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FACTORING CULTURE INTO BUSINESS

A deep understanding of Indian culture, especially family ties and hierarchy in joint family businesses, and a passion for understanding and creating good leaders arms **Naveen Khajanchi** with unique skills that help build more effective businesses.

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Location Courtesy * **The White Owl Brewery & Bistro, Mumbai**

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ARTA', 'KURTA' AND 'HUF (Hindu Undivided Family)' form as much a part of his vocabulary as do words that belong in the arsenal of an MBA professor. Combine Naveen Khajanchi's family legacy and educational background and you'll see why. Khajanchi is an Oswal Jain who traces his roots to Bikaner, where one of his forefathers was given the Khajanchi (meaning 'treasurer') surname by H H Ganga Singh of Bikaner. Migrating from Rajasthan like countless others in search of better opportunities, his family settled in Kolkata, where Khajanchi experienced the joint family system first-hand. Finishing his education from the St Xavier's College, he worked in the sphere of real estate consulting, but soon realised that with his aptitude for behavioural psychology, he was far more suited for talent acquisition.

He started Executive Search Service, a talent acquisition firm, over two decades ago, and has since found countless senior managers and top level executives for an enviable list of companies including groups like Tata, Murugappa, Aditya Birla and Delphi. In the course of his career, Khajanchi realised that when it came to finding executives and leaders for family-owned businesses (FOBs)—which make up about three-fourths of all listed companies in India—he was able to make effective matches only when he based his selection on his understanding of the owners' philosophy, style of business

and expectations. Early this year, Khajanchi completed the Executive Master in Consulting and Coaching for Change course from INSEAD, eager to further understand the role of culture in Indian FOBs and offer leadership coaching in India.

In fact, research on this topic formed the core of his thesis at the university, since it is one that has great meaning not only in the domestic sphere but also internationally, given that foreign direct and indirect investment in India has gained impetus once again. In the course of his study, Khajanchi found that as Indian FOBs move beyond first-generation entrepreneurship, facing challenges in terms of growth and competition, it becomes essential for them to professionalise management. Finding the right professional, however, is not as easy, because what most search firms overlook is the fact that each FOB functions under its own set of rules, its own 'culture', so to speak.

Even western definitions support this concept, describing culture as a set of shared beliefs that have evolved over time to define the way in which a family or an organisation coped successfully with obstacles in the past. These shared beliefs are powerful and definitive enough to be taught to future entrants into organisations or even subsequent generations. "In fact, the culture of almost any organisation can be traced back to its founder's values, which are generally handed down through the generations in a way that ensures continued success," he explains. Formally, these values can include mission statements, code of ethics, reward systems and even decision-making processes; informally, they comprise stories, rituals and language that form the backbone of the company.

Rather than short-term gains, these firms often find trust, goodwill and long-term gains more essential. They also are less likely to let go of the reins of control and usually aspire to be more frugal, thus rewarding those who function with a matching mindset. "Employees who share a culture are more likely to be unified in their actions, and such unity shapes performance. It helps a business to focus its resources, to penetrate its markets, to meet customer requirements and to accomplish strategic goals," says Khajanchi.

In his quest to get the right people leadership positions in FOBs, Khajanchi noticed that prospective employees needed to be prepared and mentored through the process of joining the company. Recognising the place of emotion at the workplace, the power of positive acknowledgement and self-belief, he began offering executive coaching. Melding eastern philosophies (quoting Lao Tzu and telling stories of Birbal, for example) with select business practices from the West (like harnessing social media and understanding globalisation), he endeavours to train executives holistically, leading them to success not only in the workplace, but also outside it.

A certified coach by Stakeholder Centered Coaching by Marshall Goldsmith and a member of the International Coaching Federation, Khajanchi has also written a book called *Evolutionary Leadership* (published by East West in 2010). "The challenge," he says, "is to find a leader with the right balance of objectivity, positive disruption, team-playing ability and most importantly, one who is a good cultural fit." After all, it is our culture—of prudence, planning and passing on our wealth to future generations—that has made India so unique. *