

# Chapter 6

## Bridging the Cross Cultural Transformational Li (Distance Measure) at Huawei Technology India Pvt Ltd

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When Arun Prasad, the HR Head at Huawei's research and development center in Bangalore was tossed into implementing the new strategy of retaining only self-sustaining and revenue generating business units and aligning the subsidiary's structure to that of the parent company in China, he was in an awkward position. Undertaking such changes had been unprecedented so far where three non revenue generating business units out of the existing five were to be dissolved and the personnel relocated to other departments. Moreover, all three SBU heads were close friends of his and he was not sure how to break this news to them. Of more immediate concern for Arun was what impact this would have on the subsidiary.

### 6.1 Founding Huawei

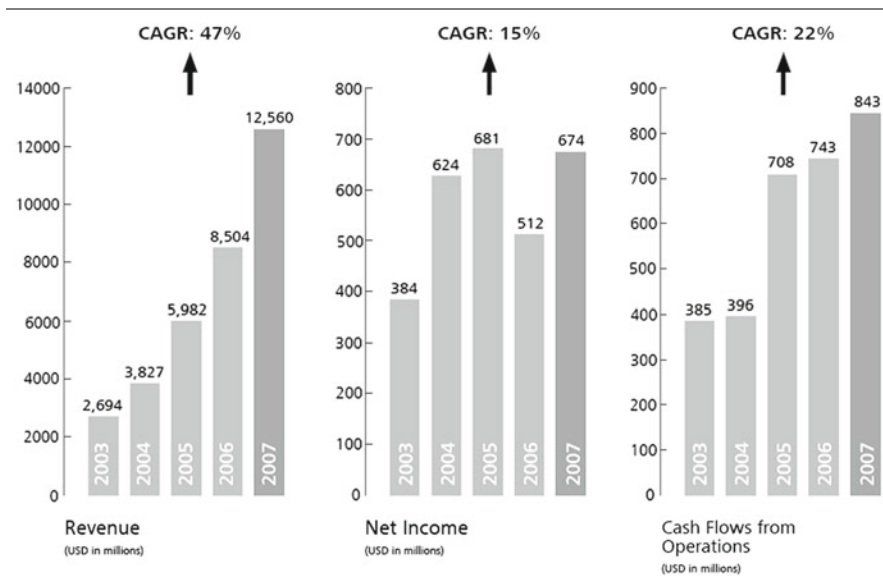
In 1988, Ren Zhengfei, formerly with the People's Liberation Army in China, founded Huawei in a shabby, one-room workshop in Shenzhen, China. The Chinese word, 华为 translates to the English word, Huawei. The company's name was particularly chosen as the character, 华 means Chinese (the first part) and can also be used as an adjective to mean splendid or magnificent. The character 为 means action or achievement (the second part). Five years after establishment, Huawei achieved its first breakthrough when it launched a digital telephone Private Branch Exchange (PBX) switch which was in high demand in China as the communication industry was rapidly expanding at the time and dominated by foreign companies like Siemens and Alcatel. In China Huawei soon became the largest PBX equity

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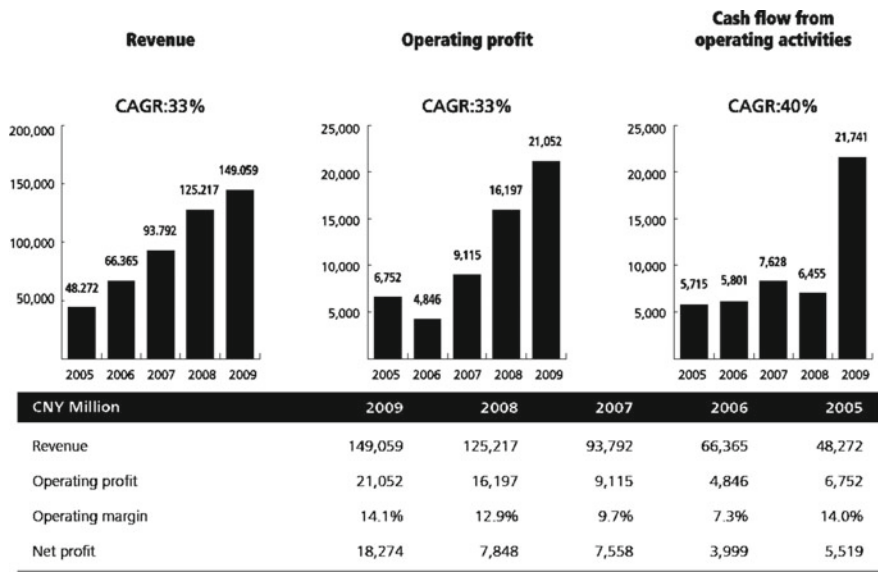
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**Exhibit 6.1** Fast growth of Huawei. *Source* company website

agent and 20 years later achieved second position (after Ericsson) as a global OEM. With a taste of success in the homeland, and after winning the first overseas contract in 1996 with Hong Kong's Hutchison-Whampoa, Huawei began expanding to markets outside China. Initially the company was dismissed as an upstart with few sustainable prospects, but at the turn of the century Huawei defied predictions and grew from a minnow to a mammoth global company in telecommunications, with a fast growth track record between 2003 and 2007 (Exhibit 6.1). Globally, Huawei invested more than 10 % of its revenues in R&D, and more than 10 % on pre-R&D stages of development. So much so, that in 2007, Huawei became the fourth-largest patent applicant in the world with 1,365 applications. The company was also placed as being the fifth-largest telecommunication company surpassing Nortel Networks in sales worldwide in the same year. Huawei was also included in the World's Most Respected 200 Companies list compiled by Forbes magazine in May 2007. Huawei's global R&D centers were located in Bangalore (India); Moscow (Russia); Stockholm, (Sweden); the Silicon Valley, California (USA); and Dallas, Texas (USA), in addition to those in Beijing, Shanghai, Nanjing, Shenzhen, Hangzhou and Chengdu in China. In 2008, 75 % of Huawei sales came from the overseas market with total revenue of \$17 billion and contract sales of \$23.3 billion. Ren had led the company as it jumped from a local player to a global competitor serving 31 of the world's top 50 carriers and over one billion users

**Exhibit 6.2** Sales and growth in 2009. *Source* company annual report, 2009. 1 USD = 6.8 CNY (apprx)



worldwide. In 2009 Huawei’s annual sales revenue touched RMB 149 billion<sup>1</sup> (\$22 billion), with a year-on-year increase of 20 % and a net profit of RMB 18 billion (\$2.7 billion) with profit margins of 14 % (Exhibit 6.2).

## 6.2 Huawei’s Cultural Ethos

To understand Huawei one needs to take into account the genesis of its distinctive corporate culture. Ren was a follower of Mao and had drawn inspiration from him, in building his company. Initially he developed cooperatives in China’s interior regions using the PLA’s military strategy. He adopted the same strategy for business. The corporate culture he built around his company was reflected in the rigidly hierarchical organization, he created. Emphasis was laid on hierarchical management rather than on individual employees who were viewed as replaceable foot soldiers. According to Ren in Huawei, everyone stood on the same starting line and obtained opportunities by personal practices.<sup>2</sup> Responsibility and efficiency were

<sup>1</sup> Company Annual report, 2009, “Letter from CEO”.

<sup>2</sup> Huawei People.

**Exhibit 6.3** Huawei's vision mission and core values. *Source* company annual report, 2009

## Vision, Mission and Core Values

### Vision

To enrich life through communication.

### Mission

To focus on our customers' market challenges and needs by providing excellent communications network solutions and services in order to consistently create maximum value for customers.

### Core Values

Our core values are deeply rooted in every aspect of our business. They are the internal driving force for the Company and are our commitments to the ecosystem. These values enable us to provide effective services to our customers and to achieve our vision of "enriching people's lives through communication".

#### Customers First

Huawei exists to serve customers, whose demand is the driving force behind our development. We continuously create long-term value for customers by being responsive to their needs and requirements. We measure our work against how much value we bring to customers, because we can only succeed through our customers' success.

#### Dedication

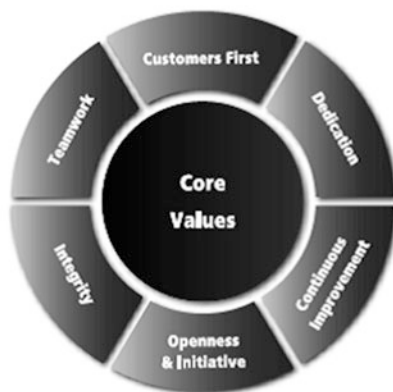
We win customers' respect and trust primarily through dedication. It includes every effort we make to create value for customers and to improve our capabilities. We value employees' contributions and reward them accordingly.

#### Continuous Improvement

Continuous improvement is required for us to become better partners for our customers, improve our company and grow as individuals. This process requires that we actively listen and learn in order to improve.

#### Openness & Initiative

Driven by customer needs, we passionately pursue customer-centric innovations in an open manner. We believe that business success is the ultimate measure of the value of any technology, product, solution or process improvement.



#### Integrity

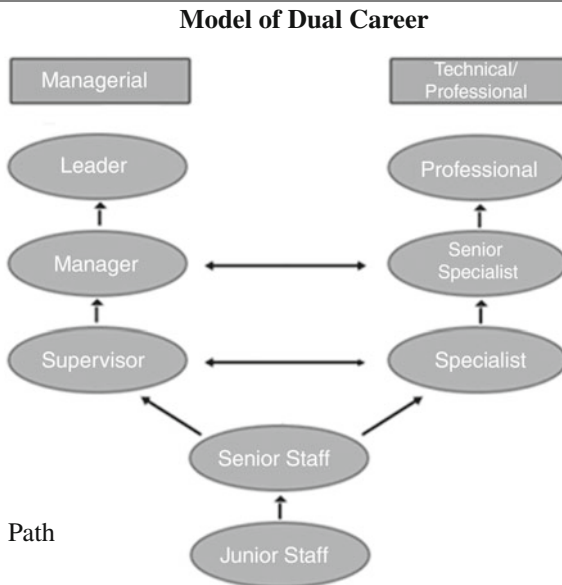
Integrity is our most valuable asset. It drives us to behave honestly and keep our promises, and, thus, win our customers' trust and respect.

#### Teamwork

We can only succeed through teamwork. By working closely in both good times and bad, we lay the foundation for successful cross-cultural collaboration, streamlined inter-departmental cooperation and efficient processes.

considered to be the greatest wealth of the employees and the measurement of outstanding capabilities and contributions was the criteria for promotions. The influence of social psychology was built into the matrix of Huawei's culture.

Huawei's work culture revolved around four major assets of human behavior—sense of responsibility, team work, dedication and a spirit of innovation. Additionally, every employee was expected to obey regulations, work hard, be selfless and disciplined, be skillful and remain devoted to the core values and the vision and mission of the company (Exhibit 6.3). There was a strong focus on work timings (the number of hours an employee devoted in office). Employees with qualities of hard work, discipline, personal sacrifice and organization devotion were deemed professional and those who followed it were considered apostles of success.

**Exhibit 6.4** Model of dual career path. *Source* compiled by the authors

### 6.3 Working Style

Despite Huawei's strong identity, the company adopted several western work strategies. For instance, Ren began the dual career path (Exhibit 6.4) in Huawei in 2005 where employees could choose a path by understanding the cross level positions available and holding two portfolio's at the same time. He believed that employees needed to be technically competent and at the same time continuous in learning new management styles. Utilizing western ideas was also to be imbibed by employees as Ren hired IBM for management consulting services with the intention of modeling Huawei on the lines of the American company. "If we were going to innovate and survive, we would have to learn the successful management structures of western countries. Our management style was immature, while IBM had been a successful model for 30 years"— said Ren<sup>3</sup>.

Ren outlined nine major points he wanted his management team to adopt:

- Balanced development with focus on research and development
- Responsibility and accountability
- Self-criticism
- Incentive mechanism to facilitate the company's core competitive strategy

<sup>3</sup> Xiao, Zhixing "Ren Zheng Fei's Way is Huawei Participating in the World." 2006. [http://www.cbfeature.com/index.php?categoryid=Vm0xMFUxSXhTbKpQVmlSU1lrVndVbFpyVWtKUFVUMDkrQg==&p2\\_articleid=Vm10YWEyUXISbkpOVnpWUIZrUkJPUT09K1M](http://www.cbfeature.com/index.php?categoryid=Vm0xMFUxSXhTbKpQVmlSU1lrVndVbFpyVWtKUFVUMDkrQg==&p2_articleid=Vm10YWEyUXISbkpOVnpWUIZrUkJPUT09K1M).

**Exhibit 6.5** Performance and reward model. *Source* compiled by the authors

- Not be blind to innovation
- Reduce the organization to key essential organs
- Face change while balancing competitiveness and enhancing growth
- Genuine sense of concern for employees at all levels
- Prepare for impending crisis with an open mind

Huawei's global market was divided into eight different zones that reported directly to a Marketing Management Committee. A Huawei vice president headed each of Huawei's eight regional headquarters. The regional offices were organized by different product lines and had a technical support department, and two departments in charge of client relations and business development. In China, every recruit underwent a mandatory cadet training soon after joining. In addition the performance and reward system was unique to the company (Exhibit 6.5).

## 6.4 Growing HTIPL

India was projected to become the second largest telecom market globally and was among one of the few countries where both GSM and CDMA were operational. Unable to ignore this potential, Huawei's entry into India was to take advantage of the rapidly growing market and its vast pool of engineers. Huawei's strategy was to combine the strengths of Indian engineers (known for their management and software skills) and Chinese skills of manufacturing, hardware design and integration to reduce time-to-market and cater to customer needs by developing cutting-edge telecom software solutions for global markets. With this in mind, Bangalore the Silicon Valley of India with its prominent position as India's technology capital, was selected to house Huawei's overseas Research and Development center (HTIPL) in 1999. In the initial months of its inception a modest 100 Indian staff and an equal number of Chinese colleagues supported the new venture. HTIPL began its

operations by combining the Chinese skills of discipline, competence and diligence with the Indian talent of creativity, articulation and perseverance and infused its culture as the underlying stream at work. George Chen, the COO of Huawei's R&D center in Bangalore remarked "In terms of market, India has the biggest potential in telecom and we want India to become our biggest market outside of China in the future. We want our India R&D center to support our global operations, leveraging India's English language skills and software expertise to our advantage globally."

Several employees were known to say: "... We are not brainwashed. We really share Huawei's culture and values. When we as job seekers sat for the written examination and attended the interviews or when we work as a member of the company, it's a process of mutual selection. I fit the organization culture and was selected and put into today's position". "Huawei's values fit my own and I have chosen to remain in Huawei and be one of Huawei wholeheartedly... ." remarked an Indian employee at HTIPL. Another employee remarked: "... we were having dinner together when all of a sudden someone's cell phone began to ring. Then they all went back to the company, leaving me alone with a table of dishes. Or someone promised to go shopping with me at six but at seven, he told me that he was still working and asked me to wait for some more time. At one time, after working for hours, I finally finished my news report at two in the morning. On a sudden impulse, I telephoned to harass a friend at Huawei, anticipating he would murmur complaints dreamily. Unexpectedly, I found on the other end of the line, people were heatedly discussing problems concerning setting up a base station... "

Over time HTIPL grew significantly, to become Huawei's largest R&D center outside China. An investment of \$200 million had been made from inception and the head count had grown to about 3,200 Indians across various operations in the country. The Indian workforce grew gradually to represent approximately 85 % of localization among the total workforce in India.

## 6.5 Building the Business Model

Over the years of HTIPL's existence in India, it underwent transformations in its business model, from being development driven to end-to-end focused. To employees it meant that they needed to achieve final results rather than merely be satisfied with procedural results. The company encouraged employees to take ownership for the parts or components during the entire lifecycle, including development, test, and deployment to customers (internal and external), post-release support, new feature enhancement, and continuous optimization.

HTIPL's mandate was to continuously maintain and improve subsystems/components by collecting defect information and feedback, and understanding new requirements from customers and to eventually make perfect deliveries.

According to an internally circulated corporate magazine called *Huawei People* "Huawei possesses a unique culture which is more customer driven—as the customer is the main reason for Huawei's existence. Huawei has achieved remarkable growth

globally by being customer focused, and every member of the organization should imbibe that culture of being customer focused, whether they are serving the internal or external customers. That's the only way forward.... HTIPL will continue to grow rapidly along with Huawei's momentum globally, and increase its contribution towards Huawei's forays into more developed markets around the world.”<sup>4</sup>

The same vision was echoed when an employee shared his impression on HTIPL. “Coming from a traditional Indian service company, I was quite intrigued with the experiences of Day 1 at Huawei. It was a bright sunny Thursday morning in March 2001. A pleasant Chinese face, my first Project Leader, greeted me in OMC Business Unit and explained the project and technical details to me painstakingly in English. Let me admit that I could not grasp most of what he said. But the enthusiasm and the challenge that he wanted to pass on did reach me quite well.”

During organization building, HTIPL morphed several times to accommodate widening product ranges, manpower, infrastructure, etc.

## **6.6 Unique HR Practices at HTIPL**

A striking practice at HTIPL was that the organization consciously focused on quality control and adherence to well-defined processes right from its inception days. This early orientation to process compliance brought a lot of internal discipline to teams and helped streamline business strategies across the entire organization making several tasks a part of the daily routine work life. Some of these were internal audits across Business Units, Root Cause Analysis (RCA) for defects leaks, metrics variance, attrition, and customer satisfaction. The old adage of ‘think global and act local’ fitted the HR practices followed at HTIPL, the essence of which was ‘ideas implemented through involvement with the inclusion of stakeholders’.

### **6.6.1 Mentoring**

The mentoring program was instituted for new recruits immediately after joining and the completion of an induction. The program ran typically for 2–3 months and was intended to help the recruits align themselves to the organizations’ objectives. The reporting manager of the recruit would identify focus areas to be covered like familiarization of the structure of the organization, developing expertise of system design, prototyping, etc., along with managerial skills. Program evaluations on the efficacy of the program were done on a regular basis. An important facet of mentoring was to ensure that new recruits were groomed to undertake responsibility independently.

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<sup>4</sup> Issue #181.



### ***6.6.2 Training Programs***

Training programs covered areas of technical, behavioral, and nontechnical needs of employees. The needs were prioritized at HTIPL, immediately at the time of joining for a recruit. Some programs like the ‘The New Leaders Induction Program’, and ‘End-to-End’ were designed and developed as in-house delivery packages. These were programs apart from the usual induction and process training programs that new recruits underwent. The organization also encouraged employees to play the role of internal trainers who would then be rewarded for their efforts with a training incentive.

### ***6.6.3 Career Growth***

The organization stressed on performance-driven career growth. HTIPL introduced the ‘fast track career growth’ where employees with excellent track records and the potential to handle more responsibility were elevated to the next higher level with additional responsibilities. They would then be observed for a period of time before being promoted.

### ***6.6.4 Communication***

People-related policies and procedures were accessible to the staff of HTIPL through the intranet known as Process Asset Library (PAL). Employees were encouraged to give feedback as well as suggestions through ‘improvement proposals’ which were discussed by the ‘improvement focus group’.

When a team was formed at HTIPL each member of the team was inducted with an introduction which covered sharing past experiences, hobbies, interests, health, etc., to propagate an open culture and constant interaction among team members.

## **6.7 The Transformation**

In 2008–2009 several transformations were brought about by the management at China for HTIPL. Organization changes were introduced and new complex challenges that required an increased amount of transparency and organizational procedural justice were introduced. Significant changes in organization design,

promotion procedures, and policies related to international travels were addressed. The change impacted all HTIPL employees including its senior and middle management staff.

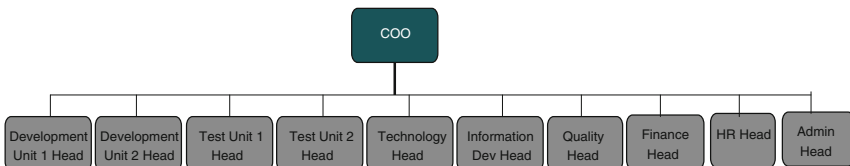
### 6.7.1 Organization Redesign

The corporate office and the development centers at China had restructured to “self sustaining revenue generating business units” in 2007. The India R&D center was to follow suit and align its structure with that of the global R&D organization’s design as quickly as possible. This meant reshuffling the entire organization from a predominantly functional model to a hybrid matrix (Exhibit 6.6). The change was daunting as three independent non revenue generating units were to be reorganized and reallocated with bigger business departments.

Arun was conscious that the exercise being sensitive could take close to a year to conceptualize, formalize, and implement. He had seen that any change management introduced in China was accepted unquestioned; but in India he was quite sure that the same sort of compliance would never work. He was under tremendous stress to think hard and fast and find a via media. After mulling over the issue for several days he drafted his proposal.

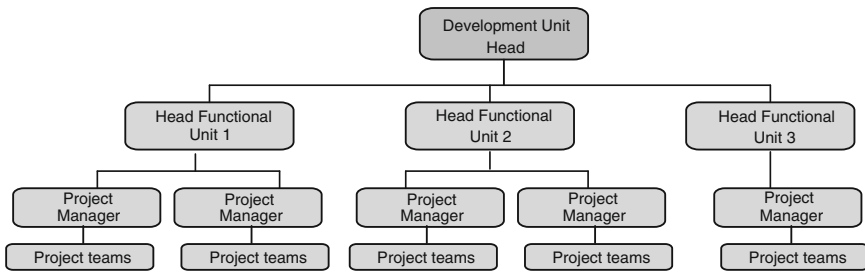
As he drafted his proposal he kept in mind several issues to help maintain harmony in the organization during the transition. Business heads that previously functioned as department heads would now change to being resource heads with the additional responsibility of being mentors or coaches (Exhibit 6.7). To help mitigate risk Arun proposed that the displaced heads could opt for their new supervisors rather than be thrust with a supervisor at random. With no plan to introduce change agents, Arun planned to identify a few select HR personnel who could be involved in the transition by playing the role of collaborators during the process. His draft ended with proposed modifications in the existing R&R system, changing the decision making processes existing in the organization and revamping appraisals system (Exhibit 6.8).

**Exhibit 6.6** HTIPL’s existing functional operations model (A). *Source* compiled by the authors



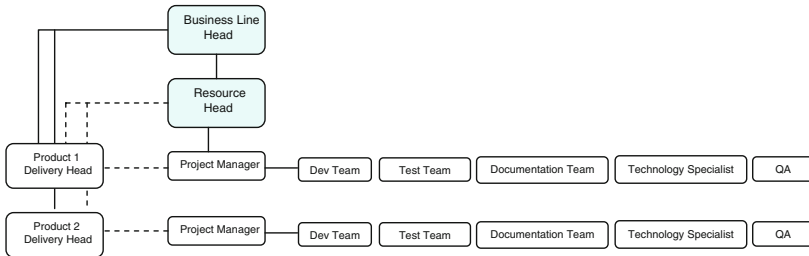
The organization structure of HTIPL was predominantly a functional one with Development, Test, Technology, Information Development and Quality as core departments. Support divisions included Finance, Admin and the HR department

**Exhibit 6.7** HTIPL's existing changed operations model (B). *Source* compiled by the authors



Development Head used to have internal Functional Unit Heads comprised of senior managers

**Exhibit 6.8** HTIPL's new organization structure. *Source* compiled by the authors

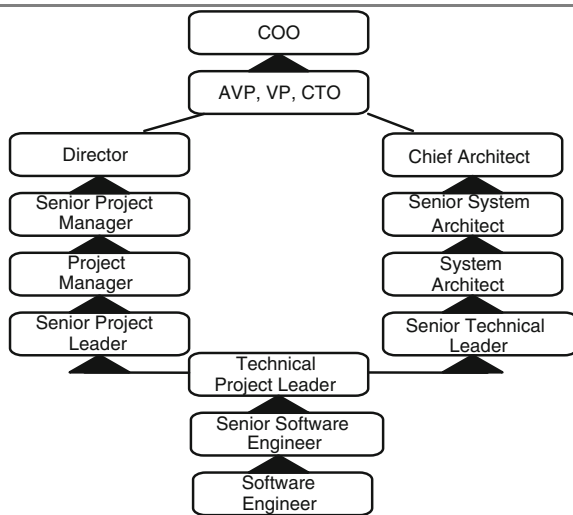


The Technology, Test, Documentation and Quality Dept become a part of the Business Unit with Product Delivery Head with responsibilities of running the show and taking ownership. Delivery head also had a dotted relationship with Resource head. HTIPL has multiple such business units.

### 6.7.2 Changing Promotion Procedures

As revenue from India increased, Huawei's operations in India grew concurrently. Weeks before HTIPL's bi-annual appraisals and promotions announcements one would feel the prevailing tensions in the environment. Initially HTIPL followed the traditional policy of promotion where based on the organizational structure (Exhibit 6.9) supervisors would nominate candidates for promotion based on their perceptions of the candidate. This however to Arun's mind was prone to biased outcomes and to overcome this issue and make the system more transparent, participative, and objective, the 360° feedback system was introduced. The feedback was triggered by business development heads and structured as a questionnaire circulated to peers, subordinates and supervisors. The responses to the questionnaire were later shared and discussed over a formal meeting with the SBU head and

**Exhibit 6.9** Organizational structure at HTIPL. *Source* compiled by the authors



the person being appraised. However even this did not satisfy Arun. It was further modified and led to introducing the *Independent Promotion Evaluation Panel*. The panel consisted of senior managers responsible to assess and evaluate promotion nominations (Exhibits 6.10 and 6.11). The panel members were given defined procedures and asked to assess candidates for promotion based on presentations made by candidates on their contribution and achievements. The panel would judge the candidate on both quantitative and subjective qualities before arriving at a decision. Post presentation the candidate would be appraised of individual strengths and weaknesses as perceived independently by the panel as well as the collective opinions from the questionnaire. Arun intentionally dropped the clause of giving the liberty of ‘dropping out’ for nominated candidates as was the practice in the parent organization. Arun however was concerned that when his proposal was finally approved and rolled out, handling the paradigm shift in employee behavior that was bound to follow would be catastrophic if not handled properly.

**Exhibit 6.10** The 5-point promotion scale

Promotion Scales	Meaning	Percentage of employees (%)
1	Poor performance	10
2	Sometimes meets expectation	20
3	Meets expectation	40 <sup>a</sup>
4	Sometimes exceed expectations	20
5	Always exceed expectations	10 <sup>b</sup>

*Source* compiled by the authors

Typically, employees having ratings 4 or 5 are nominated for promotion

<sup>a</sup> Varies from 40 to 45 %

<sup>b</sup> Varies from 5 to 10 %

**Exhibit 6.11** Promotion evaluation process through independent promotion evaluation panel (sample)

	Respective business unit rating	Overall panel rating (after aggregating data from all panel members)	HR remarks
<i>Business unit X</i>			
Employee A	1	1	Preferred
Employee B	2	6	Not preferred
Employee C	3	2	Preferred
<i>Business unit Y</i>			
Employee D	1	5	Not preferred
Employee E	2	3	Preferred
Employee F	3	4	Preferred

Source compiled by the authors

Preferred tag does not ensure promotion. In fact, it just qualifies a candidate to move to next round where based on the number of opportunities available in the organization, a candidate is promoted. The actual business unit details have been masked

### 6.7.3 International Travel Policy

During HTIPL’s initial days, employees would travel to various development centers across China and other countries for business development and joint project work. Indian employees were paid a per diem of \$40 daily in addition to free lodging and food facilities, without disturbing their Indian salary. Down the line a few years later Huawei’s corporate office introduced an integrated global travel policy where all cities across the globe were divided into categories with specific travel allowances based on zone classifications (Exhibit 6.12). As evident, in many cases, there were cuts in per diem amount. Arun feared that this new policy could to some extent give rise to employees refusing business trips to China as travelling to China on a business trip meant saving an extra buck which went a long way in their savings. However since only 10 % of the employees regularly travelled, he felt that it was a better way of controlling costs at HTIPL rather than downsizing on employee strength or initiating salary cuts. He also realized that the new travel policy could add additional anxiety to project and delivery managers who would now put in extra efforts to keep their team members motivated to travel to China.

Arun was well aware of the psychology and dynamics prevailing in HTIPL yet he had only few options in hand. HTIPL had evolved to a formidable development center and expectations from the parent company’s corporate center had also increased manifold over the years. HTIPL still had a long way to go and still look inwards at the long-term big picture. Arun not only needed compliance from HTIPL employees when his proposal was rolled out but he also needed to simultaneously ensure that operational expenditures were optimized and side-by-side improve the work culture. And yet he was still not sure whether the organization was ready at this moment to handle such a big leap. Though his proposal was ready he still needed to find a convincing communication channel to tell all the employees. He glanced at the

**Exhibit 6.12** Travel allowance classification based on categorization of cities (sample)

Category of the originating city	Category of the destination city	Cities	Allowance
Group 1	Group 5	City 1	\$60 <sup>a</sup>
		City 2	
		City 3	
		City 4	
	Group 4	City 5	\$50 <sup>a</sup>
		City 6	
		City 7	
	Group 3	City 8	\$40 <sup>a</sup>
		City 9	
	Group 2	City 10	\$30 <sup>a</sup>
	Group 1	City 11	\$0
		City 12	

Source compiled by the authors

<sup>a</sup> The values are only indicative, not actual

For example, an employee, working in a Group 1 city and travelling to cities of the same category is not eligible for any allowance. However, when travelling from a Group 1 city to a Group 4 city, eligible for an allowance of \$50. There can be additional hardship allowances, based on the location of a city.

latest edition of *Huawei People* magazine still open on his desk. The magazine was open at a page which covered an article stating that Huawei was aspiring before the end of the decade to take the pole position globally.

## 6.8 Part B

It has been a busy week for Arun Prasad. The appraisal process was finally complete and he had to concentrate on the employee promotions. The last few weeks were gruelling as Arun initiated several organization-wide changes.

Unprecedented in the history of HTIPL, with changes chalked out Arun knew that the company was slated to grow even bigger with its more than thousand employees and three prominent locations in Bangalore. Sitting in his cabin, Arun was wondering if the change he had undertaken in the last 1 year had brought about the desired impact in the organization.

### 6.8.1 Organization Redesign

As Arun had predicted the change took close to a year with several rounds of modifications. Keeping in mind the “unfreeze-change-refreeze” state that change brought about; the SBU heads were reallocated. To facilitate the change, the

management of HTIPL took permission from corporate headquarters for a deviation from its Chinese work philosophy and gave an option to the displaced SBU heads to find a suitable supervisor internally. Considering that the displaced SBU heads were allowed to choose their supervisors they looked at their new job responsibilities as a challenge and proactively provided mentoring during the transition while HR played the role of a collaborator. Additionally, the organization did take care of modifying the existing R&R system, decision making and appraisal system to reinforce the change process.

### ***6.8.2 Changing the Promotion Procedures***

Post reorganization, once Independent Promotion Evaluation Panels were introduced in HTIPL, at the end of first annual cycle, Arun made a few observations. First, despite well-defined guidelines few panel members gave ratings which were beyond the acceptable deviation from the group average (15 %). On hindsight, Arun felt that the overall process could have been better if a formal frame of reference for training was conducted prior to implementation for the panel members. Second, the ratings from the panel, for few employees, seemed to differ widely from the recommendation of the manager. For example, the rating from the business unit was high but the panel rating was poor. The HR department needed to probe the issue to understand the cause of the anomaly. Finally, for employees that had a “reject” in their appraisals lost their confidence and claimed they had become apprehensive and would hesitate to apply again in the following appraisal cycle. Many rejected candidates felt that the entire system was a mockery similar to failure in an exam and had to reappear to score a pass mark next time! This Arun felt added a new worrisome problem as it meant that the line manager had to keep such candidates not only motivated but also make them try harder next time and not just give up. But from the organization front, a clear message was the outcome of the exercise—while personal bias was avoided and a common benchmark was created more importantly candidates needed to prove their mettle. Meanwhile, HR also extended the process by shuffling the panel before each annual appraisal exercise. Additionally, information on “excellent performers” was widely circulated across the organization. Arun in the long run also contemplated to move one step ahead by permitting all nominated members to sit through the entire evaluation session and listen to the credentials of other candidates which would serve two purposes. First, it would trigger self-evaluation and second, it would help identify potential gaps and add more transparency to the overall promotion evaluation process.

### ***6.8.3 International Travel Policy***

The change triggered a lot of discussion in the organization and hence took several weeks before it was rolled out formally. However the top management persisted that it was better to cut travel cost overheads rather than downsize employee strength or initiate salary cuts. Arun felt considering that at that point in time since most multinational companies in India had started laying off people, the company's decision would eventually be appreciated by his colleagues.