



GUS EDUCATION INDIA: PRESERVING THE SOUL DURING RAPID GROWTH

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Abhoy K Ojha, Professor of OB & HRM, prepared this case for class discussion. This case is not intended to serve as an endorsement, source of primary data, or to show effective or inefficient handling of decision or business processes.

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Shashi Jaligama, Managing Director (MD) of GUS Education India (GEI) and his colleague, Nikhil Patwardhan, Senior Director, Client Services held a review meeting with the core team at the end of the workday on April 17, 2020. It was the corona virus pandemic that had forced GEI to implement work-from-home option for the staff; so the meeting was held on a video-conferencing platform. The meeting had largely focused on efforts to ensure the highest quality of customer and employee experience during the lock-down even as the organization prepared for a possible short-term decline in demand for its services.

The meeting ended and everyone other than Shashi and Nikhil had signed-off. They indulged in some small talk with the intention of calling it a day but found themselves reflecting on the success of GEI since its launch. They recalled giving up careers in Global University Systems (GUS) in the United Kingdom (UK) and relocating to Hyderabad to start the India operations of the organization. They looked back with pride on the high level of growth that had been achieved and the high-performance organizational culture they had instilled. However, they reminded themselves that they needed to adopt some initiatives to sustain the rate of growth as well as introduce systems and processes to support the next stage of growth while maintaining the organizational culture. They were concerned that the culture could get diluted with increase in number of new employees, and their own inability to spare as much time in engaging with employees as they had done in the early stages. Both acknowledged that there were some signs of strain in customer and employee experiences which needed to be addressed at the earliest.

Shashi had largely devoted time to managing external relations and had relied upon Nikhil in all organizational matters. Just before logging off, Shashi requested Nikhil to develop a plan to deploy systems and processes to sustain high growth while preserving the soul of the organization that had contributed to the entrepreneurial culture, which delivered high quality services to customers and high engagement levels to employees. Nikhil had completed a 7-year stint in various positions with a gaming organization before taking up the current role. He had started at the entry level, when it was a 100-person organization, and had worked his way up both vertically and laterally through various positions and departments to become a head of department (HoD). When he left, the organization was listed as a FTSE 100 company with market capitalization of £4 billion and employee strength of 2,500. He hoped to draw on that experience to address some of the challenges in implementing an entrepreneurial culture at GEI. Further, he personally valued people empowerment and was passionate about building an organization that encouraged empowerment.

However, he was also aware that as an extravert and natural people-friendly person, he had managed the affairs successfully so far based largely on his instincts. So, he decided to do some self-study and also consult with some of his senior colleagues who were part of the core team (see **Annexure 1**) in order to offer recommendations that were sound and implementable on scale. He also wondered if his exploration should examine something more than culture that needed to be articulated to sustain the high performance as the organization scaled.



GUS EDUCATION INDIA

GEI was the captive service arm of GUS, an international network of higher education institutions that provided Bachelor's and Master's degree programs, and a wide range of vocational programs and training services, including professional and language training, and corporate and executive training. As mentioned on their website,

GUS's network of institutions, affiliates and partners work across borders to offer globally-respected programmes and qualifications to students from all corners of the world.

The origin of GUS could be traced to the establishment of the London School of Business and Finance in the UK by Aaron Etingen in 2003. It expanded by adding or acquiring other schools of higher education in the UK. GUS was registered as a private limited company in the Netherlands in 2013 to become the holding company that owned the schools and institutions in the network with Aaron Etingen as the Chairman, CEO and the majority shareholder. Since then, it had added educational institutions in Germany, Canada, Ireland, Israel, and Singapore. In 2019, it added the Pearl Academy of Fashion, Design and Media, and University of Petroleum and Energy Studies (UPES) in India with the purchase of Laureate Education India. In 2020, it operated 20 educational institutions, had offices in 42 locations, and had more than 75,000 students registered in various programs.

GEI was a full-service in-house digital marketing and analytics agency located in Hyderabad, India that delivered scalable online marketing services to all the GUS institutions and their program brands. It was established in July 2017 but was formally launched on March 26, 2018 with about 100 employees. It grew rapidly to reach almost 1,000 employees by April 2020 with 18 types of services, including corporate services, digital marketing, CRM and analytics, market intelligence and product design, design, operations, contact centre, and global student recruitment.

THE BEGINNING

Shashi was from Hyderabad but had moved to the UK to join an Internet marketing firm. In 2013, he had joined GUS and was heading the digital marketing division of the business in 2017, when he was tasked with establishing a captive in-house marketing agency. The GUS leadership team had possible expansion in East Europe in mind when he tried to persuade the board to try Hyderabad as a possible location. Since GUS had earlier worked with a third-party agency in India and faced challenges, there was some resistance in the GUS Board, but finally Aaron agreed to support the move. Shashi convinced Nikhil, who he knew for several years as a colleague from an earlier job, to join him in this adventure. Nikhil joined GUS with the agreement to move to India to set up the client services operation. As a part of this mandate, Nikhil first joined GUS UK for a 4-month stint to understand the services. They together moved to Hyderabad in July 2017 to initiate the venture. The evolution of GEI over the phases since then is shown in **Figure 1**.

PHASE 1: SETTING UP

The first phase, since July 2017, began with the process of complying with necessary government procedures to start operation and setting up the physical infrastructure. Since Shashi was from Hyderabad, and was well-networked locally, he was able to do this quite efficiently. At the same time, Nikhil focused on starting the operations. The focus was on migrating functions to Hyderabad for a smooth transition with care to maintain business continuity for clients by ensuring zero downtime. He hired experienced digital marketing staff who had entrepreneurial tendencies to start the process of migrating functions from UK operations to Hyderabad. He also set up a data team to build the company's first management information system (MIS) and enable data-driven decision making. This involved a two-stage process. During the first stage, the team had to convince the head office and global clients that GEI, located in Hyderabad, India could provide services of international standards by delivering on quality of service and achieving targets consistently. Parallely, the team had to work with the GUS group management to bring about a cultural change in GUS's different entities, irrespective of location, to move away from individual Excel sheet reporting to an analytical, state-of-the-art MIS reporting system that provided business insights and advice for timely decision making.

Nikhil and his team, also worked on establishing all the standard operating procedures (SOPs) and implementing best practices from his earlier experience to be able to assure clients of long-term quality service. He was able to hire about 50% of the digital marketing team he required and migrate about 80% of the digital marketing functions according to plan. The team consisting of independent-thinking members with a problem-solving attitude worked to ensure 100% business continuity with zero downtime and maintained growth of about 15% in marketing leads and enquiries for GUS courses, colleges, and universities. The young team was able to observe increasing brand recognition and recall in about 40 countries around the world where GEI had started online advertising. At the end of this phase, in December 2017, the organization had about 35 employees.

PHASE 2: BUILDING UP

The second phase of the journey, since January 2018, was to build on the solid foundations of the earlier phase. About 3 months into this phase, there was a grand event with the Minister of Information Technology, Government of Telangana as chief guest to formally launch the operations of the company on March 26, 2018, when it had about 100 employees. Based on the early success of functions migrated by the digital marketing team in India, the GUS leadership migrated six new functions. The GEI team took complete ownership of the service delivery processes that were migrated to enable client success and earn client trust. The team leaders were able to win the confidence of the clients to become their go-to advisors on critical issues that were relevant to guiding their digital marketing strategies. As the processes and functions stabilized, the team introduced data-driven decision making and SOPs to manage operations more systematically and to avoid constant firefighting, which was quite the norm in the early part of Phase 1. The team proactively anticipated the client challenges and built protocols to address them to maintain operational efficiency of the highest

standards. Most clients liked the idea of data-driven decision culture at GEI and learnt to have confidence in it as a trusted partner. However, some clients had to be educated on the benefits. It had to be demonstrated to them that a more data-driven approach ensured better end results. During this phase, the team was able to deliver the growth targets as planned to achieve 30% growth in leads and enquiries. At the end of this phase, in December 2018, there were 300 employees in the company.

PHASE 3: RAMPING UP

The third phase, beginning January 2019, focused on accelerating growth. This was achieved by scaling existing services with existing clients and deepening the relationships with a few by providing additional services, and finally adding new clients to the portfolio. Further, due to continuous success of the teams in India, eight new functions were transitioned to increase the suite of offerings from GEI. With the positive reputation built during Phase 2 and enhancements in the data-driven approach, adoption of best practices, and process improvements at GEI, the average cost of acquiring a new client was reduced by 30% from the previous year. With the new capabilities developed, the organization was able to enable new brands from clients to go to market within 2 weeks, which was a very high level of performance by international industry standards. GEI was viewed as a reliable trusted partner which had capable and empowered employees who were able to respond quickly to client needs. Many more clients were willing to recognize some of the key employees as thought leaders and sought their advice on how to benefit from the services that GEI offered. Having gained the trust and confidence, many clients wanted to retain their assigned campaign managers and often asked them to be retained at any cost when there were plans to assign them to another client or some indicated a desire to leave the organization for other prospects. At the end of this period, GEI provided end-to-end sales, marketing, and remote operations for two universities and one college affiliated to GUS, and select services to most organizations in the network. By the end of this period, in December 2019, GEI achieved a growth rate of 94% on year-to-year leads and enquiries. It had nearly 1,000 employees at the end of Phase 3.

ORGANIZATIONAL CULTURE AT GEI

Shashi and Nikhil shared a common vision for the kind of organization and organizational culture they wanted to establish. They wanted to lay the foundations of a high growth entrepreneurial organization which had a high-performance culture that would be sustained even as the organization grew large.

ORGANIZATIONAL CULTURE IN PHASE 1

In Phase 1, they aspired to hire and empower customer-centric employees who had a growth mindset. They spent a lot of time interviewing candidates and interacting with them to ensure that they hired employees who shared their vision. They followed an open-door policy to encourage employees to be open about feedback, whether positive or negative, and also devoted a lot of time with early hires to ensure that they imbibed the culture. In the early days of this phase, many, particularly those who had joined from some larger firms, were skeptical that it was possible to have a non-autocratic, non-bureaucratic and open culture that

encouraged transparency and open discussion of shortcomings. Shashi and Nikhil had to demonstrate through their decisions and actions that they were serious about discouraging a “Yes Boss” culture and encouraging frank feedback on any issue that employees felt were important in order to improve performance and the work environment. Finally, as it sank in with everyone that the leadership team was serious about the culture that was being instilled, the open-door policy and the entrepreneurial culture was appreciated and accepted by the employees.

Shashi and Nikhil knew everyone by first name and the entire team spent so much time with each other that there was little need to have any formal systems to instil and sustain the culture in the organization – one of them was always available to provide guidance. The open-door policy ensured they obtained immediate feedback on what was working or not working, and collectively they were able to develop a very entrepreneurial culture. Both were aware of, and to an extent prepared for, the challenges of sustaining a cohesive, competent and scalable team consisting of people with work experience ranging from 1 year to 15 years, who would deliver the same or better results than accepted international standards. A big disadvantage was that at the time of its launch in Hyderabad, GEI was an unknown corporate brand, so hiring and retaining capable but brand conscious employees was difficult. The challenge was further complicated by the employee attrition rates of about 30% in the industry, with an average tenure of most employees in a role for 12 to 24 months, and expectations of about 30% growth in compensation at least every 2 years.

Since the affiliate team was the largest, Shashi and Nikhil initiated the process of creating a team charter for it. The team charter was envisioned as a document that presented the common purpose for the team, and provided guidance and clarity to the team members of the importance of the work they performed. It emphasized their contribution to service provided to the clients and its impact on client success, and the overall performance of GEI. It also provided the employees with a personal development path and a plan to enhance their skills. While they had heard about team charters and its benefits, neither Shashi nor Nikhil knew how to create one. Nikhil was able to locate an example of a team charter project which he customized and enhanced to suit the specific needs of GEI (see **Annexure 2**). He conducted a brain storming session with the entire team. It essentially asked each of the employees to list their professional aspiration for the next 3 to 5 years and then asked them to list what they thought was the company’s aspirations for the long term. After open discussions of the personal, professional and company aspirations as suggested by group members, each of them was asked to individually attempt to align their personal aspirations with those of the company. After the individual exercise, the discussion was opened as a group activity, and Nikhil played the role of a facilitator cum coach to nudge the team to form a common team purpose based on the outcomes of the individual exercises. The adoption of team charter based on inputs from every team member played a critical role in convincing doubters that Shashi and Nikhil were keen on a high-performance culture built on empowered teams and employees. Chaitanya, Head Analytics, who was one of the early employees, still recalled how the idea of developing a team charter evolved and his experience with the participative process that was followed to adopt it. He believes it led to high levels of bonding in the team. The team charter and the transparent process used to develop it convinced all those like him who had joined GEI in pursuit of an entrepreneurial culture that they had made the right career choice.

ORGANIZATIONAL CULTURE IN PHASE 2

The concept of team charters was appreciated by all employees for clarity of purpose and the company's emphasis on employee development and growth. In Phase 2, the concept was rolled out to the other teams as and when they reached a critical mass. The process helped build team bonding and stability as well as a team culture that encouraged and practised openness and transparency that demonstrated that all ideas were welcome. With the team charter providing clarity of purpose and specific goals and targets driving performance, the teams were able to start implementing a merit-based performance system covering appreciation, incentives, and promotions. Teams were encouraged to use data-based decision making and build contingencies to mitigate risks that were envisaged.

Simultaneously, an HR team was created. Tulsi Behura, with experience in organizational development, culture and talent evaluation, was hired to lead the team. She prepared personal development plans for employees based on their KPIs and annual performance, and aspiration for the next 3-5 years; and facilitated trainings based on the plans. Further, under Nikhil's guidance, she introduced employee engagement and development activities, including an Orators club, cross-team knowledge sharing through learning sessions, a buddy system with members from other teams, and mentoring by seniors. The Orators club was a huge success as it improved public speaking and communication skills and built employee confidence in speaking with international clients. Each team was encouraged to prepare departmental handbooks to capture the knowledge and best practices and conduct learning sessions for others to share knowledge. Further, managers and Heads of Departments (HoDs) were encouraged to make presentations and have discussions with their peer groups on issues faced and possible solutions. Typically, a manager would present an issue of concern and then open the floor to discussions on methods and solutions to address the concern. This encouraged the senior members to learn from each other to become better managers and leaders. Occasionally, Nikhil or Shashi would share their experience on this platform so that managers and HoDs could benefit from the greater experience and exposure to international norms that the two leaders possessed. The buddy system in which employees were partnered with employees from other departments helped sharing learnings across teams. A mentoring system was initiated with a key client manager in GUS Prague office and Nikhil acting as mentors. Iffath Unisa, Deputy Head, Paid Social Team was very pleased with the HR interventions in this stage, particularly the mentoring system, as it helped her evolve as a leader. She was very keen that her subordinates and new recruits be provided the same opportunities to grow and develop professionally. Later, the next level of managers also took up mentoring responsibilities. These interventions were greatly appreciated by the employees and increased employee engagement and retention.

ORGANIZATIONAL CULTURE IN PHASE 3

All the successful initiatives of Phase 2 were further institutionalized in this phase. Employee rewards and recognition were implemented to appreciate the employees that had demonstrated the highest level of ownership of the high-performance culture that GEI had been trying to instil. The first round of promotions was done to further demonstrate that performance was the only basis of career progression at GEI. To help managers to understand the workings of top management and provide an organizational outlook to develop them for the next level, senior client managers conducted webinars to share their pain

points and priorities. C-level executives and HoD level managers were requested to present their brands, stories, and strategies to the team leaders in India. This exposed the young leaders in India to the corporate and client perspectives and increased their understanding of issues to serve them better. This also increased bonding within the senior team. Some of the team leaders were able to have one-on-one mentoring sessions with Shashi, Nikhil, or a senior manager from the clients to develop themselves from domain experts into commercially savvy managers proficient at directly working with the C-level executives in management. Gargi Singh Thakur, Senior Manager, Affiliate Team believed that the learning opportunities, and mentoring opportunities helped her grow and accept greater responsibilities ahead of expectations. She mentioned how much more positive her experience with GEI was relative to her experience with two earlier startup employers.

In addition to the professional development related interventions, HR introduced fun activities and celebration of festivals. The teams had grown so large that socialization across teams had declined relative to the past. Quarterly celebrations around business milestones brought the employees from across the organization together. Fun games and competitions were organized by the employees providing them an opportunity to showcase a variety of other non-professional talents that they possessed even as they interacted with employees from other teams. Celebration of popular festivals of India also contributed to a sense of belonging and respect for the organization that increased bonding with GEI.

WHAT NEXT?

Shashi and Nikhil were very happy about their journey with the new venture so far. The venture had obtained and exceeded the growth targets that had been anticipated, achieving a growth rate of 15% in Phase 1, 30 % in Phase 2, and 94% in Phase 3. In terms of employee growth, the organization had grown from a modest number of about 35 employees at the end of Phase 1, to about 300 employees at the end of Phase 2, and almost 1000 employees at the end of Phase 3. However, what pleased them most was the sense that they had laid the foundation of an organizational culture that would help them sustain growth in the future. Their efforts had been recognized and appreciated by Aaron Etingen, CEO, GUS.

The soul of our organisation has always been our culture and empowered employees and it gives me immense satisfaction to see our shared values reflected across our GEI Hyderabad office. And now we look forward to evolving the organisation and planning for the next 5 years to enhance it further.

This appreciation and encouragement from the group CEO was a matter of pride, and also a reason for them to pursue the next steps with care to sustain the momentum. As Nikhil indicated:

We are immensely proud that GEI's culture has become a key reason, as much as work satisfaction, money and role, in people choosing to join and stay with the organisation. It is one of the key founding principles of our success.



Even employees who had left, kept in touch with their mentors for advice and participated in some company celebrations as part of the extended GEI family. Some who left for what they thought were better opportunities, had reached out to re-join GEI as they missed the work environment and culture they had learnt to appreciate even more after leaving the organization.

The success so far had given confidence to Shashi and Nikhil to aim higher. They wanted to make GEI a world class digital agency, which included thought leadership in the higher education sector. They desired to provide a culture where the employees would produce white papers and recommendations to influence the industry, and have GEI compete for and win clients against top global agencies. Having established the foundations of the organization on more established functions, they aspired to emphasize innovation, including use of AI and ML, to create new ways of delivering more and better services to all stakeholders. Through this process, they hoped to continue the emphasis on high performance culture and employee empowerment and development.

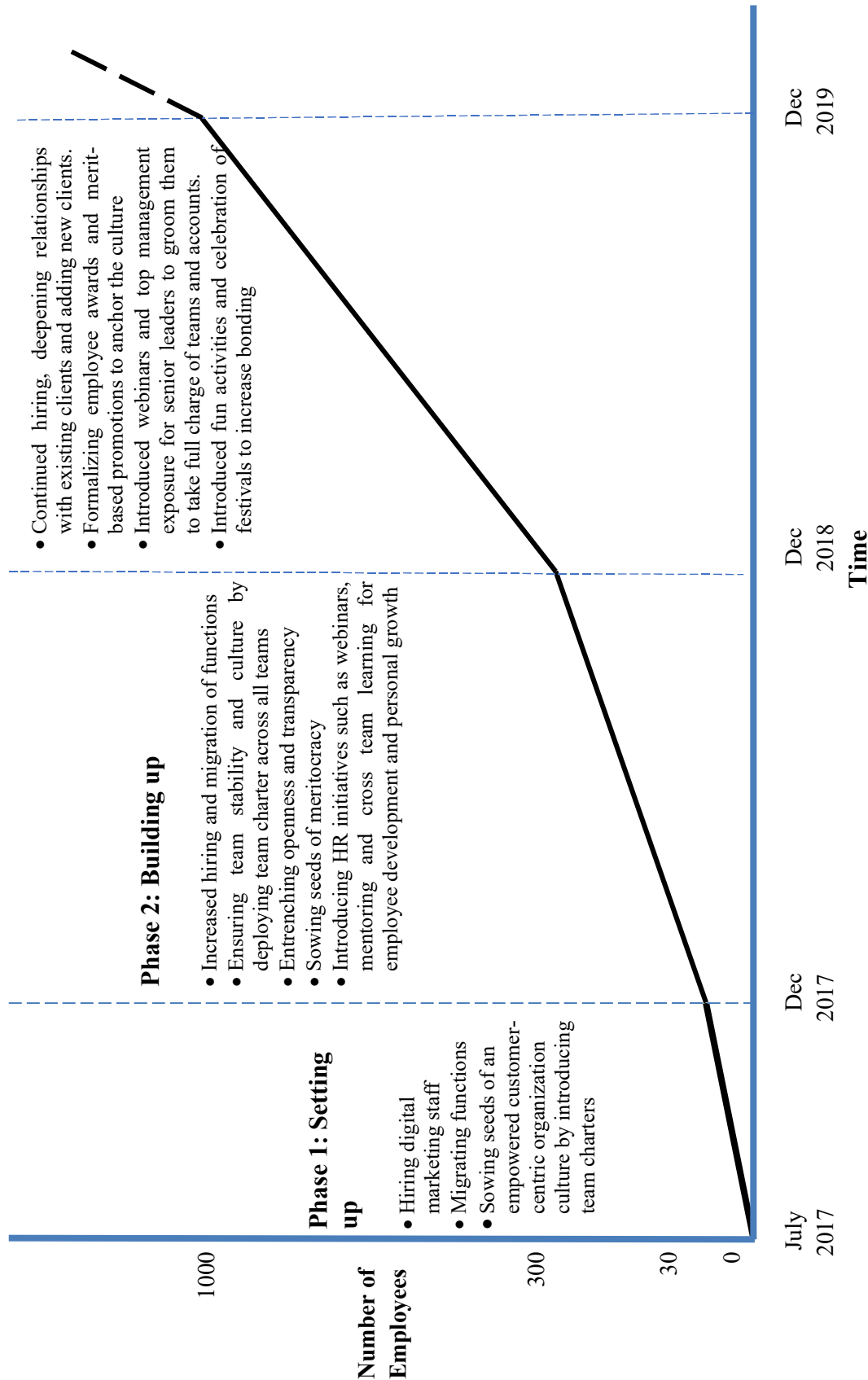
What should Nikhil recommend? He was required to develop a plan to deploy systems and processes to sustain high growth while preserving entrepreneurial culture that delivered high quality services to customers and high engagement levels to employees. He was aware that what worked in the early stages might not work in the next stages of growth. So, he had to be sure of what about the past culture was non-negotiable and what could be put on the back-burner as the organization went into the next phases of growth. Further, he knew he had to look beyond organizational culture to articulate “the soul of the organization” that provided the inspirational purpose for the organization and its employees to pursue.



GUS Education India: Preserving the Soul during Rapid Growth

Figure 1

GEI Journey of Growth



Annexure 1

Select members of the core team at GEI¹

Shashi Jaligama had over 15 years of rich experience in digital marketing built across diverse sectors, with almost a decade in the UK, before taking the entrepreneurial plunge. As MD at GEI, he had developed in-depth understanding of the education sector. He had the aspiration of making good education at affordable prices accessible to as many persons as possible. He aimed to pursue business goals with a strong commitment to ethical and professional values.

Nikhil Patwardhan had over 15 years of experience in Internet marketing and client servicing for high growth start-ups and had led successful teams across travel, education and gaming sectors in India and abroad. As a Senior Director, he was at the center of the GEI inception story. He had played a key role in developing a self-sustaining services ecosystem in the organization, with a culture which promoted employee empowerment and growth mindset. He had the desire to lay the foundations of a purpose-driven organization that had a lasting impact and was globally respected.

Chaitanya Kumar, Head, Analytics, had about 13 years of experience in digital marketing and data analytics in well-known MNC firms before joining GEI as one of the earliest employees. He had experienced career growth and had been financially comfortable but did not enjoy the routinized roles and lack of freedom to utilize his creative instincts. He joined GEI for the positives of a start-up while avoiding the negative teething problems as he was aware that the venture was backed by GUS.

Iffath Unisa, Deputy Head, Paid Social Team was a science graduate. She had over 10 years of experience with MNCs as part of digital marketing and social media teams, and about 2 ½ years in a media school as teacher before joining GEI as one of the earliest employees. She joined primarily for the work-life balance that GEI offered rather than career reasons. However, she loved the GEI culture and had grown in her role because of the support and mentoring that was provided. She hoped to offer similar opportunities to her new team members.

Tulsi Behura, Head, Human Resources had over 15 years of experience in the HR domain across a range of industries. She joined GEI when it was a 150-employee company and was instrumental in implementing the many employee development and engagement initiatives that contributed to the high-performance culture at the organization. The relatively free hand she has got to follow her passion of making lives of employees more engaging had increased her own engagement with GEI.

Gargi Singh Thakur, Sr Manager, Affiliate Team had over 9 years of experience, including experience with 2 start-ups, before she joined GEI in early 2019. At the time of interviewing for the job, she did not believe the promises of a great work environment that she had been promised. However, her experience at GEI was so different from her bitter experiences at her earlier jobs that she felt attached to the organization. She was able learn and grow in her role, and was able to assume the role of HoD when her senior opted for a change in career.

¹ These persons were interviewed for the writing of the case.

Annexure 2

Four-step method for the team charter workshop

Step 1: Team members were asked to list their personal career goals for a 3 to 5-year time horizon. The members individually reflected on their career aspirations and identified the specific goals they would like to achieve in the specified time frame. For example, an employee may aspire to become a digital marketing expert or client relationship manager.

Step 2: Team members were asked to reflect on their experience to list the possible goals or targets that might be suitable for the organization to pursue. The members individually reflected on their interactions with clients to identify possible goals that the organization should try to achieve. For example, an employee may suggest that the organization should focus on improving the quality of digital marketing or improving the quality of client relations.

Step 3: The workshop became a group activity. The members were encouraged to organize the outputs of steps 1 and 2 in two columns, one for personal goals and the other for organizational goals with similar goals clustered together. They were then encouraged by the facilitator to see which of their personal goals could be aligned to the team and organizational goals and how it could be achieved. For example, those who aspired to be client relationship managers would be able to identify the need to improve communications skills and be pro-active to improve client relations.

Step 4: The team was encouraged to use the outcomes of Step 3 to create a team charter that identified the team purpose along with (i) goals, (ii) values, (iii) roles and skills, and (iv) activities that the organization needed to adopt to meet personal and organizational success. In this stage, the facilitator nudged the members to arrive at a consensus on the key items that were widely shared, and also weed out items that were not widely shared. The following figure illustrates the charter developed by the affiliate team.

