

India's Transition – From Human Management to Human Sigma

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Leveraging project management for excellence, growth and transformation



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1.1 Objective

My objective behind presenting these papers are –

1. Introducing the concept of Knowledge Economy as an integral part of Indian Economy,
2. Introducing the novel concept of Human Sigma,
3. Discussing the transition of India's approach in the wake of Knowledge Economy, from Human Resource Management to Human Sigma.

I thank the organizers for giving me a chance to express my approach at this juncture.

1.2 Preface

When Gallup Organization had applied Six Sigma to Humans, it may have never been imagined the gold that it shall excavate for Organizations!

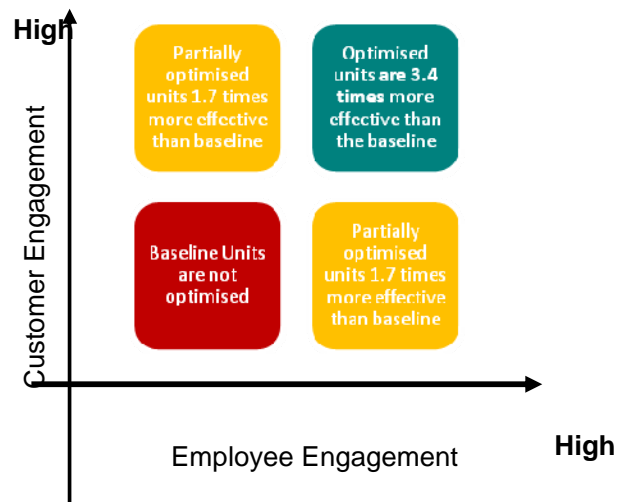
Companies routinely assess the quality of manufacturing process, but it was hardly so that people were taken as actual 'value-creators'. John Fleming & Jim Asplund were for the first time that had thought about Human Systems & business as a product of Human Relationships.

The duo had remarked the actual difference that emotions & sub-conscious forces influence on the Employees & their interaction with customers. My papers here, shall deal with the conceptualization of this concept, certain thrilling statistics & its relevance in Indian sub-continent that's a blend of diverse cultures, languages & psyche.

1.3 Concept – Human Sigma

Quality is easy to measure & manage in some contexts & extremely difficult in others, especially in cases wherein Human come into picture. Products, commodities & even product satisfaction can be to a very large extent quantified; but when it comes to quantifying the Human Satisfaction (may it be employees or customers) that becomes very difficult.

Human Sigma approach combines a proven method of assessing the health of the employee-customer encounter with a disciplined process of improving it in every possible aspect.



In the green organism you may find that the units are optimized to the level of 3.4 times than the other base-units. Whereas those in the red zone loose to be effective & in the mid lie the yellow zones.

Each of these organizations have their success or failure enshrined in the reason of they being amongst those organizations that fulfill the need of human beings for emptionaly satisfaction or mere materialistic satisfaction.

1.4 Human Sigma Vs. Six Sigma

Human Sigma in an organizational context speaks about precisely humans, their relationships & their concerns – conscious or subconscious that ultimately results into productivity for the organization.

Six Sigma majorly spoke about the best practices in organizational context with very less if not nothing to do with Human & their psyche. Hardly this Production Management Hit had been less sensitive about Human Behaviors & Organizational Behaviors.

The argument that gives birth to Human Sigma is the irony that even in this evolving world wherein we have evolved to say that Human are the most significant commodity, yet we fail to indulge the production hit's to the Human Context.

In this Knowledge Economy, of which India is truly an integral part, Human & humane Management is if great significance.

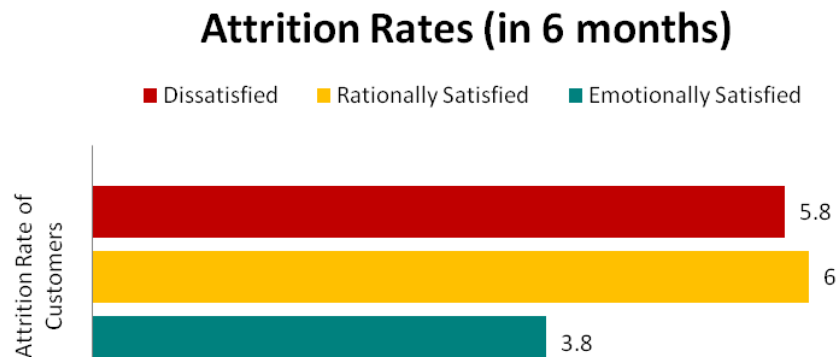
1.5 Need of Human Sigma

At a large Indian Retail Bank, the attrition rate of dissatisfied customers was scarcely different from that of 'rationally satisfied' customers those who used to describe themselves as extremely satisfied on the Emotional Attachment Metrics – that measured Confidence, Integrity, Pride & Passion.

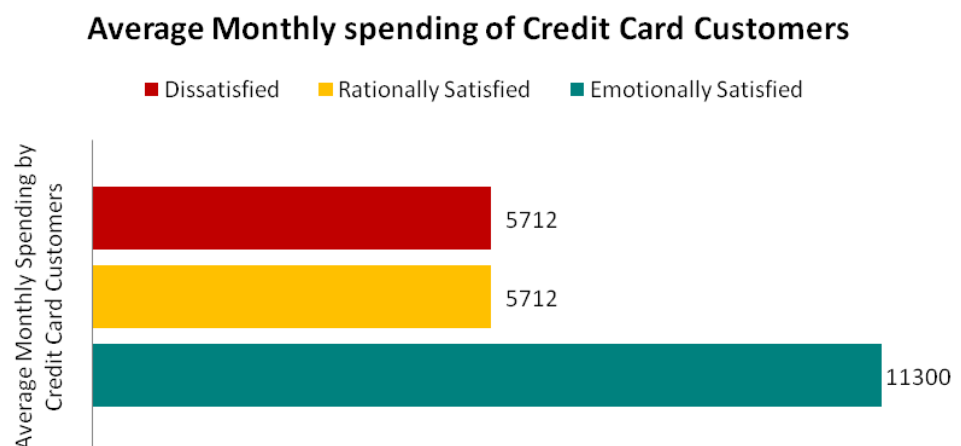
Rationally Satisfied where those lot of Indians who had received all the support, services, facilities & amenities that were rendered by the bank; yet their need to emotional comfort remained unattended & that made them Rationally Satisfied & hence search for greener pastures.

This emotional comfort they meant was by virtue of the striking a cord by the Bank Employees with the customers. This meant going on an extra mile from their usual duties & indulging the employees into a personal bonding. That was where the customers were dissatisfied & hence resulting into Customer Attrition.

These were the startling facts about these three categories of employees – Emotionally Satisfied, Rationally Satisfied & Dissatisfied:




In relation to this Attrition Rates of customers leaving the organization, it was reciprocated by losses – lets see the financial resonance of the same with the Client Attrition –



The above startling figures represent the difference that emotional bonding – Human Sigma can directly contribute to the quantitative profits of any organization.

This demands Organizations to indulge into Human Sigma that may ultimately empower Employees to have a pleasant 'Emotional Encounter' with the customers



that ultimately pays-off in the form of direct revenue generated in monetary form, greater employee & Customer retention; & hence contributing to the overall success of the organization.

Hence, the Six Sigma Approach to Employee–Customer interaction needs to take Customer's Emotion into consideration.

1.6 Unpacking the concept of – knowledge economy

Over the past two decades, India has moved away from its former *dirigisme* model and become a market-based economy¹. This process started in the mid-1980s and gathered substantial momentum at the beginning of the 1990s.

This momentous growth has been a product of India's shift from Manufacturing-focussed industrial set-up to a more service-oriented economy. This intangible-service based economy has propelled India to be an active part of Knowledge Economy. Let us now define, Knowledge Economy for making the whole concept more palatable & give our research a direction.

The World Bank Institute (World Bank's Learning Wing) offers a formal definition; viz.

“... an economy that creates, disseminates & uses knowledge to enhance its growth & development.”²

A knowledge economy uses data as its raw material and transforms it using technology, analysing tool, and human intelligence into knowledge and expertise.

Knowledge Creation Process is a 5-Stage process starting from Crude Data – Information – Insight – Knowledge – Expertise. When the process achieves the stage of an expertise, Knowledge is converted into something of value & can create value.

1.7 India in Knowledge Economy

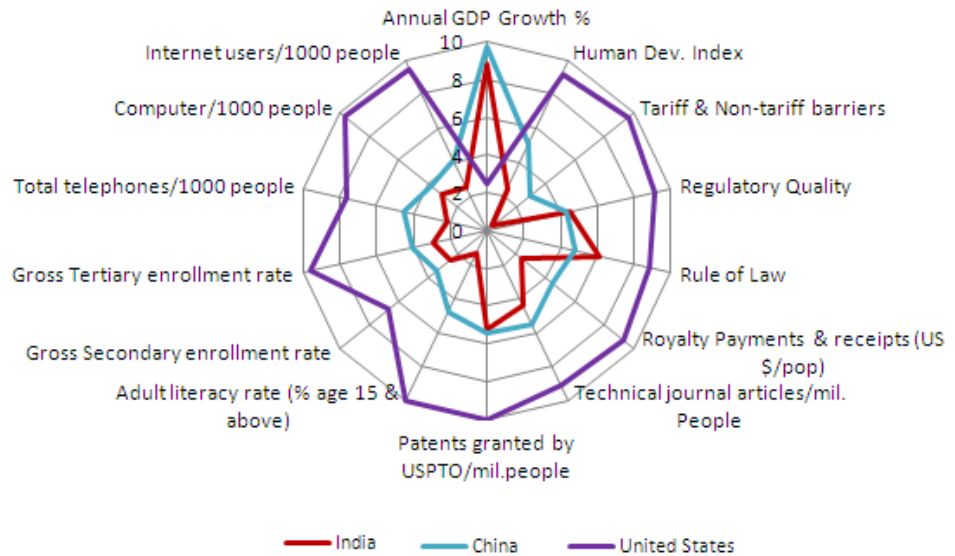
World bank & UNDP has come-up with more than 200 parameters to rate a country amongst the Knowledge Economy; but, 14 Index are found to be of paramount significance.

Let's now understand the presence of India into those 14 Indexes in comparison with China & United States of America.

¹ Rafiq Dossani, *India Arriving: How this Economic Powerhouse is redefining Global Business*, (New York, NY, United States of America, 2008), pp. 265

² Carl Dahlman & Anuja Utz, *Report No.31267-IN*, World Bank Finance & Private Sector Development Unit-South Asia Region & The World Bank Unit, http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2005/05/20/000012009_20050520110005/Rendered/PDF/312670IN.pdf [Accessed on 7 September 2009]

Knowledge Economy Scorecard - India, China & United States



1.8 Pillars to Knowledge Economy – Indian Context

Creating Knowledge Economy is a voluntary process, whose substratum is the four pillars enlisted below. These aspects speak about broadly the infrastructural availability, authority-sanction & skills availability – these broadly form the actual basis of a knowledge economy which is also represented in Figure 2 above.

Evolution of a KE is primarily based on the concept of understanding the strengths & weaknesses of a country & that of the competitor. These have to be further articulated to the knowledge – skills & potential of its people to enhance the success factor of that specific economy.

There are four pillars of KE³, let's understand them –

1.8.1 Pillar 1 – Economic & Institutional Regime

This provides for incentives for the efficient use of existing & new knowledge; & flourishing of entrepreneurship.

1.8.2 Pillar 2 – Education & Skills

People should be imparted with education & skills that empower them to exploit, use & share it well.

³ "Measuring Knowledge in the World's Economies, World Bank Institute, 2004

1.8.3 Pillar 3 – Information & Communication Infrastructure

A dynamic infrastructure to facilitate & propel effective communication, dissemination & processing of information.

1.8.4 Pillar 4 – Innovation System

Country's Innovation Centres - educational institutes, R&Ds, Organizations etc. must be capable of tapping & assimilating growing stock of knowledge & adapting it to local needs thereby creating technology.

According to the World Bank's 2008 KAM Index, India is steadily on a progression with its current score of an average 3.5 in each of the pillars.

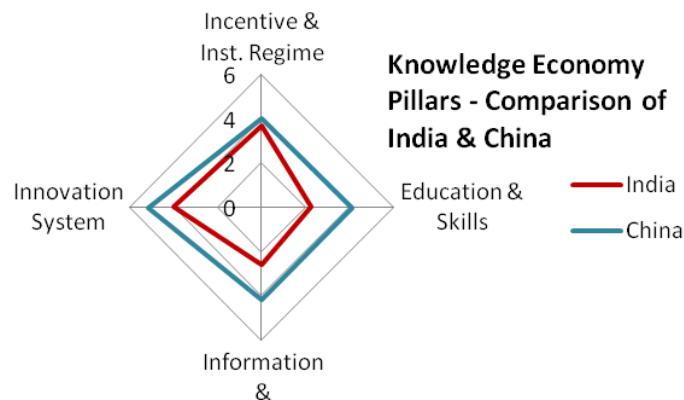


Figure 1: Knowledge Economy Pillars for India & China⁴


With these pillars in place, India had pretty well been a part of the Knowledge Economy. These four pillars can be clustered into three major portals – the social, economic & environmental development. The relevant developmental issue can be in detailed studied at a later part of the research papers.

1.9 Employee Engagement in India

Every interaction an employee has with the customer is one such chance for the employee to establish that revenue-generating emotional bonding. This is realized by organizations like Bharti Airtel, GE, HCL & many others have understood the significance of Human Sigma to generate revenues & hence indulge themselves into empowering to their front-liners which in turn generates utmost satisfaction to the employees.

Bharti Airtel's CEO & Joint MD do indulge into having lunch with Ajay Gupta – DGM. Jai Menon, Director of Bharti Airtel never misses that special time of sharing a Squash session with their Senior Manager – Network Technology. Krish Shankar, Director (HR), Bharti IT Enterprises had lost the Morning Jog from the Assistant Manager – HR.

⁴ Web-page Statistics e-tools, *Knowledge for Development*, 2008, World Bank
<http://info.worldbank.org/etools/kam2/KAM_page2.asp> [Accessed on 8 September 2009]



These are few instances wherein India is no where behind in engaging their front-liners to an emotionally enriching experience, that is further reflected into the joy of the customers.

Survey states that Fully Engaged Customers deliver a 23% premium over the average-satisfied customer in terms of share of profitability, revenue & relationship growth.

GE goes out of the way to understand the superficial & emotional needs of the employees that turns into a propelling factor for the employees to indulge into a pleasant conversation with the stakeholders & clients that ultimately reflected into Human Satisfaction as a whole.

India now understands the importance of propelling people to perform well & hence has rightly so bagged a place in the Knowledge Economy. Human Sigma is need of the hour & implementing it in all its connotations shall catalyze India's growth to a superpower.

1.10 Inference

Gone are the days wherein Human used to bestow cutting-edge to organizations. It's now that India has realized that 'Relationships' reap revenues for organizations.

Human Sigma is completely based on the same premise – Empowering Employees shall mean Engaging Customers to more extended mutually beneficial relationships. These relationships sooner or later transit into revenues & profits.

I in my paper have tried to relate the concept of Human Sigma to India as a forerunner of Knowledge Economy. The transit just not stop here, it starts at this juncture & keeps growing as an economic superpower by bonding with bonds.

1.11 Bibliography

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1.12 Author Profile



R. Krishna Priya Owns twin Post-graduations in Business Administration (Human Resource Management) & Laws (Capital & Labour Laws).

Has a rich experience of 5 yrs. Cumulatively in the industry & then in academics. Presently serving Department of Management Science, Dr. Babasaheb Ambedkar Marathwada University as an Assistant Professor.

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