

# Business Manager

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Making HR People Complete

# HR & Ethics

Roundtable by Dr. Vinayshil Gautam on

Demonetisation & TATA-Mistry Couldrons

# Adizes “PAEI” code in HR for Effective Corporate Governance

We need to think out-of-box to retain best talent and nurture them. We have adopted what is called Adizes Methodology in human resource management, which though popular in other countries, is little known in India. I, while configuring the HR practices with Adizes Methodology, found exciting with challenges.

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Today in this competitive scenario, HR practices, in its wake, has brought about big challenges for HR fraternity in identifying the intrinsic capabilities and attributes of an employee for a designated function, which, prima facie looks simple, but brings out eventually incongruent results in performance if not rightly done at the source.

For an example, I have come across delinquent situation where people who have been hired for a technical function, but have been found to be excellent performers as administrators or otherwise, and vice versa, as their in-borne and in-built core strength has not been systematically explored and identified at the time of sourcing.

In simple terms, we need to think out-of-box to retain best talent and nurture them. We have adopted what is called Adizes Methodology in human resource management, which though popular in other countries, is little known in India. I, while configuring the HR practices with Adizes Methodology, found exciting with challenges.

Adizes tool, in simple terms, drives People to Process in line with old saying "Identify right people and put it in right place". According to Adizes, first we should identify what kind of people working in every department across the organization and zero in through four-prong process, viz:

**PAEI, where..** P=Producer; A=Administrator; E=Entrepreneur; I=Integrator is to get right person in right place for right performance.

PAEI is a DNA for the organization and a code used for analyzing managerial styles, organization structures, decision making process and rewarding systems, as well forewarn sequence of anticipated hurdles and impediments along with their life cycles. It is also designed as corporate strategy by balancing the roles of these four variables vis-à-vis strengths/weaknesses and what management should focus for future.

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A company can have a strategy for:

**P**-Better Human Service than a competition

**A**-Cheaper Cost of Production & Delivery

**E**-High Level of Innovation in Human Capital

**I**-Better Organizational Structure to attract & retain Human Capital

No company can be, in the initial stages, be perfect in all four as cost of analysis of each variable linked to each process costs resource in terms of finance and implementation. Hence, need to be done over a period of time in a structured and phased manner through PAEI and then finally apply "I" to integrate. Once done, organization goes in system mode by default and see consequent glaring results.

In the Adizes Methodology, effectiveness is defined as "obtaining results which somebody needs", and efficiency is defined as "conducting activities with minimal waste". While needed results can be obtained very quickly and reliably if we spare no cost in obtaining them, but needs guided caution of our resources getting depleted and unavailable for more work. Hence conservation vis-à-vis work efficiency need to be well diligently balanced, lest we land up in under-sourcing, eventually leading to a compromise in attainment of results.

"Determining a suitable trade-off between the mobilization and conservation of energy is thus necessary for every decision, and this judgment must be made under conditions of some risk or

uncertainty. However, taking both concerns explicitly into account when deciding makes it much easier to adapt and adjust the trade-off quickly in the early stages of implementation. Striking a workable balance between effectiveness and efficiency in the attainment of our goals is important for reaching a quality decision".

Adizes code also talks of effectiveness/efficiency dimensions, cautioning, while decisions can be effective and efficient in the short run, but can proved to be ineffective and inefficient in the long run. Added to this is prime requirement of "Quality Decision" which need to be forged and integrated in this process.

Similarly, it can be more efficient in the short term to reduce job redundancy and minimize job overlap. But if no one knows much about their neighbors' jobs, then when someone is ill or away, others cannot take up the slack. The whole overspecialized team might be immobilized if one of the specialists is unavailable. Allowing some overlap facilitates learning, so that team members can fill in for each other when needed. The imperatives of short-term efficiency and long-term efficiency are not identical to each other.

Let us analyze four functional areas, diagrammatically represented in Adizes code:

	<b>EFFECTIVE</b>	<b>EFFICIENT</b>
<b>SHORT TERM</b> →	Short-term Effective	Short-term Efficient
<b>LONG TERM</b> →	Long Term Effective	Long Term Efficient

Layered over these four functional horizons, Adizes describes four corresponding activities: Producing, Administrating, Entrepreneuring and Integrating.

These activities address short-term and long-term effectiveness and efficiency:

	<b>EFFECTIVE</b>	<b>EFFICIENT</b>
<b>SHORT TERM</b> →	Producing	Administering
<b>LONG TERM</b> →	Entrepreneuring	Integrating

## Entrepreneurs are easily typecast as dreamers. They are not interested in the results we are attaining today, and would rather focus on bigger potential achievements in the future.

Let us analyze attributes of PAEI in HR perspective:

### Who are Producers?

Producers are high energy, active people. They like to be busy all the time, and their interests are overwhelmingly concrete. They love to attain tangible results, and to attain them often. They feel highly rewarded every time they can declare a task complete. They are much more interested in getting a task done than they are in ensuring that their colleagues are happy with the way it got done.

### Who are Administrators then?

Administrators are quiet, cautious people who are less concerned with what we should do than how we should do it. They need to know what process or procedure we are planning to use before they can join in on the action. Unplanned activities feel distressingly chaotic to them. Administrators prefer to construct a system of routines and conventions for ongoing activities, so they can be conducted in the smoothest and least disruptive manner possible. In organizational contexts, they bring stability and order to collective activities.

### Who are Entrepreneurs?

Entrepreneurs are easily typecast as dreamers. They are not interested in the results we are attaining today, and would rather focus on bigger potential achievements in the future. Entrepreneurs feel stifled by the demands of ongoing

activities. The here-and-now is a trap. Entrepreneurs are energized by novel challenges, exciting opportunities, new possibilities and future achievements. They can come up with several very different grand future schemes every few minutes, when inspired.

### Then who are Integrators?

Integrators are team-builders with the organization. They manage the interpersonal, interdepartmental, supplier and client relationships that allow the organization to function together as one organic whole.



### Finding Balance

The truth is that in any adaptive situation, all four concerns are going to be relevant, though not to the same degree. In the organization of first response emergency services, for example, rational order and organization (A) are very important, to enable quick responses (P). However, complex and cumbersome regulations can actually impede first responders, so finding the right balance of P and A is crucial for this predominantly Productive function. Similarly, training scenarios and simulations of possible disasters (E) are important for emergency preparedness, but these scenarios should not be misrecognized as exhaustive of the true range of possible situations that first responders may be faced with (P). It must always be remembered that truth is stranger than fiction, and that P-style on-the-ground, results-driven flexibility matters more than prior rehearsal. Finally, I-style concerns regarding the cohesiveness between different response services are important, as is the degree of Integration within the community being helped. Ideally, there will have been a long-term investment in I, since well integrated communities pull together in a crisis. If this was not done, the lack of I in a region will bedevil efforts to aid victims no matter how severe their privation. 