

Using Key Metrics to Improve Team Performance

Challenge

Dr. Reddy's Foundation works to support India's most underprivileged youth in attaining sustainable livelihoods. Its flagship social responsibility program LABS—Livelihood Advancement Business School—has trained over 290,000 youth.

Until very recently, the LABS program was free of cost for participants and supported by grants received from a sponsoring company. Due to financial constraints, the program was limited to 75 centers and 25,000 youth a year. This model was incapable of scaling to meet the massive demand for the program's services. To overcome this challenge, the foundation adopted a more sustainable social business model in which aspirants contribute a nominal fee to offset program costs. While this change would enable the foundation to serve significantly more youth in more locations throughout the country, it also required the foundation to become more lean and efficient in its operations.

Reaching the necessary levels of efficiency seemed impossible at the time of the change. The organizational culture was broken. Friction between internal departments resulted in interdepartmental issues being delivered to the CEO who was expected to arbitrate and provide solutions. When asked to account for lagging results, each department would blame the other departments for their failure to improve team performance. The quality of the training program delivered to the youth suffered, and enrollments steadily declined.

To combat lower enrollment levels, the foundation began exerting more energy to recruit new students, reallocating resources that previously ensured program quality. Program

instructors felt significant pressure from administrators, and without adequate support, their morale and motivation plummeted. It became a common practice for the instructors to register youth who didn't meet program need requirements in order to reach enrollment quotas. These core issues were exacerbated by an internal stream of formal complaints, poor response to internal emails, and irritation at the demands of the students.

Solution

Many interventions fail when leaders delegate ultimate responsibility for change to someone else. Because the Arbinger consultant who arrived to assess the foundation's problems knew the critical importance of leader buy-in to improve team performance, he invited the CEO to expressly state what his role as the organization's leader would be in the transformation effort. Once the CEO had expressed this commitment to his key leaders, the CEO and leadership team began an initial facilitated work session. The workshop provided a common language for the top 30 leaders that (1) helped the leaders heighten their self-awareness, (2) provided a framework and tools for self-management, and (3) provided opportunities to apply the framework and tools in their work with each other.

After experiencing a new and better way of working together, and equipped with Arbinger's tools, the foundation's leadership embarked on an intense three-month process to transform three key aspects of their organization. They focused on: (1) redefining organizational and individual objectives; (2) shifting from holding people accountable to helping people hold themselves accountable; and (3) refining policies and processes to ensure they were inviting an outward mindset. Department leaders worked alongside individual team members to revise department and individual objectives. They focused on doing work in a way that enabled the foundation's

stakeholders—especially the students—to accomplish their goals and objectives. The foundation also instituted monthly meetings between the students and department leaders as well as between leaders and their direct reports. Feedback from the students was now shared in real time with the instructors and their managers, helping them make rapid course corrections and adjustments to improve team performance. Before every meeting, employees determined together whether they were approaching the meeting from an inward or an outward mindset. This has enabled the foundation to focus on results instead of allowing their personal biases or emotions to impact key decisions and influence the strategic agenda.

The final piece of the puzzle was to review key processes and structures within the organization. Unhealthy attrition rates signaled the need to closely assess program quality and recruitment policies. After identifying a significant disparity in instructor quality, managers worked one-on-one with lower performers to help them assimilate student feedback and create their own improvement plans. Guided by Arbinger's tools for self-correction, instructors and their managers were able to clearly define and rigorously track improvement.

In order to maintain momentum and continue applying an outward mindset to the practical and ever-changing needs of the organization, the CEO and department leaders met with an Arbinger consultant weekly. Through these regular sessions, the team ensured an outward mindset by measuring their impact on other departments and working in a disciplined way to assimilate feedback. These sessions were marked by straightforward and honest interchanges and spontaneous efforts to help each other succeed.

Results

As a result of working with Arbinger to improve team performance, complaints have all but disappeared, student

enrollment and retention has dramatically improved, and the interdepartmental blaming and resulting silos are relics of the past. Raghu Gudipati, a senior department head, described the change this way: “There has been a significant improvement in collaboration, teamwork, and support between departments. People are now treating people as people. I can surely say that this has brought considerable change in our way of working and has dramatically impacted our results.” Because of their new way of working, the leadership team was able to generate the consensus needed to take major, unprecedented steps to remove roadblocks to success. One example is the reduction of the enrollment fee cost per participant, a substantial shift only made possible by newfound operational and cost efficiencies. “Arbinger provided the courage to make key decisions which have resulted in improving course registrations,” then-CEO Jitendra Kalra remarked. With this new way of working and a sustainable model, Dr. Reddy’s Foundation is poised to continue its aggressive growth strategy and better enable economic empowerment for the rising generation in India.

Arbinger provided the courage to make key decisions which have resulted in significant internal improvements and dramatically improved enrollment rates. Through Arbinger we have completely transformed our culture.

Rod Larson Jitendra Kalra – Former CEO | Dr. Reddy’s Foundation