

## We expect our HR Managers to think big

Extract -Interview by Sajir Nair , Manager, Corporate HR, ITC Ltd of

**Sri Lakshmi Narayanan, Vice Chairman, Cognizant**

Q- You have joined the Fortune 500 club in 2011. How would you describe this remarkable journey of growth?

Ans- The three themes, I would like to talk are

- The Company Focus
- The Leadership
- The organization culture

**1<sup>st</sup> theme. The Company Focus:** Internally Cognizant means always being single minded customer focused. What we are after is very clear , everything that is in the best interest of the customer. This focus on customer, we believe , automatically results in growth. Doing new and better things for the customer will deliver growth and generate new revenue streams for us and for customer as well. Customer satisfaction that results in growth is true measure of performance. So a manger along with HR team- we have in built HR teams-we have in built for large customer accounts, might have developed 50% growth, but if customer satisfaction , then that is treated as zero growth for all practical growth. That drives a sharp focus on very clear matrices.

For senior level leaders , it is “customer happiness’, growth and maintaining culture of the organization that are important.

So what kind of behavior does this call from our people? To encourage innovation, to discover new opportunities for growth, we constantly ask them “what you have done last year in terms of innovation and what have you done differently this year? This drives innovation enhances competitiveness.

To be rewarded and recognized, it is not enough to do great work in one year and doing the same thing the following year

What we look for is doing something different every year that adds additional value to the customer

**2<sup>nd</sup> theme The Leadership:** People leadership; quality leadership; and leadership in marketing are very important. But what is most important is leadership from business perspective: from perspective of driving convergence, leadership in taking initiative, and individual leadership.

This is one area where the HR function, especially the team engaged in senior level hiring has contributed a lot. During hiring interview process they learn a lot from potential senior level executives. These learning are made available to the business. For e.g. : the idea of convergence of – communication, media, information technology , telecom, and entertainment – emerged from outside potential candidates. This is an example of one area where we were one of the earliest to integrate all practices together as an industry vertical. We looked at four broad verticals and truly believed that convergence was going to play an important role in creating the future.

**3<sup>rd</sup> theme: The organization culture:** A culture of working on and capitalizing opportunities. It is a spirit of entrepreneurship and a spirit of experimentation. This is where the HR function plays an anchor role in maintaining this culture and propagating and communicating this culture to thousands of people who come to the company.

Q- At Cognizant , how do you use culture as a tool to balance the need to have entrepreneurial spirit and the need to have measured risk taking ability?

Ans- The way to nurture a spirit of entrepreneurship and get people to experiment is to affirm (law make a solemn declaration, in place of an oath). Through feedback from customers and customer satisfaction indices, people in all areas should feel empowered to meet the overall company goals of customer satisfaction and growth. Empowerment for us is marked by certain key principles

- You are free to do what you want; you do not need to ask for permission as long as your initiative are within the defined parameters of the organization. At times when help is required , it is individual's prerogative to ask for help.
- Leaders have right to to ask you about the status or progress of a project. If Leaders think there is a potential risk they may ask for data, if you are in trouble, you may ask for help.

We encourage people to work on any idea if they believe it has potential to create value for the customer. We tell our people very explicitly that if they have a great idea , then they must start work on it immediately and then they must start work on it immediately and not wait to seek approvals or endorsements. In this way empowerment is escalated to next level. This reinforces organizational culture of entrepreneurship, which does not focus on judging on whether an idea is good or bad

Q- You have already crossed \$7.5 billion turnover this year what do you think are your two or three big challenges in next five years?

Ans-We broadly term as 'future of work' driven by technology based on mobility platform. A future that is driven by the millennial workforce, a different breed of knowledge workers who are highly ambitious, are highly capable and confident. They have grown up in a very different environment. As employees their aspirations are different. More importantly, changes in customer's expectations are a big challenge, especially with globalization, where everything is available to anyone, anywhere in the world.

Another dimension is virtualization of work. These are some of the core aspects that are going to drive the future of work place, nature of business and work in society. We feel that it is social media and social networks that will define the future of work. The quest is for an appropriate 'social stack' on which we can build our business model. Our biggest challenge is to participate in the evolution of that 'social stack' to be amongst the leaders working in that new paradigm, and to leverage the opportunities that emerge out of that convergence.

Q-What are the elements of alignment that your HR team strives to achieve between your business and your strategy?

Ans- HR strategy is: **1.** Acquire top quality talent wherever and whenever it is available. We believe that quality talent will come in and contribute to the growth of the organization, to blossom in the organization, either by giving them existing positions or creating new ones for them. **2.** Campus recruitment that happens every year occurs in line with our growth plans. **3.** The award structure has, one component basic compensation, which is for the responsibility you shoulder; the organization is highly performance driven and, therefore, the other component of reward is based on how the job is done –with responsibility, speed, innovativeness. This translates into higher yearly rewards. The third aspect is that stock options are performance based.

Q- How involved is your HR team in the process of understanding appropriate social stack, on which future business models can be built, futuristic thinking and forecasting, understanding the opportunities that exist in the future and kind of organizational capabilities that need to be developed?

Ans- The business expectation is that no constraints should be placed on using social media, as long as people act with responsibility and respect the culture of the organization. To get the right people, HR function addresses well by relying a lot more on referrals for direct recruitment of highly skilled knowledge workers. Our HR team has done exceptional role in understanding the needs of the workforce of the future and translating them in business enabling processes

Q- How do you manage your varying talent needs across geographies and how do you balance this with the need to develop a common leadership pool for the future?

Ans- We have a lot more local people employed in that geography. This is a part of DNA of the organization. The mindset is wherever there is talent, go after it; wherever there is business and where we are able to invest, go after it. We believe our future leaders will emerge from the talent pool across our geographies.

Q- How have you seen evolving your HR function evolve from personnel management to HRD and then strategic HRM?

Ans- Aligning the HR function to business was a big challenge. HR Managers looked at short term goals such as managing recruitment, attrition and compensation rather than having a long term perspective towards building organizational capability.

Second phase: It was realized that it was not feasible for business leader to run the HR function. It is a specialized function where professionals bring in their professional expertise. Therefore HR team took on greater responsibility for thinking about strategic issues and getting a deeper understanding of the business

Q- What are the capabilities that you seek from HR Leaders-today and for future?

Ans- An in-depth understanding of business model, basics of what we are trying to provide our customers and what challenges the customer faces. **Second is the ability to think big and think safe.** Our mindset of thinking big still needs to be reinforced. We expect our HR Managers to have the ability to think big too. To be able to communicate down the line and nurture the culture of the organization is another critical skill. HR managers must have capability to leverage our culture of high performance for achieving our business goals. Through effectively using reward programs and fostering a spirit of entrepreneurship, the HR function would need to partner businesses to drive growth.

Q- Give us examples of key HR initiatives that have directly impacted your top and bottom lines?

Ans-The HR team developed a leadership program that vocused on customer understanding and customer orientation in collaboration to Kellogg School of Management. We developed a program centered on customer advocacy. The HR team's initiative starting from customer satisfaction to customer delight, to explaining new entrants into the organization or even communicating this orientation to senior managers recruited laterally, was outstanding. The HR team developed a model for measuring customer orientation and customer relationship maturity.

Q- Your advice to HR Managers in the context of rapid changes in business?

Ans- The foremost thing to do is to build a unique culture of the organization around the customer, products, services, manufacturing, and markets. They must build a culture that places a premium on performance, empowerment of employees, believing truly in the potential of each employee to realize that potential. One needs to take risks, break the rules. This will provide true, sustainable value and drive growth for the organization