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## CREATING AND SUSTAINING CORPORATE ADVANTAGE THROUGH HUMAN RESOURCE AND LEADERSHIP

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### ABSTRACT

*The world economy has really evolved in the last hundred years. This century has been affected by technological advances. Now a reverse tectonic shift has taken place. The digital revolution is starting to decentralize power and production, and this permits entrepreneurs and small businesses to come into their own. What has been gained is more personal empowerment and decentralized control. What may be lost is the bonds that come from sharing a common ground of ideas and experiences.*

*The world economy is becoming much more integrated and much richer overall; although the creation and enjoyment of that wealth is very uneven. This globalization of the market has generated fierce competition from inner as well as international players. Higher quality 'enhanced productivity' effectiveness of organizations and development of niche markets are required so as to be able to face the intense competition.*

*Business organizations are today faced with many challenges due to these far reaching changes in the environment. These challenges of globalization, technological innovation, emergence of world markets and increasing competition and the compulsions of survival and growth have important implications on their functioning. It is necessary to have a strategic response for developing people to manage these challenges. It is thus important for organizations to learn how to manage this change effectively, how to build core competencies to exploit existing and emerging opportunities and how to build systems and people to cope with these challenges.*

**Key Words-** *Corporate Advantage, Empowerment, HRD, Quality of Work Life.*

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## INTRODUCTION

There is a dire need for quality and productivity for competitiveness . Indeed for business organizations in India, competition is a new phenomenon as we have lived far too long in protected markets in a regulated economy. As Kenichi Ohmae puts it, “ On a political map , the boundaries between countries

are as clear as ever. But on a competitive map , a map showing the real flows of financial and industrial activity , those boundaries have largely disappeared. Today, however , the pressure for globalization is driven not so much by diversification or competition as by the needs and preferences of customers.’ Today competition means that organizational and technological innovations , superior product quality and customer satisfaction are the major pre determinants of competitiveness in the global market place.

Competitiveness has been defined as the degree to which a country can , under free and fair market conditions , produce goods and services that meet the test of international markets , while simultaneously maintaining and expanding the real incomes of its people over the long term. In other words , a firm or a country becomes competitive when in race for acquiring a large market share, it secures for itself an advantage over its competitors in the marketplace.

Corporate advantage of business organizations is said to derive from factors , such as quality workforce, core competence, and access to market and technology. These factors are likely to be significant even in the global economy of the future. As Theodore puts it, ‘the enviable company is one that combines high customer orientation with high company orientation , which means maximum concern for the customer and maximum concern for the profitability of the company. Companies that want to be globally competitive have to critically re-engineer their business processes to meet demands of an everchanging marketplace’.

Peters and Waterman had found “Sticking to the knitting “as one of the attributes of excellent companies . The concept of core competence , where the accumulated knowledge and skills of an organization can become its competitive advantage has been put forward by C K Prahalad and Gary Hamel. According to them , Core competence is focused on the customer and they cite the excellent examples of Apple’s user friendliness and Sony’s pocketability.

## OBJECTIVES

The paper attempts to—

- Explore today's corporate world with its scenario of turmoil and chaos.
- Explore the need for organizations to do some deep introspection.
- How should companies meet the challenges of competition and adopt appropriate strategies to create and sustain corporate advantage.
- The role of Human resources and leadership in this context.

### **STRATEGIES FOR CORPORATE ADVANTAGE**

- **Developing a strategic outlook**—This is necessary for business survival and market leadership. The customer based focus provides the foundation for the organization's vision, strategy, structure and job design.
- **Linkage of HRD with business plans**-- HRD is put on the corporate map and HRD politics and systems designed accordingly.
- **A customer –driven approach**—This entails better quality of products with more features, delivering high quality at lower prices. After sales service is an important prerequisite.
- **Value addition and quality processes**—Companies need to provide fast and responsive service to the customer, as also value addition by way of functionality and price.
- **Becoming a learning organization**—In order to retain competitiveness, organizations have to continually upgrade and have a culture of continuous improvements.

### **LINKAGE OF BUSINESS PLANS WITH HUMAN RESOURCE : THE ERA OF LEADERSHIP**

The role of leadership for management of change has been long recognized. Bernard Bass says that the transformational leader develops dissatisfaction with the existing reality while creating and communicating vision for the future. He has articulated the characteristics of transformational leadership as:

- **Charisma** : Provides vision and sense of mission, instills pride, gains respect and trust.
- **Inspiration** : Communicates high expectations and expresses important purposes in simple ways.
- **Individualised consideration** : Shows genuine concern, gives personal attention, coaches and advises.

Some areas that need to be explored for a corporate advantage are:

**VISION**

A clear articulation of vision clarifies strategic choices. A clear vision includes:

- Improvement of customer service .
- Achievement of self reliance in financial resources for growth.
- Establishing high goals.
- Achieving international competitiveness through productivity improvement.
- Building a culture of achievement and excellence with emphasis on performance , discipline and merit oriented rewards.

**INNOVATION**

Management of change for growth and institution building requires learning of new skills and behaviour by the organizations and its members. The concept of discontinuity implies that organizations that were successful in the past are not suited for excellence in today's world, unless they have developed the ability to learn and innovate.

Technological innovation creates new jobs as it destroys old ones. Thus a national system for training and retraining is a very essential requirement today . innovation is a source of sustainable corporate advantage. Some of the attributes that foster innovation are:

- A climate that encourages innovation and team work . this includes recognition and appreciation , freedom to work in areas of greater interest and stimulating projects.
- A toleration for failure to balance risk-taking. It may be remembered that Wright brothers tried 805 times before they achieved sustainable flight.
- Open and constructive communication.
- Flexibility in organizational structure : the innovative organization is the reverse image of bureaucracy.

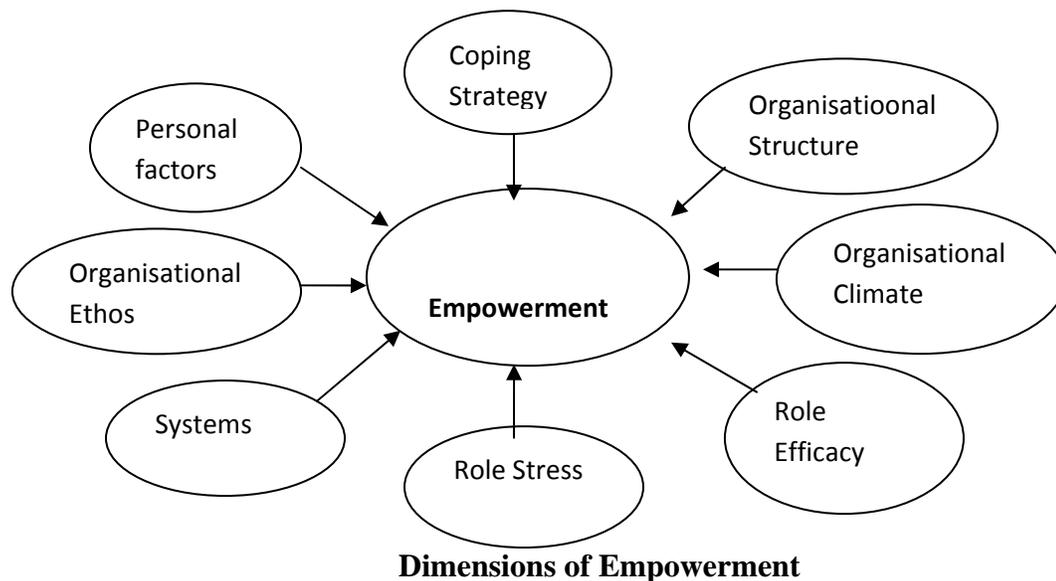
**MOTIVATION AND EMPOWERMENT**

A sense of autonomy for oneself and creating autonomy for others is the concept of empowerment. Empowerment has gained credence in the recent past as a means of effective motivation of employees. Empowerment goes much beyond delegation. The trick is to merge delegation and transparency in the organization. This concept advocates that employees at all levels are responsible for their own actions and should , therefore be given authority to make

decisions about their work. Today the top management style can not be a copy book style. Front line personnel have to be empowered more than ever to be able to meet the customer needs.

If the employees are given a sense of ownership of their jobs , they are more likely to do these jobs well and satisfy their customers well. Empowerment occurs at three levels ; The individual level , the team level and the organizational level. At the individual level , it builds employee self esteem . self directed team is one of the approaches to team empowerment. In the global scenario , General Electric presents best example of this.

Empowerment is facilitated or hindered by several factors . these are related to the person , his ability , the organization or a combination of these. These dimensions are depicted in the figure:



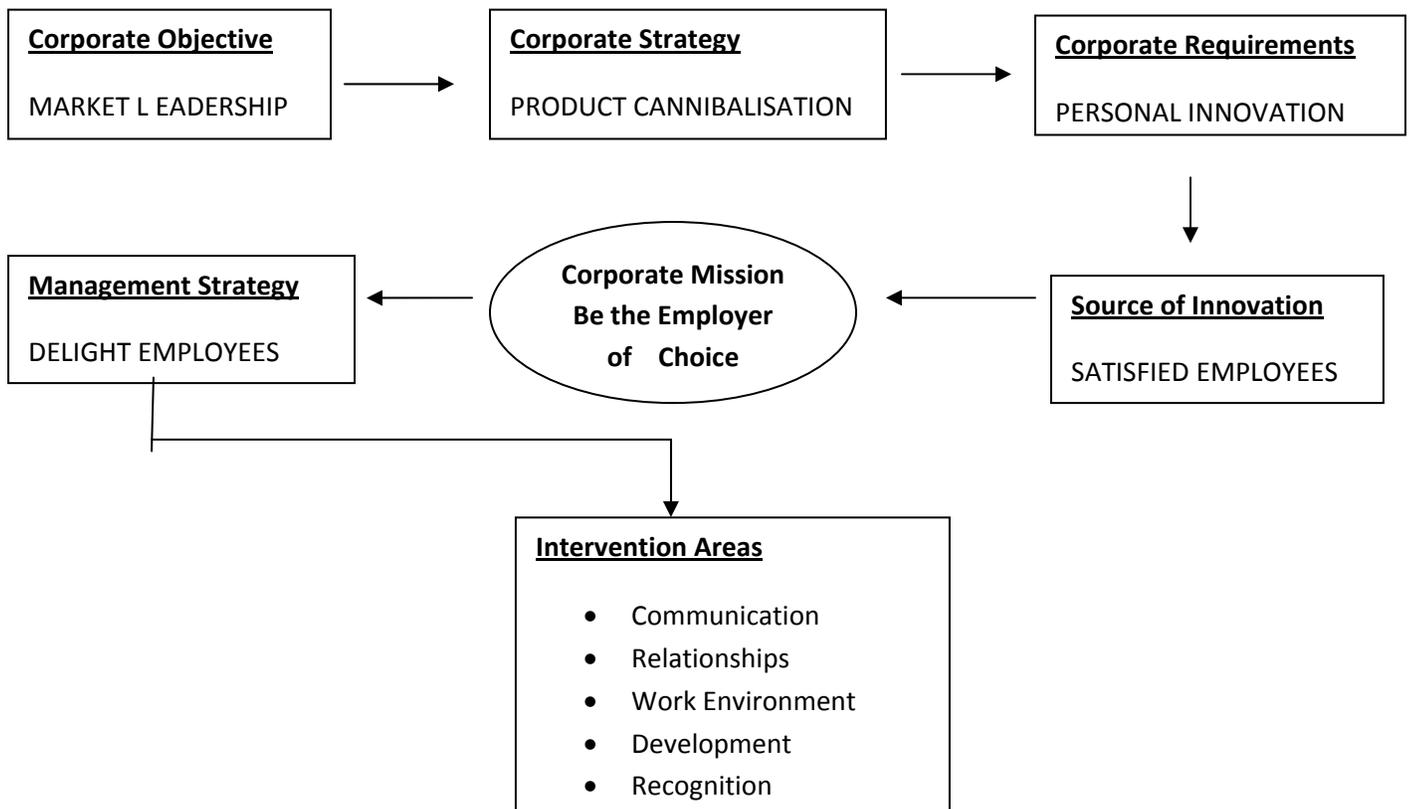
## HUMAN RESORCE DEVELOPMENT

At this rapidly changing world , adaptation and the continued creation of opportunities demand a double fill. There is need for external alignment , that is , quickly , detecting any signs of strength or weakness that might affect the outward focus of the organization , as also for internal alignment , that is ensuring that the individual and the collective energy of the organizations members is channelized in the desired direction. Acquisition of the state-of-the art technology is one thing but its successful implementation is another. This is what requires human resource development to bring in the requisite technical skills.

Peter Singe has put forward the concept of the Learning Organisation. According to him , technology and change being the driving forces , we need to alter out mindset and continuously encourage new skills and capabilities , as also organize ourselves to support learning . Michael Porter adds , “The companies that are going to be able to become successful , will be the ones that can learn fast , can assimilate this learning and can develop new insights.”

Learning Organisations follow the following concepts:

- Employee retention is the key factor. Attrition rate must either be under 5 percent or less than 50 percent of the industry average , whichever is lower.
- Treat employees as customers of the company’s HR management services.
- Carry out regular employee satisfaction surveys and give full importance to their findings.
- Recruit people more likely to stay , not just the upcoming talents. In other words , “recruit stayers not stars”.



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**HR STRATEGY: THE HR WAY****IMPROVE QUALITY OF WORK LIFE**

Changing of work culture is another major issues. Much better organizational practices will be required . Employee commitment and involvement will have to be increased . It is necessary to empower the employees based on the premise that a front line employee is the best judge of the decisions required in any situation . enhanced productivity has to be ensured through team work and changed priorities of work. The company must also facilitate high performance by providing an excellent work environment.

It is the work culture in organizations and not money alone which determines work life. A stimulating environment is a big motivator where ideas are generated and implemented. As a part of the HR policies of an organization , the design and structure of HR mechanism should be so developed so that the members of the organization experience a self actualization level.

Some of the ways by which Quality of Work life can be improved are:

- De –emphasising job titles to build a cooperstive work team.
- A high commitment to continuous improvement. (kaizan)
- Building individual and team pride in the work environment to support high standards about quality.
- Creating synergy by bringing together colleagues to work on various issues.
- Encouraging employees to build skills beyond those required today so as to neutralize the effects of obsolescence.

**CONCLUSION**

The borderless world of today has opened up new ideas of development and business. At the same time , the new business environment has also brought many new challenges. It is in this context that there is a compulsion for organizations to become excellent by using their core competence and corporate advantage. However when one looks at it ,Human resource stands out as the major focus of this corporate advantage. Leadership,vision ,empowerment,human resource development,innovation and high quality of worklife are the determinants of corporate advantage.

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