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Vijay K Thadani
CEO, NIIT

INTERVIEW VIJAY THADANI, CEO AND CO-FOUNDER, NIIT LIMITED

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Vijay K Thadani, chief executive officer of NIIT Ltd, a global talent development corporation, shares his leadership mantra with *Hindustan Times* and discusses a range of issues on leadership. Excerpts:

How do you define a leader?

A leader is an inspiring mentor whom others would want to follow.

What are the three most important traits of a leader?

Leaders should be strategic thinkers, who inspire others with their vision. They should have the courage to take bold decisions and lead from the front. They should have the confidence to

hire people better than themselves and promote risk taking.

As a leader of the NIIT group, how do you cultivate leaders?

We start by enrolling people in NIIT's vision, values and beliefs. From there, we help them build their own aspiration and career path. We give them challenging goals and encourage mistake making as long as it contributes to their learning. We engage them in cross disciplinary teams, such as in our chairman's 'Quality Club' program, we provide lateral movement opportunities and finally we have formal leadership certification programs. This creates a pipeline of high caliber leaders aligned to NIIT's vision and values, for effective organisation building.

What is the role of a professional leader in a promoter-driven company?

The terminology, promoter-driven, is more suited to the industrial age. In an organisation of the knowledge economy such as ours, 'professional founders' would be a more appropriate terminology. The role of the leader remains the same i.e. to inspire with thoughts and lead by action. The owner-employee relationship is also redundant. In fact, at NIIT, we have banned the term 'employee'. We call ourselves 'NIITians', a term which creates a common alignment of equal stakes in the emotional ownership of the organisation.

Since September 2008, the world has fallen into a maelstrom of serial crises. What is the role of a leader in these times?

Good weather never made good sailors. As an organisation with 32 years of experience, with both good and not so good times, we have seen that successful leaders in times of crisis re-emphasise the values and beliefs of the organisation. They make courageous moves because they see crisis as an opportunity for them, to learn and prove their mettle.

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What has been the biggest leadership challenge you've faced?

In the late 90's we were backing internet technologies and in 2001 the dot-com bubble burst. It was a wakeup call for revisiting our strategy set. We realised that in short-term, we would need to cut costs. The NIIT value system got exemplified with NIITians coming forward to take a voluntary pay cut rather than downsize the organisation. So, in many ways this crisis tested the tenacity of this organisation and strengthened our core belief that NIIT is about its people.

Do you think the role of business leaders has come under cloud – globally and domestically – of late?

Just as leaders get accolades when their teams and organisations do well, they also get the flak when it is otherwise. The global and Indian economy is volatile and business formulae in some of the sectors such as IT are changing. In times like this, when organisations struggle to find their S curves back, the role of a business leader does come under cloud. For great leaders, this is an opportunity.

Leaders have to often carry the cross of other's wrong doings and inefficiencies, the global banking sector today, for instance. What role can good leadership play to counter balance this image?

Being a leader is not about maintaining an image. It is about being driven by a vision, a cause. When leaders inherit a role, they have to accept all the baggage that comes with it. When they completely own the challenge, is when their turnaround success story begins.

What is your one-line leadership mantra?

Your growth is the derivative of the growth of each member of your team.

Who are the leaders that have inspired you?

I was fortunate to be born in times of great change, where I could see the contributions of many great social, literary and scientific leaders. I had the opportunity to be inspired by someone nearly every day. Even in my organisation, every now and then I discover a new trait of leadership that becomes my inspiration for the day.

Who is a leader in your industry that you respect?

Of the many that I hold in very high esteem, I have the highest respect for FC Kohli, the father of the Indian software industry.

What is the biggest leadership lesson that you have learnt?

Leaders should always keep their heads in the cloud but feet firmly planted on the ground.

What is the best leadership decision you have taken?

The best decision was to maintain a single identity for NIIT through our values and beliefs framework. Even when we transcended continents, products and business strategies, our values and beliefs framework is the bond that binds all NIITians together.

What is the worst leadership decision you have taken?

For the first 15 years, we thrived on innovation. However, as the scale grew, we felt the need to introduce a strong quality and process orientation. It was a very successful movement, but somewhere we lost the balance between process and innovation. In the last few years, we made course correction and introduced a series of innovative learning solutions, with NIIT Cloud Campus being the most recent.

VIJAY K THADANI | CHIEF EXECUTIVE OFFICER | NIIT

THE LAST WORD

"Pioneers are heroes with arrows in the back"

Is there a full-proof strategy to mitigate risks when companies embark on expanding their presence globally, especially when venturing into largely untapped territories?

Risk management, risk strategies, and being in business are counter-intuitive. That said, when companies need to go global, they obviously need to study the market well, understand it and then see what "value" they can bring to that particular market. Let me explain: Companies and entrepreneurs often misunderstand "risk management strategies" as meaning "zero" or "no risk". But that would be missing the point completely because if there is no risk, there will be no return. The element of risk has to be there, it is as simple as that. What is needed, however, is a fine balance.

Taking risks in business, especially as companies expand to have global presence, has to be done in a manner that the return is totally worth it. The balance comes from the understanding if the business gamble is worth it. The innovations cannot stop, the growth plans for the company cannot halt — those have to continue. You can go armed with all the theoretical knowledge and understanding of the local market but, eventually, you will need to belong there. In fact, a lot of companies start doing corporate social responsibility (CSR) activities in various untapped markets even before they start full-fledged businesses just so they could be trusted well and accepted by the local consumers there.

While going global, more than thinking about the 'math and physics' of the business, which is something most hard-core management thinkers do, the value creation for international companies comes when you talk and understand the 'chemistry' of the place. Yes, what is needed is chemistry because at the end of the day you are creating a business relationship with another human being. What you do is unpeel the layers of culture, economy, religion, understanding all these aspects only to realise that your employees and business partners in the particular untapped market are the same. Human beings all over the world are the same.

On our part, whichever markets we expand our business in, we don't say, "We are a global player with a local presence". Our mantra is, "We are a local company with a global presence". So each of our entities is autonomous and we are proud that wherever we have expanded, we have always strived to genuinely be part of that society, that culture.

What are those top five capabilities all successful international companies have, or should put in place?

I think the first and foremost role should be to create something of value for the customer. If a company cannot create value, it should not be in business. For instance, we realised early on that education and industry don't talk to each other — they were like two islands with an occasional ferry service — and there was a gap that urgently needed to be bridged. We were happy to bridge that gap once we recognised that this was the value creation that was needed. The

Leading companies have to create intellectual discontentment; they cannot rest on their laurels and feel elated, Thadani tells *Abhilasha Ojha*

Democratising IT education

▶ Vijay K Thadani, co-founder and chief executive officer of NIIT Ltd, India, is credited with taking IT education out of the confines of a few exclusive universities and bringing it to the masses

▶ Thadani has led the group's globalisation efforts since 1991, taking the NIIT flag to over 40 countries. As chairman of NIIT USA, and based out of Atlanta (1999-2003), he mentored NIIT's Strategic Alliance Programme that resulted in successful acquisition of leading technology companies to fill in critical technology gaps in NIIT's software solutions and knowledge solutions offerings

▶ Thadani's guidance helped NIIT's China (where the company began operations in 1998) operations expand in over 170 locations, across 25 provinces. He was honoured as 'Economic Consultant' to Chongqing, the largest city in the People's Republic of China

▶ A distinguished alumnus of IIT Delhi, Thadani has lectured at prestigious institutions like University of Michigan Business School, JI Kellogg Graduate School of Management and Indian Institutes of Management

second capability that most successful international companies have in place is that of developing products after a thorough understanding of the needs of consumers. In fact, most successful products or brands are those that have been developed after speaking to consumers directly. We call this the science of customer centricity. The customer need is built in or addressed directly in the product to create something of value. The best learnings for companies come through customers directly.

The next issue of importance in the area of capability is 'scale'. Your idea has feet if it can be

delivered at scale. If it cannot be, it is a waste of intellectual capital. Successful international companies deliver with excellence on scale. For us, too, it is crucial even though education and scale are not always considered complimentary.

Then, all this comes together only when companies don't compromise on hiring the right talent — people with immense potential. Successful companies have a winning streak when it comes to hiring people who are intelligent, willing to learn, with the right value system. Knowledge and skills can be compensated for (that one learns while going along the professional way) but a value system cannot be compromised on.

How should successful global companies, especially those who are leaders in their respective categories, continue on the path to innovation?

Well, as Jack Welch, former CEO of GE, famously said, either be at the top of the business or be out of the game. Pioneers, after all, are heroes with arrows in the back. If you are doing things that no one else has, obviously the risk will always be there. Leading companies then have to create what I call 'intellectual discontentment'. They cannot rest on their laurels and feel elated. Look at our own company. There have been instances when we have had some amazing ideas but because we didn't invest in those ideas, someone else snapped it and is raking in billions. But we cannot brood on the lost chances nor can we be complacent given that we have a 50-60 per cent market share in the business that we operate in. We were quick to capture the synergy between technology and education but given technology's rapid change, we knew it was crucial for us to evolve too. Our vision was to teach a billion people but even though we had achieved the target of 33 million, we knew we were on a slow track. While we were always capable innovators, our emphasis later (with more scale) was on strong quality and process orientation. Now with the NIIT Cloud Campus, an innovative learning tech-

nique that can teach millions of children on the net, we have been able to break the jinx. It is a bold step, which came about with discontentment with the current scheme of things.

Though companies do all kinds of research to arrive at well-considered decisions, sometimes they encounter a ground reality far removed from what they had originally envisioned. What are the skills a leader needs to hone to deal with such situations?

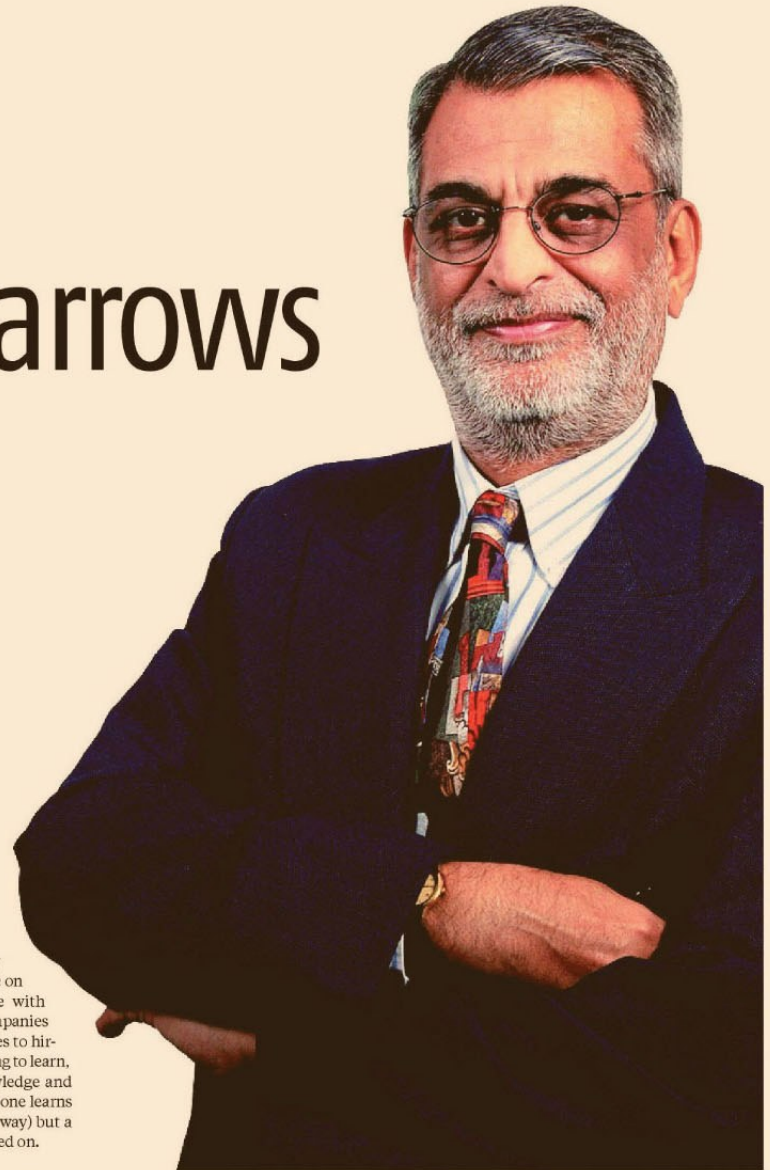
I personally think it is alright to make mistakes. It is okay to fall and rise again so making mistakes "early on" and not much later — when the stakes are way higher — is just fine. What is important is that no matter what happens, leaders need to have strong 'values vision' for their company and employees. They need to keep thinking ahead of the curve even in that low phase. If that vision statement is strong, its essence will keep the employees' minds who in turn will only help the company grow.

Our vision statement was written in the mid eighties when we were giving a brand new start to our operations. Till date, our 'mission' or our 'vision' statement hasn't changed. Our business has changed from being 'training in IT' to 'training through IT' but not our core value mission.

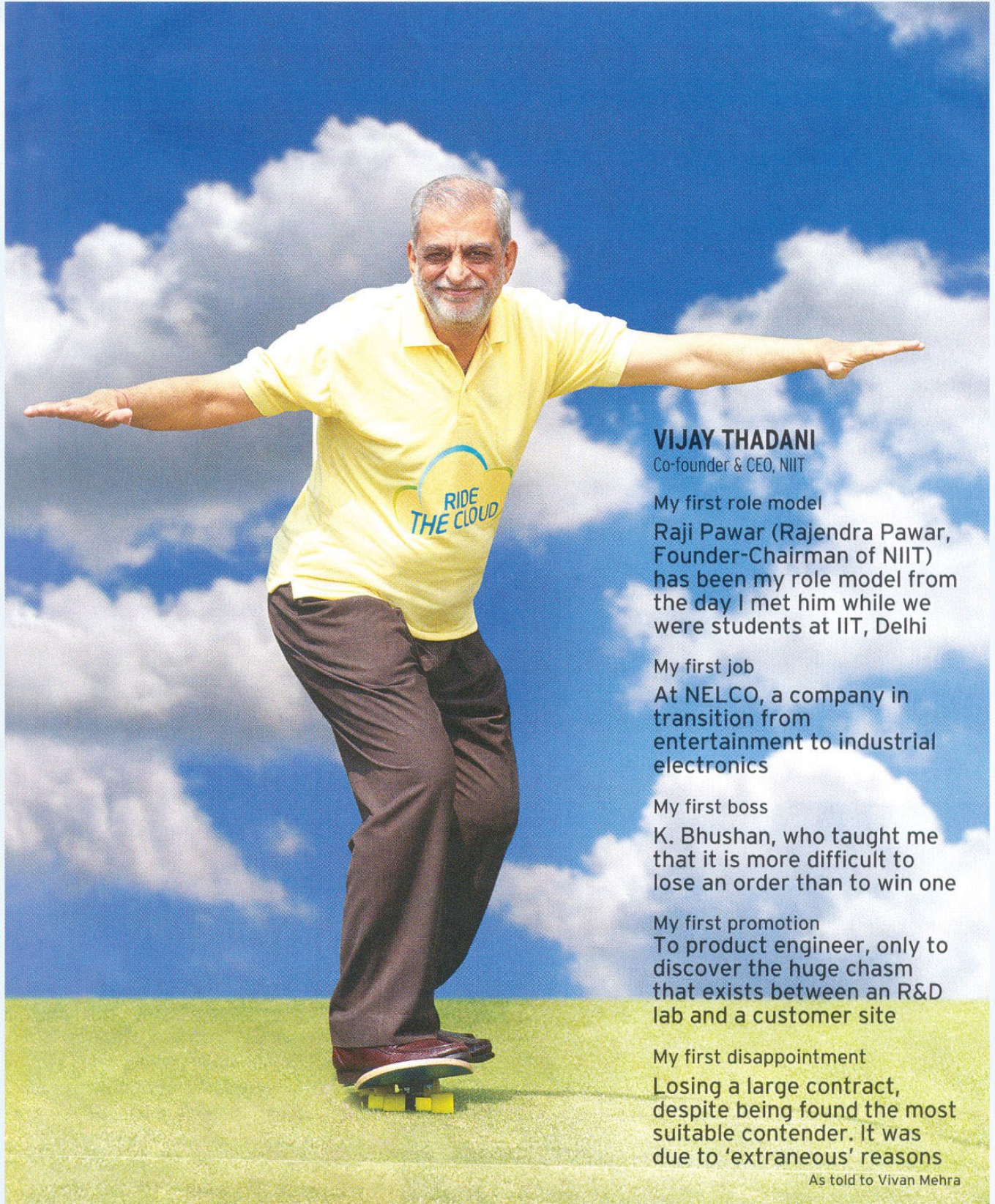
How can companies grow within their area of specialisation? NIIT's emphasis on education, for instance, has expanded to being a global talent corporation...

Our growth is based on a series of 'S' curves; basically starting the business gradually, gaining momentum thereafter and then tapering off. Before the tapering off begins, successful companies already start thinking of their next 'S' curve. Among the major changes we recognised early on (while we were imparting IT education) was the need to expand globally.

After our initial public offering (1993), when our market cap was ₹50-60 crore, we realised that we needed to reach billion dollars and for that a global footprint was essential. We had to think big, we had to think fast but we needed careful and intelligent planning too. We understood that franchising was essential and today we are also called the McDonald's of education. We continued building IT solutions, we got in touch with other organisations and realised we could tap our IT potential further by turning consultants directly to organisations and companies that needed to train their own people. So we keep increasing the size of the cake instead of just feeling happy getting a large share of the same cake. 🍷



Leaderspeak



VIJAY THADANI

Co-founder & CEO, NIIT

My first role model

Raji Pawar (Rajendra Pawar, Founder-Chairman of NIIT) has been my role model from the day I met him while we were students at IIT, Delhi

My first job

At NELCO, a company in transition from entertainment to industrial electronics

My first boss

K. Bhushan, who taught me that it is more difficult to lose an order than to win one

My first promotion

To product engineer, only to discover the huge chasm that exists between an R&D lab and a customer site

My first disappointment

Losing a large contract, despite being found the most suitable contender. It was due to 'extraneous' reasons

As told to Vivan Mehra

NIIT

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