

LEADING THROUGH LEARNING IN TURBULENT TIMES

A CORPORATE MELTDOWN CAN DESTROY A WORKFORCE
IF YOU LET IT: EIGHT LESSONS IN SURVIVAL IN THE WAKE
OF AN INTERNATIONAL BUSINESS DISASTER.

BY PRISCILLA NELSON AND ED COHEN

The canvas we were painting was a collaborative effort, a true partnership. We were partners in developing world-class leaders. Our inter- and intra-team diversity made us stronger with team members from Nigeria, Germany, Greece, Columbia, Sweden, the United States, and of course India. We had measured significant business impact and won numerous international recognitions. We created best practices and next practices that were being proliferated to diverse industries

all over the world, and were the masterminds of a new model to build global leaders faster. We were the first organization outside of the United States to receive top honors in ASTD's BEST Award; and we had journal articles, numerous interviews, and keynote presentations and requests to add to our beautiful canvas of success.

Then, without warning our canvas was taken from us. We watched as our Taj Mahal of learning began to crumble. On January 7, 2009, Ramalinga Raju, the founder and chairman of

Satyam Computer Services, told his board of directors that he had inflated the amount of cash on the balance sheet by nearly \$1 billion, incurred a liability of \$253 million on funds arranged by him personally, and overstated Satyam's September 2008 quarterly revenues by 76 percent and profits by 97 percent.

There we were, close to 50 of us huddled in this small conference room, watching the television, shocked beyond belief. The screen displayed a photo of Raju on the right and a graph depicting the falling

stock price on the left. The value of our stock plummeted in less than five seconds, drained like an hour glass with the grains of sand falling to the bottom.

The reporter began reading the letter. *"It is with deep regret, and tremendous burden that I am carrying on my conscience, that I would like to bring the following facts to your notice."* The letter indicated that for the most recent quarter ending in September 2008, the bank balances had been overstated by close to US \$81 million and there was more than \$265 million in liabilities not accounted for.

How could this be true? Just last week there had been an article in the paper indicating that we had an excess of \$1.6 billion in cash. The reporter continued, *"The gap in the balance sheet has arisen purely on account of inflated profits over a period of the last several years. What started as a marginal gap between actual operating profit and the one reflected in the books of accounts continued to grow over the years. Every attempt made to eliminate the gap failed. As the promoters held a small percentage of equity, the concern was that poor performance would result in take-over, thereby exposing the gap. It was like riding a tiger, not knowing how to get off without being eaten. Under the circumstances, I am*

tendering my resignation as the chairman of Satyam and shall continue in this position only until the current board is expanded. I am now prepared to subject myself to the laws of the land and face consequences thereof."

Around the world, Satyam employees were not prepared for the consequences. Tainted, disgraced, beleaguered, scam-hit, scandalized, fraudulent, crisis-ridden were the adjectives used to refer to the once iconic brand of "India is IT." Putting the scale and impact of Satyam's downfall in proper perspective was *The Economist's* cover story "India's Enron." *BusinessWeek* featured Raju on the cover with the headline "From Icon to I Con."

As an Indian-headquartered organization, Satyam was entrenched in a hierarchical, largely patriarchal culture. Servant attitude was the norm. Decisions were made by the most senior leaders or those with perceived authority due to longevity or seniority in the organization. Since 2005, a sea-change had occurred—or so we thought—from patriarchal to a consensus-oriented leadership culture. That is until communication from Raju diminished in the months prior to the fateful confession. Employees were lost without direction and only a few leaders had the courage to step forward.

After Raju's confession, the entire situation was surreal. We instantly went from hero to zero. So we began to build a new strategy for leaders that included behaviors, competencies, and expectations to control the damage and rebuild that which could be rebuilt. Leaders went on auto-pilot when it came to business management. However, these same leaders were unsure of how to handle the people and relationship issues. They assessed the situation, implemented customer retention, and shored up the business.

Their focus on the people and relationship dimensions suffered, but not because of a lack of desire. It was more about the lack of comfort that comes from having to communicate, empathize, and support people throughout a difficult time. The approach that works best in this situation is leading through learning. It is simple and powerful. You need to assist leaders with how to communicate to the people and that starts by developing a set of leadership guidelines.

Here are the eight guidelines that Satyam's learning department developed to communicate, teach, and coach our leaders through the crisis.

Don't expect things to get back to normal.

Normal? What's normal? The organization you knew prior to these turbulent times will never exist again. Life for all of us will never be the same. Yet, there is a new road ahead. Even though we have yet to find it, it will be there.

Find ways to take care of each other.

First and foremost, express your feelings. Allow others to express their feelings without judgment. Words such as hurt, cheated, shock, disbelief, sad, and anxious will be spoken and questions such as "How did this happen?" and "Am I going to lose my job?" will be asked. People need to verbalize their thoughts and feelings to work through them. Now is the time to come together in community. Bring everyone together and have them talk about where they were when the news first came out. Go out to lunch with your colleagues, take a walk together, gather in a conference room to share stories—togetherness is healing.

React, pause, and then, respond

The typical reaction to a crisis is fight or flight. Each of us must face our own inner and external turmoil. Each of us must decide how to

respond to what has happened. No matter your response, it will be the right one as long as it stems from integrity, an open heart, and understanding. No one has the right to judge anyone's choices.

Don't stifle communication.

There is much to say. Hold daily updates. Even when there is news to report, people still have questions. They feel connected by being able to have regular access to their most senior leaders. Even when people are repeating your words to each other and to you, keep communicating. This consistent and continuous dialogue will prevent the rumor mill from starting.

Be visible.

Now is not the time to hide 'n seek. Open your doors, get up from your desk, and talk with people. Let them know you care. About a week ago, one of my colleagues sent me this quote, which has been attributed to several people. "They don't care how much you know until they know how much you care." Listen, empathize, share your advice, provide words of comfort, or just be there. Yes, you may be injured; we all are. As leaders we must be there to inform, comfort, and provide strength for others.

Understand that leaders are human too.

During turbulent times we all go through a lot. We are hurt and worried—and that's just the tip of the emotional iceberg. Sometimes, you may not be at your best. You will have good moments and bad moments. Remember, leaders are human too. If you express anger or act out as a result of your own turmoil, realize it, apologize, and move on. Do not beat yourself up or see yourself as less of a leader.

Spend time with children.

Children do not carry the same burdens as adults. They live more for the moment, and especially younger children, who are constantly playing. They may sense your sadness or your turmoil, but if you allow yourself to live in their world, soon you will be running around with them. The time will pass and you will have a much-needed mental break. Try it, this one works!

Take care of your emotional, physical, and spiritual well-being.

Your health—emotional, physical, and spiritual—is very important. Don't put any of them on hold. Calm your mind at night and get a good night's sleep. If you need to talk to someone, seek a

counselor or a coach. Start or continue an exercise routine. Be more mindful of your diet. And, look for the comfort that comes from following your own spiritual path. Continuously remind yourself and your people of this profound message by Howard Richmond: "Don't let the news of today undo the successes of yesterday or tomorrow."

Following these guidelines, using them in coaching conversations, and integrating them into learning messages is one way to have a profound impact that will be remembered when the company finally emerges from the darkness.

Adapted from their new ASTD Press book, *Riding the Tiger: Leading Through Learning in Turbulent Times*, to be published in summer 2010. Priscilla Nelson is president and CEO of Nelson Cohen Global Consulting, www.nelsoncohen.com. While at Satyam she was global director of people leadership. Ed Cohen is executive vice president of Nelson Cohen Global Consulting. While at Satyam, he was chief learning officer.