

This thing called culture: How Mindtree built a successful business based on principles

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Culture is primarily rooted in feelings; many may say it has no significant role in the world of money, and doesn't show up as a balance sheet item. Yet tampering with culture can severely hurt any balance sheet.

Mindtree was founded in 1999 by Subroto Bagchi along with Ashok Soota, Krishnakumar Natarajan and Scott Staples.

By Subroto Bagchi

The oldest surviving organisation in the world is the family. While the basic structure of a family is universal, yet every family is quite distinct when it comes to culture. It is the foundation of its values that then create, the sense of belonging. Take the values and culture away, and we feel we no longer belong. Like families, I believe every organisation has a distinct and unique culture. However, unlike the family, a basic tenet of the workplace is that everyone – employees, suppliers, and even customers – is tied to each other through a formal contract. Relationships in organisations begin with a contract. Yet, once written, we don't visit it every day. Contracts assume significance only when relationships have failed. Unlike the written, formal contract, what we do visit every day, as employees, as suppliers and as customers, is culture. It is what drives everyday behaviour. The written contract is rational, cut-and-dried, legal. Culture, on the other hand, is primarily rooted in feelings; many would say it has no significant role in the world of money. It doesn't show up as a balance sheet item. But tampering with culture can create severe imbalance in any balance sheet. What is this invisible item called culture and

how does it manifest itself? Let me illustrate with a few examples from Mindtree, a company I cofounded along with nine others in 1999.

Culture is about Leadership

Leaders play a hugely important part in shaping the destiny of their organisations. Yet, what makes one organisation very different from another is the leadership *style* because it is this style which gets replicated in every part of the organisation. Over time, it becomes the mould into which younger members grow. Questions like who is a leader, how must a leader behave, what are the entitlements and responsibilities of a leader, deeply influence and shape organisational culture.

Culture is about Equality

That people are important for any organisation is oft-repeated. The question is: how important are these people? At Mindtree, from the very beginning, we emphasised equality among all our people. No one in Mindtree addresses anyone as “Sir” or “Ma’am”. We decided everyone would be called a Mindtree Mind, including the Chairman. It is a moniker that continues till this day. We all are a Mindtree Mind first, a role next, a title thereafter. When the spirit of equality goes deep and wide, entitlement simply recedes.

Access to information is a critical step towards fostering a sense of equality. When we have the information, we are equipped to question. When we can question, we are able to understand. And only when we understand, we build ownership. At Mindtree, everyone has the right to question policy and decisions. For this, pervasive access to information has been designed. Until the company was publicly listed in 2007, we prided ourselves on a 95:95:95 rule – 95% of our people would have access to 95% of all information, for 95% of the time. Post 2007, after the company was publicly listed, regulatory requirements on information dissemination is respected but the idea is still

broadly valued and practiced. The CEO regularly communicates through multiple platforms, asking for help, opinion and, along the way, explaining where the organisation has reached. He conducts “All Minds Meet”, a townhall equivalent event with a difference – it is built on rich, two-way communication.

Beyond access to information, a culture of equality requires that we must demolish traditional privileges and entitlements. It is for no small reason that there are no separate toilets for top management in any Mindtree office; there are no private dining areas except for visiting customers; the Chairman, the CEO, and the COO share one open space of a room; there are no separate elevators for them; no one opens the car door for them; and they have no reserved parking spots. No family member of a Mindtree founder has a place in the organisation, because we all agreed that our children and spouses couldn't work here. On the occasional visit a family member may make to the office, they must sign a visitor's register, take a badge, be escorted in and out by someone, as is the protocol for every other visitor.

Culture creates Innovation

The most vibrant place on Earth is the rain forest. This is where any seed falling to the ground has the highest chance of becoming strong and tall because of a complex eco-system of flora and fauna working together to produce a rich, life-sustaining place. In the fabulous rain forest eco-system of colour, movement and sound, there is constant give and take. Life is continuously evolving, and in it everyone succeeds. A critical, unseen, life-giving, invisible force in the rain forest are the microbes.

Mindtree was designed like a rain forest, to mimic its eco-system to breed powerful, inter-connected microbes (our Geeks and Nerds) capable of great

innovation. Microbes multiply when they feel safe. When you bind them with authority, they wither away or go someplace else. Microbes can also be high maintenance, sometimes a nuisance because they question everything, they rebel. But when they are given the space, nurtured with care, and led with knowledge, they build something beautiful and innovative. Mindtree microbes are responsible for the ground-breaking platform that powers Aadhar, the world's largest unique identification system. Just the same way, chances are one in three that the Bluetooth device you are using has technology licensed by Mindtree, built by our microbes. A culture that sustains life like a rain forest, builds ground-up innovation, impactful business and societal value.

Culture is about Integrity

For everything in life, there cannot be a law. We need character in the absence of a law, because law isn't a substitute for character. That is why, when there is no law to guide us, we use fair judgement, we seek counsel and finally, we ensure that our private act stands public scrutiny without causing us shame or embarrassment. At Mindtree, the idea of integrity is non-negotiable; it is what binds 20,000 Mindtree Minds together. Across the organisation, the idea of integrity is understood uniformly. When conflicted, we choose what is right over what may be convenient. This is not to say there hasn't been the occasional breach of integrity at Mindtree. But when integrity is steeped in organisational culture, the organisation deals with breaches of integrity with speed, simplicity and based on facts. Our approach to integrity and the culture it has defined has made enormous business sense because the organisation has consistently attracted a certain kind of individual as employee and, in turn, a certain kind of customer. Of the World's 50 Most Respected Companies named by Fortune magazine, 10 have a long-standing relationship with Mindtree.

Culture is about Respect

In general, when we speak of people in an organisation, seldom do we mean the security guards, janitors, housekeeping and cafeteria staff. At Mindtree we recognise that the organisation cannot function without those who do seemingly small but significant work. No one feels disrespected on Mindtree soil. At Mindtree, when the Chairman or the CEO arrives, security guards don't stand up, nor do they salute. If their eyes are on people in authority, their eyes are off the CCTV console or the turnstile.

And what about our janitors? There are 20,000 Mindtree Minds. On any given day, 16,000 may come to work. That means, our washrooms get used 64,000 times a day. When Mindtree Minds visit a washroom in any Mindtree campus, they see a small sign which reads, "A human being cleans after me. Let me be considerate." This culture of consideration and respect is best exemplified in a tradition kept alive for twenty years. On the first day of the year, leaders don't go around shaking hands with their staff, they spend the day with security guards, janitors and cafeteria hands to honour them in every location.

Culture is built through Learning

Mindtree's greatest tribute to the idea of learning is Mindtree Kalinga, its 20-acre Global Learning Centre in Bhubaneswar. Fresh-out-of-college engineers graduate from this campus as "Campus Minds" after a 90-day immersive experience. The entire pedagogy is experiential, practitioner delivered with the end-objective of creating what are called *ET* : Engineers for Tomorrow. Here young people, nearly 50% of them women, are guided through three values: of curiosity, courage and responsibility. This translates to be curious to learn, courageous in action and responsible for the consequences of their actions. "Campus Minds" is a big reason why Mindtree's overall attrition has been consistently and significantly lower than its peers. There are many

amazing ideas at work at Mindtree Kalinga including the fact that it doesn't have regular faculty. Mindtree's leaders take time out to come and guide the learning process. Faculty is called "Lead". Mindtree Kalinga has attracted global attention. CIOs of Fortune 500 companies routinely come here to teach, to experience how Gen-Z sees the world and sometimes to test out their own ideas about the future.

Culture is about Inclusion

When we started Mindtree, we had a name but no visual identity or logo. Typically, companies approach an advertising agency, or a brand advisory to create their visual identity. Mindtree founders took the unusual path of approaching a school run by the Spastics Society of Karnataka, requesting their students with cerebral palsy to design our logo. This was unheard of in the start-up world. The design brief given to the children, some of them with serious motor coordination problems, was simple: create the visual identity to bring out the DNA of Mindtree: Imagination, Action and Joy. After a week of intense work, they gave us our logo that stayed with us for a decade until Mindtree rebranded itself. But this is more than a heart-warming story of a logo created by a group of children with cerebral palsy. The school was included in Mindtree's stock option plan. The story of how Mindtree's logo was created made waves, but more importantly, inside Mindtree, it set inclusivity as the culture of the organisation. The search for a logo which took us to a school for specially-abled children created a very important rule for everyone in the organisation: Expect greatness from everyone; there is no limit to whom you can include in your sphere of thought and action.

And finally, culture is Good for Business

At the end, we must ask, what does culture do for a business? Is it a warm, fuzzy, nice-to-have thing that doesn't really deliver the cents? At Mindtree, culture is tangible. It is highly fungible. Mindtree is just one of two Indian IT services company born without the parentage of a larger, existing business to hit the billion-dollar mark. Mindtree punches way above its weight when it comes to technology as a leader in the digital space. Our people practices have resulted in significantly lower attrition of 12 to 13% in an industry where upwards of 20% is par for course. This in turn, has a direct impact on customer satisfaction. Mindtree remains at the top decile of third-party customer satisfaction surveys. At 18% CAGR, the company has better than industry's revenue growth rate for the last five years. All these translated into a story of stellar, shared wealth creation at 40% CAGR since the company was listed in 2007. None of this would be possible without this thing called culture.

Subroto Bagchi co-founded Mindtree in 1999 where he is known as the Gardener.

Views expressed are personal