



Matt Barney of Infosys Technologies: Treating Every Leader 'Like an Olympic Gold Medalist'

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Infosys Technologies is moving towards a pivotal moment in its history. When chairman and chief mentor N.R. Narayana Murthy turns 65 in August, he will retire from the company he co-founded with six others in 1981. Over the years, Murthy has led the company to become an icon in the Indian IT industry. Infosys has been a trailblazer not just in business performance, but in areas like leadership and corporate governance. A few of the founders have left over the past few years; the most high-profile exit was of co-chairman Nandan Nilekani, who left Infosys in 2009 to head the Indian government's ambitious Unique Identification (UID) program. Over the next five years, all the remaining co-founders will move on from executive roles within the company as they reach the retirement age of 60.

Helping Infosys get ready for this new phase is Matt Barney, vice-president and director of the Infosys Leadership Institute. In a conversation with India Knowledge@Wharton, Barney, who worked for companies including Intel, AT&T, Motorola and Lucent Technologies before joining Infosys in January 2009, discussed the leadership philosophy at the company, the importance of developing leaders from within, and the need for a scientific- and evidence-based approach to leadership development.

An edited transcript of the conversation appears below.

India Knowledge@Wharton: What is at the core of the leadership philosophy at Infosys? What are the factors that have shaped it?

Matt Barney: The leadership approach at Infosys is value driven. The entire company is based on the premise of respect: Giving respect to all stakeholders and consequently getting it back; integrity and transparency [that are] second to none, and fairness -- treating every human being right and equally, and holding the leaders accountable for perhaps more pain and suffering than anyone else. The founders lived these [tenets] well before they codified them in the value system. These values are central to how we think about the way in which we lead. We strive for outrageously innovative approaches to creating more value for our various stakeholders, but without leaving a trail of dead bodies. It is as much about what we accomplish as how we accomplish it.

India Knowledge@Wharton: What is Infosys' approach towards developing leaders and has that approach changed over the years?

Barney: When the Infosys Leadership Institute (ILI) was first set up in 2001, the company had around 3,000-plus people; now we are over 130,000. As the company has evolved over the years, so has our approach toward leadership development. For instance, earlier, the majority of Infosys' revenues came from application development. But now we have services like consulting. At one time, we also had a hardware business. We have a long-standing tradition of mentoring and what we call "Leader's Teach," where the leaders are expected to take classes as part of their jobs. But a few years ago, there was a realization that while mentoring is very important, with the company growing, there is a need for a more systematic approach.



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However, central to Mr. Murthy's approach has been to grow other people to be better than him. This continues to be a central part of how we develop our leaders. All of our leaders are expected to follow Mr. Murthy's lead and are expected to grow their protégés to be better than [they are].

India Knowledge@Wharton: What about the co-founders and board members? Do they also go through any leadership development training? Co-founder and current COO S.D. Shibulal is expected to be the next CEO and the industry buzz is that this could even happen over the next few months. Is he going through any specific interventions to make him more effective for the role?

Barney: I don't want to comment on anything around the next successor. What I can say without violating confidentiality is that Mr. Murthy has mentored all of [the other co-founders] and continues to do so. The founders are really good at leading by example.

India Knowledge@Wharton: What are your views on the Infosys practice of passing on the CEO baton to one the co-founders?

Barney: The big plus to what Mr. Murthy did with Nandan [Nilekani, co-founder and formerly CEO and co-chairman] and with Kris [S. Gopalakrishnan, co-founder, CEO and managing director] was sustaining the leadership mental model of the company and ensuring seamless succession without any hiccups. Look at some of the companies that haven't done this, both in India and across the world. The result has been pretty awful in many cases. The founders [at Infosys] have achieved amazing things and they want to sustain that. They want the company to be around for 200 years, so what better way than to continue to grow the next layer in a very personal way?

India Knowledge@Wharton: But is there not a flip side to this model also?

Barney: There could be. There is a trade-off to everything in life. You could have a situation where a leader is unwilling to challenge assumptions that need to be challenged.

India Knowledge@Wharton: How important is it for any organization to hire leaders for the top positions from the outside? Are they not needed to bring in fresh thinking and fresh perspectives?

Barney: Well, you are talking to someone who has come from outside and yes, in some cases there could be unique and specialized skills that the company does not have within, and therefore needs to look [for on the] outside. We have a goal that by 2015, 15% of our global talent must be non-Indians and increasingly, we do have senior people who are non-Indians. But, in general, the reason for the Institute existing is that we should be able to grow our own people [both Indians and non-Indians] to a level that the need for outsiders at leadership positions is a rare event. It gives us a competitive advantage.

India Knowledge@Wharton: Can you explain how the ILI functions and what are its responsibilities?

Barney: When the ILI was first set up, its role was much broader than what it is at present. At that time, it included all the non-engineering sides of development -- soft skills, project management skills [and] leadership development -- for all the employees. Towards the end of 2009, we restructured the Institute. Our responsibility now is to oversee the development of only the high-potential leaders who have been identified within the company and who someday could be in the senior most positions. This selection was done in 2007. At that time 750 people -- called tier leaders -- were identified. Currently there are 552 [in the program]; the others have left the company. We have a three-tier structure. The "tier 1" leaders comprise people from the senior vice president level, "tier 2" from vice president and "tier 3" from the associate vice president [level]. Tier 1 has a subset called the executive council -- these are people who are closest to what I call the "destination jobs" [such as CEO, COO and CFO]. Our role is to see how we can move each of the leaders to the next level.

India Knowledge@Wharton: Why was this restructuring done?

Barney: We realized that while we are very good at scaling massive volumes of development for thousands and thousands of people who need something similar, leadership development at the

senior most levels needs a very high-touch approach. It can't be a one size fits all approach.

India Knowledge@Wharton: How are the tier leaders selected?

Barney: We follow a model developed by professor Steve Zaccaro of George Mason University [located in Virginia in the United States]. In his model, he talks of proximal attributes -- skills, knowledge, expertise [and] mental models -- and distal attributes -- personality traits, cognitive abilities [and] value systems. The proximal and distal attributes combine to drive the behavior [of individuals] and these form the basis of our selection and development of leaders. Of course, they must have the ability to transform industries. We also require a commitment from them that they will invest in developing themselves and others. In fact, they don't get promoted unless they grow other people.

India Knowledge@Wharton: What are some of the methodologies that you use at the ILI?

Barney: These include simulation, experiential learning, books, job shadowing, formal classroom training, blended learning and 360-degree assessment feedback.

India Knowledge@Wharton: What are some of the new initiatives that you have introduced at the ILI since you took over as the head?

Barney: One thing I have tried to do differently is to treat every tier leader like an Olympic gold medalist trying to beat their personal best. Every leader has different goals, different interests, different skills and different needs both in terms of today's performance and future career goals. We now have a very personalized approach. I led my team to create roadmaps; [each roadmap is a portfolio of possible investments a leader can make in herself or himself or in their team, and we have also developed advanced psychometric assessments. There is a lot of snake oil and fraud in this space so for me, science and evidence is very important.

India Knowledge@Wharton: How do you measure the effectiveness of your development interventions?

Barney: Let me give you an analogy. It's exactly like you think of a thermometer. You don't see the heat directly; you infer it from the rise of mercury. We don't see the personalities or the skills of leaders directly. We infer it from their behavior. We have codified the different behavioral aspects of effective leadership into specific dimensions. These are strategic leadership, change, adversity and transition leadership, operational leadership, talent leadership, relationship and networking leadership, content leadership and entrepreneurial leadership. We get an understanding of these about each leader from our 360-degree assessment, where all stakeholders assess the leader. It's hard to misrepresent your leadership to every stakeholder. As I said earlier, we have created our own psychometric instruments with the best methods available. Unique to our 360 degree survey is that we control for many biases. It's been used in medicine for years and a little in sports, but rarely in leadership.

India Knowledge@wharton: Can you share any new initiatives that you are looking to introduce?

Barney: There are two kinds of interventions that we are planning to pilot soon. One is the theory of inventive reasoning and the other is around bio-inspiration. This involves getting inspired by nature and biology; not just in technology, but in business as well. In the leadership context, it is less about you as a leader coming up with original ideas and more about creating an environment for your people to be outrageously original in adding value to your clients. Later this year, we will also be piloting a virtual reality simulation model.

India Knowledge@Wharton: Can you tell us more about this?

Barney: We are passionate about simulation for the same reasons that one wouldn't want a brand-new airline pilot flying a plane before practicing on the ground. We want to mimic the most complicated and risky leadership situations and get them to practice to a level that they get it really well before they go into the real world. We are currently working with global experts like professor Robert Cialdini and professor David Day around a virtual reality simulation model where we are

putting together half a dozen C-level scenarios. We will get recently retired CEOs [from across the world] to play the different roles. The first simulation program is around increasing client relevance. It's among the most complicated skills because there is a relationship component, a business strategy component, and a creative problem anticipation and problem solving component. Each of the simulated environments will typically last for around eight weeks, but it will be interspersed with the regular work of the leaders. For instance, the simulated client calls will be interspersed with their real client calls.

India Knowledge@Wharton: You are doing a lot of original research at the ILI. Do you expect this to lead to other business opportunities?

Barney: We are committed to original research not just for its own sake, but also to create opportunities for conferences, publications, speaking and books. We want to create situations where our leaders can interact closely with clients in an environment that is very different from a typical sales and business engagement. We hope that this will bring them a step closer to becoming trusted advisors to the clients.

India Knowledge@Wharton: Do you see the possibility of offering leadership development itself as a service to clients?

Barney: I'll never say "never," but I don't think it's likely in the foreseeable future. The board is very clear that our charter is internal.

India Knowledge@Wharton: How much is Infosys investing in leadership development and how does it compare with other companies in India and outside?

Barney: My budget has been more than doubled [since the end of 2009] and I now have \$1.5 million for the next 12 months to pilot new ideas. This will increase further in due course. We are still below other global companies, but that's by design. I need to hire more people on my team before we can scale the pilots and introduce new ones. But the biggest investment is leaders spending time on their development.

India Knowledge@Wharton: What is the biggest challenge for you at the Institute?

Barney: Building my own team. There is nothing like the ILI in India, and so I have to both recruit from outside and also develop my existing team. We are only seven people as of now, and I will be thrilled if we can double the size by the end of the year. I am also currently creating a full curriculum for my team. Like I said before, there is a lot [more] fraud and snake oil in this space than there is good evidence-based stuff, so it's hard to find vendors who are really good.

India Knowledge@Wharton: In the current environment in India and across the world, corruption at the topmost level is becoming more rampant. Leaders are increasingly no longer being looked upon as role models. Does this make the role of developing leaders even more challenging?

Barney: Well, you can look at it as a crisis or an opportunity. My hope is that we can be a beacon of light of a more evidence-based approach toward leadership development. This could be an opportunity for people to realize that paying lip service to leadership development is not good enough anymore, and that one needs to treat it with the same level of sophistication that we would do with our health, medical or financial risks.

India Knowledge@Wharton: How would you measure the success of the Institute as a whole?

Barney: By how well our leaders execute [the company's strategy] and perform [at the business level.] We think we add value by helping Infosys to move to Infy 3.0, which is really around adding more value to clients at the C-level. Also, by measuring if we have a high probability of succeeding any position at any level, because the minute you have one successor it is a domino effect; and ultimately, of course, de-risking this pivotal moment in Infosys' history when the founders are moving on

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