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CREATING INSPIRED EMPLOYEES

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Providing a purpose beyond profits is key but companies should select candidates with the right 'fit'

Singapore-headquartered agri-business Olam International operates in 70 countries worldwide, producing and supplying commodities such as cocoa, coffee, and rice. It is the world's top supplier of cashew nuts among other items, and counts as its customers food giants such as McDonald's (onions), Nestle (cocoa), and Starbucks (coffee).

With 2016 sales exceeding S\$20 billion (approximately US\$15.5 billion) and a 70,000-strong workforce, co-founder and CEO **Sunny Verghese** says it's impossible for senior management in Singapore to "oversee systems and structures of the whole company". The secret of the 28-year-old company's success and rapid expansion, Verghese explains, is autonomy.

"We 'loan' out these businesses and the heads of every profit centre are told that," Verghese explains. "We tell them it's their business and they need to do whatever it takes to make it successful, and grow sustainably and profitable over the long term. He or she is given full autonomy and a sense of control over what is being done."

Being engaged, inspiring excellence

Verghese made those remarks at the recent SMU employee engagement talk, "How do you create engaged & inspired employees: Sharing the Olam Experience", where the 57-year-old listed two other elements in creating engaged employees: *providing opportunities for mastery of skill* and *providing purpose*.

Citing Starbucks' programs of training its baristas and store managers as a great example, Verghese asserts the importance of "exposure or experience of things that allow [employees] to make an

assessment of their improvement; you need to build a structure that allows them to become better and better”.

But it is the presence of purpose that drives employees to become the best version of themselves in an organisation: an inspired employee.

“If we’re not inspired by the leadership of the company in terms of its mission and aspirations, the employee won’t be inspired,” Verghese elaborates. “But if you can get your people to go from being an engaged employee to an inspired employee, productivity jumps.

“In the past, this was regarded as a personal matter. Today, you cannot attract millennials with the goal of selling more products. They want to know their lives are more than just selling more shampoo.”

In Olam’s case, Verghese cites the challenge of sustainably feeding an ever-increasing global population as the “big intractable problem” that drives the company. With rising air pollution and an increasing shortage of clean water, Olam innovated on its dehydrated onions – it is the top global supplier – to help address this issue.

“There’s a lot of energy and water that’s needed to make this work,” Verghese laments, pointing out the electricity consumed to dehydrate the product before packing it and the water needed to rehydrate it before serving. “We’ve bred new varieties of onions, not GM onions, that have increased solid content in onions from 11 percent to 27 percent. That way, we’ve saved 65 million cubic metres of water. We’ve also saved 19 million dollars.”

The right fit

While potential employees might be convinced Olam is the company for them, Verghese says selecting the right candidate is not quite so simple. He elaborates: “The screening criteria is easy: an MBA, relevant work experience etc. But in a 45-minute interview, the probability of picking out the right candidate is basically zero; you might as toss a coin to decide who to hire.”

To ensure a potential candidate is the right fit for the company, Verghese ‘de-markets’ the company by “frightening the living daylights out of the candidate”: “If you’re expecting to play golf once a week, you’re joining the wrong company.”

“My HR department was very upset with this approach,” Verghese quips to chuckles in the audience. “I tell them we can’t be all things to everyone. In order for us to survive in the industry that we are in, we need a certain kind of person with a certain level of stamina to survive. There’s no point in promising false things.

“But if he wants an entrepreneurial journey and adventure, this is the right company. We tell the candidate: ‘You have to make a deliberate choice that this is the kind of life you want.’”

The hiring process does not stop there.

“After we’re convinced we should make the candidate an offer, we get them to go to the location of their posting to live for a month and see if they think they can survive,” Verghese elaborates, pointing out Olam’s requirement for managers to spend a few years in “tough” locations, listing Ouagadougou in Burkina Faso as an example. “Sometimes they have the romantic notion that it’s an adventure in an exotic locale; it may not be the case.

“We have to select for fit. We have very low attrition rates as a result. We don’t believe in hiring and firing. We have never done redundancies during downturns. When you fire people en masse, it’s a reflection of strategic mistakes, and you have to penalise people who have on control over the big picture.”

He concludes: “Worse still, the trust would be lost. You cannot have managers behaving like entrepreneurs and taking ownership when trust is lost.”