

A Radical Approach to Leadership **Satyam Computer Services' unusual leadership training school**

by Jennifer Robison

In business, being described as radical isn't necessarily a compliment. With the possible exception of the 1990s tech boom -- when many start-up companies touted themselves as mavericks -- the word "radical" hasn't been deemed suitable for describing businesses. After the tech blowout, of course, "radical" was usually applied to a plummeting stock price.

Now, few mature businesses call themselves radical, and those that do use the term as a synonym for "innovative." It's a rare company that says its operations are radical and truly means it.

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One of these is Satyam Computer Services Ltd. of Hyderabad, India. Satyam has more than 50,000 employees in 63 countries providing IT consulting, systems integration, and outsourcing services for more than 20 industries to the tune of about \$2 billion a year. So Satyam is hardly a start-up -- or a company that wants to learn conventional business practices the hard way.

But make no mistake; Satyam is radical. As Founder and Chairman B. Ramalinga Raju told *NYSE* magazine, "One of the most important reasons [for our success] is the radical leadership model we introduced at the outset. It was designed to break down the barriers of hierarchy, empower people, and distribute leadership."

And the model is indeed cutting edge. Every leader in the organization, from Raju down to the head of every mailroom, is the "CEO" of his or her business. Satyam calls them "full life cycle leaders" (FLCL), and each of the roughly 3,500 CEOs is responsible for the goals, strategy, financials, resources, personnel, and operations of his or her unit.

If the CEO is a good leader and the unit is successful, he or she is rewarded with more leverage, money, and people. If the unit is not successful, it is advised, guided, and calibrated by "integrators," a group of higher ranking CEOs that acts like a board of directors for the department or team.

Ed Cohen, chief learning officer at Satyam, is one of these integrators. "One of my jobs is to manage my portfolio of internal businesses, so I work with my leaders to decide which businesses I want to invest in to expand, which businesses I might want to shrink, which businesses I might want to close or possibly merge with another business, and which new businesses I want to open each year," he says.

It is a radical way of looking at leadership, and it has been crucial to Satyam's success. But this philosophy leaves the company vulnerable in a key area: leadership. If the business depends on the success of its CEOs, then each CEO has to be a talented and skilled leader. To ensure that this approach works and is sustainable, Satyam has to hire or develop leaders -- consistently and constantly.

But this is the IT industry, a sector where it seems like there aren't enough average workers to go around, much less enough high-functioning leaders. Furthermore, Raju says that one of Satyam's key strategies is to differentiate Satyam by developing leaders faster and better than the competition can.

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Emerging leaders

"Leadership is part of our strategy," says Cohen. "We believe that if we build strong leaders, they will do what they need to do in order for us to have a successful business." And there's a lot that full life cycle leaders need to know to create a successful business. Each of them needs a solid working knowledge of their functional area, and they have to understand their clients profoundly, whether those clients are external or internal.

"They also need global business acumen," says Cohen. "They have to understand global finance, global economics, marketing strategies, the operations of large-scale businesses, and the ability to build relationships and lead people."

That's a long list for any company leader, and the issue is compounded by Satyam's remarkable growth rate. "Departments triple in size every two or three years. A person who was managing thirty people a year ago is now managing about three hundred people, and soon he or she will be managing three thousand people," says Abhirama Krishna, Satyam's head of Strategic Business Leadership. "Unless they all have the mindset of a CEO -- not that of a successful manager, but that of a successful leader -- they'll not be able to manage and sustain this growth."

SSL participants are selected from every rank of the organization, from entry-level new hires to senior executives. "We have identified competencies and

behaviors that define a strong leader," says Cohen. "We look for leaders who have a combination of strong technical, global business, and people skills."

Leaders who are new to the company go through a rapid immersion process that familiarizes them with Satyam as well as the imperatives of successful leadership in their field. The tenured Satyam employees who are chosen for

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SSL are educated to become specialists in their current area and in future ones. One of them, Vivek Ganoo, is a five-year employee in delivery integration who has studied leadership and management at SSL. Though he's been involved with SSL for only six months, he's already using what he's learned.

"What I've learned about conflict management, I am able to apply to my daily professional life. [I've also learned] presentation skills, what language you should use in your business communications, and how to make yourself crystal clear. It was wonderful," says Ganoo. "And we're taught to identify our talents, which we have already, and how to build them up to make them strengths. So that was quite a revelation to many in fact, and it helps every day."

Curricula

As the SSL participants move through the program, they deepen their leadership knowledge and strengthen their leadership skill set. "The day any of the associates take up a leadership position, they come within the ambit of the Satyam School of Leadership," says Krishna. "Satyam is creating a leadership pipeline, right from the entry level to the senior-most level."

Part of SSL's strategy of content superiority has been collaboration with specialist organizations worldwide. The company found that it was significantly faster, cheaper, and more effective to partner with several leaders in corporate learning, including Harvard Business School Publishing, Universitas 21 Global, McKinsey & Company, Duke University, Consensus, Sales Performance International, and Gallup. These educational partners brought expertise in class content, case studies, assessment processes, policies, and systems that Satyam didn't want to take the time to create for itself.

Take Consensus, for example. "Their negotiation skills program is based on years and years of research on effective negotiation that they did at Harvard," says Cohen. "So they bring content that we couldn't possibly ever hope to build. There's significant value there because they're not just trainers in the negotiation field; they are all lawyers who also do negotiations. They're not just training on the methodology -- they use the methodology all the time. To us, that was a very big priority."

Other partners offer additional programs that support leadership development. Satyam brought Universitas 21 Global and Harvard Business School Publishing together to create a 32-week program that provides, as Cohen calls it, a "mini-MBA" that teaches business basics in a globalized environment. Satyam and

McKinsey created a program to analyze and develop leadership competencies. Duke University provides a 12-week online program that teaches managers concepts such as project management, people management, and business management. Gallup also provides an in-depth executive coaching session as a part of the Strengths-Based Leadership program.

The courses each leader takes depend on his or her needs. But all leaders gain a wide range of leadership skills. "We've set a foundation for all of our leaders so they can be technology savvy, business savvy, and people savvy," says Cohen.

About 70% of the leadership training material is available online, but most is provided on-site. Some participants meet with an SSL facilitator, who gathers data and analyzes what each leader needs to learn, at their location. Most Satyam associates are located on-site at their client's facility, so the first wave of training happens after business hours. This is the Real Time Learning (RTL) framework. "That way we have an advantage," says Krishna. "Associates have their business hours for their project, clients are happy because they are getting better leaders, and in the process we also build a strong relationship with [leaders and clients]."

Spreading out

Because leaders-in-training have so much to learn, their education must be both ongoing and on topic. That's why the SSL turned to Gallup to provide an executive development framework supported by strong personalized leadership coaching. "An important goal was to provide exposure to cutting-edge leadership research and developmental methodologies to ensure long-term and sustained learning and growth for Satyam's leaders," says Lalit Khanna, a senior leadership consultant with Gallup. "Satyam wanted to build a sound framework and leadership development engine, not create a hyped-up training event."

But first, Gallup had a lot to learn about learning at Satyam. "After the initial need assessment exercise, we conducted a pilot program with the executive team of the Satyam School of Leadership [SSL]. Then we fine-tuned the initiative and put in place what is now called the strengths-based leadership model in Satyam," says Khanna. This prototype was rigorously tested and critically evaluated. Then a task force led by Khanna and senior members of SSL collaborated to refine the design through on-site research and stakeholder meetings, incorporating critical aspects of FLCL business imperatives and Satyam's cultural tenets.

The first element of the leadership model involves administering the Clifton StrengthsFinder to participants. This online instrument measures a person's talents -- the ways in which he or she naturally thinks, behaves, or feels -- in 34

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categories called themes, then reveals the user's Signature Themes (his or her top five themes). Next, leaders receive intense one-on-one leadership coaching provided by Gallup strengths consultants. Meanwhile, each leader attends a two-day workshop on strengths-based leadership designed by Gallup and Satyam.

"We soon realized that there was a huge value in conducting strengths-based team performance sessions along with the leadership programs," says Khanna. So in addition to the individualized strengths content, SSL participants attend a session on high-performance teams that includes training on building a strengths-based organization. The session also provides an introduction to employee engagement assessment using Gallup's Q¹² metric and an introduction to customer engagement. Finally, leaders are introduced to Gallup's HumanSigma concept and the performance and financial results that come from a combination of high customer engagement and high employee engagement. (See "When Engaged Employees Meet Engaged Customers" in the "See Also" area on this page.)

But it wasn't enough. "In the last sixteen months, we covered only the top FLCLs," says Khanna. "They told us they would use their strengths learning more effectively if their team members were also aware of their strengths." So Gallup worked with Satyam to extend strengths training deep into the organization -- but in the most cost-effective and far-reaching way.

"That's when we developed the strengths webinars," says Khanna. "For a year, we'll spread mass awareness about the concept and philosophy of strengths. Team members are being profiled on their strengths, and we share that information with the full life cycle leaders. Eventually this will help build an integrated strengths-based organization across levels and roles."

To sustain the learning and exchange process initiated through the experiential learning technology deployed in the strengths-based leadership programs, SSL has created an intranet portal and strengths blog that encourages leaders to continue to learn from each other by sharing experiences and best practices. SSL and Gallup's senior team conduct ongoing reviews to refine and improve the framework. Currently, there is an intense planning exercise underway to ensure integration of the strengths-based leadership framework with other leadership interventions -- and to make sure that efforts to build a strengths-based organization are aligned to agreed strategic goals.

The learning continues

But strengths-based leadership doesn't make CEOs out of everyone, nor should it. "If you look at people's inherent talents, that will tell you if they are meant to be a full life cycle leader or if they are meant to be a full life cycle expert," says Cohen. "A leader does not necessarily lead a business. There are multiple roles a leader can play [at Satyam], not all of them having to do with profit and loss responsibility. Strengths-based leadership lets us focus on individuals and put them in positions that will utilize their strengths."

Leaders who have received Gallup strengths training are mentored through coaching calls. These leaders prepare a leadership challenge before the scheduled coaching call. "Our coaches are trained to conduct leadership calls explicitly for Satyam. The coach helps them find ways to use their strengths -- ways to manage, ways to achieve the performance they want," says Khanna.

Finally, the coach and the leader work together to create an action plan for ongoing individual and team development. This gets further fine-tuned during

the two-day workshop on strengths-based leadership, which has a strong consulting content.

Regardless of their responsibilities, leaders at Satyam are expected to apply what they've learned -- and continue learning. "In life, you've got to constantly keep yourself up to date," says Ganoo. "There are some things out there that may help you in your work, and I think strengths-based leadership is one of them. But it's important to keep maintaining your professional growth." That's often easier said than done, so Gallup consultants continue to work with leaders for some time during and after their SSL coursework.

School rankings

The Satyam School of Leadership is among the most highly regarded workplace training programs in the world. In fact, some Satyam clients are so impressed with SSL that they've asked to admit their own personnel to the school. In October 2007, the American Society for Training and Development awarded Satyam the #1 ranking in its BEST award, and in February 2008, the Training Top 125, a highly regarded global ranking of training organizations, graded Satyam 11th -- the first Asian company to reach that high.

Outside accolades are always welcome, but internal recognition is better, and Satyam is well aware of how successful SSL has been. "Turnover since the launch of the Satyam School of Leadership has gone from approximately 22% annualized down to 12% annualized. That's in two years," says Cohen. "We strongly believe that it's due to the strengthening of our leadership, as this is the most significant difference we have made at Satyam in the past two years."

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Furthermore, SSL participants say that they're more effective leaders, that their performance improved by leveraging their strengths, that they're better able to use their strengths to better manage key customers, and that they have increased levels of employee and workgroup engagement.

But the best proof that SSL is working is that Satyam is working. "If you think about it, how is it that a company like Satyam could possibly grow at the pace that this company is growing year after year after year without ultimately imploding?" says Cohen. "Or without turning into such a bureaucratic monolith that decision making, innovation, and quality are suppressed? It's leadership. Leadership keeps us functioning at this scale and growing at this rate."

That's radical leadership, to be sure.

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