

ISB Management ReThink

January 2022 | Volume03 Issue01

■ **Podcast:** 'Coaching' Your
Way to Uncommon Leadership

■ **Case in Point:** Digital
Transformation at L&T

Leadership Edge:

- Reimagining the Learning Canvas for Leaders of Tomorrow
- Leadership 101: Customise How You Lead
- Choose Adaptability to Remain Relevant in a Changing World
- Channelising Innovation by Enabling Leadership

A LEADERSHIP SPECIAL



Survive Disruptions,
Accelerate Impact:
Leadership Approaches
to Unlock Success

CONTENTS



05

Editor's Note

LEADERSHIP EDGE

Reimagining the Learning Canvas for Leaders of Tomorrow

- Sunil Puri

Senior Director and Head of Asia Research, Center for Creative Leadership (CCL)

07



Leadership 101: Customise How You Lead

- Sukhjot Singh Pasricha

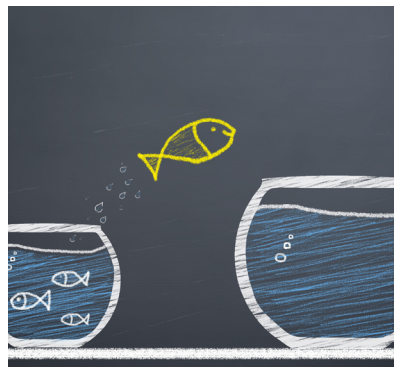
President and Group Chief Human Resource Officer (CHRO), Kotak Mahindra Bank

14

Choose Adaptability to Remain Relevant in a Changing World 20

- Aditya Ghosh

Co-founder, Akasa Air; Founder, Homage Advisers;
Board Member, OYO and FabIndia; Chairperson,
SEWA Central



Channelising Innovation by Enabling Leadership

- Sunil Shah

Global Head, Societe Generale Global
Solution Centre, India and Romania,
and CEO, Societe Generale Global
Solution Centre, India

26



Digital Transformation at L&T

Harish Raichandani
Founder & CEO, Potentia

S. Ramnarayan

Professor of Practice, Organisational Behaviour,
ISB; Visiting Faculty, University of Bamberg and
Case Western Reserve University

33



'Coaching' Your Way to Uncommon Leadership

- Ruchira Chaudhary

Author, Executive Coach,
Founder – TrueNorth Consulting

47

ISB Management ReThink

Editor-in-Chief

Professor Saumya Sindhvani

Editor

Geetika Shah

Content Team

Anusha Parihar

Rajshree Shukla

Samriddhi Mukherjee

Shruti Singhal

Smriti Sharma

Swapna AJ

Vinodini Saihpal

Design & Web Team

Arun Khan

Manuk Prashar

Srikanth Velichaeti

Advisory Board

David J. Sharp

Emeritus Professor of Managerial
Accounting and Control, Ivey Business
School

Edward W. Rogers

Visiting Faculty at the Indian School of
Business and Chief Knowledge Officer,
Goddard Space Flight Center, NASA

Havovi Joshi

Director, Centre for Management Practice,
Singapore Management University

Howard Thomas

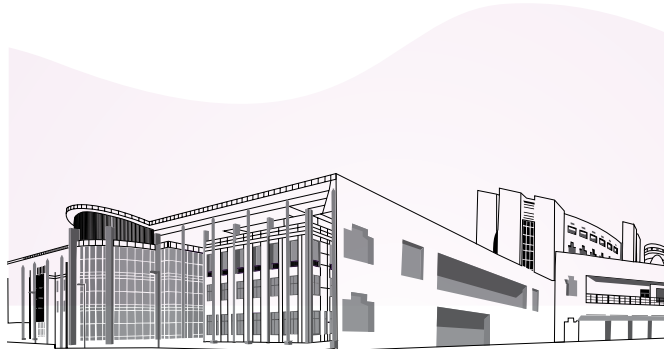
Professor Emeritus of Strategic
Management, Singapore Management
University

Philip Zerrillo

Professor of Marketing, Thammasat
University; Member- Board of Directors,
Thammasat University College of
Commerce, Thailand

Resources

Adobe Stock Images



Management ReThink is published bi-monthly by the Centre for Learning and Management Practice, Indian School of Business (ISB).

We cover a wide range of topics including strategy, leadership, operations, innovation, decision-making, marketing, finance, work-life balance, and practising management. We publish articles of varying lengths in both print and digital forms, besides featuring pieces based on infographics, podcasts, videos, slide presentations, and other multimedia formats that might help us share an idea effectively.

We encourage submissions and proposals for write-ups. We also welcome suggestions, comments, and letters to the Editor. These should be sent with the writer's name, address, and contact number via email to management_rethink@isb.edu.

Copyright©2022 Indian School of Business. All rights reserved. No part of this publication should be reproduced or transmitted in any form or any means, electronic and mechanical, including photocopy, recording, or any information storage and retrieval system, without prior written permission.

The views expressed in articles here are those of the authors and not necessarily those of ISB Management ReThink, the Centre for Learning and Management Practice and the Indian School of Business. Authors may have consulting or other business relationships with the companies they mention. All the information in this publication is verified to the best of the publisher's ability. Indian School of Business does not accept the responsibility for any loss arising from reliance on it.

From the Editor's Desk

Survive Disruptions, Accelerate Impact: Leadership Approaches to Unlock Success

Like all beginnings, 2022 brings promise.

Now, more than ever, it is incumbent on organisations and leaders to reset the direction for their business. Not only must leaders have a plan in the face of constant change, but they must also refocus the organisation's vision, revisit how they show up for their teams, and revamp the touchstones of innovation.

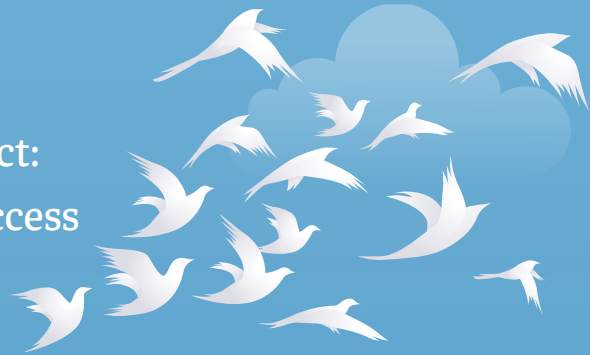
This would also mean perceiving the distinct advantages in managing talent in humane ways. To create greater business value, leaders must accelerate the capabilities of creative problem-solving and lay the foundation for large-scale and lasting digital transformation.


In other words, post-pandemic leaders must have the mindset to self-assess and question their assumptions.

In this issue, we explore how leaders find their ground and inspire their teams to continue innovating for an unclear future.

In our line-up, we delve into some unconventional approaches to leadership:

- Building dynamic leader capabilities is the need of the hour. Read here to know if **culture and strategy can align to prepare next-normal-ready leaders.**
- How do leaders of today remain relevant for their teams and add value to their growth trajectories? Read about the **nuances of adopting a customised leadership approach.**



- 
- How do leaders adapt to a world of frequent and unpredictable change? **Revisit what is fundamental to the business and turn adversities into opportunities by pivoting at the right time.**
 - Learn how **leaders can facilitate innovation as one of the key drivers of organisational success.**
 - Take a deep dive into the digital transformation journey at India's largest infrastructure conglomerate to **learn the distinctive approaches and strategic mindset needed to lead through the unique challenges of digitalisation.**
 - **'Coaching' no longer remains an amorphous and intangible aspect of leadership.** Listen to this podcast to know more about its role in cementing individual and collective success.

*Do share your feedback on **Facebook, LinkedIn, Twitter, and Instagram** or email us at **management_rethink@isb.edu**.*

Thank you for reading and listening!

Take care and stay safe!

Saumya Sindhvani

Clinical Assistant Professor

Associate Dean - Advanced Management Programmes (AMP)

Executive Director, Centre for Learning and Management Practice (CLMP)

Indian School of Business





Leadership Edge

Reimagining the Learning Canvas for Leaders of Tomorrow

Sunil Puri

Senior Director and Head of Asia Research, Center for Creative Leadership (CCL)

Whether you are navigating stormy waters or leading your teams towards exemplary performance, the quest for creating forward-thinking and future-ready leaders does not stop. Read what Sunil Puri, Senior Director and Head of Asia Research at CCL, says about the amplified need to prepare next-normal-ready leaders in the shortest span of time, and what role cultural alignment can play in reframing L&D initiatives at a firm in times like these.

Firms are pivoting and redefining almost every aspect of how they operate and foresee their future success while grappling with ongoing challenges. As HR teams toil to align business goals with dynamic leader capabilities, it is perhaps being universally accepted that existent policies need to be revisited and leadership development initiatives be realigned to the altered reality we are inhabiting. With the onset of work-from-home and hybrid models of work, firms have had to undergo massive ‘mindset’ shifts, giving up on in-person leadership training programmes, and adapting to online models.

Emergent Trends in L&D Practices

Given the changes affecting business models and consumer behaviours, numerous trends emerged with respect to leadership development and practices. The shift from physical to virtual was finally met with more acceptance as opposed to pre-pandemic times when leaders felt cheated if nominated for an online training session and not a face-to-face event. More people, therefore, embraced digital learning, albeit with reluctance. One of the biggest pros, perhaps, is that companies witnessed a surge in leadership development activities, with more firms investing in upskilling and reskilling their employees to gain a competitive advantage and keep them gainfully employed via learning initiatives. The emphasis was also laid on executive coaching to build newer capabilities around emerging themes of wellness, empathy, and diversity. Firms actively reallocated budgets owing to non-existent training logistics costs; diverting dollars towards better collaboration, learning technology, and content for leadership development.

However, despite the intent to invest, achieve more, and scale up leadership development, the impact of all this activity remained somewhat compromised. Higher attendance did not automatically translate into an increased level of engagement, and interpersonal relationships built over trust, and experiential learning through rotations and market study for senior leaders, took a back seat.

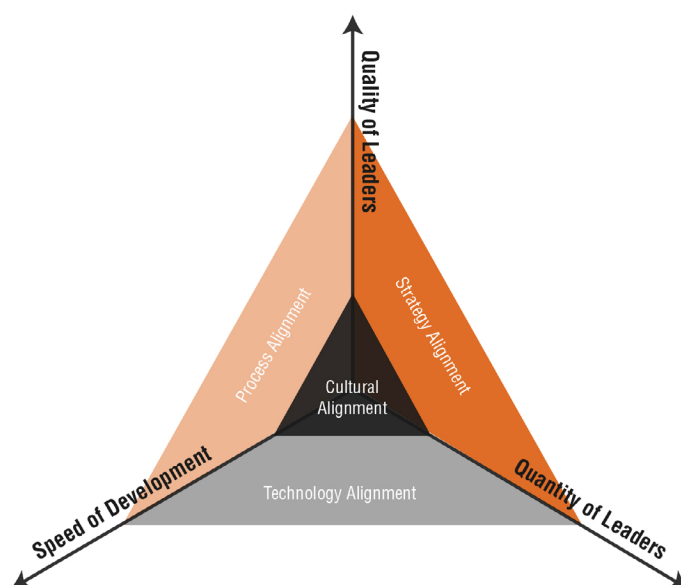
Leadership Development Strategy for the New Context

As they navigate the volatile scenario of today, businesses are looking for more dynamic leadership development, translating into leaders equipped with the right kind of skills, in the right numbers, and most importantly, developed in the

shortest span of time. Such a leadership development strategy helps clearly define and tackle the outcomes expected of HR. This third vector of speed is driven by firms on a steep growth curve or those undergoing disruptive changes at a swift pace, needing leaders who could hit the ground running from day zero.

In order to attain a balance within these key elements, leadership development, as I see it, ought to be aligned along four planes—culture, business, technology, and process. From here on, I would like to focus on alignment between leadership development and culture, since it is one of the core planes that impacts quality and quantity of leaders, and speed of development.

Making Cultural Alignment the Centrepiece



Scaling Leadership Development While Riding the COVID Wave

Source: CCL Research Report titled 'Navigating the New Normal: Accelerating Leadership Success in Asia'

The general skepticism surrounding budget allocations for L&D initiatives, especially in times of crisis, has not made it an entirely smooth journey for HR teams as they strive to create resilient leaders imbued with newer skills of agility, empathy, and digital dexterity who can leverage the opportunities presented by the crisis. It is true that the onus to create development opportunities lies on HR, but it is the workforce that needs to embrace it as a measure towards their

incremental growth, and not merely look at it with a sense of entitlement.

In my opinion, firms with learning culture at their heart, where leaders ‘want’ to learn, and view it as an investment that ultimately impacts business, and not a privilege or time off from work, have a better and lasting rate of success.

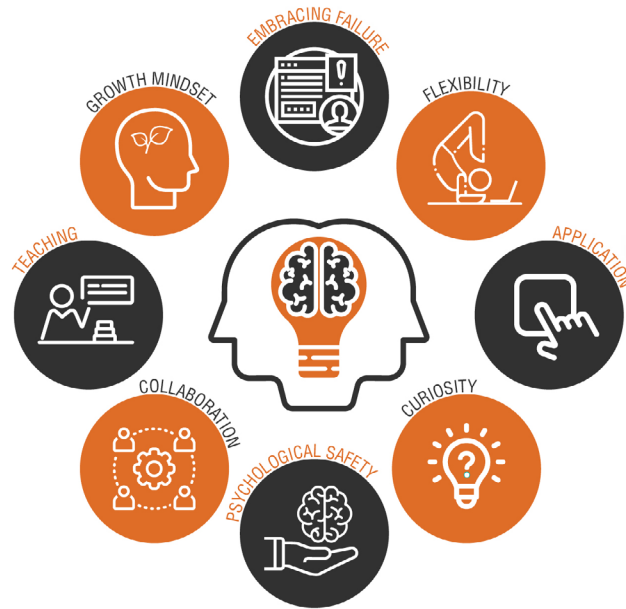
While building a continuous learning culture may be time-taking, asking a few key questions around a company’s values, infrastructure, hiring intent, and openness may be a good start. For instance—Does the organisation view learning as a core value and aims to impart user-centric knowledge? Do employees have a psychologically-safe environment where they can make mistakes and learn from them? Does the organisation hire and reward learning agility? Does it have adequate and user-friendly L&D infrastructure? Introspecting along these levels, in my view, is bound to get firms closer to curating and nurturing the desired level of learning culture in their teams.

A learning culture is thus fostered by certain key pillars and shaped by a growth mindset, forming a cohesive whole. The curiosity to know more and understand the ‘why’ of things, the flexibility to learn and unlearn, the drive to apply new learnings on the job, the preference to collaborate as opposed to working in silos, the psychological safety and willingness to share and receive feedback, and the mindset to embrace failure, are some of the elements which further cement a strong learning culture.

Curating a Learning Culture

In times of crisis and uncertainty, managers ought to go one step further by contextualising the ‘why’ of learning to their teams. A personalised and learner-centric approach goes a long way in getting people to sign up for L&D initiatives, which may have hitherto seemed irrelevant or unidirectional. Sharing the big picture, coupled with incentivised learning, may also hasten the employee engagement process. I have noticed that organisations have, in fact, devised inventive ways to drive L&D culture, ranging from raffles, competitions, and gift vouchers etc. to employees who embrace learning. A few quick tips to bolster the learning culture may be:

- ***Identifying learning as a core value*** with a focus on individual and team development, facilitating technical and non-technical learning, thereby



Elements of Learning Culture

Source: Adapted from CCL Research Report titled 'Navigating the New Normal: Accelerating Leadership Success in Asia'

preparing one for any curveballs thrown along the way.

- ***Keeping up with the moving goals*** by introducing well-informed learning initiatives in line with changing business objectives and budgets will remain key in the dynamic work scenario.
- ***Setting and communicating L&D goals*** basis identification of skill gaps, and a clear understanding of specific roles and competencies that are constantly evolving.
- ***Designing compelling programmes*** with a clear focus on duration, interactivity, collaboration, media diversity, compressed and tailor-made content, along with the requisite technological support.
- ***Investing in learning infrastructure*** to make it a user-friendly experience, giving teams the right tools, coaching programmes, and learning technologies.
- ***Making it a collaborative effort*** by encouraging inter-departmental communication on new learnings and knowledge-sharing in more systematic events.
- ***Partnering with business leaders*** to define, prioritise, curate, and fund L&D programmes.

Measuring Impact Creatively

While businesses tighten purse strings on development budgets, they expect tangible and substantial ROI. Nevertheless, how does one really define the success of L&D initiatives that are rolled out? Firms across the globe are tweaking traditional metrics of satisfaction surveys and completion scores, creatively. Obsolete trends are making way for newer evaluation approaches in terms of:

Outcome-based competencies: In the last couple of years, there has been a shift in focus here too. Traditionally, the emphasis was on developing competencies, but now the lens is on outcome-based frameworks. It is about understanding the efficacy of an initiative through the extent to which the initial problem has been addressed. The key ingredient to curating a programme which is already future-oriented would mean having conversations with business leaders to identify the real gap, and the skillsets they would like to see in their team members, say, two years from now. Working on cultivating these aspirational skills may just be the answer to prevent the skill gap from widening.



Reemphasising the power of the collective: Team development coordinated with individual development is being lauded in the new work culture. Curating a team journey that aligns with the leader journey via workshops, mentoring circles, and learning projects will have an enduring impact on the overall workforce.



Bucketing priorities: Forward-thinking firms are reassessing ROI basis the impact on corporate culture, team engagement scores, and even innovation, highlighting new incubation activity. Those adopting technological advances at a high pace are evaluating the efficacy of the online delivery formats and the level of digital activity.



The Future of Leadership Development

The mammoth task of fulfilling L&D objectives will always have people and culture at the centre. The learning models may evolve, tools may differ, there may be a shift in the percentage of blended learning formats, and newer skills may come to the fore, yet this investment in people shall stay constant.



Unwavering attention to development initiatives that ensure horizontal and vertical growth of a person in a fast-paced manner, and continual investment in these areas will ensure the future-readiness of a company.

Thus, a sharp focus on developing a sophisticated mindset is critical, instead of signing up for programmes that may or may not add to the desired skillset.

CCL research¹ reveals that progressive organisations have catapulted themselves forward by identifying internal and external partners in terms of coaches and trainers to help them reset their L&D to align with the future agenda. This, in my view, is the perfect example of progressive leaders who do not lose sight of the end-goal and navigate turbulent times by devising newer ways—in this case, blended learning complemented by virtual formats and usage of superior tech—to develop leaders.

At the end of the day, HR teams may mandate the development initiatives, but any real-time impact will only be felt if those efforts have garnered employee engagement and application, and if they stay closely aligned with the business strategy.

¹Center for Creative Leadership. (2021). *Navigating the New Normal: Accelerating Leadership Success in Asia* <https://www.ccl.org/articles/research-reports/navigating-the-new-normal-accelerating-leadership-success-in-asia/>

Sunil Puri is a human capital researcher, data scientist, and thought leader with over 23 years of experience across large global organisations. In his current role at the Center for Creative Leadership, he leads thought leadership and new product development in Asia. He has authored several pan-Asia research studies and is a frequent speaker at regional and global conferences. Sunil is an alumnus of Indian Institute of Technology (IIT), Delhi, and Indian Institute of Management (IIM), Ahmedabad.



Sukhjit Singh Pasricha

President and Group Chief
Human Resource Officer
(CHRO), Kotak Mahindra
Bank

Leadership Edge

Leadership 101: Customise How You Lead

Today's organisations are diverse, with their workforce spread across geographical locations, and spanning different age groups. In such a scenario, the dynamics of language, education level, and culture can pose as barriers to the collaborative needs of an organisation in general, and a team, in particular. Customising one's leadership style is an essential skill for today's leaders to motivate the individuals in their teams. Learn how to lead heterogeneous teams from Sukhjit Singh Pasricha, President and Group Chief Human Resource Officer (CHRO), Kotak Mahindra Bank, in this thought-provoking article.

As organisations and workplaces evolve, so does leadership, and at the core of this evolution is the workforce, the people. When the world around us is changing, can the leadership remain trapped in its approach? The answer is a resounding NO!

Leadership is a fluid practice, especially in organisations with large, heterogeneous teams distributed across the globe, with a majority of team members representing varied social, educational, linguistic, cultural, and experiential backgrounds. Naturally, these teams work across time, space, and geographical boundaries. While having a mix of individuals offers a wide range of perspectives, enabling greater productivity and innovation, there is a flip side to it. Given the diversity in today's workforce, what motivates one team member may not work for everyone.

The N=1 Approach

Often, it is seen that diverse teams exhibit reluctance in sharing ideas, and therefore, may collaborate less effectively, defeating the very benefits of diversity. And this is where a leader needs to adopt the **N=1** approach to drive every individual optimally.

So, what is the N=1 approach, you may ask?

In simple terms, this approach refers to adopting a unique leadership style for every individual. As they say, no two snowflakes are alike, and, well, so are no two individuals. Leaders must have the ability to understand team members along with their unique attributes—what motivates them, what do they value, what do they fear, what talents do they have, what strengths and weaknesses do they possess, and most importantly, what goals propel them. This may sound like an onerous task, but a true leader will not shy away from walking the extra mile to learn the aspirations of the individuals in their team and customising their leadership style, facilitating the highest performance in everyone.

Challenges in Adopting a Customised Approach

Every leader wishes their team to be competent and the one that excels at everything. But how do you make that happen? Adopting a customised approach is vital in leveraging and unlocking the power of people, yet it can be arduous to be

the leader who caters to every individual's needs. It requires one to build a trusting and authentic relationship with the members of the team, and understand their learning styles and coaching needs.

With progressing workplace dynamics such as flexible work schedules, remote and hybrid work models, and even 'workcations', individuals are looking for roles that connect them with the purpose and goal of the organisation, and fit within their lifestyle. Today, people want autonomy in the way they function and perform. And they want it all at the same time—support at work, mentorship and coaching to help them exceed their professional expectations, and a rich work culture with a desire to deliver quality and variety at work. In fact, this very desire for autonomy is one of the many factors driving the current shift towards 'side hustles' and the 'gig' economy.

Some of the challenges faced by leaders while adopting a customised approach for heterogeneous teams include:

- Some team members may be less likely to be heard, depending on their articulation skills.
- Onboarding and integrating new members may take more time and effort.
- Messages may be misinterpreted due to language and cultural barriers.
- Team cohesion may be low, as members may not necessarily trust each other and are more likely to have conflicts.

Crafting a Customised Leadership Strategy to Overcome Challenges


Leadership is crucial to any organisation, much like the centre-of-gravity responsible for balancing. Without a poised leader at the helm—to craft strategy, mobilise the diverse workforce, and lead the business on a path of growth and continuous success—too often, businesses face burnout early on, and some even fail. To achieve this balance, leaders must reflect on their leadership style and adapt to the necessary changes





while dealing with the progressive workforce of today—the one used to getting everything customised or tailor-made to their needs, and that too, at a moment's notice. From instant gratification and feedback on social media to getting groceries delivered in under fifteen minutes to consulting a medical specialist online, etc., everything is available almost instantly. So, their work experiences cannot be different from the other aspects of their lives.


A meticulously crafted strategy directs the leadership to align the individual goals, aspirations of the team with that of the business, and helps in engaging everyone in the overall success of an organisation. This requires a leader to adopt specific measures to be able to do the best by their team, such as:

- ***Being a culturepreneur:*** Leaders, today, need to acquire new ways of thinking. It requires them to become a 'culturepreneur', as noted human capital expert Marty Parker said, in one of his books. Having a culturepreneurial mindset can help your organisation reach high levels of performance—driving human, societal, and economic successes.


- ***Understanding the needs of each team member:*** Leaders who understand their teams can create an environment that stimulates and inspires. To be a good leader, you need to be approachable and personable. It may be challenging to understand your employees' needs if they cannot share their true feelings with you. A true leader rewards and encourages all team members as per their unique needs to provide value to every individual.



- ***Tailoring your rewards and recognition programme:*** Understanding the unique needs of your employees allows you to create a reward-based programme that genuinely resonates with the workforce. For instance, if you have mothers in the team, they may appreciate additional flexi-time options. Alternatively, if you have employees saving for a vacation, additional revenue-generating opportunities could motivate them in new ways.



- ***Encouraging involvement in decision-making:*** Including employees in decision-making for departmental or corporate policies will motivate them because it signifies that you value their opinions. Encouraging discussions and asking employees for their suggestions are





important ways to let them know that their voices matter, and that they are a vital part of the team.

- ***Fostering relevant learning and career development:*** When you encourage learning relevant job skills, it is essential to give your employees ample opportunities for hands-on experience, and pair them with mentors and collaborators for feedback and guidance. It is prudent to expose ourselves to the best practices from other industries and not remain tied to our own. For instance, we often invite leaders from our own industry as well as those from other sectors, for coaching sessions with our employees. We call it the “out-in” approach to expand the horizon of learning and mentorship for our teams.


- ***Soliciting feedback, tapping into the team’s pulse:*** It is critical to solicit feedback and ideas from all the members in the team equally, by activating multiple channels to leverage continuous listening to iterate and evolve. Then, one must provide the managers with the right tools to address employees’ concerns in an ever-changing world. For example, we don’t wait for yearly, half-yearly, or monthly meetings with our teams. We have mechanisms such as frequent ‘employee check-ins’ and daily huddles in place to monitor, and respond to the challenges faced by our teams, their professional development, and goal orientations.


- ***Emotional intelligence and self-awareness:*** A good leader will exercise self-awareness to identify their own prejudices and those of their team members. The leader must listen, promote empathy, and help in creating proper communication channels to keep conflicts at bay. Setting up forums for your team to come forward and share their insights, ideas, and experiences, etc., may even lead to the generation of the next big idea for your business.


- ***Cultural awareness:*** Exercise your curiosity to discover who you really have within your team, and remember to highlight differences instead of hiding them. To promote cultural awareness and identify unique traits of the team members, leaders must delegate duties in a way that every individual gets to learn from and about each other. This helps in enabling diverse voices to get fair representation during the organisational



decision-making processes. Moreover, leaders must ensure that cultural inclusion is one of the primary elements of human capital strategy.

- **Being proactive:** A leader is expected to take decisions that matter. Occasionally, the outcomes may not be as desired. Use the voice of your employees as a compass to keep yourself informed on the outcomes of your decisions. Leaders must do course correction with an openness to accept the unexpected. For instance, having a top-down approach in seeking inputs on a new product rollout may prove detrimental if one misses out on a timely response from employees in customer-facing roles. Be proactive and reach out to your team on a regular basis, seeking their thoughts on things that matter. Being a proactive leader also helps one stay abreast with the developments within the organisation and outside. It helps in identifying and mitigating risk factors within the team. Proactive leaders are able to support their employees to plan and implement new strategies faster.



In Conclusion

Every leader wants to be the ‘ideal one’ for their team, which is not an incidental goal. Even for leaders, leading well is a continuous journey of learning, personal development, fearless introspection, and committed efforts for greater effectiveness and increased positive impact on others. Learning should not be restricted to successful attempts alone, as some of the most valuable lessons can also come from failures. When teams receive the right mentorship at work, know that they are valued, and have adequate opportunities to be heard, everything else falls right into its place.

Sukhjit Singh Pasricha is the Group Chief Human Resource Officer (CHRO), Kotak Mahindra Bank, since 2019. His responsibilities include overseeing all HR functions to secure long-term growth by leading training, talent acquisition, and career development activities across Kotak Mahindra Group companies. In a career spanning 25 years, Sukhjit has been in leadership positions across sectors, and in complex businesses that operate in both the B2B and B2C spaces. Prior to joining Kotak, Sukhjit was the Chief of HR and administration at Bajaj Finance, CHRO at IndiGo Airlines, and held leadership roles at Bharti Airtel, PepsiCo, and Spice Communications.



Leadership Edge

Choose Adaptability to Remain Relevant in a Changing World

Aditya Ghosh

Co-founder, Akasa Air;
Founder, Homage Advisers;
Board Member, OYO and
FabIndia; Chairperson,
SEWA - Central

The past two years have forced and enabled global businesses, leaders, and professionals to pivot in ways previously thought impossible. From how we communicated, collaborated, and led our teams to what we thought of the nature of work itself—everything adapted to our dynamic and changed needs. Read what Aditya Ghosh says about turning transitions and challenges into opportunities to adapt and excel.

Unprecedented is a much-abused term, but the pandemic and what it meant for the world has truly been an unprecedented crisis. More so because the entire world has never experienced something so secularly since the last Ice Age. There have been natural calamities, climatic crises, military campaigns, and large wars, but they have not impacted every nation and community as uniformly as COVID-19. It has forced us to address questions that hitherto remained unanswered, about what is really important to us—at work, in life, and as a species, and how we deal with changes in any of these aspects. Questions about progress and development naturally took a back seat when survivability itself was a challenge.

At the same time, when we think about change, the very first thing to understand and acknowledge is that change is inevitable, and yet, very hard. When we recognise that change will be uncomfortable, nay, painful, we make it easier to deal with the deep emotions it evokes.

This brings us to the second aspect of embracing change, where we can begin posing questions like:

What are we going to change? In other words, what are we going to discard? And what are we going to hold on to? What values are going to remain consistent, and what are we going to let go of, as we embrace change?



Will the proposed change bring about a tremendous amount of efficiency or growth, without walking away from what is fundamental to the business? Because if it is not going to lead to a massive spurt in efficiency, or if it is not going to make your business that much bigger, or help it grow that much faster, then there is no need to fix something that is not broken.

This approach becomes especially important for businesses—enabling us to check in with our values as we consider making changes.

The Culture of Change

I see the culture of an organisation as a collection of acceptable behaviours—our way of working together and dealing with each other. Therefore, it is important to create and nurture a culture of change. I do believe that ‘respect’ should be one of the key cultural attributes of any organisation. Respect, not only for our colleagues, but also for their ideas and diversity of thought.

When respect is combined with a deep sense of humility, this gives you the ability to see change and be able to embrace it. The speed of adaptability to any change, therefore, can be a deeply cultural attribute.

An expression of this combination of respect and humility is also to look around us and be inspired by other organisations that may be doing something better than us. Many years ago, we created an ability for frontline employees to do something for a consumer or customer without having to ask for permission from their managers and above—in the best interests of the consumer. I saw a version of this practice at the Oberoi group of hotels and incorporated it at IndiGo. Similarly, many years ago, my first flight was one that I took on Air Sahara from Delhi to Chennai. At the airport, I was confused and lost, and was helped by a lady from the Jet Airways staff and not the airline I had booked with. I still remember this experience and tried to bring this at IndiGo under a service module called “service from the heart”. And I think that module is still in practice there.

While there are examples of organisational culture staying constant despite the comings and goings of individuals, it generally undergoes alteration when the leader changes. In this process, what hopefully should not change, are the values and the purpose of the organisation, that are fundamental to the business.

This brings us to the next question.

What is Fundamental to the Business?

I attribute more importance to staying focussed and getting the basics right, and believe in knowing what not to do. Having spent most of my professional life in high-growth businesses where there is a lot of change, innovation, and growth, I have found that the world is a graveyard of businesses that got distracted and started doing many different things, having lost focus from what really mattered

to their consumer. At the same time, there is an adjacent graveyard of companies which did not change or innovate, and became increasingly irrelevant.

I have a simple approach for this conundrum:

- Understand what your consumer *needs* as opposed to what your consumer *wants*. And the way to think about that is—what your consumer needs is what they are willing to pay for. In the airline business, for instance, customers may want a bunch of different things while travelling from point A to point B, like a wide seat, leather covers, red and blue carpets, a hot meal, and so on and so forth. But that is not what they are paying for. They are really paying for safely getting from point A to point B, on time, with their bags, in a courteous and hassle-free manner.
- So, understanding the needs of the consumer is extremely important, and when these needs keep changing, be mindful if your business is adapting, and make sure that your business changes just enough and just in time to stay relevant in the eyes of the consumer.

The purpose of the business has to be a combination of making an impact on people's lives, on solving a hard problem, as well as attaining profitability, which then allows you to build a sustainable business. And as long as you can stay true to that purpose, you have a higher probability of staying relevant to the needs of your consumer.

Combat Your Fears

Fear of change, or rather, the unknown, has engulfed every one of us. Imagine a scenario where you have a plan and know that you must act on it, but you are not able to take that first step, or convince everybody else to take that step with you. This fear, especially in the context of businesses, is the fear of failure.



Two questions occupy centrestage in your mind at this juncture:

**What if I start off on this journey
and am not able to achieve what
I set out to achieve?
What if I lose what I already have?**



To deal with the bigger fear of not losing what you already have, do not become a prisoner of your past achievements. This applies to leaders, management teams, as well as organisations. Kapil Dev, for instance, won the Cricket World Cup for India, but is also a great golfer today. If he had thought that he would have to be as good at golf as he was at cricket, he would have never picked up a golf club.

Dealing with the fear of failure involves confronting the tendency to look at things as ‘successes’ or ‘failures’. Instead, think of outcomes—if the outcome is similar to what you had expected, then your hypothesis was right, and you can keep doubling down on that. On the chance that the outcome is different from what you had thought it would be (which we would have otherwise termed as ‘failure’), think of it as an experiment which showed that your hypothesis was different and now gives you an opportunity to try another strategy.

Deliver Consistently and At Scale

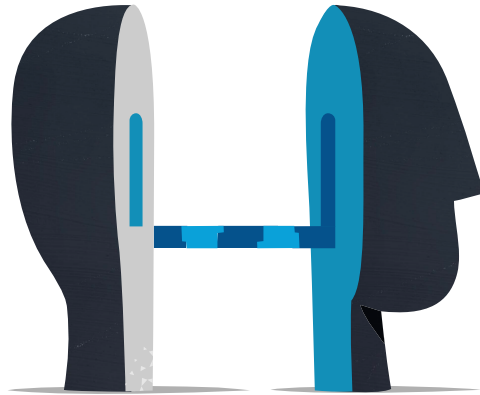
The answer to staying consistent even as the organisation continues to scale is at the end of these questions: Is your business just a little bit better than what it was yesterday? Are you reaching more consumers in a sustainable and profitable manner?

Domino’s Pizza, for example, started in 1961, and sold a thousand-odd pizzas in the first year. Now, they sell 365 million pizzas a year. And yet, the taste of the margherita pizza is the same. Even at IndiGo, the experience of the consumer remained almost consistent, whether we had 18 airplanes or 150.

Adapt and Pivot: The Way to a Winning Mindset

Having spent 15-20 years in business, I continue to learn something new each day as I start a new brand. Here are some shifts in mindset that can support leaders and businesses in adapting to changing landscapes:

- Have a certain amount of self-confidence that does not allow natural biases to hold you back.
- Know that you do not know anything, and therefore, each day at work is going to be a learning journey.
- Respect, and treat your colleagues like gurus almost, as you are able to learn something new from each one of them. Remember that this does not have to be restricted to those in senior positions. It can be someone who is working on the line, someone who has worked for many years and is past retirement, or even someone who has just come in and has an innovative aura and unique approach to things. It serves as a good reminder that your colleagues know as much about the business or property than you think, because as a leader, you can get stuck in an ivory tower where you lose perspective of the events on the ground.
- Communicate continuously, because it helps your people engage with your ideas, understand the need for change, and get truly aligned to all that is required.



Aditya Ghosh is a seasoned professional with over 22 years of diverse experience. Co-founder of Akasa Air, he is also Founder of Homage Advisers, Homage Ventures, Homage Foundation, and Homage Aviation. Formerly the President and Wholetime Director of IndiGo, he is currently a member of the board of directors at FabIndia Group and OYO Hotels & Homes. A World Economic Forum-Young Global Leader, he has been recognised as Fortune's global 40-under-40 and Fortune India's 40-under-40 three years in a row.



Leadership Edge

Channelising Innovation by Enabling Leadership

Sunil Shah

Global Head, Societe Generale
Global Solution Centre, India
and Romania, and CEO,
Societe Generale Global
Solution Centre, India

While innovation is essential to succeed in every aspect of business, it is up to leaders how they drive it. Innovation cannot take place without proper guidance and adequate encouragement in an organisation. Infact, driving innovation adds any additional layer of complexity to a leader's role. Learn how to navigate your way through an innovation journey and emerge on top with Sunil Shah, Global Head, Societe Generale Global Solution Centre, India and Romania, and CEO, Societe Generale Global Solution Centre, India, in this stirring write-up.

Widely regarded as a modern-day leadership guru, Warren G Bennis once said, *“Leadership is the capacity to translate vision into reality.”*

In this modern day and age, innovation is a strategic necessity, and a crucial driver for growth. Every organisation—big or small—seeks that secret formula to innovate at scale and eventually succeed. Well, here’s the thing, it does not exist. Most importantly, it requires enabling leaders who can guide the team consistently through ideation, exploration, and experimentation.



Innovation is a simple yet complex process—one that requires going beyond churning new ideas. It requires an enabling and inspiring work environment, and a team willing to explore and experiment.

Often, we are told to be curious, question, and not be satisfied with black-box answers. If innovation is ingrained in your organisation’s DNA, it may be easy to ask questions: “Why is this process done this way?” or “How can I do it differently?”

In my career spanning two decades, I have learnt that to understand if an organisation supports innovation, we need to observe its culture and its employees’ ability to experiment. In a highly collaborative environment, people work together, share their insights, and learn from each other. At the same time, such a culture is non-hierarchical and non-compartmentalised, promoting access to information and autonomy to work seamlessly across departments.

Leaders as Catalysts in Driving Innovation and its Sustenance


Innovation, by definition, has varying attributes and is applied differently, depending on the specifics of the sector. In the FMCG industry, the latest innovation could be a new product; in the IT sector, it could be a new technology; while in the healthcare industry, it could be an efficient product delivery process. Leaders must constantly push this lever of cross-industry learnings to drive home the best practices. A lot depends on their ability to find the perfect match for their organisation and decode the essence of innovation in their setup without getting trapped by industry trends.


Having a culture of innovation is one thing and sustaining it on an everyday basis is another. So how do you ensure that innovation remains a core driver of growth and not just a fad that may last a quarter or two before being relegated to the background? It must be articulated in the overall vision and mission of the organisation. When it is posited as the fundamental reason for the organisation's existence, it becomes a part of the core principles and values that the organisation embodies.

For our Global Solution Centres (GSCs) in India and Romania, we ensured that our focus on being innovative was well articulated in the objectives. We ensured accountability and clear metrics to track and measure innovation for this initiative. Moreover, we included a key responsibility in our objectives and key results to ensure we are pushing innovation and innovation-led solutions.


A leader can be the critical enabler of innovation in their organisation by:


- Enabling a performance culture:** Competency is the key to measure or review the performance of the team. As a leader, one must ensure that innovation is entrenched in the fundamental matrices of the organisation's functions, and that team members are recognised for their ability and appetite to take risk and learn from their failures. A culture of innovation is sustainable only when employees who depict an innovative bent of mind are elevated as a natural progression. For instance, for our GSCs, having an innovative bent of mind is one of the criteria for promotions of managers and above, thus clearly emphasising the message of being innovative as an integral element for growth.


- Following words with action:** A leader must promote and drive innovation not only through their speech, but also by their actions. Ask yourself, do you, as a leader, demonstrate a high level of curiosity? Are you open to trying out a new approach or strategy? Do you support/encourage or shun out-of-the-box ideas? To establish an organisation's focus on innovation, the leader must be willing to devote time towards innovation, which at the beginning, could even mean allocating additional time and valuing it over other operational duties. In the GSCs, we rolled out the Internal Start-up Programme to gather ideas from the staff and enable those that showed merit through to MVPs (Minimum Viable Products).



- ***Amplifying stories that celebrate innovation:*** It is pertinent to amplify not only success stories that showcase how innovation has helped the organisation move forward, but also stories that celebrate the risk-taking ability and out-of-the-box thinking. The results might not always be favourable, but the experimental intent and the learnings from the exercise could be immense. Teams need to consistently hear from senior management that innovation is encouraged, and that the outcome can either be rolled out in production as a solution, else it can be an immense learning experience.


- ***Accepting failure:*** To be an effective enabler, first and foremost, one requires the ability to tolerate failure. Failure is a corollary of the willingness to experiment and try new things. As a leader, you must be ready to accept the team's failure as a necessary step towards achieving the desired outcome. A leader is the safety net that is always present for their team even in failure, encouraging them to experiment autonomously, without being overwhelmed by adverse outcomes. When you exhibit tolerance towards failure, it automatically empowers the team to take calculated risks. This helps the team sustain and foster innovation in the long-term. In GSCs, we have a sandbox approach to try out different solutions that have the potential to be delivered as capabilities. While some of them skyrocket—like our capabilities on Know Your Customer/Know Your Stuff, there are others that either lack business support or a strong enough business case. One such example was a proposal on data. While the solution in the proposed form did not garner support, we learnt from the proposal, and we pivoted to create a solution that resonated with the business. The key is to not be bogged down by failure or criticise the approach, but to take learnings and see how things could be pivoted to serve better results.



Walking the Tightrope to Push Innovation

Hiring the right talent and leading them towards optimal performance is just one part of a leader's role. Too often, leaders face the challenge of strengthening the synergies and collaboration efforts within teams, especially when it comes to innovation. In the absence of instant success, it is imperative to have short-term and long-term goals, along with the practice of rewarding 'behaviour' and not

‘outcomes’, so the team is motivated and encouraged. It requires over-emphasising the message, that ‘as an organisation, we are looking for the right behaviour and mindset for innovation, and keeping it separate from the result.’

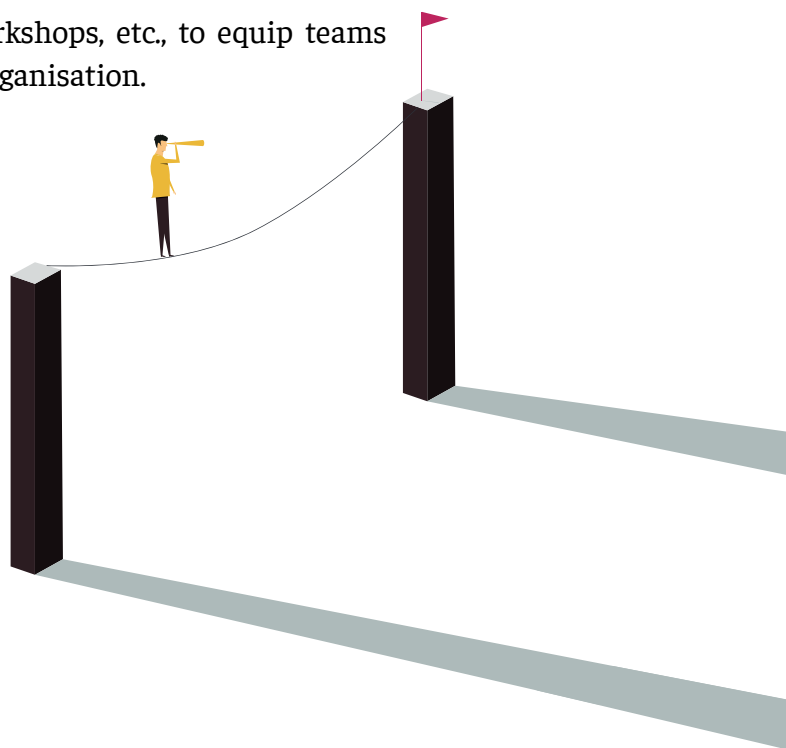
For instance, do not expect that a disruptive idea can bring in a new revenue line or completely transform the dynamics of the business. Instead, ask the team if it demonstrated enough curiosity to test and try new concepts, regardless of whether the efforts brought tangible results.

Leaders must have the right perspective to balance the long-term need versus the short-term motivation necessary for the team. Ask the team members, ‘did you try something new?’ instead of ‘did you achieve something?’

To fulfil the long-term goal, a leader must first ensure that the organisation moves forward on a fruitful innovation journey. Then, they must take on the role of a ‘change agent’ for effective application of the change management strategy in phases:

- Be prepared for a period of resistance from employees.
- Be ready to face questions about why things are being changed.
- Be present to push those employees who feel they are not capable of moving forward.
- Offer programmes, seminars, workshops, etc., to equip teams and celebrate innovation in the organisation.

A leader is always expected to be honest and transparent, and reward employees who display the correct mindset and behaviour towards innovation. This is quite the tightrope. Nevertheless, the balancing act in pursuit of steady innovation would involve providing measured praise and constant encouragement.



Challenges in Maintaining an Innovation Culture

Having the right innovation culture is both ideal and desirable. However, it can be challenging to maintain a healthy balance across teams and units, especially in a multi-office organisation. Driving innovation at the same pace as the rest of the subsidiaries often becomes a challenge with external factors such as geographical locations, time zones, availability of resources—human, capital, etc., also weighing in. So how should a leader overcome these external challenges?

An innovation culture that is separate from the parent entity can be unsustainable. The solution is to balance the key messages of your global parent firm vis-à-vis the innovation efforts you are leading within your mini-ecosystem and ensure that they are in sync. It is also important to openly communicate and explain the merits and value of having a sub-culture/smaller ecosystem with your stakeholders. To quote a concrete example from the GSCs, we align the timings and key messages of our key programmes, showcasing innovative solutions across the Group. But at the same time, we ensure contextual references to solutions, solving for local requirements. One of our solutions for enabling a safe return to office was locally developed and adopted, which was not necessarily the case in the headquarters. So, while it was showcased locally, the key message across the board was to enable hybrid modes of working.

In Conclusion

The pandemic necessitated pushing the boundaries on innovation as the worldwide crisis triggered new needs for people, societies, and organisations. In a way, it also freed us of our constraints and helped us demonstrate resilience, thereby helping businesses to grow. Challenging our restrictions turned scepticism into deep satisfaction and eventual admiration for what we were able to achieve. The pandemic made us take the plunge and we were able to execute a successful transition to a hybrid work environment within weeks. We are witnessing a new momentum where organisations and business leaders have been forced to break the shackles of procedures and limitations, thus opening us up to massive possibilities and ushering in a new era of innovation. Instead of losing this momentum, we must make the pivot towards building cultures that uphold innovation with the right set of leadership actions.

Key Takeaways to Drive Innovation Across Organisations:

1. Be consistent in your efforts to push the team in the right direction.
2. Encourage teams across departments to collaborate and experiment.
3. Reward innovative minds and celebrate individual successes to set the tone.
4. Provide room for improvement.
5. Accept unsuccessful attempts as learnings.



Sunil Shah is the Global Head, Societe Generale Global Solution Centre, India and Romania, and CEO, Societe Generale Global Solution Centre, India. He is responsible for driving the digital transformation initiatives, innovation, and creation of new services and solutions. A transformational leader driving profitable growth and extending business partnership to Societe Generale's global entities since 2011, Shah worked with the US-based financial services group Fidelity Investments, before joining Societe Generale. Earlier, he was with Infosys for over a decade in various roles, across India and the US.



Case in Point

Digital Transformation at L&T

Convinced that a traditional organisation like L&T should utilise the transformative potential of digital technologies to compete at a global level, the CEO and MD embarked on a journey of digitalisation in 2016. From conception to implementation, this case revolves around the digitalisation process that took place at L&T over the next few years. With the increasing need to constantly embrace new technologies, we present insights from two experts on some of the unique facets of digital transformation and what approaches would be needed to take L&T to the next level of growth.

This case is an abridged version of the case series **Digital Transformation at L&T (A) & (B) – ISB271 & ISB272**, written by Professor S. Ramnarayan and Sunita Mehta at the Indian School of Business.

S.N. Subrahmanyam (SNS), the CEO and MD of Larsen & Toubro (L&T), an Indian engineering and construction conglomerate with presence in over 30 countries, was convinced that a traditional organisation like L&T should utilise the transformative potential of digital technologies to compete at a global level. In 2016, SNS decided on initiating digital in L&T Construction, the largest business of L&T. The digital transformation of the business unit made progress over the next two years and delivered many benefits. It laid the blueprint for the digitalisation of other business units of the L&T group. Reflecting on how they started, SNS said:



Unlike the past industrial revolutions where one could get by with incremental change and adopt technologies at a slower pace, the pace of innovation with Industry 4.0 had to be much faster. Industry 4.0 does not lie in some distant future; it is already here. L&T is adopting digital technologies to future-proof its businesses.

Initial Steps

In 2015, SNS, then the CEO designate, had visited the US and witnessed how digital technology was profoundly changing businesses across different industries and creating a huge impact on profit, productivity, and performance. He felt: “L&T was performing well as an organisation, but if we wanted to move further, we needed to do something about using digital technologies.”

In 2016, SNS, who had been appointed CEO of L&T, initiated digitalisation first at L&T Construction, L&T’s largest business with a revenue of around US\$ 11 billion. A study of the state of digitalisation revealed that digitalisation in the construction industry was ranked low in terms of investments. This indicated that L&T Construction would have to embark on its digitalisation journey with few existing models and benchmarks.

SNS invited Anantha Sayana (Anantha), Head of Information Systems and Head of the Corporate IT Programme and designated him as the Head of Digital in 2016.

L&T had been an early adopter of IT solutions and had invested heavily in IT, implementing enterprise resource planning (ERP) in all its business units from

1999 to 2001. Anantha stated, “Information technology is used to provide solutions to existing problems. Digital is used not only to solve existing problems but also to exploit opportunities created by new technologies.”

Recognising that digital was different from IT, the company created a separate department called the Digital Hub, which was responsible for the conceptualisation, ideation, creation, selection, development, and architecture of digital solutions. The teams were set up on a different floor and comprised people who had business, domain and technological expertise.

Where to Begin?

The primary goal of digital was to improve operational effectiveness to optimise resource utilisation, save costs, improve productivity and efficiency, reduce execution time, maintain quality, and ensure safe operations. Anantha said that execution did not follow the copybook approach:

“We did not conduct meetings of various business leaders across cities, do town halls, involve people across levels and functions, hold discussions on what digital means, and ask them where we could go digital, collect ideas, and spend many months figuring out what the business wants. We believed that digital would be understood by our people only when they started to see it.”

The focus of the Digital Hub team’s first initiative was on connecting assets using the Internet of Things (IoT) to optimise equipment and machinery utilisation. The dashboard provided detailed information on the utilisation of the machines. For instance: the amount of concrete produced by a particular concrete batching plant in a day, the time at which the machine started, average production of concrete in the previous month, amount of fuel consumed, etc. When this real-time data about equipment and machine utilisation was shared, it made team members anxious about its visibility to those outside the project site. Visibility of machine utilisation was not a problem that needed to be solved; instead, L&T wanted to use digital to exploit an opportunity.

There were stray pockets of resistance from the people at the operations level at project sites. Anantha elaborated:

“We were not getting data from a few sites. On investigation, we found that in

some cases, wires connecting the gateway to the sensors had been clipped with a pair of scissors. In other cases, people were resentful that machine utilisation data had become transparent; they sent us data to prove that the information on our dashboards was wrong.”

To build credibility of the new technology, the Digital Hub fixed all bugs and provided accurate and consistent data on machine utilisation. In 2-3 sites, manual recording of machine utilisation was done; it was tallied with the information provided by the dashboards for a few weeks to ensure that people relied on the dashboard.

To gain the buy-in of those at the site, the Digital Hub emphasised that it was just providing information and that the business managers were the experts in their respective domains. Therefore, they had the freedom to infer whether the machine’s performance was good or bad. Anantha added:



When people started looking at the information provided on the dashboard, the need to change and improve utilisation became automatic. This started a dialogue. Then, we worked with the business verticals to help translate these insights into optimal asset utilisation.

Improving machine utilisation was not just a matter of making a machine work for a longer time; rather, the ecosystem had to gear up to facilitate the additional work efficiently.

Initiatives to Support Transformation

SNS emphasised the need for digitalisation at every opportunity and used every platform to drive this message. He even viewed regular business reviews as an opportunity to monitor progress on digitalisation.

The central Digital Hub, comprising over 60 people, was involved in digital strategy, solution conceptualisation, architecture, technology choice, partner selection, and solution implementation. Every business vertical had a digital office and a team

of digital officers, drawn from the business and involved in demand generation, engagement with stakeholders, and solution implementation. Every project site had digital champions who reported to an officer at the vertical, who, in turn, was guided by the officers at the central Hub. The leaders knew it was important for the team to appreciate the problems faced by the people working on site and not allow themselves to be led by “technology arrogance” in pushing a solution.

The digital team was careful to ensure that any new technology it delivered was used for the purpose for which it was deployed. The solution was designed with a clear focus on its benefit.

The agile development of the product based on user feedback, built people’s trust in digital technologies to improve the quality of their work.

In consultation with the Digital Hub, HR designed a leadership programme for developing digital capabilities, which included analytical capabilities and insights from data. This was made compulsory for people who aspired to take on leadership positions. L&T also had to rebrand itself to attract candidates with a digital background who would have otherwise preferred to join software companies.

L&T was aware that acquiring internal expertise in all the technologies would be unrealistic and inefficient. Therefore, it partnered with over 45 micro, small, and medium enterprises (MSMEs) and start-ups within India and overseas to develop various solutions using different technologies.

Extending to the Other Business Units


In early 2018, L&T extended the digitalisation programme to several business units (BU). Each BU created a team of five to six people to lead its initiatives. The central digital group brought them up to speed on their activities and the solutions they had developed at L&T Construction.

One of the initiatives of the leadership to drive change at L&T was the creation of a Digital Council, a confluence of leaders from all the group businesses, under the aegis of Anantha. It met every month and provided a platform to share ideas, understand challenges, adopt best practices, and leverage technologies and solutions across the different businesses.

As of 2018, over 50 digital solutions were in production, used by thousands of operating staff at hundreds of project sites. Digitalisation had enhanced operational efficiency, safety of personnel, and the digital skills of employees. Every year, the MD and CEO recognised and awarded the best use of digital in the sites, projects, and innovative solutions.

The Way Forward

Given the strategic importance of digital transformation in the current environment and in the post-COVID era, SNS knew that the way forward for L&T would be challenging. Disruption had become the new order, with the need to constantly embrace new technologies to take L&T to the next level of growth.



What are the unique aspects of bringing in digital transformation? What are some approaches that you find useful for dealing with such unique aspects?

What are the key leadership characteristics and approaches that are required for a successful digital transformation?



Expert Opinion

Harish Raichandani

Founder & CEO, Potentia

As an organisational development catalyst, business coach, and corporate governance steward, Raichandani brings 30 years of experience. He currently works with upper echelons to catalyse organisational transformations and board evaluations. His accreditations in appreciative inquiry, emotional intelligence, and coaching from ICF help him make a difference to individuals and institutions. The entrepreneurial perspective of organisational dynamics allows him to contribute to business success stories and C-suite coaching. His passion for teaching brings him close to graduate students as a visiting faculty at business schools.

Changing consumer preferences, unfulfilled client demands, or competition from digital natives often pushes many companies towards digitalisation. It is laudable to see the giant builder of the nation undertake a digital transformation journey with no apparent market pressure. L&T's initiative appears to be an attempt to step up their own game, viz. to improve utilisation of capital equipment that locks up billions of dollars in assets. The attempt by SNS to democratise the information on resource utilisation and productivity, needs to be seen in the context of the organisation and industry practices.

In a hierarchy-driven culture, the resources at one's command enhance perceived power; managers measure their self-worth by the assets they control. An initiative like this is bound to stir the hornet's nest, as is evident by the anxiety of the people at project sites, finding ways to resist data transmission by clipping wires.



Leaders should remain undeterred by the side-effects and unseduced by the low-hanging fruits. A leader like SNS is driven by a beacon with a definitive long-term digitalisation agenda.

At L&T, it could have been speedier to mobilise capital equipment, increase utilisation, or establish a new profit centre that serves internal and external needs for nation-building projects.

What are the unique aspects of bringing in digital transformation? What are some approaches that you find useful for dealing with such unique aspects?

I see two unique aspects:

Firstly, it needs to be strategy-led. Digital transformation needs to be triggered by a desire that encompasses more than digitalising the information at the source or aggregating it at multiple sources. Those are the essential nuts and bolts, but not the results. Automating data collection and information flow may be the most visible parts of the digitalisation initiative, but an organisation must set objectives beyond that.



Secondly, for it to be termed ‘transformation’, it needs to be an iterative process characterised by the reinforced learning between the ‘strategy’ and ‘digital assets’. Double-loop learning can enrich the business model by leveraging the information, even as the touchpoints multiply basis the changing strategy. Rita McGrath and Ryan McManus¹ call it an incremental experimental approach.

The *change cart* that brings about digital transformation requires the *culture wheel* and the *technology wheel*. A successful approach would take cognisance of both these aspects. The cultural aspects contributing to customer-centricity or timely project completion cannot be ignored while pursuing a digitalisation programme. Despite visible lacunae, the organisation must delay gratification to fix the operational metrics while pursuing the long-term agenda. An obsession with improving short-term performance may create a high decibel resistance, jeopardising the initiative. L&T’s use of Digital Hubs for information assimilation, and not for questioning the project managers’ expertise is an example. Leaders like SNS, when focussed on *transformation*, do not succumb to pressures of transactions which occur during the implementation phase.

The technology aspects at the heart of successful digitalisation are ‘ease of use’ and ‘relative stability’. The legacy companies must appreciate the spirit behind digital

¹2020 HBR (May June) “Discovery-Driven Digital-Transformation”

natives' obsession with user interface design (UI) and user experience design (UX).



Early adopters of digitalisation can turn saboteurs if the 'ease of use' is not considered by the 'Digital Hubs' equivalents.

The other crucial aspect is the choice of technology; while an outdated technology would warrant frequent changes, the evolving neo-technology may present interface issues. In either case, it impacts early adopters' morale and prevents them from becoming ambassadors for digital transformation initiatives.

What are the key leadership characteristics and approaches that are required for a successful digital transformation?

Digital transformation is essentially an agenda with a long-term impact. I refrain to term it as one, if the digitalisation plan does not accomplish at least one significant outcome such as: (a) business process improvement that reduces customer friction or lead time, (b) evolve/establish a new business model, or (c) a culture change contributing tangibly, such as an improvement in perceived value proposition of the brand, increase in the unfair selling advantage enjoyed by the company, or speed of innovation.

Therefore, first and foremost, at least one long-term payoff must be envisaged without which the digital transformation would remain a non-starter.



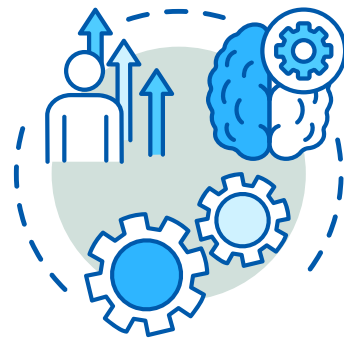
In determining the approach, the crucial element is the strategic intent. A formula-driven approach could be suicidal.

It must be commensurate with the leader's style and the business/industry. The adopted path must direct the efforts towards the intended long-term payoffs. Temptations to pluck low-hanging fruits could turn out to be distractions which derail the journey. In the L&T case, the distraction could have been to make the 'Digital Hubs' the policemen, monitoring the expertise of capital equipment users. The central idea is to minimise the strategy-execution gap.

A successful digital transformation would entail disrupting deeply entrenched habits. The CEO must pivot the initiative by creating a dedicated team that does only one task—focus on the initiative. As a leader, one will need to display three important characteristics.

In an era where unhesitant moves and velocity have assumed primacy, leaders should do well to remember overcoming the power of inertia requires **tact and patience**. The internal and external stakeholders and their interests being served through an existing mechanism cause disequilibrium. The leader needs to display **firmness with humility**—the former will ensure that the core of the transformation initiative remains intact. In contrast, humility helps to convert critics into champions. Besides, the CEO must ensure that the change team remains humble. Finally, I advocate **expanding the comfort zone**. A leader who expands their own comfort zone inspires others to do the same. The stakeholders involved in digital transformation must step outside their fears to unlock their individual and collective potential.

The three characteristics would add to the credibility of the leader, the initiative, and the organisation; further, it is bound to increase the commitment of employees involved in adopting the ‘new now’.





Expert Opinion

S. Ramnarayan

Professor of Practice, Organisational Behaviour,
Indian School of Business; Visiting Faculty,
University of Bamberg and Case Western
Reserve University

Ramnarayan has served on the boards of business organisations and educational and social service institutions. He has written books on topics of leading change, altering mindsets, organisation development, strategic management of public enterprises, and managerial dilemmas. He has been a manager, consultant, and professor at different stages of his career, and has carried out research assignments funded by the US Office of Personnel Management, Ford Foundation, World Bank, Commonwealth Secretariat, Department for International Development, and German Sciences Foundation.

What are the unique aspects of bringing in digital transformation? What are some approaches that you find useful for dealing with such unique aspects?

Digital transformation involves the whole organisation in creating value in new ways and transforming business methods.² But when the digital strategy becomes disconnected from the organisational strategy, the agenda degenerates to being a mere “digital upgrade”, where the use of digital technology is limited to increasing the efficiency of certain things that the firm is already doing. To enable a transformation of this scale, the top leadership’s wholehearted support is critical.



For effective digital transformation, the focus must be on both “digital” and “transformation”. The digital focus would imply: (a) developing specialised expertise in exploring new technologies; (b) right choice of digital initiatives in consultation with the business leaders; (c) effective solutions architecture; (d) competent implementation of impactful solutions; and so on.

²Libert, B., Beck, M., & Wind, Y. (J). (2016, July 14). 7 questions to ask before your next digital transformation. Harvard Business Review.

The transformation focus would be reflected in (a) a clear and compelling larger direction of future-proofing the business by being more efficient, productive, competent, competitive, and profitable; (b) energising the businesses and technologists to work together to implement digital initiatives across the value chain at speed and scale; (c) building and sustaining new work habits and decision-making approaches, greater agility, working across boundaries that help instil a data-driven decision-making culture in the organisation.

When L&T began its journey of digital transformation, the direction was set as “opening the doors to new ways of working”. It was a grand vision of achieving global competitiveness. The CEO asked the digital team not to bother with pilot projects or proofs of concepts. Within six months, several machines were connected to generate real-time data on different parameters. Bugs were quickly fixed, and accurate and credible data started flowing in another six months. Then, conversations were facilitated among the concerned people on how the information could generate insights that could translate into optimal asset utilisation. People realised that improving machine utilisation was not simply a matter of making machines work for a longer time. The entire ecosystem had to gear up to facilitate the additional work. It required materials, engineering drawings, and labour. Roles and processes were appropriately changed. The leadership ensured that there was a shared purpose that guided the digital team and the business managers. There was neither the “technology arrogance” of pushing a solution from the digital team, nor resistance from the businesses to experiment with new methods.

Digital transformation is a journey through complexity and uncertainty. It requires attention to technical and social/organisational aspects. This includes:

- Scanning the environment quickly and methodically to explore new technologies
- Establishing a process that allows high-potential ideas to rise and weak ideas to sink
- Bringing in the right talent and partnering with other organisations to develop solutions
- Fostering communication, collaboration, and community building

- Creating the right team structure and ownership across levels to promote demand and idea generation from across the organisation.

“Sustaining the momentum requires effective monitoring, making the results visible, and ensuring that employees feel engaged, involved, and empowered in the process of change.”

What are the key leadership characteristics and approaches that are required for a successful digital transformation?

The leadership must address digital and transformation challenges. Thus, two broad areas of capabilities are required.

One set of capabilities addresses the technology challenges through deep expertise. These experts evaluate the business processes where technology could be leveraged and assess the organisation's infrastructure preparedness. They conduct pilots without waiting for the ideal solution, then roll out the solution and engage in continual iterations to address emerging challenges and achieve the intended outcome. Technology leaders tend to be higher in self-oriented competencies, such as adaptability, managing ambiguity, and nimble learning. They display openness to experimentation and testing ideas with real users rather than spending days debating a concept's validity.



The second set of capabilities deals with transformation challenges. These leaders create a shared understanding of the change; integrate digital strategy with the larger organisational vision and strategy; build collaborative networks; partner with other organisations for technology expertise; influence stakeholders without authority; manage conflicts; communicate and inspire people, and develop talent.

Successful digital transformation also requires careful attention to all the coordination issues through effective choreographing of the change. This requires business leaders to focus on creating the requisite capabilities; reshaping the processes to better align them with strategy; developing key capabilities for making the right decisions; defining new roles, accountabilities, and ways of working; sequencing of steps; and defining how the whole effort will be led. These

leaders also need to constantly monitor and review the progress of digital initiatives to sustain momentum. Culture can be one of the biggest barriers to successful transformation, and therefore, another critical aspect that requires attention is creating new mindsets and cultures. The new mindsets include the notion of iteration, of constantly reinventing the core, and constantly cannibalising what the group may have done before.



The characteristics of digital culture are agility, high-risk appetite, data-driven decision-making, distributed leadership, and collaborative work style.

A key challenge is to create a sub-culture in the digital organisation and keep it buffered from the larger organisation. Finally, successful digital transformation requires a partnership approach, emphasising dialogue, discussions, and collaborative working.



To sum up, successful digital transformation requires entrepreneurial leadership that energises the organisation to pursue opportunity-seeking and advantage-seeking behaviours.³ A study of entrepreneurial leaders has examined their mindsets—cognitive filters used to act—that influence their actions and decisions.⁴ This study found that entrepreneurial leaders develop and practise three mindsets in parallel—people-oriented, purpose-oriented, and learning-oriented—making them adept at handling uncertainty and ambiguity. The people-oriented mindset is about being inclusive, open, positive, and appreciative. The purpose-oriented mindset focusses on purpose/intention and patience with the change journey. The learning-oriented mindset is about listening and picking signals from all around to take risks and experiment. The mindsets play an important role in the successful implementation of strategic entrepreneurship.

³Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A model of strategic entrepreneurship: The construct and its dimensions. *Journal of Management*, 29(6), 963–989.

⁴Ramnarayan Subramaniam and Raj Krishnan Shankar. (2020). Three Mindsets of Entrepreneurial Leaders. *The Journal of Entrepreneurship*, 1-31.

The full version of the case series is available on the [ISB Case Collection](#) website:

[Digital Transformation at L&T \(A\) – ISB271](#)

[Digital Transformation at L&T \(B\) – ISB272](#)



Podcast

'Coaching' Your Way to Uncommon Leadership

Ruchira Chaudhary

Author, Executive Coach,
Founder – TrueNorth
Consulting

Culture indeed cascades from the leader! However, leaders today have to consistently reinvent themselves to stay relevant and impactful. Amidst an array of oft talked about skills, what is it that is gaining undisputed prominence? Listen to Ruchira Chaudhary, author, executive coach, and founder at TrueNorth Consulting, as she reveals how 'coaching' can transform you into an extraordinary leader, not just strengthening your firm's cultural ethos, but also fostering a long-lasting legacy.

Click to Play Podcast



Ruchira Chaudhary is a leading executive coach with over two decades of experience in emerging markets in Asia, the Middle East and North Africa, and also runs a boutique consulting firm focussed on organisational strategy solutions. She teaches as affiliate faculty at top-tier business schools including Chicago Booth, SMU, NUS, IMD, ISPP, and recently London Business School. Her book titled 'Coaching: The Secret Code to Uncommon Leadership' explores some of the key ingredients to impactful leadership and was published in April 2021 to much critical acclaim.





Indian School of Business

Registered Office: Gachibowli, Hyderabad - 500 111, Telangana, India. Ph: +91 40 2300 7000

Mohali Campus: Knowledge City, Sector 81, SAS Nagar, Mohali - 140 306. Punjab, India. Ph: +91 172 459 0000

Corporate Identity Number: U80100TG1997NPL036631

@ www.isb.edu [isbedu](https://www.facebook.com/isbedu) [isbedu](https://twitter.com/isbedu) [company/indian-school-of-business](https://www.linkedin.com/company/indian-school-of-business)

Founding Associate Schools

Associate Schools

Accreditations



Kellogg
School of Management



Wharton
UNIVERSITY of PENNSYLVANIA



MIT
MANAGEMENT
SLOAN SCHOOL

THE FLETCHER SCHOOL
TUFTS UNIVERSITY



**ASSOCIATION
AMBA
ACCREDITED**

**EFMD
EQUIS
ACCREDITED**