

Leadership and culture as seen in tech mahindra limited



A human being right from birth is associated to various people including parents, relatives, and so on. As he/she grows old, the pool of associations become stronger and complex as his/her needs tend to grow such as: The need of friends, education, and other sociocultural aspects of human life. The child thus becomes part of many organisations catering to needs of each other in the organisation. Organisation, as defined by 'Oxford Advanced Learner Dictionary' is "A group of people who form a business, club, etc. together in order to achieve a particular aim". All the organisations irrespective of their nature are headed by a Leader. Leader is often seen as a person who guides the organisation to achieve a common goal by setting up practices and creating a positive environment with the organisation. As said by Fullan (1992) in his notes, that "...the only thing of real importance that leaders do is to create and manage culture. The leadership of an organization has the primary responsibility for identifying the need for, and fostering, cultural change and for sustaining a sound safety culture once it is established."

In the following essay, I have tried elaborating some leadership skills and organisational culture taking into consideration Mr Vineet Nayyar who heads (Vice Chairman, MD & CEO) Tech Mahindra Limited, a joint venture between Mahindra & Mahindra Group and British Telecommunications PLC.

About Tech Mahindra

Introduction:

Tech Mahindra is a part of US \$7. 1 Billion Mahindra Group, in partnership with British Telecommunications plc (BT), which is one of the largest

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communication service providers in the world. The organisation was incorporated in 1986 under the name of ' Mahindra British Telecom', which was later changed to ' Tech Mahindra' to reflect diversification and growth of client base. Tech Mahindra has majorly focussed the telecommunications industry and is a leading global systems integrator and business transformation consulting organization.

Tech Mahindra operates globally with more than 15 Greenfield Operations and has over 124 active customer engagements mostly in Telecom sector. Some of its largest clients are BT, AT&T, O2 and Alcatel-Lucent. The company has footprints in more than 25 countries and has been assessed as SEI CMMI Level 5 Company. The company is supported by around 35, 000 professionals who provide distinctive blend of domain expertise, in depth technology skill sets and culture.

Tech Mahindra Vision:

To be the most respected solution provider in the communications ecosystem

Anticipating and enabling change

Admired for technology, agility, innovation, business models and the quality of its talent

Tech Mahindra Values:

“ Tech Mahindra is focused on creating sustainable value growth through innovative solutions and unique partnerships. Our values are at the heart of

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our business reputation and are essential to our continued success. We foster an environment to instil these values in every facet of our organization.”

Customer first

Good corporate citizenship

Professionalism

Commitment to quality

Dignity of the individual

Some of the Industry Recognitions:

In the Leaders Category in ‘ The 2009 Global Outsourcing 100’ (IAOP’s Annual Listing of the World’s Best Outsourcing Service Providers)

Ranked 2nd in Telecom Software providers of India by Voice & Data, 2008 (V&D 100 Ranking)

Business Week Award for Asia’s Best Performing Companies, 2008

“ Growth Excellence Award” by Frost & Sullivan, 2008

Ranked 6th largest software exporter from India (NASSCOM, 2008)

Leadership

Introduction to leadership:

There are numerous organisations prevailing in the today's world. Each and every member of an organisation aspires to have an ideal leader who can create an environment of trust, ownership among employees and is able to steer the organisation in a balanced way both in good as well as hard times of the organisation. As said by Admiral Burke, US Navy-“ Leadership is understanding people and involving them to help you do a job. That takes all of the good characteristics, like integrity, dedication of purpose, selflessness, knowledge, skill, implacability, as well as determination not to accept failure.”

But there remains a big question- “ What are the characteristics of a good leader?” or “ How to assess if a person is worthy of leading a group or an organisation?” During the following analysis, findings and practical scenarios I would try and find answers to the questions mentioned above.

Theoretical approach to leadership:

There have been numerous theories discussing several aspects of leadership and different styles in which it is practiced. The earliest being the “ Trait theory of Leadership” which was worked upon and analysed at length as early as around mid-1850. This theory was primarily interested in the measurement of traits of persons which can be defined as habitual patterns of emotion, behaviour and thoughts. This theory strongly believes that the traits of a person are in-born and remain constant over life lime and hence it concluded that “ Leaders were born, not developed.” In contrast to this theory, some other theories which came up in late 1940s and early 1950s stated persons who are Leaders in one situation may not necessarily be

leaders in other situations. These theories took into account the macro environment and took into consideration various factors affecting the decisions and behaviour of the leaders. The criticism of Trait theory by many researchers taking into account its shortcomings, led them in an alternate theory, the “ Theory of Behaviour and Style”. This theory led to study of “ Managerial Grid Model” which suggested five different leadership styles, based on the leaders’ concern for people and their concern for goal achievement. A graphical representation of the managerial grid model is shown below.

However many researchers believed that different situations call for different characteristics and this led to development of “ Situational and Contingency Theory”. This theory stated that the actions and behaviour of a leader were largely influenced by characteristics of the situation in which he functions. The most promising model for this theory was developed by Fred Fiedler and is known as “ Fiedler contingency model”. He believed that “ The leader’s effectiveness is based on ‘ situational contingency’ which is a result of interaction of two factors: Leadership style and Situational favourableness”. As the leader I have chosen to analyse best suits to this style of leadership, Contingency Theory would be the basis of my analysis about his leadership style.

Fiedler’s Contingency Theory and Mr Vineet Nayyar:

In the late 1950s and early 1960s, noticeable industrial and business psychologists: Fiedler and Woodward started to study the leadership and behaviour styles of leaders and managers. Earlier to Fiedler’s study,

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industrial psychologists mainly focussed on personal traits of influential leaders. They believed that there was only one best way to run an organisation which produced best results and most effective business practices. The reason of Fiedler's model influencing most researchers was that it denied one best way and perfectly fit in modern highly complex organisations where scenarios and environment of leaders kept changing more often.

Fiedler's model assessed a potential leader with a scale of work style ranging from Task-Oriented on one end to Relationship-Oriented on the other. The other important factor which affected behaviour was the contextual circumstances in which the group operates. This is furthermore supported by three contextual variables affecting appropriateness of a particular style. These are: Leader-member relations, Task Structure and Leader Position Power.

The diagram below depicts the model.

Mr Vineet Nayyar, 70, is the Vice Chairman & Managing Director of Tech Mahindra since 2005 and the Chairman of Mahindra Satyam since 2009 after its acquisition by Tech Mahindra. He is an accomplished leader and has led many organisations across his career span of 40 years. He has worked closely with Indian Government (an IAS - Indian Administrative Services official), international multilateral agencies and the corporate sector (both public and private). While in government, he has taken many senior positions as District Magistrate and Secretary of Government Administration. He has also been part of the World Bank for over 10 Years. In corporate

sector, he was founding Chairman and Managing Director of state owned Gas Authority of India, MD and V Chairman of HCL Technologies. He holds a Master's degree in Development Economics from Williams College, Massachusetts.

Vineet is undoubtedly an outstanding leader and a role model for employees at Tech Mahindra. During his 6 years tenure, he has taken several crucial decisions which have impacted the organisation positively and have created a sense of trust which I believe is the most important characteristic of being a leader of an organisation. Year after year he has won excellent feedback scores from employees of the organisation which are evident of his leadership qualities. Along with high employee satisfaction, his role as a leader of organisation was backed up with exponential growth of the organisation. The company has doubled its size both in man power as well as the total business sales. It has also acquired three organisations, Axes Technologies (India) Private Limited, iPolicy Networks Private Limited and Satyam Computer Services Ltd since 2005.

As suggested by Fiedler's Contingency theory, Leader's behavioural style is majorly impacted by environment around him. Over the last 5 years, Asian and Global economy have seen many highs and lows. During the time when Vineet entered into Tech Mahindra, global economy was on a steady rise. He saw this as huge opportunity for Tech Mahindra, and the company under his leadership launched an extremely successful IPO (Initial Public Offer) in 2006, through which the organisation raised around \$100 million to build a new development centre at Pune, India estimating an employee seating capacity of 9000. This proved a highly motivating factor for employees of the <https://assignbuster.com/leadership-and-culture-as-seen-in-tech-mahindra-limited/>

organisation, as the company was then listed in Indian Stock Exchange which added to the credibility and popularity of the organisation. As the IPO was a huge success, the employees of Tech Mahindra were given bonus shares on completing 20 years of Tech Mahindra in 2006. This move increased the sense of ownership and the level of commitment of the employees towards the organisation.

As the economy continued to flourish, the company gained new and potential clients along with existing customers which added to exponential rise in company's physical and liquid assets. Under Vineet's leadership, Tech Mahindra increased footprints across India and the globe. It has added four new development centres in India along with several overseas site offices across Asia Pacific, Europe, Americas, Middle East and Africa. Company's headcount increased from 16, 500 in 2005 to 35, 200 in 2010. As the company grew stronger and bigger, it created more jobs for people and was being trusted as a safe company considering job stabilization. These positive factors, along with Vineet's influential leadership skills, resulted in a favourable situation which directly proved to have a positive effect on group performance. Leader-member relations were ' Good' along with ' High' task structure. With new development centres coming into operation, there were revised processes and policies which clearly defined each employee's roles and responsibilities. Every employee was being given a task to set-up his goals at the start of the year which were then finalized along with supervisor's feedback. There were team/individual meetings/skip level meetings to highlight any concerns, feedback or comments related to employee's work. All this resulted in ' High' Task structure. All the

groups/teams were headed by a team-lead and a supervisor who had full authority to assign and monitor tasks for individuals in the group. These people also had the authority to recommend outstanding performers for rewards and awards every quarter. Hence we can consider Leader Position power also to be ' High' thus resulting in ' High' Favourableness of the situation. The most appropriate Behavioural style hence can be conceived as Low LPC, Task Oriented. However along with Task Oriented leadership style, Vineet was also inclined towards Relationship-Oriented behaviour as the company was doing well. Organisation incorporated several awards which were to be given to high performers and distribute bonuses among employees. There was high employee satisfaction resulting in improved overall group performances.

The economy continued to grow till early 2008 after which there was a steep downturn. The economic turmoil in United States and Europe had a direct impact on Tech Mahindra as all of its major clients belong to this geography. This was a drastic change of environment for Vineet and he had to adjust his leadership style with the changing scenario. Vineet along with his management team had to churn out cost affective task driven methods to cope up with the ever increasing pressure of dipping economy and demanding clients. There were many changes in company processes to make them streamlined and cost effective. As the economy further weakened, many employees were discontinued from their roles in order to maintain an even position on operating the projects. Employee Assessment and Appraisal Process was reviewed as company was now operating on less operating profits. All the overhead costs were minimized and bonuses were

cut-off. This led to decreased employee satisfaction and hampered team performances.

During the same time period (2009) Tech Mahindra emerged as the highest bidder to scam-hit Satyam Computers Ltd (Later renamed as Mahindra Satyam after takeover). Vineet was appointed as the Chairman of Mahindra Satyam taking into account his excellent service to Tech Mahindra over the years. His past experiences and characteristics as a leader both proved to be the deciding factor for this decision. Economic downturn coupled with accounting scam was a nightmare for employees of Mahindra Satyam. With a strong headcount of around 45,000, Mahindra Satyam due to its tainted image and lost credibility lost many major clients. Its operating profits came down to negative and the company was very difficult to sustain. Vineet and his team carried out series of management and process changes in Mahindra Satyam to improve its position in the market. Rebranding Satyam Computers to Mahindra Satyam was one such move. The association to Mahindra & Mahindra group instilled an increased sense of credibility. There were internal exchange placements within Tech Mahindra and Mahindra Satyam to utilize excessive man power and Tech Mahindra slowed its external recruitment process. Many employees of Mahindra Satyam who did not have a good performance assessment were handed pink-slips. It was crucial for Mahindra Satyam to rebuild itself and regain its place in the IT Industry. A series of similar stern changes and developments took in Mahindra Satyam over the next few months. All these changes in Tech Mahindra and Mahindra Satyam led to decreased employee satisfaction. Employees were not given enough salary hikes and promotions were delayed. As more and more

employees were terminated due to low operating margins, the team sizes grew smaller resulting in increased work pressure. This did not have a good effect on Leader-member relations and could be termed as 'Bad'. Task structure also dropped to 'Low' as there was increased workload due to less team members. Existing team members were unclear about the added responsibilities they had to partake which were an overhead to their already existing responsibilities. Leader position power still remained 'Strong' as there was constant supervision on performance of the individuals. All these factors resulted in 'Low' Favourableness of situation and behavioural style can hence be concluded as Low LPC Highly Task-oriented.

Conclusion:

With all the above evidences and instances of effect of external forces on leadership style of Vineet Nayyar, I can strongly conclude that leadership behaviour of leaders change with circumstances. A good leader is judged as to how he transforms his behaviour under different situations and choosing the correct style of leadership. Citing all the above instances of leadership and analysing them with theory as mentioned by Fiedler concludes that Fiedler's Contingency theorem aptly fits Vineet Nayyar's leadership style. As the scenarios and macro environment changes rapidly, leadership as a vast pool of possible operative styles was a ground-breaking idea by Fiedler. It is in my virtue a common idea in modern management theories which rejects a stiff assumption about ideal management.

Culture

Introduction to culture:

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Culture: A word having its origins from Latin word 'Cultura' which means "to cultivate". Culture is a word having numerous meanings and definitions and is often the integral part of any organisation present today. Gareth Morgan has described organizational culture as: "The set of the set of beliefs, values, and norms, together with symbols like dramatized events and personalities that represents the unique character of an organization, and provides the context for action in it and by it." Organisational culture is hard to explain and is similar to other intangible entities which can just be experienced by the virtue of it being into existence. With the size and complexity of organisations varying from a few to thousands, it is a vital and integral part of any organisation. It is in modern era, a characteristic of an organisation which mirrors the environment prevailing in the same and distinguishes it from others based on its Values, Rites, Rituals and cultural network.

During the following text, I have tried examining organisational culture at Tech Mahindra based on theoretical and practical approaches.

Theoretical approach to culture:

Organisational culture has been analysed and defined by many anthropologists and sociologists including Deal and Kennedy, Charles Handy, Edgar Schein, Robert A. Cooke and many more. All the researchers have defined Culture in many different forms as it is very difficult to express it distinctly. Every person when becomes a part of organisation, becomes a part of its culture. He understands, learns, inherits and then practices culture at organisation through his distinct ways. Schein has broadly classified the

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nature of culture as 'layered' phenomena having three levels of visibility. These are: Basic Assumptions, Values and Beliefs and Artefacts and Creations. He has further emphasized that these three layers of visible culture interact among themselves and do not stand out from each other. A graphical representation is shown below.

Many different models exist which differentiate culture on the basis of its nature prevailing in different organisations. One of which is suggested by Peters and Waterman called the Characteristics of Excellent Companies. The authors studied cultures at some of the most successful organisations and came up with a list of common idealized practices within those organisations. This was by some viewed as 'One best culture' and received strong criticisms by many researchers.

Another model was suggested by Goffee and Jones which is also called as The Goffee and Jones Contingency Framework. This was a more modern approach to organisational culture and suggested the dependency of culture on business environments. They opposed the theory of one 'Right' or 'Best' culture for various organisations. Their framework could be depicted based on two dimensions: Sociability and Solidarity. These two dimensions were rated from Good to Bad and a four cubes structure was drawn.

They suggested that an organisation could have one or a mix of these four cultures: The Communal culture, the Networked culture, the Mercury culture and the Fragmented culture. Taking the example of Tech Mahindra, I would be closely following this technique to examine its culture rated on Sociability and Solidarity.

Culture at Tech Mahindra:

Tech Mahindra is a large organisation with around 35, 000 employees around the globe. Tech Mahindra recruits fresh college graduates every year in large numbers. Just after these college graduates join the company, on their appointment day, are exposed to a series of induction processes. These include registration processes, induction speech from the head of HR department and many similar interactive sessions of what is expected out of an employee at Tech Mahindra. All these sessions talk about the value offered by Tech Mahindra culture and how these values are important to adapt by all the employees. The new employees are then divided into batches and are allotted to various Initial Training Programs (ITP and the employees are then called ITPians) based on their background studies. This ITP course extends around 4 months in which ITPians undergo various Technical and Behavioural trainings which prepares an ITPian to accept the challenge which his job offers. During the Behavioural training there are numerous sessions about Code of Conduct, Company dress code, Tech Mahindra rewards programs, emphasis on Quality work, Information Security and bonuses linked to performance.

All the employees are asked to follow a strict dress code which is Business formals from Monday to Thursday. Employees are allowed to wear Business Casuals, i. e. Jeans and Collared T Shirts on Friday. This dress code is strictly followed and its Manager's responsibility for counselling defaulting team members thereby facilitating adherence to the Company's policy. Any choice of casual wear which is revealing, excessively form fitted or worn out is strictly not allowed. There are instances where many employers do not have <https://assignbuster.com/leadership-and-culture-as-seen-in-tech-mahindra-limited/>

such kinds of regulations on dress code like Google. This however can be long debated over and over again with no firm outcome. In my opinion having a dress code is a good measure to create and maintain a healthy and professional environment across the organisation.

The ITPIans are briefed about Code of Conduct policies of Tech Mahindra about which they are asked to listen attentively. They are briefed of how they shall follow the applicable legal framework of the country in which they operate. Employees are expected to know and to understand the legal obligations applicable while performing their duties and discharging their responsibilities on the job. Ignorance cannot be an excuse for violation of law. They are also told to compete fairly with their competitors and maintain highest possible standards of integrity and ethics in every sphere of activity. ITPIans are briefed that they shall not put their personal problems over organisational needs. Employees are always expected to protect and nurture the Company's interests all the time and remain independent in any decision that they may be required to take. They are told not to offer or accept gifts, hospitality or other inducements, which influence a decision, or engage in any form of bribery.