Connecting Lives, Anywhere Anytime: A Case Study on Airtel

Nilanjan Sengupta, Mousumi Sengupta & Vaishnavi S.

Introduction

The telecom industry in India has witnessed unprecedented growth since 1991. After liberalization and modernization of Indian economy, the telecom sector has witnessed dramatic changes not only with an ever-increasing subscriber base, but also in its ability to provide state-of-the-art telecom services to a large section of the population at competitive rates. It has been one of the drivers in reuniting the rural and the urban population of the country and the mobile phone has indeed become a common man's device in India.

The progressive policies in this sector and the basic modernization took place with the creation of Bharat Sancher Nigam Limited (BSNL) and later, the Mahanagar Telephone Nigam Limited (MTNL) which provided an impetus to the tremendous growth of telephony and mobile services in India. Encouraged by the successes of these bodies , the telecom sector was flooded by a host of private players who wanted to compete and provide the best of the world class services to the customers in India. It is a huge revenue earner for the country.

Government Globalization Drivers

The government has taken many proactive initiatives to facilitate the rapid growth of the Indian telecom industry.

- 100% foreign direct investment (FDI) is permitted through the automatic route in telecom equipment manufacturing. FDI ceiling in telecom services has been raised to 74% from 49%.

- Introduction of a UASL ('Unified' Access Service Licensing) regime for telecom services on a pan-India basis implying more competition.

- Introduction of Mobile Number Portability (MNP). Implementing MNP has adverse effects on the operators as it entails huge infrastructural costs, increased competition, and Cost Recovery and Bill Reconciliation process.

- The government is implementing a program of connecting villages under the Bharat Nirman programme.

- Department of Telecom (DoT) allowed foreign telecom companies to bid for 3G spectrum without partnering with Indian companies.

- The Ministry of Commerce estimated that off-shoring operations to India can provide a cost benefit of up to 40-60%, over developed countries. The country has also emerged as a major R&D hub with more than hundred Fortune 500 companies based in India.

About Airtel

The story of Bharati Airtel Limited (commonly known as Airtel) rose as a successful private Indian telecom company and became the fifth largest telecom operator in the world with over 243.336 million customers across 23 countries, as of March 2012 (http://www.airtel.in/QuarterlyResult/Quarterly_report_Q3_11.pdf). Airtel is the largest cellular service provider in India, with over 183.3 million subscribers at the end of May 2012 (*www.scribd.com/doc/97282877/Bharti-Airtel).* Airtel is the third largest in-country mobile operator by subscriber base, behind China Mobile and China Unicom.

Airtel is also a provider of broadband and subscription television services. Airtel is the first Indian telecom service provider to achieve

Cisco Gold Certification *(www.airtel.in/wps/wcm/connect/about... airtel/...airtel/media+centre/).* It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore.

Some of the other services provided by Airtel are: mobile services including 3G and 4G, Airtel Money (M-Commerce Platform in collaboration with Infosys (Http://www.airtel.in/wps/wcm/connect/ airtelmoney/airtelmoney/home/why airtel money), Telemedia (services in 89 indian cities) both broadband and IPTV services, Digital Television (DTH Airtel), mobile data services (Blackberry services – push technology, easy mail etc.), Android Based Tablet ((http:// en.wikipedia.org/wiki/Bharti_Airtel).

The following table captures the market share of Airtel as a leading player in terms of the subscriber base: (Table 1):

Table 1:
Market share by subscriber base (Source: http://telecomtalk.info)

GSM operator	Total Subscriber Base Jan 2011	Market Share
Bharti Airtel	155,796,598	27.99%
Vodafone Essar	127,364,342	22.88%
IDEA cellular	84,289,641	15.14%
BSNL	83,591,015	15.02%
Aircel	51,831,796	9.31%
Uninor	20,305,550	3.65%
Videocon	6,011,233	1.08%
MTNL	5,152,831	0.93%
Loop Mobile	3,062,120	0.55%
STel	2,514,777	0.45%
Etisalat DB (Cheer mobile)	452,574	0.08%
All India	564,246,151 (with RTL)	100%

**Cellular Operators Association of India (COAI) GSM subscriber base does not include Reliance GSM base and TATA Docomo subscriber base.

In terms of market revenue also, Bharti Airtel is the leader. The following table captures the market share in terms of revenues as on June of 2011 (Table 2):

Table 2:

Market share by revenues

Company	Market Share
Bharti Airtel	30.1%
Vodafone	21.4%
Idea (including Spice)	13.6%
RCOM (GSM + CDMA)	9.8%
Tata	8.6%
BSNL	8.5%
Aircel	4.6%
Others	3.4%
Total	**100%**

(Source: http://www.broadbandindia.com)

Company History of Airtel

Airtel is the first company in India to offer push-button telephones. By the early 1990s, Airtel launched the country's first fax machines and its first cordless telephones. In 1992, Airtel won a bid to build a cellular phone network in Delhi. In 1996, cellular service was extended to Himachal Pradesh. In 1999, Bharti Enterprises acquired control of JT Holdings, and extended cellular operations to Karnataka and Andhra Pradesh. In 2000, Bharti acquired control of Skycell Communications, in Chennai. In 2001, the company acquired control of Spice Cell in Kolkata. Bharti Enterprises went public in 2002, and the company was listed on Bombay Stock Exchange and National Stock Exchange of

India. In 2003, the cellular phone operations were rebranded under the single Airtel brand. In 2004, Bharti acquired control of Hexacom and entered Rajasthan. In 2005, Bharti extended its network to Andaman and Nicobar. This expansion allowed it to offer voice services all across India. In 2009, Airtel launched its first international mobile network in Sri Lanka.

Organization Structure

Bharti Airtel announced a new organization structure for its operations in India and South Asia. The new structure has been aimed at driving greater business and functional synergies, providing a common interface to customers, and creating a de-layered and more agile organization. In addition, the new structure would provide more meaningful, empowered roles and enhance employee engagement. The transformed organisation structure had two distinct Customer Business Units (CBU) with clear focus on B2C (Business to Customer) and B2B (Business to Business) segments.

Bharti Airtel's B2C business unit would serve the retail consumers, homes and small offices, by combining the erstwhile business units - Mobile, Telemedia, Digital TV, and other emerging businesses (like M-commerce, M-health, M-advertising etc). The B2C organization consisted of Consumer Business and Market Operations.

Market Operations group would lead the 'go-to-market' strategy. This vertical would take products and services to customers in South Asia with speed and efficiency. Market Operations would complement the Consumer Business by building a robust 'go-to-market' ecosystem and leverage Bharti Airtel's vast distribution reach. Market Operations in India & South Asia was be divided in three regions (each headed by an Operations Director): North, East & Bangladesh; South & Sri Lanka; and West.

The B2B business unit would continue its focus on serving large corporate and carriers through Bharti Airtel's wide portfolio of telecommunication solutions. (www.airtel.in, media release, July 7, 2011).

Organizational culture

The company has put in place a culture statement to capture its HR strategy and has named it as 'AIR culture' (http://www.airtel.in/ careers-files/air-culture.html). The statement reads as follows: "Our values are imbibed in what we do and how we do it". To further elaborate on this, three elements have been introduced which are as follows:

Alive – This means that the company's employees are alive to the needs of the customers. They are driven by passion, energy and a can-do attitude. The Airtel family believes that there is always a way to do things and they would not accept a 'no' for an answer.

Inclusive – Airtel recognizes that it is in the business of serving diverse communities and it necessitates to align employees to their diverse customer group in terms of working, anticipating, adapting & delivering solutions enrich their lives.

Respectful – The company staff are always reminded of the fact that humility and honesty are the necessary qualities for achieving mutual respect for customers and communities at large, since any company exists in relation to these stakeholders and Airtel is not an exception to the case.

HRM strategies at Airtel

Airtel strives to align its HR strategy with its corporate strategy. The HR team kept checking to see if the organization teams had the attitude that would help realize the vision of the company. The emphasis of the HR team has been aligning the corporate objectives with those of the various groups objectives and individual objective of the company. The emphasis of the company has been to recruit young people. The average age is just 26 years. The company wanted to bring in young entrants and mould them as per the business organization and at the same time, enhance their interaction and creativity . Senior management was advised by the HR management to walk the talk. The employees were encouraged to put forward their views openly

and, at the same time, to play a more proactive role in team building efforts. This was further augmented by a reward and recognition system coupled with a strong training program. The motto behind the training programs was – "We let our employee decide their training needs, and if the individual does not know what his training needs are, then we don't need him" *(www.scribd.com/doc/79649909/Airtel-Most-Innovative-in-HR).*

The company put in place a state-of-the-art learning centre to encourage employees to log on to customized training program developed by British Telecom (BT), as a part of the continuous development of its employees. Airtel seeks to certify every employee on quality and IT and the motto behind that is – "To be ahead in the business, we need to train, develop and re-certify our employees on a continuous basis".

HR steering committee (HRSC) of the company has been the focal point of all the HR activity of the company. HRSC consists of the CEO, the COO and all other functional heads. The committee meets once a week to discuss various initiatives and the plan of action on the same.

As a part of the planning process, the entire organization is measured on five performance parameters: profitability, market share, brand saliency, customer satisfaction, and employee satisfaction. Further, each employee is given individual targets, that are linked to these five parameters. Performance-related bonuses gave further boost to these activities and around 60% of the employees have been on a variable pay structure. The organization also conducts an internal employee satisfaction survey called PACE (Progressive Assessment of Culture and Environment), the inputs of which go into the company's annual strategy. A philosophy of constant monitoring has been inculcated to make the system as transparent and efficient as possible. 'Measurement Boards' for every department are prominently displayed where the performance indicators of the same are displayed graphically. This is with a notion that only through constant feedback an individual can perform at the level expected of him/her. Along with this, formal job description documents which clearly capture the

KRAs are issued to all employees. The HR department endeavors to constitute cross-functional teams in times of product or service launches. Such teams typically constitute high performers from each department. A host of key HR initiatives like the managers' communication forum, the 'open house' , 'family group meetings', HR intranet add as supportive HR initiatives as part of the process. (http://www.financialexpress.com/old/fe/daily/20000308/faf05055.html)

Specific HR Policies Adopted by Airtel

To augment the above HR strategy, the company has embarked on a series of innovative and important HR policies with a view to integrate the business policies and strategies of the company with those of people related companies. Company with a view to derive competitive advantage through people and their development have initiated the following HR policies :

Recruitment and selection

In Bharti Airtel, recruitment and selection policy seems to follow a system commonly found in a corporate set up in the private sector. It starts with the manpower budgeting at the end of the financial year, where the top management and the Head of the Departments (HODs) are involved. Wherever there is a vacant position, the concerned manager requests for manpower through Manpower Requisition Form (MRF). This has to be then approved by the GM-HR. On approval the form is forwarded to the recruitment manager. The CVs are sourced using various methods and initial screening takes place. The shortlisted candidates are required to fill a format and mark the date of functional interview. Once this is done, the shortlisted candidates are called for interview as per the requirements (qualifications and experience of the candidate are matched with the requirement). The functional interview is conducted by the function manager. Once, the candidate is through this stage, he/she is scheduled for salary negotiations with the HR. Once, all conditions are satisfied and an agreement is reached, the offer letter is issued (www.scribd.com, skyline policy, http://www.skylinecollege.com/blog/dissertation/recruitment-and-joining-process-in-bharti-airtel).

Talent management

As a part of development of talent pipeline, Airtel initiated two specific programs (www.airtel.in):

a. Bharti Airtel Young Leader Program (BYLP) -This program is created with a view to create a future pool pf business leaders drawn from premium business schools across the country to instill a fresh and energetic outlook into the working of the organization. The young leaders are provided with leadership inputs on periodic basis and an accelerated career track, which would enable them to be a part of the higher level management positions, a much needed initiative for effective succession planning within the company.

b. Technical Leaders Program - Bharti Airtel attracts and absorbs the finest talent from the most prestigious technical campuses across India. The objective of the program is to create a "future technology leadership pool" that will not only infuse fresh energy into the organization, but also generate a constant stream of talent in order to deliver superior business performance. A combination of technical training and on-the-job skill and know-how helps technical leaders understand different aspects of the department for smooth functional role-play.

Performance management

At Airtel, the HR team measures the individual's performance linked to Organizational goals by giving employees a feedback, rewarding them, based on their achievements against set performance goals and required competencies and working out a plan for their development.

The method which Airtel follows for Appraisal is 180-degree. Performance Management System (PMS) at Airtel includes, developing job descriptions, selecting appropriate people with an appropriate selection process and providing effective orientation,

education and Training. Coaching and feedback is provided which is followed by compensation, recognition and reward for people's contributions. Promotional and career development opportunities for staff are provided.

Leadership and other competencies of individuals are assessed and improved through various workshops and training programs. Developmental gaps are identified during PMS and Self Development Plans (http://mba-bba-dissertations.blogspot.in/2010/01/performanc e-management-system-in-bharti.html;http://www. scribd.com /doc/ 31374535/Performance-management-system-at-Airtel).

Training and Development

(http://www.airtel.in/careers-files/learning-development.html**)**

Airtel allows the employees to identify their training needs. This motivates the employee to achieve better results. The company offers 'study while work' programmes, leadership development programs, general management programs, action-learning experiences, feedback tools and development relationships. The senior management interacts with the employees through open houses, employee forums and help lines. Airtel in conjunction with some of the leading institutes across the world like, Centre for Creative Leadership (CCL), INSEAD Business School, Indian School of Business Hyderabad (ISB), Indian Institute of Management (Ahmadabad) has developed a suite of customized programs to cater to the top talent in Junior, Middle and Senior management. These programs cover leadership and general management skills and enable Airtel to manage the careers of ambitious and talented employees while build an internal leadership pipeline. The above programs envisage to develop the following competencies among Airtel employees:

Achieving Business Success
- Displaying Entrepreneurial Spirit
- Empowering and Developing
- Delighting the Customer
- Winning with Others

Reward Management

(http://www.scribd.com/doc/19570665/Performance-management)

Reward and Recognition Policy of Bharti Airtel is exclusive and it's the most vital motivation factor for the employees.

The success of the rewards and recognition system at Airtel is attributable to the following measures:

• The reward is matched to the person

• The reward is matched to the achievement

• The rewards are timely and specific

Some of the areas that are rewarded at Airtel are – cost-saving suggestions, exceptional customer service and the attainment of sales goals.

Employee Benefits at Airtel

(http://www.airtel.in/careers-files/my-life-airtel.html)

An array of family friendly benefits has been designed for the employees:

• Flexibility: Employees can opt for flexible work timings, flexibility to work from home, work from a remote location, or work part time for specified periods of time.

• Day care centre: A day care centre facility is provided within the office premises to support working parents.

• Easy day: A Grocery shopping centre to help employees take care of their personal chores is available at office.

• Health and Fitness Centre: World-class fitness centre and spa facility in office.

• Concierge Desk: Small errands like bill payments, finding a plumber, etc.

- Food Court: Cafeteria has a multi-cuisine food court that includes counters like Costa Coffee, Banana Leaf and Healthy sip n bite.

- Fun@work: At Airtel, all achievements and launches are celebrated with zest.

- Sabbatical Policy: Employees can opt for leave of 6 months for personal reasons. Leave of up to one year may be applied for, to pursue higher education.

- ESOPs

Some of the growth benefits available are as follows:

- Career Progression: Based on the defined career paths, career discussions between 'employee and manager' help them chalk out employees' career progression. The process supports self-analysis of employees, keeping in mind their long-term and short-term career plans. At Airtel, career growth is fuelled by opportunities that help employees diversify into different functions of work. The opportunities available in all Strategic Business Units (SBUs) across functions are internally advertised for employees to choose their growth trajectory.

- Continuing Education Opportunities: The program offers a range of courses in General Management, Human Resources, Marketing & Sales, Finance, IT, Networks and Supply Chain from premier educational bodies and institutes.

Benefits for women include the following:

- Maternity/ postnatal benefits: Maternity leave may be extended up to 6 months. Employees may also opt for flexible work options after joining back from maternity leave.

- Mentoring program: Designed for high potential middle management women employees, the program involves mentor-mentee sessions and flexible interactions to encourage a higher ratio of women employees in the top management.

- Social & learning events focused on women's interests: "Astitva, a celebration of womanhood" organizes events such as senior leadership interactions, health awareness programs, parenting workshops, etc.

Airtel Ambassadors (Alumni)

Airtel Ambassadors (Alumni) website is a creation of Bharti Airtel Limited. It's a great way to connect online with the former Bhartian Colleagues, get updated about the latest news about Airtel, discover interesting job opportunities, and locate valuable information. No matter how many years, months, or even weeks it has been since an employee was with Bharti Airtel, he/she is provided with an opportunity to reconnect with other former colleagues & get reacquainted with Airtel. Airtel believes that its success is with the employees(present and past)and appreciates all the contributions made by the former and present employees. (http://www.airtel.in/wps/wcm/connect/about+bharti+airtel/Bharti+Airtel/Careers/airtel+ambassadors+%28alumni%29/)

Corporate Governance at Airtel

Bharti Airtel has a firm belief in maintaining transparency with a view to maximizing shareholder value with a long-term basis. The company has, therefore, embarked on developing sound policies and practices related to corporate governance for this purpose. The company's commitment towards compliance is backed up by an independent and fully informed Board, comprehensive processes, policies and communication. Due attention is paid by the company to ensure that various disclosures required are compiled in both 'letter and spirit' for effective corporate governance.

For this purpose, the company has created the office of an ombudsperson, which is an independent forum for employees and external stakeholders of the company to raise concerns and complaints about improper practices which are in breach of the Bharti Code of Conduct. If any stakeholder (employee, associate, strategic partner, vendor) observes unprofessional behavior, he/she can approach the Ombudsperson to voice his or her concerns. The Office aims to provide a fair and equitable redressal mechanism. The process is designed to offer protection to the complainant provided the disclosure is made in good faith and the alleged action constitutes a genuine and serious breach of Bharti Code of Conduct. The Ombudsperson will treat all disclosures in a confidential and sensitive manner (http://www.airtel.in/partnerworld/Ombudsman.htm).

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