

# Relevance of Strategic HR Diagnostics in Family Owned Businesses



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### **Preface**

Family owned businesses contribute to more than 70 % of GDP of India and comprises of more than 80 % businesses in India. Total market-capitalization of the Indian family-owned companies stood at \$839 billion in 2018. Even though many of the business leaders many not be satisfied with the performance of their organizations for the last couple of years. May be many of them are not initiating corrective actions on time, may be because some of them are not aware about the cost of their inaction, and not be sure about the financial and emotional impact on their employees or customers. It is quite natural that people are worried to question the status-quo.

### **Why?**

Some of the business leaders are forced to invest more time in managing the business and less time in understanding the trends and future of their business due to inefficiency in the organizations. It is observed that many of the employees, including some of the Head of the Departments are afraid to express many unpleasant truths about their organization to their CEOs or MDs, especially in family owned businesses.

Employees usually reveal what the management would like to hear. This is limiting the information flow. As a result, decision making capabilities of leaders get reduced. In most cases, they do not have HRMIS and depend on selective feedback of the managers and subjective opinions of family members employed or involved in the organizations.

It is always better to check the health of the organization periodically to avoid surprises and sudden loss of business. There are a number of tools available to understand the merits and areas of concerns in an organization.

### **What and How?**

In strategic HR Diagnostics, consultants of TransCat People Solutions Pvt. Ltd., would go through necessary documents and interact with sample group of employees at different levels in various departments (and if applicable, in different locations) and members to understand more about the organization. They would also discuss with the management on major impediments.

These short interactions are usually one to one with higher officials and with some of the junior managers. Inputs from other managers and employees in the sample size are gathered through focus group discussions of homogeneous groups. Based on the responses of the participants, more questions may be asked by expert consultants from TransCat People Solutions Pvt. Ltd., to go in depth to understand organization dynamics. This process helps to gather the internal wisdom of the organization.

In addition, if required, depending on the circumstances, a research shall be conducted to understand the opportunities and limitations in the external environment (statutory, industry and market conditions) by the TransCat Team.

### **Benefit**

TransCat would provide report of the strategic HR Diagnostics in the form a report, which shall be presented to the top management. This helps the management and strategic business leaders to validate the internal strengths and limitations of their organization as well as opportunities and limitations in the industry and market.

This report is like a scan report, which would help in taking precise and effective decisions where by initiate targeted action to improve the situation with more confidence. A quick and tangible improvement is possible with the concentrated efforts.

### **When?**

Due to Covid 19 disruption, employee and consumer behaviours have gone through drastic changes and undoubtedly it is the right time for the business leaders to take well informed decisions and strategic actions to revamp their organizations in order to become more agile and to be relevant in the market place.

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