

Collective Independence

A case study on balancing Business Leaders and Specialists in a high growth environment

(Hari T & K Srinivas Rao)*

There is one overwhelming reality that we wake up to, every morning. Whether it is in our national newspapers or the business editions of global news channels, there is compelling evidence of explosive globalization all around us. Not very surprisingly, in this environment, the prodigal new entrants in every sector are threatening the unparalleled success that mature entities have traditionally enjoyed, because of their agility and adaptability to global realities.

Rapid growth translates to agonizing demands on each constituent within an organization. The need for greater internal collaboration has never been so apparent. The already blurred distinction between staff and line functions is getting even more jaded, as the needs of the internal and external customers start converging. Support functions (like HR & Finance) have never been as closely aligned to the end customer, as we are today!

Companies are therefore continuously challenged to build two distinct capabilities on a real time basis – (1) The capability - in their leadership - to identify and seize business opportunities and balance conflicting stakeholder expectations, while (2) building the capability to delve deeper and architect unique customized solutions in a complex scenario - where the demand for in-depth functional or technical understanding far exceeds knowledge of marketplace dynamics.

Of course, an ideal situation would be if organizations can build this balance within each individual. Easy as it may appear, individual orientation and capabilities are vastly different and tend to morph as years go by.

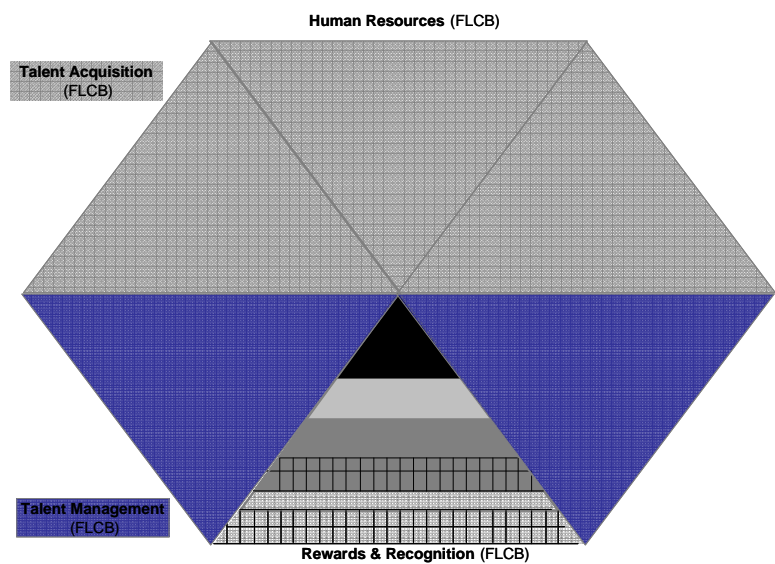
Organizations have traditionally tried to address this by having a team of STAR Performers (who can play multiple, diverse roles) or have a STAR Team, which has a mix of distinct role players (Business Leaders & Specialists). Practical experience suggests that the former is rather difficult to build, leave alone sustain.

Satyam chose to build a framework that supports the latter - wherein opportunity is provided for individuals to choose between Business Leadership or Specialist roles – while the organization maintained the right mix overall.

Few years ago, as we predicted our organic revenue growth to exceed half a billion dollar every year (It took us fifteen years to touch the first half billion milestone!), we recognized that sustaining this growth would happen only if we had the right mix and quality of leaders. Towards this and to ensure an experiential learning platform, we provided “Full Life Cycle (FLC)” opportunities (end to end ownership for value creation in designated areas) to about 5% of our leadership team – wherein we encouraged them to run their business (Full Life Cycle Business - FLCB) within Satyam’s inter-dependent eco system using the same principles that we use to run an independent organization.

It is not difficult to visualize traditional line functions (Projects, Customer Relationships etc.) operating in this FLCB mode.

Satyam is a front runner in enabling all ‘support’ functions (like HR, Marketing etc) to do the same. Some FLCB (businesses) within HR at Macro level are Talent Acquisition and Talent Management, while at Micro Level, Talent Management includes FLCB’s like Rewards & Recognition, Diversity Enhancement, Mentoring & Executive Coaching, Fast Trackers etc. For the Full Life Cycle Leaders

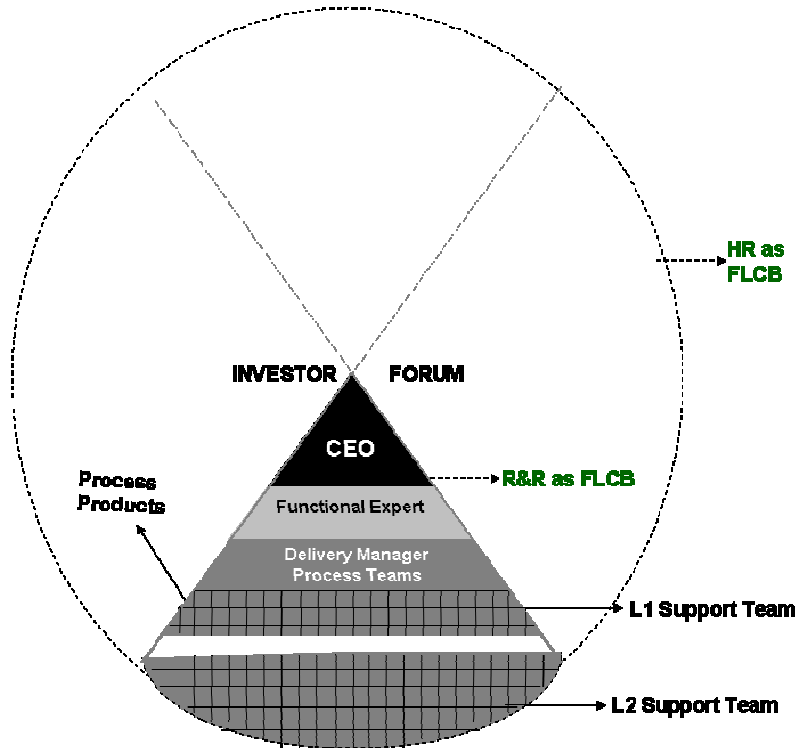


(FLCLs) who drive these ‘businesses’, Satyam is the ‘Marketplace’ for their ‘Products’ (Service Offerings, actually). FLCLs segment this marketplace and approach it just like an organization would, in the external world.

Each FLC Leader is therefore expected to determine the business direction (referred to as ‘North Star’) and benchmark their performance with best-in-class niche players (e.g. Talent Acquisition FLCB would benchmark with world class executive search firms or the Financial Accounting FLCB would do so with global audit firms). They project Annual and Quarterly targets at the beginning of each year – just like Satyam as an aggregated entity would, to its stakeholders. All FLCBs have clearly defined Measures & Targets which are published to their customers and to their collaborating Businesses, internally.

The figure below represents the design of a typical FLCB:

The FLCL is like the CEO of the business (FLCB). The person to whom the CEO (FLCL) reports operates with an 'Investor' or 'Venture Capitalist' mindset. In other words, focus is on Return on Investment, rather than managing the operations. High priority FLCBs have a FORUM (a cross functional team of Fast Trackers) who function as the Board of Directors for that FLCB.



The CEO (FLCL) is supported by a team of Subject Matter

Experts and Process Experts (SMEs or FLCL Experts in Satyam parlance), Program / Delivery Managers (Generalist) and Delivery teams.

Key Characteristics of the Role players:

CEO (FLCL) : The CEO (FLCL) is the person with a Business Mindset, balancing the needs of multiple stakeholders. In short, achieve results while managing 'people' and 'budgets'. Subject knowledge while desirable, is a nice-to-have, not a must. This approach has been vindicated as we have many leaders from diverse functions becoming successful CEOs (FLCL)'s in various FLCBs.

Functional Experts : The FLCL Experts are Specialists who understand the intricacies of that function / business (e.g. Taxation law experts, Compensation Trend Analyst etc in a Rewards & Recognition FLCB). These specialists design customized solutions in complex situations and are known for their proven brilliance in that area. In most situations, they don't manage 'people' or 'budgets'.

Program / Delivery Manager : This role holder is a generalist with proven service and delivery orientation. They are expected to identify key Measures, monitor their Performance and

proactively fix them, if they are not behaving as desired. (e.g In the Reward & Recognitions FLCB, an HR generalist can act as a Program / Delivery Manager.)

Support Teams : Support teams (Level 1 & 2) are modularized and handle the transactional part. The example would be similar to that of coding in Projects or managing service delivery in support functions. Outcome orientation, eye for detail, responsiveness and discipline would be key traits expected here.

As one would notice, by identifying distinct 'business' areas and 'roles', skill sets and expectations get clearly delineated. The ratio of Business Leaderships and specialists would however be a function of whether the business is emerging or is in the steady state, extent and spread of technology etc.

At an organizational level, we chose to set aside an equal percentage for Business leadership roles and FLCL Expert roles. The others form part of Program Management and Delivery teams.

While both roles bring forth distinct strengths and traits to a business, the nature of their roles may often pit them against each other. For example, resource constraints may limit the CEO (FLCL)'s ability to fund the Expert's needs or the solution suggested by the Expert may contradict the CEO (FLCL)'s need for immediate results. Therefore, for them to harmoniously co-exist, systemic support has to be enormous! Few points that have helped smoothen the balance are :-

Non-hierarchical coexistence: A deep rooted culture of viewing people as role players rather than hierarchical functionaries is very important and the starting point for everything.

Magic of Collaboration: Developing a culture where we collaborate yet have healthy, issue-focused escalations is a must. The Magic of collaboration can happen only if the organization has a non-threatening environment and a system for healthy admiration and mutual recognition. This has to start at the highest levels, first.

Demystify knowledge: With the delivery and support teams operating in a modular mode, a strong framework for knowledge capturing and sharing is a must. Detailed Process documentation helps bring clarity and reduce cycle times in times of employee turnover. This will also help 'outsource' or 'in-source', should need the arise later on.

Walking the stakeholder tightrope: Opinions and differences are bound to be a way of life. The FLCL has the final responsibility for consultative, consensus-based decision making – without compromising on stakeholders' interest at any time

While individuals may choose to walk one of the paths (Business Leader **OR** specialist) depending on their capabilities, aspirations and opportunities, the organization has to make structured efforts to balance both the capabilities (Business Leader **AND** specialists).

The successful organizations will be those that have achieved this fine, counteracting balance!

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1. The Full Life Cycle opportunities consist of FLCB – Full Life Cycle Business which is a Business / Opportunity and FLCL – Full Life Cycle Leader (CEO) who leads the Business (FLCB).

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