Interview with Rajeev Dubey, President (Group HR, After-Market & Corporate Services) & Member of the Group Executive Board, Mahindra & Mahindra Ltd, India

Gopal P. Mahapatra

Executive Overview

Industrialization in India is more than 200 years old. The Mahindra Group is one of the few leading business groups that have played a critical role in the industrial growth and development of the country. In a wide-ranging interview with the author, Mr Dubey talks about how the Mahindra Group has been playing an important role in the industrialization and beyond since pre-Independence in India. Human Resource Development (HRD) in India has been experiencing a transformation, particularly since the mid-1970s. Mr Dubey shares how HR practices along with core organizational values, and progressive management practices, appear to have led to the consolidation, growth and professionalization of the Mahindras as a group over the last decade. This interview sheds light on critical HRD philosophy and practices of the Mahindra Group.

Mr Rajeev Dubey is the President (Group HR, Corporate Services & After-Market) & Member of the Group Executive Board of Mahindra & Mahindra Ltd. He is also Chairman of the Corporate Social Responsibility (CSR) Council and the Corporate Governance Cell of the Group and serves on the Boards of several Group Companies. He joined Mahindra & Mahindra Ltd. in 2004 after a career spanning 29 years in the Tata Group, which he joined as a member of the Tata Administrative Service (TAS), the central managerial cadre of the Tata Group. He spent 21 years with Tata Steel and the next seven years as Managing Director and CEO first of Tata Metaliks and then of Rallis India. He studied Economics at St. Stephen's College, and the Delhi School of Economics, followed by an MBA from the Yale School of Management, USA.

Gopal P. Mahapatra, Chief Learning Officer, RPG Enterprises, India. E-mail: gopal.mahapatra@gmail.com

In addition, he is the National President, NHRDN and also the immediate Past President of the Employers' Federation of India (EFI). He is co-Chair of the National Committee on Skill Development of Confederation of Indian Industries (CII), serves on the CII National Committee of Leadership and HR and the CII Apex Council on Affirmative Action. He is also a member of the National Executive Committee of The Federation of Indian Chambers of Commerce and Industry (FICCI). He serves on the Boards of Walchand Talent First, the Lal Bahadur Shastri Institute of Management and Technology (LBSIMT), the School of Inspired Leadership (SOIL) and Magic Bus—a non-government organization (NGO) that works with underprivileged youth.

Please give us a business overview of Mahindras as a group.

The current revenue of the Mahindra Group in 2013–2014 is US$ 16 billion plus. We operate in 100 countries with over 190,000 employees, and are a federation of companies that operates in nine business verticals; from auto and tractor to IT, auto components, non-banking rural finance, real estate, hospitality, after-market, aerospace, retail, renewable power and so on. As a Group, we have grown 13 times in top-line, 23 times in bottom line and 73 times in market cap in the past decade. We are reasonably large and have been growing at a frenetic pace with a global footprint.

Growing organically and inorganically, we have added many businesses and geographies. At the core of this growth is the fact that each of the businesses is an empowered entity and so there is huge energy that is generated for growth in every part of the federated system.

How do you see the evolution of the human resources (HR) function in the Mahindra Group?

I can confidently say that HR in the Mahindra group has actually become a very important strategic business partner. The relationship between HR and other business functions, both at operational and strategic levels, is quite seamless and HR is looked upon as a crucial business process, a critical success factor and a space which occupies huge amount of top management time.

I actually came from business to HR, and to the Mahindra Group, 10 years ago. Even at that time, HR in Mahindra was certainly recognized as a very important function. What it was 10 years before I joined, I am unable to say, but the shift in the last decade has been, from being recognized as an important business partner to becoming an absolutely integral part of the strategic business process. You have HR people sitting on the same table as the business people, at all levels. Whether it be the Group Executive Board, the Boards of individual companies or at the divisional level, the HR function is a key and integral part of both strategic and operational decision making. It has become stronger and stronger and the role of HR has become one of a reliable business partner, a powerful catalyst and an important facilitator for creating a culture that we call the RISE Culture.

South Asian Journal of Human Resources Management, 1, 2 (2014): 249–255

(Interviewer's note: As stated by Mr Anand Mahindra in a press statement in 2011, "for Mahindra, 'Rise' means achieving world class standards in everything we do, setting new benchmarks of excellence and conquering tough global markets").

How is the HR strategy operationalized across the Group?

The overall HR Strategy is to create a culture which results in three things concurrently:

1. Sustained business outperformance,
2. Extreme care for all stakeholders and
3. Nurturing and strengthening the core values of the group.

This is achieved through activating all the HR levers and working through a network of HR professionals who interface seamlessly with business at all levels. HR strategy is an integral part of the business strategy across all businesses, and is reviewed by Mr Anand Mahindra (Group CEO) in the strategy sessions of each business. In addition we have Group HR strategy sessions with Mr Anand.

How do you manage sufficient HR oversight from the corporate office and yet provide autonomy to operational HR units?

This is actually the very DNA and culture of the Mahindra group. We are a federation of companies and therefore there is a loose-tight relationship. Let me explain what I mean by loose-tight. As far as overall strategy and overall policy guidelines go, boundaries and directions are given. As far as specific decisions are concerned, there is huge empowerment for the individual businesses to take quick and proactive decisions that will make them competitive in the markets that they operate in. So, the role that Group HR plays is to work with businesses to create and implement business strategy and the desired Mahindra RISE culture. There are some non-negotiables and these are: the Core Values which drive Corporate Governance, and some processes/platforms which drive synergy across businesses. For example, the talent management process and the Mahindra Leadership University. While we act as catalysts, as co-creators of strategy and policy, we do not get involved in day-to-day operational decisions. And this is true not only for HR, but for every other function across businesses. We empower but do so with a defined direction and within broad boundaries, which gives sufficient freedom and autonomy to businesses to be proactive and competitive in the markets that they operate in.

In which countries does your company have operations in the South Asian region?

Other than Pakistan, Mahindra has presence in every other country in South Asia.

South Asian Journal of Human Resources Management, 1, 2 (2014): 249–255

Can you briefly explain the similarities and differences in the way HR is managed in the South Asian region in your company?

There is very little interference from the Group Centre in the day-to-day functions or in the local culture. What we expect companies to do is to follow what we call the Mahindra Annual Planning Cycle which puts down certain dates and certain key processes. So we expect that, for example, all businesses will participate in the Budget, Operations and Strategy War Rooms, increments/promotions would happen on a particular date, KRAs would be in place by a particular date, that they will all participate in the talent management process, that there would be certain platforms like CSR and sustainability on which they must come and participate. But other than that a huge amount of freedom is given to the local units to operate and respond to their own culture and to their own markets.

As you enter new markets and as your workforce increases and becomes more diversified, how do you manage the associated challenges of workforce diversity?

With 190,000 people operating in a 100 countries, with 70 per cent below the age of 35, 15 per cent women and 20 per cent foreign nationals, diversity is an area which we recognize as one that has both challenges as well as huge potential. Till now, we have not really tapped the full potential of diversity, though we have respected diversity. We have not tried to impose uniformity across cultures and across geographies. How we use diversity to create greater innovation, create greater resilience, create better talent possibilities are areas where we are still in early days. We know that there is huge potential but we still have not put in place the kind of architecture and processes that would tap into this fully. I think the time has come for us to transit from merely respecting diversity to both respecting and harnessing, if you like, the power of diversity in unleashing the potential of systems and people.

What lessons have you learnt in terms of integration with your overseas acquisitions?

I think the first lesson is to have total clarity on the purpose (raison-d'etre) for doing an acquisition or integration. What are the business value drivers that are the reason for the integration? And how do we make sure that business value is delivered. I think clarity in defining the value objective and the crucial drivers of value, is the first lesson that we have learnt. The second is that given our federal structure we cannot interfere too much in the local management. So mostly, when there have been acquisitions, these are run by local leadership. Very few people are sent from here (that is, corporate headquarters) and if they are sent it is to ensure synergy in the areas which are the value drivers.

So, for example, if the main value driver in an acquisition has access to markets or certain production facilities that are available in India and connecting

them to markets abroad, then we have to make sure that the processes and the people that we send in are able to tap into that. If on the other hand, the main driver is transfer of technology, that is, picking up superior technology from one region and making sure that the other region takes advantage of that, then, we work solely on that. But all the while, we are going by the principle that we are not a centralized organization, we are not the command-and-control-from-India kind of organization. We inherently believe in empowerment. So this balance is crucial, while at the same time making sure that we are able to (a) define clearly the value that we seek and the drivers that will create this value, (b) make sure that we create the conditions of synergy to realize the full potential of these value drivers and (c) recognize, respect and unleash the creative power of cultural differences. I would say that these are the main learnings.

How do you define the organizational culture of Mahindra?

I would say that the organizational culture is one where we are seeking to create sustained business out-performance and competitive advantage in the market place through a cultural transformation that rests on three views of the world applicable to any business situation, function and level in the organization. And these three views of the world are:

1. Accept no limits,
2. Alternative thinking and
3. Driving positive change.

The next question is how do we use these three views to create business trans-formation? How do we take these three views and put them into the nuts and bolts of the HR levers to create an organization which can show sustained business out-performance based on the principle of empowerment and unleashing the potential both of human beings and of the other factors of production. I would say that this is at the core of Mahindra culture. And there are certain behaviours that we have identified, which we believe will maximize the probability of these three views of the world (which we call the "RISE pillars") getting into the DNA and bloodstream of the organization.

On a global scale how do you spread the corporate DNA?

The Group DNA has to be spread through the HR levers. And the HR levers are *talent management, learning and development, the performance management system, communication, reward and recognition, recruitment and induction/on-boarding*. We have spent a large amount of time in embedding all the HR levers with the RISE Pillars. This is a huge part of what HR is doing and we are acting as catalysts and facilitators of processes that have to be delivered, and behaviour that has to be exhibited, by the front line business people.

I would also like to mention here the five behaviours that we treasure and that we stress heavily. These five behaviours are:

1. Does the leader use the *whole mind*, combining left brain with the right brain, in any situation?
2. Are they *multipliers* of possibilities, of energy, of commitment, of the feeling of belongingness, of the feeling of responsibility of those people who they are in charge of? And at the core of this is respecting people, not wanting to have total control but empowering people and getting genuine joy out of seeing a thousand flowers bloom. So this is about people as multipliers.
3. Do we have leaders who know how to *manage fear and leverage failure* to create the culture of risk taking and innovation?
4. Do we have people who can be *focused in an age of distraction*? When there is so much of information, so many activities that are there all the time, are leaders able to focus and prioritize and give a 100 per cent of themselves to what they finally chose to do. It is about being "here and now" and being able to create magic in every moment! And lastly,
5. Are leaders able to *create trust*? That is, do our followers trust the leaders and do the leaders trust their followers? And we believe that trust is created through credibility, authenticity, walking the talk and doing these things without sacrificing truth, compassion and a sense of service.

What are some early signs of Mahindra RISE pillars getting implemented and what are some trends you see it helping the group?

While we do not have any great quantitative validation right now, we can feel the pulse and the energy of RISE across the Group. What we also see is that the RISE pillars have crept into the everyday language, in business strategy review meetings, in shop floor meetings, in talent discussions, in performance management conversations, in the reward and recognition portals and, of course, in the communication channels that we have. These three pillars have actually become an integral part of the Mahindra Lexicon. They are the most repeated words.

Of course, we have some measures to show that it is becoming a part of the Mahindra DNA. Perhaps the most significant right now is the metric called the Employee as Promoter Score (EPS) and this we believe would be a very good measure of whether the Rise movement is working. We do have other subsidiary metrics which are slowly being defined, but we do not want to over metricize.

Please describe your company's leadership vision and leadership style.

I would say that the leadership style is one of empowerment, entrepreneurship and risk taking and of high levels of innovation. And one which actually lives the RISE pillars. The leadership team walks the talk.

I would say it starts with Mr Anand Mahindra certainly and then it keeps going down; the Presidents, the other members of the Group Executive Board, business and functional leaders; it is a leadership which is highly distributed and shared—Mr Anand Mahindra, the Group CEO, is a powerful role model, and it is not only because he is doing something, but because people believe that this is the right thing and way to go about it.

And how do you select and groom senior managers?

We use the RISE filters in the recruitment process, in the induction and on-boarding process, reward and recognition, performance management system and in the talent management system, and the kind of instruments that we use. The Development Centres that we have, the 360-degree feedback that we do, or the reflective conversations that we conduct, all of them are aligned to the Rise Principles.

Please describe your company's policies and practices on corporate governance, including corporate social responsibility.

For us corporate governance is at the core and CSR is not only something that we believe in at the philosophical level, but is something that is at the centre of not only our culture, but increasingly of the businesses that we are getting into and the markets that we serve. We are a great believer that shared value is really the way of the future. And that is where the biggest business opportunities will come, while addressing the unmet needs of societies and those spaces where the market has not found solutions. Not only that, we believe that interacting with communities, volunteering, is a crucible experience for leadership creation, for creating character, for giving the kind of experience that makes the Mahindra leader. So for us corporate governance and community interactions and shared value are at the centre not only of our culture but increasingly of our business strategies also.