

## BUILDING AND NURTURING HIGH PERFORMANCE THROUGH COMMUNICATION: A CASE STUDY ON A.M NAIK (LARSEN AND TOUBRO)

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Communication for Organizational Success is a complex one. People in organization usually spend over 75 percent of their time in an interpersonal situation. Thus, it is no surprise to say that the root of a large number of problems is poor communication. To bring an empty space to life, takes talent, skill, imagination, and communication.

Closer home, consider what A M Naik has achieved in terms of making Larsen & Toubro (L&T) one of the most respected engineering conglomerates in the country. Now, consider his initial experience at L&T. Apart from the fact that he was not from any of the Indian Institutes of Technology (Naik did his Mechanical Engineering from Birla Vishvakarma Mahavidyalaya Engineering College in Vallabh Vidyanagar in Gujarat), his poor knowledge of English led him to make seven to eight mistakes in the first employment form he filled.

When he applied to L&T, he got a job, but the company reduced its initial offer by Rs 900 to Rs 670 a month and offered him a lower designation than what it had initially promised - all because the final interviewer thought he was a bit arrogant.

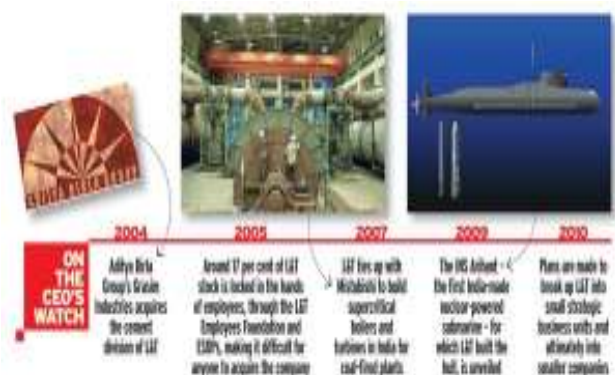
Years later, Naik attributes this to a communication gap between him and the Englishman, who was the final interviewer. "I used to think in Gujarati and then translate it into English; the Englishman perhaps misunderstood what I had intended to say," Naik said.

Naik could have easily given up on the L&T job, but he did not, just to prove a point. He joined L&T on March 5, 1965, and became the workshop in-charge within one and a half years of joining the company. When he was not even 25, some 800 people reported to him. The rest is all too well known. An HR expert attributes Naik's success to his fierce desire to succeed and not let failures bother him much. He attributes this success to his strong desire to communicate his vision to the people who were his partners in the path to success at L&T. Corporate communication is the message issued

by his organization, to its publics. "Publics" were both internal (employees, stakeholders, i.e. share and stockholders) and external (agencies, channel partners, media, government, industry bodies and institutes, educational and general public). L&T communicated the same message to all its stakeholders, to transmit coherence, credibility and ethic. If any of these essentials is missing, the whole organization may fail.

Corporate Communications help organizations explain their mission; combine its many visions and values into a cohesive message to stakeholders.

Naik flaunts his years of growing up in a village like a general his scimitar-and-baton insignia. When he was in Class 5, Naik's father, who was a high school Mathematics and Science teacher and a Gandhian shifted from Mumbai to Kharel in southern Gujarat. "And suddenly from an elite school, I came down to a floor; that, too, a gobar (cowdung) swept floor," he says, this time a smile pushing against ample jowls. Come October 2012, A.M. Naik, if all goes by his plan, will start writing a memoir. The impatient man he is, the Chairman and Managing Director of Larsen & Toubro has it all planned out for his post-retirement days. "One hundred and fifty requests have come to me to write a book," he says with no hint of exaggeration. "It will be titled 'V to W'. Village to World." Communication can nurture and create a legend out of an insignificant.



Naik had met Aditya Birla and his son Kumar, when the Birlas tried - unsuccessfully - to hire him. In

2001, when the Ambanis sold their stake to the Birlas, Kumar Mangalam Birla said to Naik : "You did not come to us, but we are coming to you." Birla wanted the cement business to be hived off from L&T, and eventually take control of L&T. However, differences arose between the L&T management and Birlas on how to go about it. Grasim Industries, the company through which the Birlas held their stake, filed a prospectus for an open offer for L&T shares.

AM Naik transformed a lumbering conglomerate into India's largest engineering and construction firm. L&T today with revenues of more than USD 8 billion a year is the giant behind many massive projects in India from roads and railways to defense and nuclear power.

### **Key Steps to Building High Performance Corporations Through Effective Communication**

As we strive for competitiveness, high performance becomes even more critical to our success. Regardless of the stage of your company, these key steps will help you build a high performing team:

#### **Develop a Diverse Team Cutting Across Cultures and Communications**

Utilize people who have different strengths and are closely aligned to the crucial business functions, customers and stakeholders. The more diverse the team, the more they are likely to be strong in achieving the whole range of thinking, action and people oriented tasks for a successful outcome. Motivation is likely to remain consistently high where team members can focus the majority of their work in areas they enjoy.

#### **Generate the Team Purpose**

Facilitate the group to ensure clarity and accountability to the team's purpose so that the team are clear of what success looks like and are empowered to achieve it. Focus the team on achieving results by setting explicit goals.

#### **Develop Crucial Processes**

Developing critical processes will ensure the team has the vital framework to achieve their goals, and break through any communication barriers that prevent these processes from functioning effectively.

#### **Share the Leadership and Accountability**

Inspire team members to take full ownership for achieving the team purpose with the assigned resources,

proposing solutions and provide performance coaching where needed to address performance issues. Be authentic, work to your own strengths and capitalize on the talents of the team members. Periodically communicate the team for feedback on your leadership so that you can adjust to get the most from each team member or the stage of the team development.

#### **Build Strong Relationships**

Plan focused team-building events that ensure team members recognize what effective teams look like and the team behaviors for high performance capitalize on strengths and stimulate continuous improvements. Subject to team location, encourage periodic 'get together' such as a quick lunch or morning coffee to ensure the 'human' team spirit is fostered. For virtual teams insert the social element into your conference calls with a simple icebreaker question. Remember, teams do not have to be friends, but there does need to be mutual respect and trust for high performance levels.

#### **Establish Focused Communication and Review**

Ensure the team regularly reviews progress against their team goals and make the vital adjustments to ensure success. At the outset agree with the team the most timely and effective forms of communication for this specific team.

#### **Recognize Key Milestones and Celebrate Success**

This could range from a simple 'thank you' or 'well done' to arranging awards, gifts or bonuses to recognize effort and successful results in the most appropriate way to maintain high performance levels.

#### **Review and Learn**

Review each major team experience and share these across the business. Record the output and review prior to any new team coming together. This should include questions such as 'what contributed most to our team outcome?' as well as 'what could we do differently next time?'

As you consider where your team is now and the best steps to help your team on their journey to becoming a high performance team, you will achieve your journey more quickly, if you bring your team along with you. So keep reviewing your progress with the team. Good and effective communication is imperative for the successful existence of any organization.

There is one topic or issue that crops up more about than any other is communication. There is little doubt that communication is a useful dustbin into which can be thrown a myriad of different issues, some big and some small.

At an organizational level, there is a need for everyone to know what and where the communication channels are so that every single person can be tied into the organization's objectives. Communication also plays a vital role in creating a compelling place to work.

At an interpersonal level, there is a need to be able to communicate openly and honestly, with team members feeling free to say what they think without fear, rancor or anger. Team members also need to listen to each other, including those voicing minority views.

We are not talking about the IT-related communications through cyberspace, but rather the interpersonal communications we have with our friends, family and co-workers. A commonly identified "best practice" among high performing teams is effective communication between team members.

Unfortunately, effective communications are not the norm in many of the organizations. Some of the most sage advice has come from the Tongue and Quill (1996 version) and it read, "Strive to communicate in a way that you cannot be misunderstood"- anonymous. Here are some dos and don'ts to effective communications and some insights to enable you to "walk the talk" and develop high performing teams.

Consider the following eight components of interpersonal communications to ensure your communications are clear and unambiguous.

- First, ensure that you have an active listener.
- Second, establish the problem or identify the requirements.
- Third, make sure there is a commitment to future action.
- Fourth, identify the conditions that will satisfy the need.
- Fifth, establish the context for the request, which may be obvious when you know someone well, but also be careful to not assume or omit critical details.
- Sixth, establish a time frame to complete the request.
- Seventh, indicate that you believe the person is capable of fulfilling the request.

- Finally, be sincere that the fulfillment of your request is important.
- When all these conditions are not met, you open yourself up to ambiguity and misunderstandings.

When projects are not on time, on budget, nor meeting requirements, it is often because of "misunderstandings." In industry, it is commonly accepted that poorly designed systems are the result of people poorly articulating requests. So what are the common pitfalls to effective communication?

First, making assumptions about what is or is not mutually understood.

Second, not requesting or receiving feedback to confirm what was requested.

Third, the conditions for satisfaction were not specific enough.

Fourth, the justification (for the request) was not articulated clearly or at all.

Finally, the requester is afraid of rejection or indebtedness, so the request is never made.

Now that we know what we should and should not do, I would like to highlight two actions that I think will help take teams to the next level –

- Making powerful requests and
- Following through on promises.

"We literally don't show up in our own lives until we learn to make powerful requests."(1985, Quinn and Quinn) As leaders, we should never be afraid to make requests that demand stretching a team's capabilities.

Requests have a generative and transformative power that can carry teams to greater heights of success. Similar to powerful requests, promises offer the potential to change the world. When our words align with our actions, we demonstrate commitment. **Commitment** is not an act; it is a way of life. Cohesive, high performing teams are able to deliver and follow through on promises both big and small. So when making promises at home, work or play, make sure you deliver. We communicate every day -- every minute of the day -- and sometimes in ways that we do not even realize. Be cognizant of your interpersonal communications and try to improve upon every interaction you have. We have covered some dos and don'ts for effective communication, but remember that it is just talk, unless you back up your words with

actions and follow through. Our reputation, credibility and commitment are embedded in our daily communications, so take it seriously, as you reflect on your own interpersonal communications within your own teams.

Research shows that Companies that communicate with courage, innovation and discipline, especially during times of economic challenge and change, are more effective at engaging employees and achieving desired business results. Our research has consistently found the firms that communicate effectively with employees are also the best financial performers. When it comes to communication, successful companies pay close attention to articulating their employee value proposition. In times of change, they use social media and other, time-tested tools to communicate with an increasingly diverse and dispersed audience. These companies treat their managers as a special audience — offering additional communication and training to help them manage. They focus on the customer and use communication programs to drive productivity, quality and safety. 2009/2010 Communication ROI Study Report summarizes the findings of 2009/2010 multiregional study. It identifies what the companies with highly effective communication practices are doing to inform and engage their employees in challenging economic times, and shows how these practices vary around the world.

### Key Findings

- Effective employee communication is a leading indicator of financial performance and a driver of employee engagement. Companies that are highly effective communicators had 47% higher total returns to shareholders over the last five years compared with firms that are the least effective communicators.
- Despite all of the organizational and benefit changes employers have been making in response to challenging economic conditions, only 14% of the survey participants are explaining the terms of the new employee value proposition (EVP) to their employees.
- The best invest in helping leaders and managers communicate with employees. While only three out of 10 organizations are training managers to deal openly with resistance to change, highly effective communicators are more than three times as likely to do this as the least effective communicators.

- Despite the increased use of social media, companies are still struggling to measure the return on their investment in these tools. Highly effective communicators are more likely than the least effective communicators to report their social media tools are cost-effective (37% vs. 14%).
- Measurement is critical. Companies that are less-effective communicators are three times as likely as highly effective communicators to report having no formal measurements of communication effectiveness.

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