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Wisdom is in the field - respect it

There is much to gain by internalizing the findings that field employees bring from their direct interaction with customers

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I would like to begin with a small story narrated by Gurcharan Das, former CEO of Procter & Gamble India and now a well-known author and columnist, in his book 'India Unbound'. The story is all about how Gurcharan Das received a rare insight from a woman customer from Surat – a regular user of Vicks Vaporub (a premium product of Procter & Gamble) for many years - about the product which Gurcharan Das could not have got sitting in his office. She demonstrated to him in her own native way how she and her family regularly got best results from Vicks Vaporub through the 'kettle' method. The incisive insights gained by Das in this interaction eventually led to launching a very successful national campaign for the product with some improved features. The message of the healing effect of the product could be driven home powerfully in the consumers' minds.

Not long ago, Marico used wisdom of barbers to understand the pattern of use of hair oil by men, before introducing the now popular 'After Shower' for men.

What is the lesson one can draw from these examples? Our customers and employees in the field can provide useful insights about products and processes for eventual growth of the company.

In this context, we need to revisit our pattern of interaction with field managers. The top team, obsessed as they are with numbers, spend far too much time in diagnosing, debating and at times, even reprimanding as to why the targets are not met. Most of the times, communication is one sided and listening is selective. One line manager confided in me in these words, "Our meetings at corporate office are generally a ragging session for us." In between these corporate sessions, one can listen to sundry mutterings during lunch sessions such as, "They don't listen to us; nobody is interested in understanding what our customers want," etc.

No doubt, some progressive organizations, who truly value the benefits of field wisdom, do organize retreats, where they listen to field managers and use their inputs for policy changes. Such organizations are however very few.

During our transformational journey in the bank, we had the tough task to not only retain our existing customers, but bring in new customers as well. The challenge was to understand the changing needs of the customers, continuously capture the business insights of our 40,000 employees and 30 million customers to remain ahead in our product offerings.

IN BRIEF

The potential of grassroots wisdom, that is often ignored, can be critical inputs for bringing about policy changes at the higher level

Banks are geographically dispersed large organizations, having millions of customer-employee transactions every single day. Front line employees, constituting about 80 percent of the total staff, are in day-to-day contact with the customers by virtue of their placement in the field positions. It is they, with whom, many customers share their experiences firsthand - their requirements, their expectations, their aspirations, their emotions and even their feedback and complaints. They also talk about the deficiencies in service and even provide some inputs regarding how a competing neighbouring bank is better off. All these customer inputs are internalized, assimilated and stored in the minds of field staff. What customers want, what agitates them, what excites them, what the neighborhood bank is doing, how our policies are either attracting customers or driving them out, are all thus, part of the unrecorded 'treasure house' of insights about customers interacting all the time with the field staff. How do we put this 'treasure' to the best use, is the question that needs to be answered.

To capture the collective wisdom of our employees, to reach out to them and understand the ground zero realities, we organized a number of employee conclaves and open houses at various centers. In these open houses, all staff, from managers to messengers of that city and from nearby centers, were invited. These sessions were mainly organized to share with the employees our transformation program, seek their support and also receive feedback from them on issues that were relevant for business growth. I must say that I was amazed by their response.

The employees not only made very useful suggestions on how we could do better and how our products and services were rated by the customers, but they also provided insights about unexplored business opportunities and how the current policies in some matters could actually drive out customers. To quote an example, in one such open house, a young newly recruited lady officer told me:

"Sir, our car loan product is not popular as we are charging 2% higher interest rate than our competitors. On account of this, our long standing customers, including small and medium size industry customers, who are availing their business loans from us, are often compelled to go to other banks for car loans. The risk is that they can be poached by other banks for their business requirements as well, once the relationship is established."

She provided me a new perspective, which helped us to eventually revise the interest rate on car loans. Such is the power and potential of grassroots wisdom and inputs for policy making at the higher level.

In another center, while raising the issue of unsatisfactory business growth, a clerk belonging to that area gave me useful insights into the oppor-

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tunity for loans to small and medium enterprises. He had complete data on the area and informed me that industries in that area are NPA-free (non-performing assets) as the entrepreneurs from a particular community faced stigma if they defaulted on repayment of bank loans. I immediately cashed on the idea and deputed senior officials to explore the business opportunities with SMEs in that area. I was once again more than convinced that people at the bottom of the organizational pyramid could be 'wisdom rich and opportunity poor'. The precise issue is how we develop an ecosystem for extracting, distilling, mobilizing and putting the field wisdom to best use. Collective wisdom of our customers, employees and management has the potential to provide competitive advantage.

One vital role of a leader, therefore, is to initiate a dialogue and encour-

age exchange of ideas between the corporate office and field functionaries. The corporate functionaries must respect and value the feedback, insights and inputs from the field functionaries in designing growth strategies for the future and while introducing new products.

When top executives demand superior performance from the field functionaries, they also have a corresponding obligation and responsibility to give the required support, resources, guidance and business wisdom to enable them deliver profitable outcomes. Based on the field level employee insights, the corporate office also has the responsibility to come out with new products, new schemes, new business models, new business lines, etc.

Breaking these strict hierarchical attitudes and making the overall organiza-

tion work together as a team had been my continuous struggle during my days in BOB. I took simple and discernible steps to my way forward. Field staff was encouraged to send their ideas about our products and services through a special email id - ideasonline@bankofbaroda.com - specially created to encourage employees to reach out to top management directly. All these steps considerably helped the process of alignment between the corporate and field functionaries.

Organizations that successfully harness business wisdom at both field and top levels are sure to be winners in the long run. 📧

Dr. Anil K. Khandelwal is an HR professional who made it to CEO of Bank of Baroda (BOB), a staid large public sector bank and turned it around in a short tenure of 3 years. His book *Dare to Lead* (Sage 2011) captures his experience of the turnaround. Dr. Anil Khandelwal can be contacted at akk1948@gmail.com