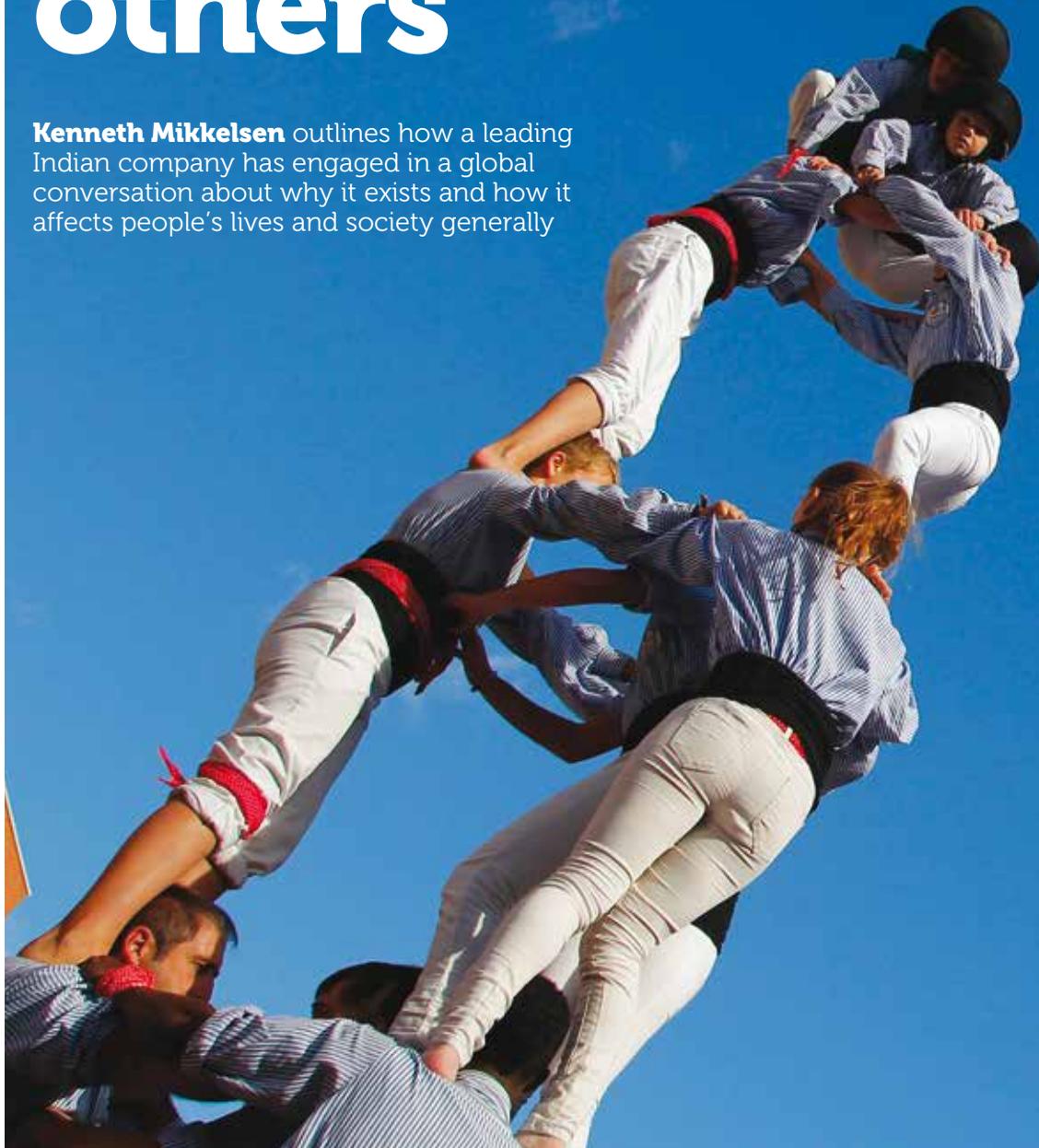


Rise by lifting others

Kenneth Mikkelsen outlines how a leading Indian company has engaged in a global conversation about why it exists and how it affects people's lives and society generally



There is a growing hunger for purpose. People want personal relationships with humane, honest and value-driven companies. As cultures shift so must organisations that aspire to remain relevant, motivate their workforce and delight their customers.

But what is the difference between articulating a purpose and truly living it? How can a core purpose serve as a filter for making wise strategic decisions, communicating, educating leaders, recruiting employees, rewarding performance, and developing new products or services?

The India-based Mahindra Group holds important lessons for leaders seeking to establish, lead and live a purpose that inspires change, focuses on shared value creation and drives business results.

Mahindra can trace its origins back to 1945. It started as a steel trading company before entering the automotive manufacturing industry in 1947. The group has grown into a \$17.8 billion multinational federation of companies of more than 200,000 people spread across 20 industries in over 100 countries.

The group is among the largest automotive manufacturers in India as well as the world's largest tractor-maker by volume. It also operates in key industries such as financial services, IT, aerospace, real estate, energy and defence.

Mahindra has always had a core purpose. The previous credo: "Indians are second to none" reflected the founders' beliefs and outlook at India's independence in 1947. Having grown into a diversified mélange of more than 100 legally independent entities, Mahindra more recently felt a need to define a new core purpose that reflected and resonated with its increasingly global presence and workforce.

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Finding Purpose

Finding an authentic purpose is a serendipitous process that involves both introspection and “outrospection”. When Mahindra was planning a US launch of its pick-up trucks in 2007 it hired a New York-based agency, StrawberryFrog, to do its advertising. StrawberryFrog founder Scott Goodson travelled to India to learn more about the group. In a conversation with Anand Mahindra, group chairman, he framed his observations in terms of a problem and an opportunity.

The bad news was that the group had neither a unifying ethos nor a consistent brand identity controlled from the centre. Managers tended to look through the narrow lens of their own group business. On a positive note, most people talked about being driven by a higher-order purpose in their daily work.

The feedback stuck with Mahindra and six months later he set up a cross-business team to look into the brand. As he considered it to be a business-strategic project, the team was comprised of himself, the vice-chairman, several CEOs and people from the group's strategic management office. StrawberryFrog was invited back to India to help develop a cohesive brand idea that also took customers' perspective into consideration.

Research was carried out in three stages.

- An internal interview process with managers and focus group discussions across the group to unearth people's goals and values as well as their perceptions of the company.
- Studies to understand how the outside world perceived India and Indians.
- A societal trend study that included ethnographic interviews and discussions groups with customers in key markets.

Mahindra's research was completed in the wake of the 2007-2008 financial crisis. Surprisingly, people were very optimistic. The majority expressed a wish to shape their own destiny, solve problems in new ways and contribute to the world around them. They felt success was achievable through ingenuity and not accepting limitations.

It was a profound insight that shaped the group's core purpose. During the iterative design process, the strategy team met regularly with the chairman. From the conversations, it became clear that "purpose" had the potential not only to re-position the Mahindra brand but also to catalyse an internal cultural transformation.

In July 2009 the group management board unanimously approved the new core purpose and the "Rise" idea: "We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of stakeholders and communities across the world to enable them to Rise."

Rise is more than just a word. It is a call to action that aims to unify people around shared ideas, values and a way of life. The call encourages people to see opportunities where others cannot and set an example for the world. The meaning is intentionally open-ended to leave room for personal interpretation applicable in different contexts. *Rise* defines what Mahindra is and what the company believes in and stands for.

What is Purpose?

Many companies confuse purpose, vision and mission statements, often using them interchangeably, blurring their true meaning.

- Purpose is what *guides* you. It articulates why you do what you do, why your organisation exists.

- Mission is what *drives* you. It is the strategic path your organisation follows to fulfil your vision.
 - Vision is what you *aspire* to. It is the destination it you wish to reach, the state into which you hope to transform over time.
- In other words, Purpose is your *why*. Mission is your *how*. Vision is your *where* and *what*.

Mahindra identified three categories of corporate cultural traits: enduring, emerging and declining. Among the declining aspects were a civil-service mentality and over-cautiousness. The enduring and emerging traits – behaviours to be reinforced and imitated – formed the three pillars of *Rise* – accepting no limits; alternative thinking; and driving positive change.

To illustrate and help employees see the intended spirit of the purpose and minimise misinterpretations, a "House of Mahindra" framework was created. It is an intentionally simple framework shaped like a house. Mahindra's core values constitute the foundation of the house. On top of it stands the *Rise* pillars. The core purpose is the overarching philosophy that points towards Mahindra's vision.

Transforming or reinforcing a culture is a large-scale undertaking where all organisational tools need to be put in play. To enable *Rise* to get into the bloodstream of the organisation, Mahindra reviewed all its HR practices. Prior to this each business had different models and cross-functional alignment was very limited. A series of workshops, involving the top 300 leaders of the group, were held to secure buy-in and conceptualise the main focus areas for executing the change agenda.

In the first year, five projects were created to standardise and reflect *Rise* behaviours in core HR processes. These included communication, leadership competencies, change management capabilities and recruitment.

Similarly, four projects covering reward and recognition, performance management systems, talent management, and learning and development were initiated in the second year.

In the third year Mahindra focused on rolling out the HR levers throughout all the sectors in the group.



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Communicating Purpose

After nearly 18 months of preparation, *Rise* was formally launched in January 2011.

Positioning a brand that does many things for a higher-order purpose is demanding and Mahindra, like many other companies, did not have any prior experience. From day one, chairman Mahindra made it clear that every *Rise* initiative had to pull people in by being relevant and interesting rather than by dictating actions and pushing information from the top down.

To bring the purpose to the forefront of everyone’s minds, the group had to develop new ways to inspire people and nurture a dialogue.

A Corporate Brand Council was tasked with harmonising how Mahindra presented itself to its customers. The council’s mission was to establish one cohesive standard and design guide for all visual, verbal and electronic marketing across the group and it was responsible for designing and deploying interventions to reinforce the spirit of *Rise* and pave the way for its learning, absorption and internalisation.

A key element was to find and disseminate images, metaphors and stories to showcase behaviour associated with the *Rise* pillars. An internal *Rise* portal brought everything together under one umbrella. The intranet contained selected stories, a brand book, videos, games, merchandise, a *Rise* anthem, *Rise* Awards and an internal e-learning programme named *iRise*.

As part of building capabilities to communicate the change agenda, each business trained and nominated *Rise* champions. A team of 100 change agents, named *Risators*, supported them. To engage the hearts and minds of the employees the *Rise* torchbearers were trained in process facilitation, group dynamics and learning styles.

When Mahindra went public with its new purpose it dedicated some \$18 million over three years to promote the new brand position. Rather than advertising in traditional media, Mahindra leveraged this by launching a multimedia campaign named *Spark the Rise*, a digital platform to promote innovation, entrepreneurship and grass roots change through a collaborative approach bringing together an ecosystem of partners to run programmes, challenges and competitions to inspire and enable people to rise.

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2015

The Mahindra Leadership University, was officially launched in June 2015.

Leading Purpose

Indian businesses have a long tradition of high-powered, hierarchical organisations based on command-and-control leadership. It is a cultural heritage that runs through the country's family, educational and caste systems. Mahindra stands out by having a strong reputation for distributed leadership and employee autonomy.

A Leadership Competency Framework that focuses on abilities, commitments, knowledge and skills that are aligned with both core values and group strategy underpin this. Hundreds of workshops covering thousands of employees have been undertaken to secure awareness, understanding and support. The leadership competencies are integrated in all key HR processes and drive the cultural transformation in Mahindra.

An organisational culture reflects the maturity and consciousness of the people leading a company. The most powerful feature of purpose-driven leaders is their focus on the question of *why*. Why are we here? Why should we take on this project?

Mahindra has identified five leadership characteristics that are critical for influencing a culture of accepting no limits, alternative thinking and driving positive change.

These are:

- *Whole-brain thinking*. Encouraging the seamless combination of logic and intuition
- *Managing fear and leveraging failure*. Accepting that risk taking often results in failure but that this can offer valuable lessons to be leveraged in future success
- *Multiplier*. Unleashing people's energy and passion through well-directed questions rather than the provision of answers
- *Mindfulness*. Using focused attention as an antidote to the busy-ness that consumes many leaders
- *Trust*. Trusting others and showing willingness to admit mistakes



Mahindra has aligned and designed its leadership development activities around these five qualities. The epicentre for leadership development is the Mahindra Leadership University, which was officially launched in June 2015. It aims to develop future leaders from within the organisation through a series of programmes that follows the 70-20-10 model for learning, which holds that individuals obtain 70% of their knowledge from job-related experiences, 20% from interactions with others and 10% from formal educational events.

Living Purpose

In October 2014, Mahindra launched *Rise for Good* to bring all matters related to corporate social responsibility (CSR), such as governance, community, environment and people, together under one umbrella. *Rise for Good* reflects Mahindra's view that business and social good must be intrinsically linked for business to be successful. Efficiency, measurable impact and scalability are essential to move from strategic philanthropy towards creating shared value.

Rise for Good initiatives focus on serving three constituencies of girls, youth and farmers by supporting them through education, health and environment.

Nanhi Kali, launched in 1996, is one of the flagships projects. It provides educational support to underprivileged girls living in poor urban, remote rural and conflict-afflicted tribal communities in India. Apart from providing academic support, the programme also provides support in the form of uniforms, school bags and hygiene materials.





Impact of Purpose

In 2014 Deloitte's Core Beliefs and Culture Study confirmed the findings of many previous studies: an organisational focus on purpose leads to higher levels of confidence among stakeholders and drives business growth in both the short and long term. Viewed from an organisational perspective there are five interconnected impacts of a core purpose:

Purpose brings clarity. Purpose serves as a foundation for clear, consistent communication and meaningful conversations. Clarity about purpose, and the values it is rooted in, provides grounding and a sense of direction. By offering a steady point in a constantly changing business landscape, purpose strengthens people's capacity to navigate in uncertainty, complexity and ambiguity.

Purpose builds unity. Purpose gives coherence to the organisation as well as a sense of belonging. It does not merely serve as a promise, it also articulates a challenge and builds unity by inviting people to play an active role in solving it.

Purpose creates meaning. Purpose taps into a universal human desire to live a meaningful life. Recent studies indicate that millennials in particular will not work just to achieve the next quarter's targets. The majority will want to work for organisations that foster innovative thinking, develop their skills and make a positive contribution to society.

70%

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Purpose builds perseverance. Perseverance is an attitude towards life that is fuelled by knowing what is important to spend your energy on. Purpose sustains an organisation and keeps it going when times are tough. Constancy to purpose enables people to bounce back from setbacks and solve difficult and challenging problems.

Purpose secures relevance. Purpose helps leaders to formulate authentic and opportunity-based narratives that contextualise a company's values. A purpose has the capacity to attract interest, energise people and lead them towards a common goal.

The Mahindra Group has grown from less than half a billion dollars in annual turnover to current revenues of \$17.8 billion in 20 years. Market capitalisation is up 26 times over the last decade. As Mahindra's story has shown, the key to being driven by purpose is in designing organisational structures and supporting systems to continually reinforce the underlying purpose.

Merely looking at what worked in the past will not solve the interconnected challenges we face today. Truly purpose-driven organisations are built on future needs rather than best practices. To become tomorrow's company, leaders must have the courage to invent future practices, which go beyond today's predominant management principles. Leaders need to learn from early adopters in this field to progress their thinking, learning, behaving and being.

Mahindra is building its entire future on this philosophy and leading the way by demonstrating how the interests of business and society can align for mutual benefit and well-being.

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ABOUT THE AUTHOR

Kenneth Mikkelsen is a writer, speaker, leadership adviser and learning designer. He helps leaders and organisations adapt to the shifting nature of the world and is an associate of the Peter Drucker Society in Europe and Copenhagen Institute for Futures Studies. He is the co-author of *The Neo-Generalist* (LID Publishing 2016) with Richard Martin.