the same in a fast changing business environment. Nayar explains misunderstanding of EFCS. For example, the first misunderstanding: It won't work when times get tough. He talks about how the company struggled during the economical crisis in the 2008 and 2009. Nayar and his leadership team refused to accept that they would have to do mass layoffs during the recession. . He believed if the company implements a mass layoff and performance is not considered, the trust factor will be shaken He discusses the stages his company went through and how they solved the issues the company was facing. It allows the company to change the traditional way of thinking which made the company successful today.

The book takes reader on a journey of all stages of evolution from customer engagements to employee engagements to challenging the existing mindsets, established methods (360 degree feedback) and making all of them work. Real people, real problems, real solutions coupled with technology support. It is realistic and

simple. The author seeks thru the 185 pages new perspective to problems & does not claim to give solutions. EFCS is a real time narration of a CEO, who chose to travel a path less trodden & thereby made a difference. The book discusses the major transformations of the company by making employees first and customers second played a big role on the success of his business. This book offers valuable insights for managers seeking to realize their aspirations to grow faster and become self-propelled engines of change. For the fresh MBA, it is inspirational, motivating & permits risk taking to achieve results. The book is a frank look at the challenges facing leaders who wish to transform their company, culture, and employees. , the book is an excellent read, and provides an opportunity to reflect on and consider how to plan and build strategies for organizations. Executives frustrated with the current structure and culture of the modern organization will find insights that are practical and applicable CEO, CFO, COO and Business executives will gain an understanding of leveraging the talent, knowledge and passion of their people, for understanding and building relations with customers.HR and Staff Executives will gain an insight of how their role can be different and will help think differently about what to do and how it creates/connects to value.

For Academicians this book provides an example of high risks involved in realizing a new way of working which they can use to help their students set goals and take risks, individually it is a direction for academicians who tend to be stuck with standard ways of thinking that Innovation is the key to success and newer teaching methods will make better understanding.. Students who is willing to look at life differently with the willingness to take risks, this book provides an example that can help organize your thoughts and how you communicate with your peers and management. It is particularly recommended to read now so these ideas can influence the strategic planning and initiatives for 2011. This book provides fresh views and a new combination of approaches to create a new age Organization. The book is insightful realistic and also true about the business world today. It is definitely worth exploring Mr. Nayars Philosophy and asking ourselves “Will I risk it?”