

# professional service firms in india: growing pains

By Navnit Singh

Thomas J. DeLong, author of *When Professionals Have to Lead*, wrote in his recently published book, “professional service firms (PSF) are being challenged as never before – by clients, associates, and the competition, just for starters. But old-style PSF leaders are not equipped to respond. In the past, the work of PSFs was a gentleman's game and now it's a blood sport.”

India's stellar economic numbers may stave off any serious blood-letting by professional service firms in the country as booming local businesses, particularly those in the infrastructure, retail and technology sectors, fuel demand for outsourced professional services. That doesn't mean PSFs are home free. They, in fact, face a different set of challenges.

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### The Challenges

“There is a war for talent across all levels. At the senior level however, professional service firms are increasingly demanding that leaders demonstrate sophisticated client development skills, skills that are hard to find in this market,” said Sangeeta Singh, Executive Director of Human Resources at KPMG India. “India’s PSFs have traditionally relied on their brand names and reputations to win new clients, and are only just getting used to the idea of having to actively market their services. Another challenge is instilling a sense of accountability in client service teams, both towards the client and for the services provided. This is also a relatively young concept in India. The talent pool in India has much to learn from their global contemporaries.”

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In a report titled ‘Creating People Advantage: How to Address HR Challenges Worldwide Through 2015’, Boston Consulting Group states, “One of the main HR challenges that companies will face in managing globalization is making sure that the right people are in place in the right locations, and that there is effective and efficient cross-country and cross-cultural collaboration.” This is especially true for Indian PSFs as they expand beyond their borders.

“In our ventures overseas, we have noticed that there is greater domain specialization in mature economies. Service providers are able to integrate their understanding of their clients’ industries with their technical expertise and so are able to provide more sophisticated solutions. This is lacking in India and something that we are addressing at Wipro,” said Mr. Pratik Kumar, Executive Vice President, Human Resources, Brand and Corporate Communication, Wipro Limited.

“Above all, our greatest challenge has been in keeping pace with the growth of our business into new geographies and new markets. At Wipro, we have 20,000 staff members who are based outside of India, comprising 40 nationalities across 42 countries! You need good leadership to manage multinational growth

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well; people who are able to quickly localize your business concepts and values, and transform those teams into ‘Wipro’ teams, no matter where they are based,” Mr. Kumar adds. “We actively incubate and grow local leadership teams, while at the same time, encouraging them to see their careers with Wipro on a long-term, global basis”.

### Practice What You Preach

Regardless of the various challenges that India’s PSFs face, they will have to deftly orchestrate well-tuned recruitment and retention strategies and to practice what they preach, so to speak.

We borrow some insightful comments from the leaders at India’s top PSFs.

**1. Be your firm’s investment manager: Invest resources in building a long-term strategy, and not just punt on short-term efforts to capture growth.**

“I was trying to recruit someone to join Arthur Andersen in the 1990’s and instead of saying yes or no, he asked, ‘Do you think you can create an organization as effective as the one you head today?’ I kept thinking about that challenge for a long time after he had left my room,” said Ashok Wadhwa who now leads what is recognized as one of the front running investment banks in India. “A small team and I ventured out to build a firm that could be regarded as a trusted advisor for clients. When we founded Ambit Corporate Finance and RSM & Co in 1997, we cherished a dream to be amongst one of the best professional services firm in India.”

**2. Be your firm’s management consultant: Carefully plan all the different aspects of the firm’s growth strategy, in relation to its talent needs.**

“Look at the long term success factors for your organization in the next two to three years time, and then start to build your leadership bench now. The environment is changing so fast that firms cannot afford to take a reactionary approach. They must be nimble and have a strong ability to adapt. Trawl the world for best practices and customize them to local needs. Our industry’s

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problems cannot be solved with just recruitment; we must look at developing our internal processes, structures, technology and leadership bench," said Mr Kumar of Wipro.

### **3. Be a public relations executive: Communicate and rally enthusiasm for the firm's vision.**

"Ensuring good communication is absolutely vital. We have been investing in technology that allows our people to reach out to each other. Other than Wipro forums and blogs that solicit participation from people around the world, our leadership also spends time in our overseas offices for a period of about one month every year, in meet and greet sessions with local employees," continued Mr. Kumar of Wipro. "For an organization as diverse, dispersed and ever-changing as ours, one needs to constantly seek to understand what binds the different global teams together under the corporate banner, and to make it all work within the local context. We want to ensure that our people feel anchored locally, and yet at the same time feel like they belong to a larger global organization."

### **4. Be an executive leadership coach: Model behavior for the rest of the organization and encourage everyone to perform to his or her full potential.**

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increased, as the employee has a sense of ownership for the final product. This is a great motivation,” said R.N. Mukhija, President (Operations), L&T.

India’s economy is bubbling with many new business opportunities, and it will be professional services firms that adopt the best practices from the different disciplines and excel at executive recruitment and retention that will continue to outgrow the competition.

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