

## Railway Transformation Lecture Series

### Lecture – 4: “Demystifying Leadership” by Mr M.Damodaran

A lecture was given by Mr M.Damodaran, ex Chairman of SEBI, UTI and IDBI on “**Demystifying Leadership**” on March 23, 2017 under the Railway Transformation Lecture Series organized by Ministry of Railways. Senior officers of Railway Board, General Managers, Divisional Railway Managers, Chairman cum Managing Directors (CMDs) and Directors of Railway PSUs attended the lecture through video link.

Key perspectives on leadership shared by Dr M.Damodaran in the lecture are as under:

- **When we look at organizations from the outside we find the organizations attempting following three things -**
  - i. **Change** - Change is incremental. Change does not reflect any credit either on the organization or those who are attempting it.
  - ii. **Transformation** - Transformation is thinking differently, doing things differently, doing things faster, better, in a cost-effective manner and in more relevant manner which make sense to all stakeholders. Successful organizations are those which recognize when to go for transformation which is as important as the content of the transformation.
  - iii. **Metamorphosis** - Metamorphosis occurs when an organization changes in such a manner that you don't recognize it. It's almost like that the old organization has disappeared and a new organization has sprouted in its place. It's doing the same things but in a completely different manner with different structures, processes and people. The objectives are often restated; priorities change and sequencing also changes.

### **Indian Railways need to pitch somewhere between transformation and metamorphosis**

- Often large organizations are compared to elephants. There are two lessons to learn from the elephant which could be a role model for large organizations attempting to reinvent themselves:
  - i. Elephant is a very sure footed animal. It does not take both its hind feet off the ground at the same time nor both its front feet off the ground at the same time; it is in contact with the ground at any point of time. **Large organizations while attempting transformation need to be conscious that they are always connected to ground realities.** If the ideas and programs are completely out of synch with ground realities, the implementation will fail.
  - ii. **Elephant also has long memory similar to large organizations which have long institutional memory going back to decades or may be centuries.** Similarly, large organizations just can't disappear and sprout afresh. They have to re-invent themselves while working. We can't imagine Railways disappearing and then sprouting afresh. Railways will have to transform while carrying out its day to day operations.

- **Is this a good time for Railways to attempt Transformation?**
  - i. Many people believe that if an organization is functioning, just let it be, why is there a need to interfere with it i.e. *“If it isn’t broke, don’t fix it”*. **The problem with this approach is that if it is broken we may not be able to fix it.** For fixing organizations, we need to follow Ayurveda approach which is to **build capacities in good times**. The approach is to **fix the problem at its root and not treat just the symptoms**. And you can do this only when you have the luxury of time to do this, luxury of choosing the alternatives, luxury of bringing the right people to drive this change. It cannot be done through a firefighting exercise as it will give sub-optimal solution. As far as Indian Railways are concerned, **this is a good time for attempting transformation as Railways do have problems but do not have an existential crisis.**
- **His Experience at Transforming UTI:** UTI, a market leader in securities, was into serious problem, like a ship leaking through many places and on high seas in the late 1990s. The ship had to be fixed while sailing i.e. UTI could not afford to shut shop for carrying out repairs; it had to continue with its operations. There was lot of strength in the organization but morale and motivation were very low and people were not willing to take initiatives. I realized that there was a need to fix the people. I also realized that in the organization which has lasted over 38 years and faced several crises, there must be capable and honest people also. I needed to get the right people to do the right job. I took a decision to do away with the consultants and transform the organization with the strength of its own competent people. I believed that **in any organization there is enough strength, task of the leader is to identify that strength, put the right people in the right places and follow the EIA model of the TRIPOD Theory:**
  - i. **TRIPOD theory** - It is important that a TRIPOD has all the three 3 legs of the same length, in order to maintain balance. This is also true for organizations that are on a transformational path. These three legs are **Empowerment, Incentivizing and Accountability. If as a leader you follow this model, your team will get charged.**
    - **Empowerment** - Empowerment is much more than delegation. Delegation is when you ask someone to do something and continuously monitor him. Empowerment happens when the ownership passes to the empowered.
    - **Incentivizing** - However, even if you empower someone he may not exercise that power as power is responsibility. In government sector, there is a safety in avoiding decision making as errors of commission are punished but errors of omission are never punished. One can reach top of the organization without taking a decision in his/her whole life. People need to be suitably incentivized to exercise their power. Incentivizing people need not be through monetary measures, it can be through non-monetary measures also like proper recognition.
    - **Accountability** – With Empowerment and Incentivizing you also need Accountability for actions. Accountability is not just for fixing responsibility for decisions that have gone wrong but also for fixing responsibility of people for not taking decisions they are expected to take. The problem with our vigilance structure is that a person is never pulled up for not taking decisions. It’s only the people who have taken decisions and whose decisions are looked at with the benefit of hindsight retrospectively, who

are pulled up. So, as a leader you have to ensure that your team mates take decisions and get it right at least 50 per cent of the time. Getting it right 100 per cent of the time is superhuman and should not be expected.

**When you are doing something, which is not routine and incremental and is very different, you need to ensure that your team is charged up.**

- **Few other things need to be done along with following the TRIPOD theory**
  - A leader should not feel insecure because of bright young juniors. He should encourage the younger generation who may be at times more intelligent and should not feel insecure.
  - A leader's job is to create an enabling environment so that every member of the team performs to his potential. Gap between performance and potential needs to be bridged. This can be done by trusting, empowering and incentivizing people and holding them accountable for their actions
  - An important job of a leader is also to identify talent and plan for his replacement
- **Playing around with the word TEAM captures its essence and importance**
  - Everyone who is in a TEAM is a MATE.
  - If all the MATES get together, then there is MEAT in the organization (i.e. it's not only just about skeletal structure or processes but about people)
  - If you have every one as a MATE and they are working together i.e. there is MEAT in the organization, then you can tame the circumstances around you
- **Three qualities which people need to bring to organization**
  - Passion
  - Pride
  - Purpose
- **Communication is very critical.** If you do not provide the correct information to all stakeholders, someone else may provide incorrect information. **Communication has to be: correct, complete, clear, concise and contemporary.** These are called the **5 Cs of communication.** If communication does not meet these 5 tests that means you are not communicating
- **Alphabets of LEADERSHIP give a good perspective:**
  - L - Learning & Listening
  - E - Empathy
  - A – Anticipation
  - D – Decisiveness
  - E- Empowerment
  - R – Responsibility
  - S- Sincerity of purpose
  - H – Humility
  - I – Integrity
  - P- Preparedness