

[REDACTED]

Sent: Monday, January 2, 2017 1:54 PM
Subject: Week 161 : Rules - Why we like them, Why we flout them

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Dear Friend and Colleague,

Over the last week, I have been thinking of one theme to end the year before I send you my 2017 opening note later this evening.

The one theme I picked is RULES.

I believe we can do far better as a company in following the rules that the company has laid out. These are not rules laid out by current ExCom or your boss, these are rules which have been in existence for some time now, but somehow we have watered down their effectiveness with our own actions.

I am sure each of us remembers a story from our school and college days when we broke a rule and were proud of it and the more outrageous the rule breaking act, the more we were idolized by our classmates and juniors and the legendary story would have been told for many years after that. I am also certain that many of us thought that the rules didn't seem sensible in the context of the day.

I went to IIM Calcutta and suddenly the whole batch realized there were no rules to break : One could smoke in class, there was no attendance, there was no hostel time restrictions, there was no dress code to class. (I must add that things have changed since then and I keep telling the Director that this is the wrong direction) Suddenly all the rule breakers didn't know what to do. One of them actually said : I have too much responsibility now, now that there are no rules.

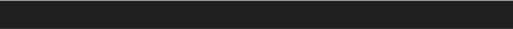
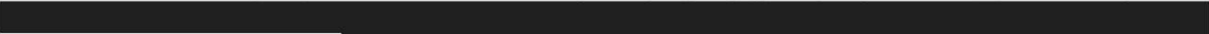
A company has rules to protect the employees and not to harm the employee. When an employee sees a rule being applied fairly irrespective of rank, then he or she trusts the rule and the system. For this, we as leaders need to do our bit. If we are consistent with the rules and processes, we will build a better organization for all.

There is evidence to show that schoolchildren in Spain, Italy and UK behaved badly when they saw their favourite footballers not following the rules and arguing with the referee. That's when FIFA came down hard on the players. It just tells us that role models must follow rules before others will accept them.

A good example of a rule being applied exactly as is, is INDIGO. Come what may, they will take off irrespective of who has come or not. I have seen people travel 2 hours before to the airport because they know Indigo has a rule they apply without fear or favor. Indigo is also lucky that they don't have any politicians travelling since they don't have a business class, the business model helps as many a Jet and Air India flights have been held up by politicians.

Take a simple rule like our Travel and Expense statement. We have to settle the bills within 30 days. Ten per cent of the employees settle within 30 days, 70 % settle within 90 days and the balance 25 % settle after 90 days. I have noticed that employees make many inadvertent mistakes when they settle T and E late and this leads to its own problems.

A good system is one where each of us is our own rule keeper, if we were to slip, then the system must be able to catch it and correct us. And after that is audit. A company has to deliver results and it has to do it by the book.



All the best,

Wr,
Shiv