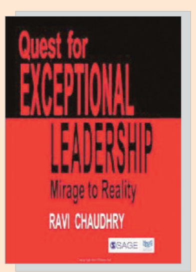
INSIGHT

INTERVIEW: RAVI CHAUDHRY, Business Strategist

'A company that makes only money is considered to be a poor company'



QUEST FOR EXCEPTIONAL LEADERSHIP: MIRAGE TO REALITY
Ravi Chaudhry
Sage Response
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As founder chairman of New Delhi-based CeNext Consulting and Investment, **Ravi Chaudhry** *offers strategic advisory services to CEOs and company boards on issues related to competitiveness and to governments on development strategies. In his new book* Quest for Exceptional Leadership: Mirage to Reality, *he talks about how CEOs can become exceptional leaders. Excerpts from an interview with* **FE's Rajiv Tikoo**:

As you say, a frequent critique of the book has been that "it is rather naive to assume that CEOs would pay attention to any proposition that could reduce their earning potential, more so because the investors and financial media judge them only by the wealth they generate". What is your response to it?

My response to this is that while this was indeed the case during the last few decades, when both media and investors were feeding each other's wealth-centred behaviour and expectations, the ground realities are now changing. A company that makes only money is now considered to be a poor company. Corporate CEOs can no longer brush it away as philanthropic talk. The only choice is: accept it grudgingly or willingly. Those who do not take cognizance of this transformation will soon find that they are being abandoned by consumers and investors.

Several potent forces are speeding up the emergence of this phase, stemming from 'Rise of Civil Society Movements', and 'Predominance of Youth in New Demographics' armed with networking tools. Corporations that are "realistic" enough to acknowledge these new contours will emerge as winners in the 21st century.

How does your vision play out while balancing short-term targets of CEOs with long-term aspirations of companies? Particularly when the tenure of CEOs is getting shorter.

An analysis of recent data conclusively shows that the prime reason of CEOs' reduced tenure is because of their blatant focus on only short-term results. Regrettably for companies' shareholders, their CEOs do not accept the stark reality that there are no low-hanging fruits any more—unless your corporate objectives are aligned with society's expectations and in sync with nature. There was a time when companies could get away with profits even when their policies resulted in positive harm to society and nature. Today, the new realism demands that even the policy of 'aim to do no harm' is not enough; companies must adopt and transparently pursue the policy of 'aim to do positive good' to the society in which they function. Each country in the world is full of examples of new corporate champions who play it clean, who play it straight and for whom the only route to sustainable profits—both long-term and short-term—is 'doing well by doing good'. On the other hand, those who refuse to change and continue to play by the old rules are falling by the wayside.

Is it reasonable to expect CEOs to change late in life when all of us have grown up in the world as usual?

In my book, I have given the well-known example of Bill Gates. As young Microsoft CEO, he was identified with several monopolistic postures in pursuit of profits, but the change that he has accomplished in his personal value-system since then is nothing short of exemplary and deserves to be applauded and emulated. Bill Gates has already donated over one third of his entire wealth. I have called upon all CEOs to take a small leaf from his example and open their hearts and widen their minds.

I have demonstrated that personal transformation is possible, in fact quite easy, provided the initiative comes from within. I call this process of transformation as "Ashokaization", prompted by the most remarkable mind-set change ever achieved in history, by King Ashoka in India, in 3rd century BC. Corporate CEOs who wish to survive and be the winners in would have no choice but to change. My book irrevocably establishes that it is better to do so voluntarily.

Business is just a part of society as it's. How do businesses break this vicious cycle and take a lead?

The dominant institution in any society, in each period of history needs to take responsibility for the whole. If they do not, their power and influence first wanes and then collapses. Since the second half of 20th century, business has become the most powerful institution on the planet, as the church did in the days of the Holy Roman Empire, and powerful national governments with armies called the shots in 18th and 19th century. The increasing role and power of corporations, on matters of consequence, is a stark reality of our times. Collectively, the actions of the CEOs of the top 10,000 corporations in the world today have more than proportionate influence on the course of our planet's history. In some domains, their role is as significant and as all pervading as that of many sovereign states. This re-allocation of relative power has created seemingly helpless dilemmas. The business-politics nexus has been the bane of societies all over the world; their actions and decisions are based more on pursuit of private profit rather than public good. A strong group of businesses led by 'realistic' CEOs are tangibly driving change within corporate world and it is only a matter of time before the balance shifts in their favour.

What's the difference between a successful CEO and an exceptional leader?

A typical successful CEO has what I call "Base Camp Leadership Traits". These fall in two domains. (a) Traits relating to strengths within, i.e. 'physical traits' comprising basic intelligence, energy and drive, and professional will, and (b) Traits relating to interface with outside world, i.e. 'mind-traits' such as pragmatic vision (to foresee opportunities), transactional skills (to build teams and motivate) and perseverance (to overcome obstacles).

The journey from base camp leadership to the summit of exceptional leadership calls for a new set of traits, beyond the physical traits and the mind-traits. These are the traits of conscience: pertaining to the heart of the leader. These traits do not call upon us to change our hearts. They only require us to discover our hearts. The tripod of exceptional leadership has three pillars: straight, strong, and unyielding. Pillars of wholeness, compassion and transparency.

The journey to summit of exceptional leadership is not to unchartered waters or unexplored destinations. In fact, the seeds of these traits already exist in most CEOs. It is the nature of seeds to grow. If we are aware of these seeds and let the seeds within us blossom, the path to exceptional leadership is smooth. Several business leaders have already displayed these traits, in abundant measure. While they pursue this journey, they discover a pleasant surprise; they experience a "triple top line of joy, peace and contentment." Not only for them, but also in the personal lives of people all around.

What is the most important take-home from your book?

I like to conclude by saying that if you are only pursuing wealth, then it is unlikely that you would listen to or accept anything that does not add to your wealth. But if you wish to pursue wealth and happiness, for you and your family, then the message of this book has strong relevance for every corporate CEO or for that matter any leader in any field.

EXTRACT

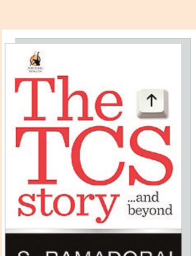
Wholeness: The First Trait of Exceptional Leadership

Wholeness means the whole view, the entire perspective, the total understanding and the uncensored version of the full picture, perceived from all angles, from all directions. Typically, the wholeness view is taken from outside, from the perceiver's vantage, with reference to her mind, and processed in her intellect, a complete 360-degree view. That is difficult, but it is only half the job. Each of our decisions and actions has an impact on others, directly or indirectly. The 'whole wholeness' comes about when the same process is repeated naturally, without volition, and we take an additional 360-degree view, as perceived by others, with reference to their minds and as processed in their thoughts. Wholeness is a 720-degree view.

A 360-degree view excludes; a 720-degree view includes those who are excluded. A multi-perceptive 720-degree view is the only yardstick of 'inclusive development', corporate India talks about. Those who achieve wholeness no longer feel alienated; they feel they are aligned to everything around them. As they experience wholeness, they end up owning responsibility and acting accordingly. A CEO who diligently imbibes the trait of wholeness is a 720 Leader, with the requisite qualification to lead a Realistic Company.

Extracted with permission from Sage India

The making of TCS...and the people behind it



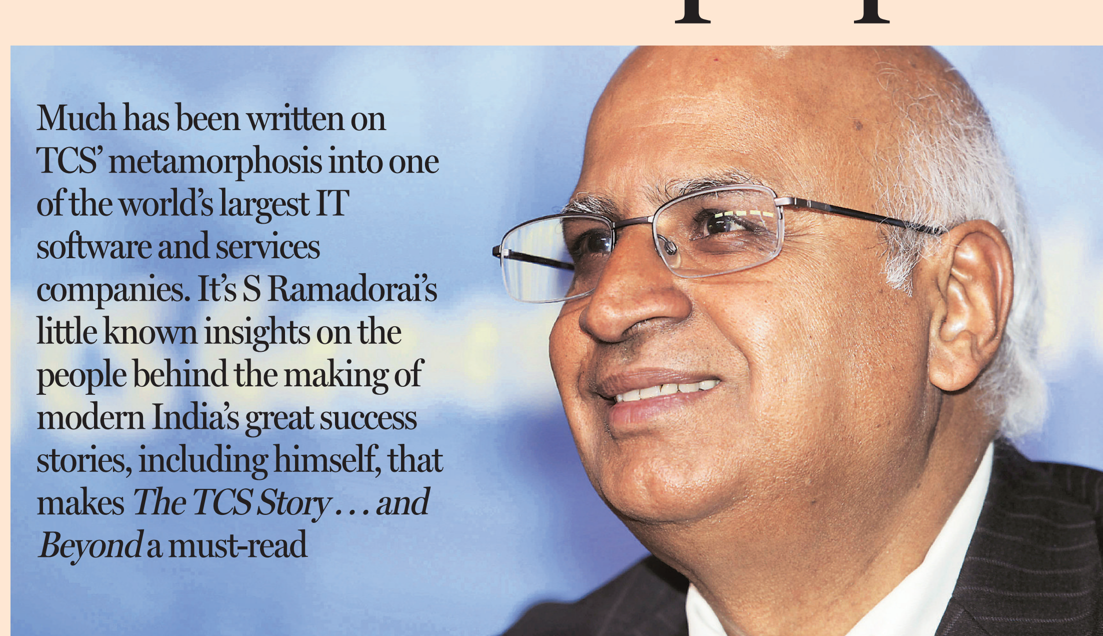
THE TCS STORY...AND BEYOND
S Ramadorai
Penguin Books
Pp 252
Rs 699

Sudhir Chowdhary

MY FIRST interaction with Tata Consultancy Services founder Faqir Chand Kohli was rather awkward. Somewhere in mid-1990s, I happened to be attending one of Nasscom's software jamboree at Hotel Ashok in New Delhi, when Atanu Roy, my senior colleague at now-shutdown IT publication from the India Today Group inquired whether I had an opportunity to interact with the founder of India's largest software exporter. When I expressed my inability to do so, he literally pulled me towards Kohli, standing distinctly away from the crowd in a quiet corner of the hotel lobby. Atanu had merely initiated the conversation with the TCS supremo with a "Hi, this is Atanu Roy from India Today Group," when Kohli, visibly irritated on being disturbed, retorted with a blunt "So?". Shocked and literally thrown off the ground, Atanu was quick to regain his composure and said he merely wanted to acquaint Kohli with me, while I stood as a mute spectator to such a hostile exchange between the two tall gentlemen. Though Kohli warmed up to us somewhat, his mind seemed elsewhere, preoccupied.

Stern, very direct and a man of few words—that was my first impression of the architect of India's IT industry. I am not alone in holding such views. Subramaniam Ramadorai's inside story of one of India's premier corporate institutions, *The TCS story...and beyond* has plenty of that. "When I joined TCS as an assistant systems programmer and analyst in 1972 at a salary of ₹1,000 a month, I got to know my mentor FC Kohli for the first time. At that time, Kohli was actively involved in recruitment and used to meet every new recruit," says Ramadorai, who retired as CEO & MD of TCS in 2009, after serving the company for 37 years.

Most young entry-level engineers were afraid to speak to or approach Kohli because of his reputation as a stern taskmaster. "But our initial trepidation began to go away as we started to learn a little more about Kohli and realised that he was a man who was very direct and very quick to grasp issues. He would tell us bluntly what was the right thing to do, and what was not. If, however, you were sure you were right you could challenge him, and he would respect that. One of my colleagues wondered how I could deal with his formidable personality. One even described him as a 'benevolent dictator...or perhaps not so benevolent'.



Kohli was certainly not known for his patience and he was tough, but as I learned later, he also had a soft heart," says Ramadorai.

Much has been written about the top management of Infosys, Wipro or HCL Technologies. TCS' history and that of the people behind it, has appeared in piecemeals, an article here and a write up there. "Someone needed to put it together. So I decided to to take the plunge, a plunge into the unknown—and with great passion, in my characteristic style, to write about TCS' history and my own journey in a way that readers would enjoy," says Ramadorai, a man steeped in simplicity and discipline.

Of course, in his fascinating narration, Ramadorai recounts the steps to the company's extraordinary success: how TCS played a pioneering role in establishing offshore development centres in India to provide high-end solutions to global corporations; how it spearheaded Indian industry through the IT boom, using Y2K challenge to its advantage; and how it successfully expanded and scaled its operations worldwide, while simultaneously going public with India's biggest-ever IPO in 2004.

But it is people talk that keeps the reader engrossed and Ramadorai has done an interesting job at that. Consider his own American experience: "Arriving in New York was a pretty daunting experience. One person who was more than a little sceptical about my mission was Naval Mody, president of Tata Inc, the US subsidiary of Tata Sons and the Tata man in the US. Naval had an accountant's mindset. He saw my presence as an unnecessary expense. Besides, while he understood trading, sales was a concept totally foreign to him, so he did not see any value in my role," says Ramadorai.

Perhaps Mody also viewed me as a threat, says Ramadorai, "because he told me quite clearly that t here was no way I could set up a business in the US for an Indian company like TCS, and that I should just take the next flight home. Certainly it was not very encouraging for someone setting up shop. There I was, caught between the two bosses: Kohli who had all the confidence in me and Mody who saw no value whatsoever in my presence." By the time Ramadorai left the US in 1981 and handed over to S Mahalingam (another TCS veteran), the company's revenues had grown to about $700,000 a year.

Kohli chose Ramadorai as his successor in 1996. "Kohli's decision was based primarily on his trust and confidence in me and his observations of my ability to build customer relationships. While I think Kohli and I shared vision for TCS, our management styles were very different," Ramadorai says. "Kohli had a direct management style and exercised very tight control. He was intellectual, authoritative and aloof. In contrast, I consciously tried to be very participative and actively sought to foster debate and discussion, and and to ensure that everyone with a valid view had the opportunity to contribute to a debate and express themselves."

Whatever, the working styles of both these IT industry stalwarts worked splendidly for TCS. As Ramadorai summarises succinctly: "A CEO should be judged not just by what he built but more importantly that he leaves behind for his successor to build upon."