

Tata Uses Training, Coaching to Grow Leader Pipeline

Tata Consultancy Services
Best Advance in Leadership Development Strategy
February 2018



Company Background

Company At-a-Glance	
Headquarters	Mumbai, India
Year Founded	1968
Revenue	USD 17.58 Billion
Employees	380,000+
Global Scale	55 countries
Customers/Output, etc.	More than 800 customers, including banking, financial services & insurance (BFSI), retail & consumer goods, telecom, media & entertainment, manufacturing, life sciences & healthcare, energy resources & utilities, travel transportation, hospitality and hi-tech. TCS' technology offers application development and maintenance, business process services, enterprise solutions, IT infrastructure services, assurance services, engineering & industrial services, asset leverage solutions and consulting.
Industry	IT services, consulting, and business solutions
Stock Symbol	NSE Symbol: TCS, BSE Code: 532540
Website	www.tcs.com

Business Conditions & Business Needs

As Tata Consultancy Services grew into new and emerging geographies and in new technology areas, leaders needed to be agile in the complex, changing business scenario. They had to shift from being solution providers to becoming co-designers and co-innovators in redesigning customers' business.

Issues in the transition included:

1. Building and strengthening the leadership pipeline and bench for every level of the leadership pyramid.
2. Enabling leaders at the top of the pyramid to build strategic vision for the organization.
3. Aligning with leadership competencies defined at the group level to maintain ethics and trust.
4. Reviewing and redesigning programs continuously to prepare leaders to be successful in the VUCA environment.
5. Building a culture of entrepreneurship among middle-level leaders to drive greater ownership and innovation across the organization.
6. Keeping the global scale and local needs (glocal), given the size the organization.

“In today’s business landscape, any competitive advantage is short-lived. To sustain our growth and success, we must adapt and learn at a rapid pace. Each one of us must have a mindset to continuously learn new skills. The new world of business is one reason TCS felt the need to change its learning framework. Changing customer preferences and business scenarios make it important that we are always upskilling in order to stay relevant.” – **Natarajan Chandrasekaran**, former CEO of TCS and now chairman of Tata Sons, holding company of the Tata Group.

The primary aim of the LDP is to create opportunities for employees to transition into global-leadership roles by addressing the challenges of leading multicultural teams and building excellence in their respective fields, thus creating leaders in sales, delivery, technology, and other areas.

Key leader competencies include:

- Drive and support business growth in overseas and Indian markets and across the globe.
- Create an environment that provides equal opportunities for associates at different levels to grow into leadership positions in India and across geographies and cultures.

LDP was launched to address those needs, enable development of leadership capabilities, create global leaders, enable role progression, increase business results, and provide customer centricity. Many leaders, including the CEO, the CHRO, and the Chief Technology Officer, were trainees who have risen to their roles.

LDP has a number of training initiatives to groom first-line supervisors and junior managers. Project leaders and entry-level supervisors are offered comprehensive training that covers process, functional responsibilities, and managerial skills. They also attend training in such HR processes as performance management, competency development and employee motivation. Project managers also participate in a formal Project Management Competency Development program, which trains on project planning, quality management, stakeholder management, and costs and helps build behavioral competencies such as organizing and planning, analytical ability, team skills, and coaching.

Overview

Of the total 5,181,027 learning days at TCS, the Leadership Development Plan contributed 245,162 in 2017, and 85% of that number was tech-enabled learning.

The organization's talent strategy involves an integrated approach to talent acquisition, development, deployment, and management. A mechanism for identifying high potentials ensures that the company can leverage capabilities internally for key positions.

TCS talent strategy is based on:

- Higher junior/senior ratio with more campus hires.
- Less senior/lateral hiring.
- Reduced attrition by internal upskilling.
- Robust leadership programs and internal leadership-pipeline development.

The organization has moved towards being a role-based organization to attract, build, develop, and retain talent more effectively to support business growth. Succession planning is practiced at every level, and leaders are groomed for specific managerial and leadership positions.

Continuous learning and development opportunities are provided in technology, domain and soft skills, and leadership areas, and employees are encouraged to enhance their competencies according to their roles and aspirations. The plethora of learning in new and upcoming areas such as digital technologies has been instrumental in creating greater engagement and the lowest attrition rates in the industry at 10.5% in FY17.

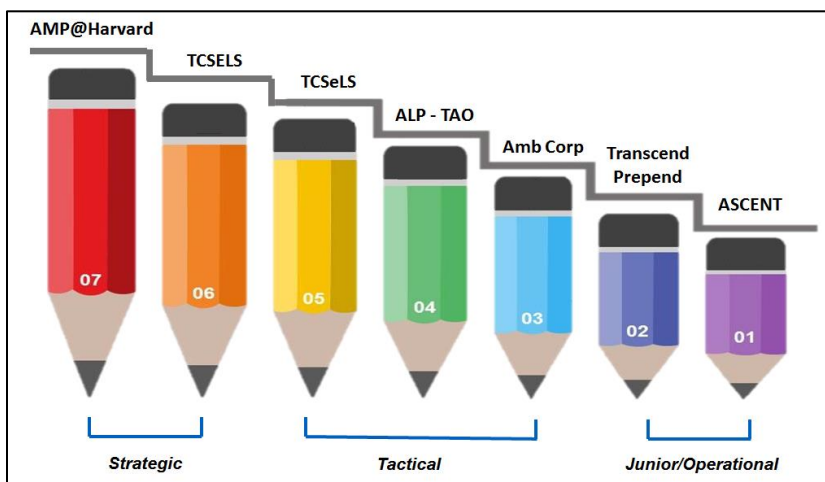
Figure 1: Leadership Development Program



Source: TCS 2018

Structured approaches identify, assess, and develop leaders starting at early stages with customized programs for each level and career path. Programs are reviewed and redesigned continuously due to the dynamic nature of business and the diverse workforce. Special programs such as iExcel to develop women for leadership are yielding desired results. LDP creates opportunities for TCS associates to transition into global leadership roles at three levels – operational, tactical and strategic.

Figure 2: AMP@Harvard



Source: TCS 2018

As part of the Tata Group, leadership practices and grooming at TCS are defined by group leadership practices. The Leadership Competency Development framework covers 21 attributes across eight levels of leadership with 276 behavioral attributes, ensuring

alignment to values and practices focused on “leadership of results, leadership of business, and leadership of people” with the distinguishing factor “to earn commitment rather than force compliance.”

Those governing principles have been key differentiators and have ensured that the organization is recognized as a market leader in IT services and known for strong ethics and values.

TCS has adapted the widely-used 3E Framework for Leadership development.

Figure 3: Leadership Development Framework



Source: TCS 2018

- **Education.** Helping associates learn through formal training and gain required-leadership knowledge.
- **Exposure.** Learning through interactions with others and gaining the necessary insights and direction. Exposure is ensured through role rotation and the opportunity to work with multiple clients, different technologies, and domains before specializing. HR interventions also include coaching, mentoring (iConnect), and INSPIRE for HiPos.
- **Experience.** Cultivating competency on the job contributes to most of the learning. TCS provides rich experiences for associates to work in different domains, both verticals and horizontals, and in different geographies in various client-facing roles.

TCS’ leadership model suggests that each role in the leadership journey needs different skill sets and values and, at each transition, leaders must develop the required competencies to perform successfully. This model has a multi-tier, leadership-development structure with various programs conceptualized and delivered to address competency gaps.

Design and Delivery of the Program

The Leadership Development Program addresses the need to build leaders in a rapidly changing business, create an environment with equal opportunities for associates to grow into leadership positions, and enable role progression, better business results, customer centricity, and leadership competencies.

The INSPIRE program identifies and develops high-potential employees for leadership roles. They are nurtured through training and coaching and given challenges to build leadership capability.

Figure 4: Multi-tier Leadership Development Structure



Source: TCS 2018

Various roles can be categorized into four organizational levels:

1. Junior level.
2. Operational level.
3. Tactical level.
4. Strategic level.



In the junior level, associates join projects after successfully completing the Initial learning program. After they work a few years on projects, the need arises to upgrade their competencies for higher roles. While Level 1 middle managers work at the operational level, Level 2 middle managers act at the tactical level. Senior leaders focus on strategy formulation and successful execution.

- **Strategic.** Enables senior leaders to lead organizations in stormy, unpredictable market conditions to achieve results.
- **Tactical.** Targets middle managers who constitute 20% of leaders with a focus on producing desired results to make customers “Experience Certainty.”
- **Operational.** About 75% of the organization’s leaders are junior level, and the focus is on developing leadership skills required for managing teams to achieve results and team goals. Entrepreneurial programs are targeted at the middle-management level, helping leaders think and execute in an entrepreneurial manner to stay ahead of the curve and anticipate/manage change.
- **Junior.** Focuses on developing leadership skills required for managing teams to achieve results and team goals.

For example, the junior level includes the ASCENT program, Transcend at the operational level, and TCSeLS at the tactical level to help associates perform in various roles.

Leadership reviews and assessment profiles of all leaders help maintain a healthy succession pipeline. Structured coaching is used for senior leaders to help them realize their full potential.

The 140+ senior vice presidents and above have external coaches who help groom them for their leadership roles. As a result, the stability at the CXO level is 100%.

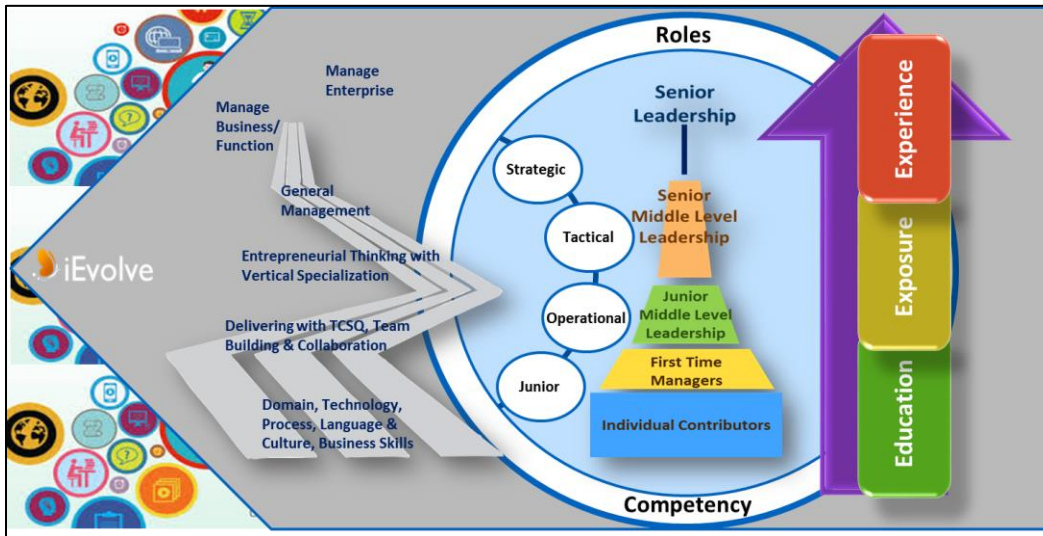
In addition, identified leaders are coached to take diverse-leadership positions across geographies and business units.

Deployment

As a partner for global companies driving digital transformation, TCS is at the forefront of helping customers reinvent, re-imagine, transform, and move into the future. The company’s talent strategy is key to driving such digital transformation with the belief articulated by former CEO Chandrasekaran: “There are no legacy people, only legacy technologies.”

Leadership strategy was deployed across the organizational pyramid to create a strong leadership pipeline and effectively produce results in a fast-changing business environment.

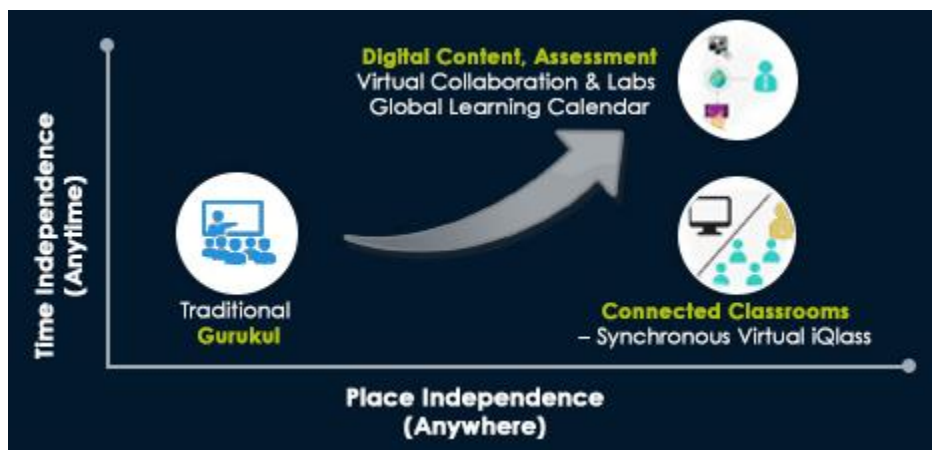
Figure 5: The TCS organizational pyramid



Source: TCS 2018

The program is delivered through multiple channels to cater to multi-generational learning needs. These channels include online learning, instructor-led virtual classroom, online collaboration through Knome, and a social-networking platform. Programs are deployed through the digital-learning platforms to enable speed, scale, and spread.

Figure 6: Multiple Channel Delivery



Source: TCS 2018

ASCENT

ASCENT, the “The foundation for your leadership journey,” is a synchronous-learning program designed to coach and equip first-time managers in PL/PM roles or those aspiring for the roles to effectively deliver results for the customer and the business and efficiently build high-performing teams.

It is a four-day program with self-paced and classroom learning. Using the interactive/intelligent classroom (iQlass) to conduct ASCENT provided a way to build scale by reaching out to more associates in less time with optimum utilization of resources.

- ASCENTXplore: An asynchronous, anywhere-anytime component on a digital learning platform.
- ASCENTXperience: A virtual in-class workshop with faculty to reinforce learning through experiential activities. The intelligent classroom (iQlass) continues to be the virtual environment.

Ascent has been launched in various geographies and conducted by trained faculty for the region, a strategy for “glocalization” for global teams.

Figure 7: Process for the Workshop



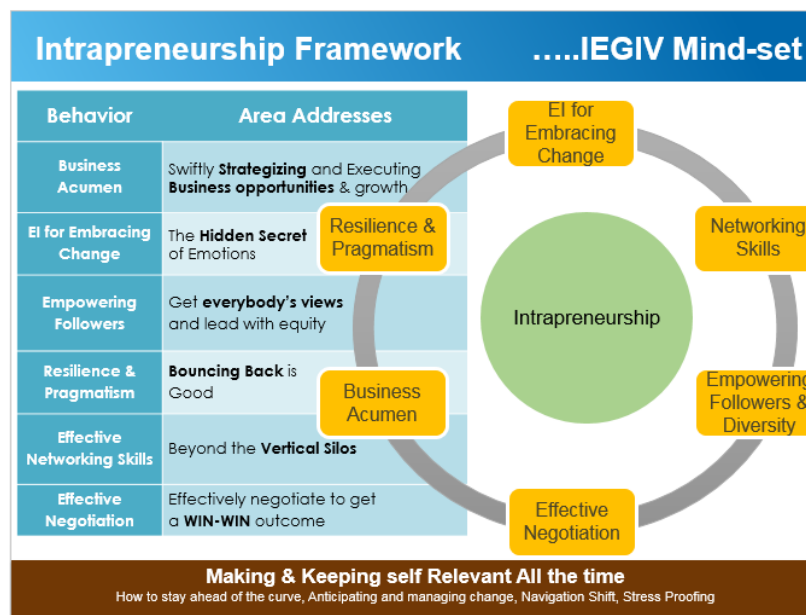
Source: TCS 2018

Transcend

Transcend, a leadership program for middle-level managers, is designed to develop their competencies in one of several career streams. It helps develop an entrepreneurial mindset with in-depth specialization.

Transcend streams include delivery management, program management, architecture (technology), product/package implementation, and consulting.

Figure 8: Entrepreneurship Framework



Source: TCS 2018

Ambassador Corps

Ambassador Corps is the flagship sales-induction program designed to groom experienced associates into future business-relationship managers and business-development managers who play important, client-facing roles across various geographies.

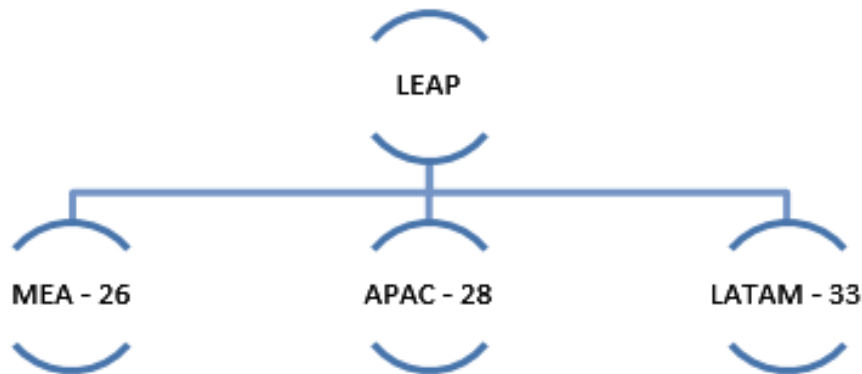
In addition to a career aspiration in sales, selection criteria for the program includes a strong background in technology, business acumen, excellent communication, and networking skills.

With a decade-long track record of adding talent from home-grown resources to TCS' sales force, this program has become the lifeline of the organization's sales function.

LEAP

LEAP is a five-day program designed to help middle-level managers augment TCS relationships in a particular geography. It is a customized program with inputs from the Latin-American leadership team and deployed in Brazil & Mexico.

Figure 9: 87 Associates Attended LEAP from Various Geographies



Source: TCS 2018

Strategic and tactical programs are focused on creating learning opportunities for leaders at middle- and-senior management. These programs help managers develop capabilities with a focus on relevant-business context.

Talent development helps senior leaders define the future direction of the organization through various strategy development and leadership programs. A few of the programs are conducted by world-renowned management gurus and consultants who facilitate workshops with senior leaders as they develop strategy for the company. Selected leaders are given an opportunity to attend focused- and-advanced leadership programs at International Business Schools that accelerate the development process by empowering participants to think broadly, manage globally, and compete strategically.

The TCS Emerging Leadership Seminar is designed and delivered in partnership with the Tata Management Training Centre (TMTC). Intense experiences are created through special assignments, shadow resourcing, and role rotation.

Executive Coaching

Executive-coaching initiatives are designed and deployed by the Leadership Development & Talent Management functions and cover three lines: Executive Coaching, Leadership Coaching, and Sales Coaching. Executive coaching is provided to senior leaders by external



consultants through quarterly strategy sessions and at Executive Leadership Development programs at TMTc with coaches from Harvard, Michigan, Wharton, Kellogg's, and the Centre for Creative Leadership. Leadership coaching seeks to groom the second layer of leaders to take key positions and helps them create a personalized-development plan. They are coached over a one-year period by their line managers and external coaches. The initiative has been successful in building a strong leadership pool.

Measurable Benefits

In FY16, eight new customers were added in the \$100+ million brand, taking the total to 37 customers, while 37 new customers were added in the \$10+ million brand, for a total of 298 customers, leading to recognition as one of the world's most powerful brands in IT services.

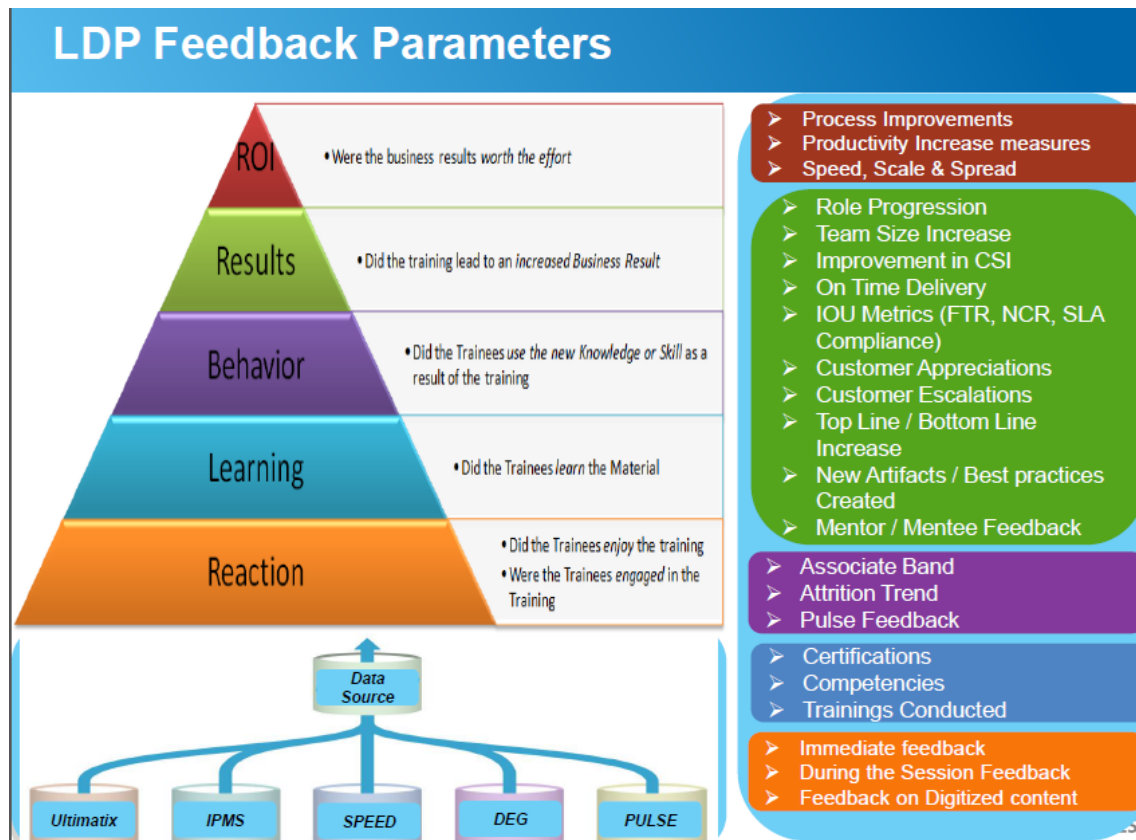
Smooth leadership transitions have ensured the company's strong business performance, and the success of the Leadership Development program means that all key-leadership positions are filled internally. There has been no external hiring at the senior level in the past three years.

Employees are groomed to take leadership positions, including business-unit heads.

The organization's leadership pyramid has 10% at the top, and succession planning ensures there is no leadership gap at any level. The CEO, CHRO, and CFO have grown in the organization from trainees to CXO positions.

- 245,162 LDP learning days.
- 16,650 leaders developed.
- 85% tech-enabled learning in LDP compared to 74% in FY16.
- 89% participants moved into new roles with more challenging responsibilities after completing LDP.

Figure 10: LDP Feedback Parameters



Source: TCS 2018

The data for these parameters are tracked regularly using various TCS systems. The approach of using the data from the internal systems provided the following benefits:

1. More-meaningful measurement analysis in terms of how the learning translates to actual results on the ground when compared to the individual feedback obtained from the target audience and their managers.
2. Alignment of measurement-analysis results to organizational goals.
3. Removal of the traditional methods of collecting feedback from individuals.
4. Reduction in the time that the target audience and their managers spent compiling and reporting information about performance.
5. Automation possibilities of the entire process as the analysis is based on data from corporate-wide systems.



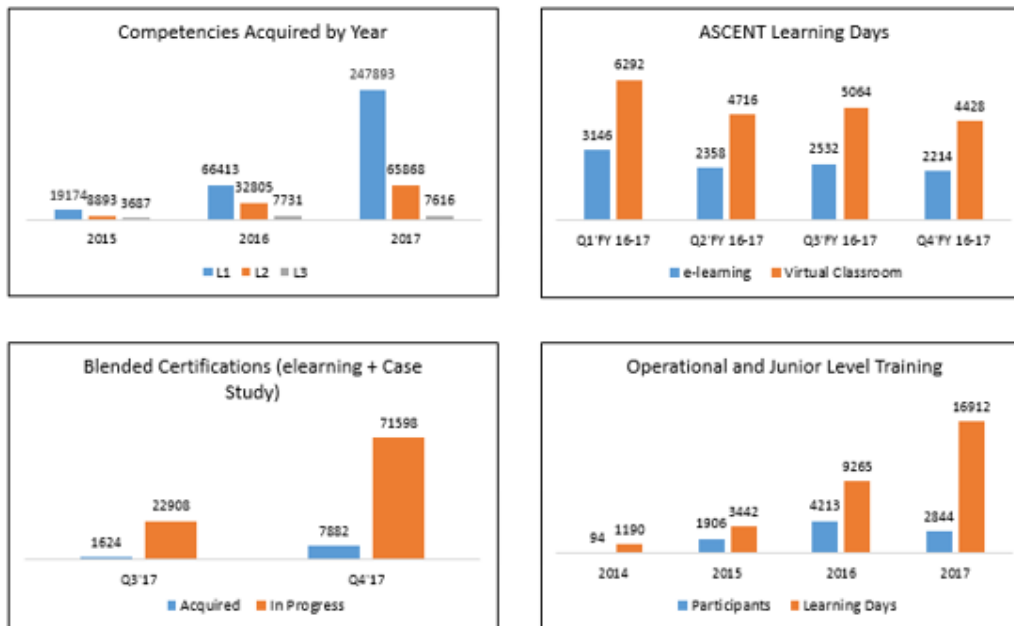
Figure 11: Growing the Leadership Pipeline



Source: TCS 2018

Parameters at the level of first-line managers align with the goals of the organization-wide, performance-appraisal system. Such alignment means that if measurement analysis shows a positive trend, the company as a whole is moving towards achieving the goals set for the current financial year for first-time managers.

Figure 12: Parameter Trends



Source: TCS 2018

Overall

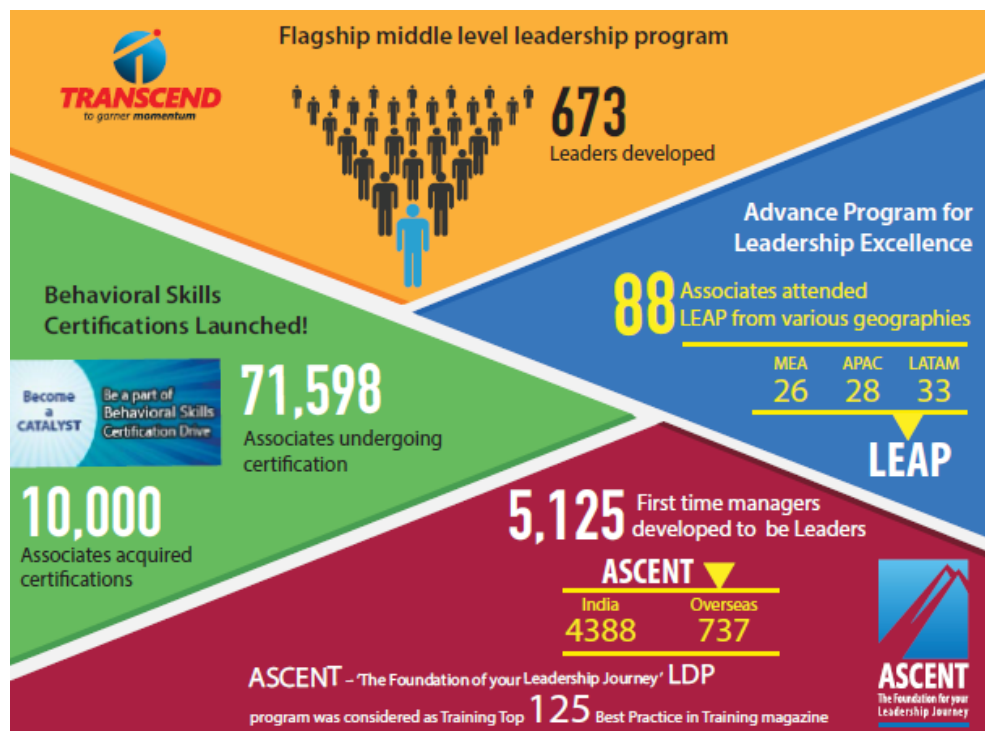
The success of the leadership development strategy results from nurturing leaders and providing the right opportunity for growth.

“Our willingness to learn and ability to embrace new knowledge continuously has helped us become one of the top three global brands in IT Services.” – **Rajesh Gopinathan**, TCS CEO and Managing Director.

The focus for FY18 is to strengthen future-business dynamics and organizational strategy on digital learning, reimagine TCSeLS and AmbCorps programs, and increase the scale of the ASCENT and Transcend programs to cover a wider audience. Competency-based learning will become more accessible across all levels of the organization with a focused drive on digitized-leadership certifications.

New initiatives such as Prepend will combine domain expertise with behavioral competence to enable a better understanding of business needs and delivery of high-quality business solutions.

Figure 13: Future Business Dynamics



Source: TCS 2018



About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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