**Round Table**

# Managers as Leaders

Prasad Kaipa

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*Discussing the leadership dimensions of executive development with Prasad Kaipa were Maj Gen Dr V Uberoy, of Pegasus HRD Centre, Bangalore; R Varadarajan of Mithya Institute for Learning and Knowledge Architecture; Vasanthi Srinivasan, Visiting Faculty, HR & OB, IIMB; N Balasubramanian, Visiting Professor and Chief Editor, IIMB Management Review, and other members of the IIMB faculty.*

Of late, I have been spending a lot of time in the area of executive development. Executive development subsumes leadership, corporate governance, strategic frameworks, business model development and decision making as well as people development. And finally it involves intellectual capital and how you are going to grow it. One has to reach above and beyond the market. The question of shareholder satisfaction is now linked with creating a corporate eco system.

There are three themes in executive development which see global in concern.

### Learning and Operationalising New Skills

How do we work with corporate executives, how do we grow their talent and how do we ake the world class leaders? Especially now, when the time is ripe for India to tap into her raw hu an talent and cultural context, given her position in the new econo y. Let us take the ex a ple of CISCO, one of the top three co panies in ter s of arket capitalisation, a co pany that has been growing at 100% or ore and which is expecting to tap a $ 16 billion arket. The typical concern of CISCO's Senior Vice President in charge of, say CISCO's service provider market would be: 'I have people who started in finance, arketing, human resources, sales, service provider, and so on. They are all in their 20's. In five years they will be in their late 20s and early 30s and each of them will have to take a billion dollar bottomline responsibility. Now a great marketing guy ay go on to be a greater arketing guy. But how a I going to develop general anage ent skills across the company? Can I assume that because he is a great marketing guy he will also understand the implications of R&D, finance, human resources and so on? And if I don't develop such a capability my business is going to suffer.'

The issue of leadership development is not just about leadership capability, it includes operational responsibility, vision, people and other aspects which are not going to come naturally. And companies neither have the time nor the resources to do it through a long, slow management course. So the trend is to create a corporate university. Many companies talk about E-learning. They want to do everything through the electronic media. But they are running against many different types of conflicts, not the least being a natural resistance to technology. There are many reasons for this resistance: time is a major concern; secondly, the number and criticality of decisions that executives have to make; thirdly, cynicism about electronic software and its capabilities; and finally, the feeling that problems are unique to individuals/ firms/ industries and cannot be generically addressed through electronic media. Besides they are so used to having their assistants operate their electronic media that they are not comfortable enough with it to be able to learn from it.

We are dealing with a crisis of leadership not at a leadership level but at the level of an executive, not just as a leader but also as a manager. How do we develop these people? What is the methodology or approach through which this development can take place even if you can identify the right set of skills, competencies and capacities that need to be built. How do you operationalise some of those learnable skills, so that there is not such a big knowing-doing gap?

I just finished a programme for British Aerospace. The reception was extraordinary. But how open will the executives be and how many concepts will they implement when they go back to their fastpaced, 5 phone calls,10 emails and 3 meetings per hour lifestyle: it is almost as if one were suffering from attention deficit disorder. When things are hitting at you at such a fast pace, is there a possibility you will really reflect, you will really use the skills that you have developed and how do you get the support to continue executing on the decisions you are committed to? Executives *are* committed to the larger picture, but they lack the tools and the support and they don't know how to work in the new economy. What approaches in executive development would be most effective not only for old economy executives but also for new economy executives?

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## Responsibility and Accountability

The second theme that seems to show up at the global market place is the idea of responsibility and accountability. Responsibility and accountability are much easier and much clearer to define in terms of financial responsibility, fiscal accountability and legal accountability. If you focus only on profitability and share values, it may work for this quarter, but where are you going to get the raw material for the new ideas, new products and competitiveness needed in the global market place? You have to develop the intellectual capital within the corporation. And that happens through managing human capital, identifying, nurturing, motivating and retaining the raw talent. The attrition rates are high not just in India but also in the US. This is because there is a dearth of good operational, broadly focused executives.

## Executive Self Awareness

Underlying both these themes is the one of executive self awareness. Most executives are so focused on the other, whether it is the supplier or customer or the employee or the board, that they are more receptive to changes that have no

**Most executives are so focused on the other, whether it is the supplier, the customer, the employee or the board, that they are more receptive to changes that have no emotional connection.**

emotional connection. So, emotional intelligence is becoming critical because there is an executive burnout that is taking place. Also, other companies are taking away your executive talent. The pace at which rapid cycle times and new products are coming up, you only have the capacity to deal with so many crises over a short time. How do you find the way to revitalise executives and how do you help them think holistically, taking into consideration not just what is *out* there but also what is *in* there.

In addressing these problems we have to think of the system, of the tacit, collective, unaccounted for and unacknowledged dynamic environment in which we work, which we call culture. On the other hand, what are the individual intentions, values and attitudes and how do they correspond with executive behaviour? How do these intersect and interact? There is a lot of turmoil from the 'executive as an individual' perspective, which we really don't pay attention to because we concentrate on the role of an executive but not his/her humanness.

In creating Selfcorp, a spin-off from Mithya, we wanted to create a corporation that touches upon both the sides of the executive, the self and the corp. In Selfcorp, through web-assisted programmes, we wanted to create:

● A structure for self and career development for executives, a personal navigation system.

● A software for business model development, for strategic thinking, to put together a framework for knowledge creation, a framework for identifying the DNA of the organisation, whether it is the culture DNA or business DNA or design DNA. If you don't know what your DNA is, your chances of effecting mergers, acquisitions and joint ventures are jeopardised.

● A system for aligning executive aspirations and personal goals with corporate objectives and corporate goals, a system for executives to manage their own personal goals and objectives in the context of corporate objectives and corporate goals.

When I was a research fellow at Apple Computers, I was one of the three persons who was asked to design 'a learning processor that augments human intelligence' and I went round the world researching how people learn and unlearn. I do feel there is a real opportunity for a different kind of education on the Internet. One could concentrate on soft skills training which includes communication, leadership, corporate governance and human resource related issues, an estimated $ 6 billion market by 2003 with a 123% compound annual growth rate.

## Discussion

### V Uberoy

There are so e aspects of leadership that I would like to draw attention to. The work culture and the ability to enthuse tea s is very i portant. Today, the need to develop leadership is not just a necessity but a compulsion. How can we make people aware of this require- ent? How can we accelerate this awareness?

How does one grow one's tea e bers, the junior leaders? How does your finance an be- co e a leader, how does he function as a CEO? How does the incu bent CEO groo a arketing an to take his place? The an- swer lies in the work culture. I a fro the ar y and to ake a soldier risk his life, going against his basic survival instinct is only possible through the work culture and leadership. I would suggest that civil organisations look at what the services have to offer. Where every leader has to lead from the front, and become a role odel to others. At the corporate level too one must learn to lead fro the front, have that feeling for tea work, and see that the conducive culture exists. That is i portant for often the CEO ay want to be a

leader, but he may find that the ambient culture is not supporting him.

In academic institutes, the training we give our students is very theoretical. We need to give practical training in leadership, how to take charge, how to motivate people to put in their best. Growth of the individual and growth of the organisation must take place side by side.

### Prasad Kaipa

The takeaway from your discourse is — firstly, executive development is significantly dependent on the leadership that an individual demonstrates from the self-perspective and the corporate perspective. Secondly, the execution side of an idea and a vision have to be given equal importance. The key point then, as you rightly pointed out, is the question of how? There are two approaches which we can take. One is the control of command approach which is very necessary. If the house is on fire, that is not the time for consensus management. Somebody has to take the lead. On the one hand is crisis management and on the other is addressing the question of performance gap. How do you improve performance and increase productivity? These are two different processes.

> **Working for a cause is acceptance of leadership and once a cause is given and people own it, even working against odds is a way of accepting leadership.**

Let me illustrate this with an example. I start a dotcom with 12 people in my company. But if my money is running out and revenues are not coming in, my crisis is, how am I going to pay the salaries? The opportunity for leadership will come about only if I have enough money to pay salaries next month. When I have a crisis I am unwilling to listen about the vision or execution or leadership. As I said, they are two different processes.

### V Uberoy

Are they? Whether you are putting out a fire or trying to attract a venture capitalist, it's leadership in action. Even if you get people to work without salaries for two months, that is leadership in action. The highest form of motivation is when you can give a cause to the people. Working for a cause is acceptance of leadership and once a cause is given and people own it, even working against odds is a way of accepting leadership. Leadership styles change according to circumstances, we do not have different leaders for different situations, the same person will react differently to different situations. Crisis management will be very much a part of the leadership.

### Prasad Kaipa

I agree with you. What happens over a period of time is, the framing and the language begin to change.

Leadership is a very powerful theme. But within that the new theme that may be extraordinarily powerful is: recognising

the core inco petence of the leader. What are the leadership li itations that you have? What is it that you cannot lead? And *when* you delegate leadership responsibilities to somebody else is going to be critical. The ability to discri inate where you should play a role and where you should not, is becoming critical in corporations of new econo y style. Also important is the ability of a leader to put on ultiple hats and to get multiple things done. So, leadership is different fro a leader. The role of leadership has to be truly taken fro ultiple people in different contexts.

Next, you have to execute, as Dr Uberoy rightly pointed out. So how do we visualise, create a co pelling purpose, create reasons for people to come together and act together? Secondly, how do we learn from the istakes of other people or fro our own? How do we identify the core incompetence of individuals as well as organisations? What are the leakages and the drains in the syste , that you have not taken care of? Co panies should think about corporate governance, intangible assets, strategy, of execution as an important task. Idea generation, new knowledge creation is probably less than 7% of the work that an organisation does. Ninety three percent of what gets done in organisation is to do with execution and looking at the gap between the proposed plan and the end result.

A friend of ine, Janet Nelson, arrived at the five styles of leadership that are required.

● The visionary, who comes up with a thought paper, the conceptual framework. That is the first thing which needs to happen. It opens up a hole in the door, it takes the lid off creativity, on what a person can frame and do cognitively.

● The next step is to take the idea and create a prototype or a concept model. The leader's job is to find what is workable among all the proposed concepts.

● Then again, if you can't mass produce what you have conceived it will become just another laboratory experiment and you will never be able to make money out of it. So, optimisation in terms of production and repeatability and so on requires an entirely different kind of work.

● Next comes the marketing person who will take the concept and identify the markets for the new technology and thus develop business.

● But to make a prospective customer actually take the money out of his/her pocket and hand it across requires a different kind of leadership, that is sales leadership.

● Then finally we need something on accounting and managing. Because, if you don't manage your cash flow, you will

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be bankrupt even though you are sailing very well.

Executive development has to address all six of the above. The most difficult thing in an organisation is for these six people to talk together and respect each other. Unfortunately, many executives have not learnt to develop themselves as a part of a team. For organisations of the 21st century to be successful, from the beginning you have to feel that you are all part of a larger system, you are the important nodes of the network and not cogs in the wheel. It requires a very different mindset to recognise other leaders and to recognise that you are a part of the leadership team. You may be superb in one area, but as Alan Mullaly President of Boeing says, you can optimise on the engine, you can optimise on the door, but if you have a bad toilet, you had better not take that plane off till you fix it. So, optimising the parts to the best extent at the cost of suboptimising the whole is what is happening with many of the organisations. It requires a mindset change to optimise the whole while sub-optimising the parts and finding a way to do it will be of utmost importance in the future.

## Vasanthi Srinivasan

You are opening the concept of a shared leadership, of peer respect, a holistic perspective. But does the organisation recognise shared leadership? If it does, how does it reward it?

Secondly, I a  really looking at individual learning and learning in the organisation. You have hired the best people, put them for three years on the same project, they are brilliant in experi  entation and experience, but you want them to work in a real  and your executive develop ent process doesn't really recognise this. You are out to convert these people into project  anagers with a managerial orientation and a learning style which needs reflective observation with abstract conceptualisation! Have you seen organisations which actually are able to  ake the fit, at least arrive at a template which is a 40%  atch?

## Prasad Kaipa

To talk about one of India's leading new economy companies, I find that they are not worrying about domain knowledge. They stress consistency of perfor  ance, they look for 70% and above from 10th grade. That's fine but I also found so  e IIMB graduates there doing develop  ent. While it is good to equalise opportunities for all engineers who join, unutilised unique domain knowledge is also wasted talent. The capabilities of some executives who can create opportunities for the co  pany will get shuffled and lost. Managing risk, dealing with major crises, having a second set of arrows in one's quiver, are important too. Which brings us to the company's growth strategy. It is great that such companies are growing but how are you going to grow? Are you going to grow through acquisitions? If so how are you going integrate your culture with that of the company you have acquired? Because the company in question has a distinct culture and a young workforce which is being accultured in it. I am raising this to underscore the idea of integrating techno-functional capability with learning styles that are appropriate. Organisations are not paying much attention to this not because they do not want to, but I think this is a problem which has not yet been thought through much. Because creating new wealth through human intellect is still a new concept. And the conscious development of a particular culture.

Many mergers generally fail because of faulty integration, culture issues are not taken into account. One of the major problems is that companies don't know how to really take advantage of the people whom they have hired along with the technology that they have hired.

**How are you going integrate your culture with that of the company you have acquired? I am raising this to underscore the idea of integrating technofunctional capability with learning styles that are appropriate.**

A great leader, if you come back to Vasanthi's question and the one raised by Dr Uberoy earlier, in a bad environment could get desiccated or disappear in the culture. Because individual leadership vs the cultural impact are very different things. That is why I raised the hologic model of looking at Behavior, Intention, Culture and System as four quadrants. You have to address them individually and you have to treat them as parts of a whole. If you don't learn to deal with each of them responsively, they will bite you from behind.

The idea of changing the culture is rather arrogant because culture evolves. You can manage the culture and if you are lucky enough you may be able to integrate the culture or create some leads. But before you begin to change you have to understand the culture or else you are going to become a part of the overkill.  Let me give you an example. In an aeronautics company with only 17 women among 500 top executives, the senior executives decided to do something about the gender bias. So they started promoting women at a much faster pace then men.  Over a period of two years they found that more women started leaving disproportionately to men. Because,

while the senior executives thought that they were solving the proble by promoting more wo en, the foremen and factory e ployees did not respect it. So leadership is also about actually understanding the culture and the system and being willing not to be successful for long periods of time, being patient and looking at the ga eplan. Politics is an extraordinarily i portant part of executive develop ent. If you don't learn how to anage the politics in an organisation, you will not add to the development of the culture or the system. Managing politics becomes critical, but that is an executive issue not a leadership issue. As an executive you have to learn how to anage the politics. Otherwise you will become very moralistic and value driven, and when you are not a part of the syste your ability to change the syste becomes minimal.

### V Uberoy

How do you differentiate between an executive and a leader?

### Prasad Kaipa

An executive has leadership responsibilities, but a leader ight not have executive responsibilities. Leadership can co e fro anywhere, but an executive has a role to play. Leadership is also a role, but that role can be played from anywhere in the organisation.

But we ust keep in mind that leadership is one of those treacherous, tricky areas, much like a blind an's description of an elephant. Every one of us knows what leadership is but our definitions are partial and incomplete. So unfortunately, when we try to put leadership into a box, we have to say ' this is not leadership, this is not leadership '.

As an executive you keep repeating the same performance because it was successful in the past. Most learning gets prevented because of the successes in the past. When we take on a different role, we manage differently, we execute differently, but do we lead differently? Maybe your trying to be a leader according to somebody else's definition actually is going to hinder your individual abilities to execute whatever is your DNA in your unique genetic code. As an executive, how many new ideas, new processes, have you brought into existence?

### N Balasubramanian

Can we see the two as a continuum, maybe you start as an executive and you perform better…You probably have some part of your system which demonstrates leadership qualities and the other part remains executive. Is it possible?

### Prasad Kaipa

It is possible. I didn't mean to

give the impression that there is a black and white perspective, leader and not leader. I am saying that at some level, everybody has the capability of being the leader or becoming a leader. So leaders are born as well as developed. The leadership you demonstrate depends on the context. Most people do not demonstrate leadership in the right context at the right time. Secondly, if I can actually focus on my passion, excitement and the commitment, to bring something to life through my job, there are chances of my being a leader. It is possible that self-awareness, the process of exploration night spur you to do something more.

What is your strategic intent? If you lose this job as the CEO of a dotcom company, how are you going to differentiate yourself to compete for the few jobs out there? You can't differentiate yourself as a dotcom executive, as an IIMB graduate, as a person with 10 years experience, so then how are you going to differentiate yourself? If you could differentiate yourself by saying this is what I have been grooming myself to be for the past 5 years and I am going to do this job whether you pay me or not, you would then be like the bird that sings.

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A bird doesn't sing because of the rewards it gets but because it has a song. What is your song? If you don't discover your song and if you don't have a structure to discover what your song is, what your core competence is, what triggers your energy and what saps it, then your self awareness is insufficient to lead anybody else, including yourself. Once you are sufficiently self aware, then you can execute while being able to lead yourself and other people.

**If the DNA of the company and the DNA of the executives who are working in the company are completely opposite, the chances of the corporation actually succeeding are very limited.**

### Vasanthi Srinivasan

Is all that you are talking about really so dynamic? Placing it in my own context, two years ago I never thought this was the right thing for me. Five years from now I don't know. You may have a road map, a clear indication of direction but when you are starting on a 25 year career path, there are going to be a lot of questions about plotting. If we get people to introspect on self awareness and create compatible individuals, what's the system requirement and the culture involved?

### Prasad Kaipa

If you have a roadmap, if you have a navigation system you can say, this is my North Star, this where I am going, this is my core competence; you have the means to do gap analysis. What it means is, you begin to understand your own DNA better and better each time you make mistakes. Your patterns get created because of your successes. Your learning gets created out of your failures. It is perfectly alright for me to go somewhere else, but at least I know I am not going in the direction of my commitment. But if the journey is good, the rewards are good, then fine, I can go on that path. Except, I am conscious of where my core skills lie. And then once you do that lap of the journey, you can recalibrate yourself towards your larger map. But on the other hand if you don't have such a map, if you don't have any such guidance, then each time there is a major crisis, it becomes an existential crisis.

Similarly, you create a framework for organisations and measure the gap between the two. Then, alignment of executive and organisational growth becomes much more integrated. If the DNA of the company and the DNA of the executives who are working in the company are completely opposite, the chances of the corporation actually succeeding are very limited. So, you can begin to increase the return on human capital much more if you have executives who are less stressed, more aligned and who are actually creating knowledge because they are singing their song, not because you give them the financial rewards. So, your executive attraction, retention and motivation becomes easier. The dynamic nature of what you need to do in a changing business becomes natural, because the executives are dynamic.

### R Varadarajan

When you look at the digital economy companies there are notions of built to last vs built to flip. You also have the notion of speed to scale. Managing such a company is a great challenge. Now what happens to the executive development challenge and the leadership challenge when the goal is speed to scale? What happens to introspection, to reflection, to values?

### Prasad Kaipa

There are two things which we can look at in the ambit of the question you have raised. The new economy has two major indications. One is scepticism and cynicism because of the dotcom crash, particularly with the number of millionaires turning into debtors. The second one concerns the opportunity, the hope and the entrepreneurial spirit that got unleashed. You can't put the genie back into the bottle anymore. What got released is extraordinarily powerful and it brings the DNA of India to the forefront. India is

now on the Information Technology ap as one of the leaders. Now, if you consider what it eans to be a new economy executive, when the focus is on speed to scale, it is like climbing the wrong ladder faster. You will fail and it is not a question of if but when. And not only will you fail, you will fail many ti es. The only thing is, hopefully you are failing each time in a different area and learning fro each failure. So, one of the underlying assumptions which beco es extraordinarily critical is you can only focus on the action and not the result. You can-

not focus on the result because you don't know what the business model is going to be. Both B2C and B2B are gone now. Which brings us to the question, built to flip or built to last? What is your business model? A business model is about being a company for a long period of time with a sustainable value provided to your customers. The approach you have to take is very different from that needed if you want to merge with other companies, getting your technology somewhere else and then cashing out. Now, in that sort of a situation a ho-

listic approach, a framework that allows people to think about multiple opportunities and multiple scenarios, multiple competencies become extremely critical. Because, you know that you are going to fail, but have the backup strategy faster than your competitor. So to do that, the kind of holistic framework which I just represented is very important, because that allows executives to think holistically but to act incrementally, act one step ahead.

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