

# Emerging Imperatives for CEO's Excellence: The Erudite Concept



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## Introduction

The emerging new world of business and economic dynamics is going to be unprecedentedly more challenging and exciting as well. More challenging it is because of the intensifying VUCA (Volatility, Uncertainty, Complexity and Ambiguity) and exciting it will be for those who are learning leaders, who have robust infinite vision, who are creating and nurturing a culture of innovation, who are sharpening their cognitive and explorative skills to spot new synergistic opportunities from the storm of disruptions and ruthless global competition. The Covid 19 pandemic, which will perhaps be remembered in the history as one of the most devastating crises, has paradoxically proved to bring new renaissance which has made business leaders rediscover themselves and the environment to create new equations of multidimensional possibilities. Most of the business corporations globally have not only been able to tide over the crisis but have also invented new prospects with the help of digital disruptions and by passionately unleashing the tremendous human potential.

During this period of tumultuous metamorphosis, the institution of corporate governance has reinvented and evolved itself with sensitive and vibrant corporate wisdom to go much beyond safeguarding the interests of the shareholders, to support the CEO's aspirations and strategies to move faster with confidence in the journey of excellence. Boards of great companies do appreciate the role of the CEO as the captain of the ship who is consciously but confidently sailing through the troubled waters. While the enlightened boards show the path like beacon, guide and support as responsible leaders and oversee the strategy and its execution as conscience keepers, the CEOs take the responsibility not only for overall success of

the company but also for shaping its future. Forward looking companies which are creating benchmarks in corporate governance follow the 'inclusive stakeholders' concept which has potential of creating never exhausting prospects of maximizing long term value for shareholders also. In pursuance of this type of vision, the CEO of a corporate entity is the most responsible individual who faces the challenges of competitive high performance, sustainable growth and consistent value creation for all stakeholders, head on.

Some of the best CEOs of the world who are aspiring to shape the future of the business on the earth, have differentiated their thinking, leadership, execution and evaluation with a passion to innovate, learn and leverage the power of trust in the team. N Chandrasekaran, Satya Nadela, Tim Cook, Sunder Pichai, and others who carry strong promise for tomorrow's challenges are not only great strategists but are exceptionally sensitive to environmental metamorphosis and are compassionate primal leaders. CEOs who will build resilience and steer their companies to a brighter future will be smart enough to challenge their assumptions, thoughts, actions and visible equations of relationships to have an insight into the new paradigms of prospects. Since future belongs to complex financial equations, data driven supply chains and Artificial Intelligence (AI) and Machine Learning (ML) supported decisions, risk management is going to have new dimensions. Winning CEOs will continue to improve on combining strategy with research about possible future risks through the process of analysis of anticipated possible equations between vulnerability of digital working environment and changing human ambitions. The study of high performing CEOs, who have emerged to hold promise to spearhead their organizations, has enabled the author to develop and recommend seven imperatives for excellence

through the ERUDITE concept: **Empowering Self, Rewarding Relationship with the Board, Unleashing the Human Potential, Design Thinking, Invention & Innovation, Technology Advantage and Environmental Exploration.** This aims at empowering the CEOs to meet the emerging challenges with capability, creativity and confidence.

### Empowering Self

CEO being the most responsible individual, who, in the words of Nitin Nohria, former dean of HBS, is 'accountable for all the work of the organization', is in a peerless role. Those who reach this level are highly accomplished persons who have entered the 'Self Actualization' zone wherein they are keen to unleash their tremendous potential. They believe that as they take on the new challenges, their personal resilience is strengthened. The first and foremost imperative, therefore, is to ensure a continuous process of empowering self. In their role as CEO, they not only radiate energy, but also empower their management team to generate and radiate energy into their team and the entire ecosystem. So, they have to take very good care of their physical, mental and emotional health. The first thing is to continue exploring their personal selves with the belief that they have tremendous inexhaustible potential to create value and leverage the environmental changes for their advantage. It is unavoidably important to develop happiness (happy attitude) and ability to transform the distress, if any, into eustress which encourages to become solution oriented. Futuristic CEOs try to be surrounded by proactive and talented people who have the ability to develop different new perspectives and can balance paradoxical leadership behaviors.

In the role of the CEO, one has to sometimes navigate through the endless seas, sometimes she has to pace up on a rocky and choked coastline and sometimes there are fortunate moments of flying high. Since the expectations of all stakeholders are always growing with every better performance and every move/decision of the CEO is subjected to relentless scrutiny, it is necessary that both sides of the brain, left and right, remain in synergy to support her. The future belongs to the CEOs who are experts in balancing their super consciousness with the vibrance of action. Regular meditation is a big support to the CEOs to lead with emotional intelligence. Spending some quality time with family and friends and pursuing some rejuvenating personal hobbies, maintains the spirit of enterprise. It also becomes very rewarding for the CEO to become a mindful leader who enjoys the process of adding value to their KASH (Knowledge, Attitude,

Skills and Habits) on continuous basis so as to successfully reposition to the future challenges.

### Rewarding Relationship with the Board

The relationship between the Board of Directors (Board) and the CEO is of predominant importance because of the greatest influence, it has on organizational performance. The boards of aspiring good companies are a sensitive and vibrant human institution of enlightened and farsighted people who develop the corporate philosophy and wisdom to decide the long-term vision and formulate the corporate strategy which can translate the company's mission into measurable objectives. To reap the rewards of the relationship between the CEO and the board, it is essential that they thrive on open hearted discussion with unconditional transparency, consideration and value for each other and appreciation of perspective and role of the other.

It may be recalled that Dr Vishal Sikka, a CEO with an illustrious track record had to step down from the CEO's post at Infosys, mainly because of problems in this relationship. On a different count, Chanda Kochar, sometimes a globally acclaimed CEO, could have saved the glory of her future if she had maintained an unconditional transparency with the board and sought their guidance about the decisions and happenings with the Videocon group. Most problems arise because of pre-conceived notions and communication gap. For the CEO, a vibrant and compassionate relationship with

the board members and committee chairpersons helps like a philosopher and guide. As the CEO, like the pilot of the corporate entity, is required to be sensitively in touch with the switches, signals and sensors, she has to take good care of interpersonal ramifications and repercussions of communication deficits. Great CEOs eventually emerge to leverage the wisdom of board members to accelerate the process of business excellence. Practically the visionary CEOs enjoy the responsibility of nurturing this relationship as the modest learning leaders.

### Unleashing the Human Potential

The primary characteristic of the Leader is that they believe in the tremendous and inexhaustible potential of people. Leaders with a mission to achieve ever improving business performance and to build a dynamic value chain, help people dream and explore their invisible potential and channelize it into their roles so that they contribute their best for the organizational growth. It is already visible that the future scenario of work will have new



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synergies of workforce diversity in terms of generations, genders and skill sets. CEOs with a resolve to excel in the emerging more complex environment appreciate the need of continuous transformation across the organization and understand that it is possible only through helping people in all roles to dream, aspire and empower themselves.

CEO is the leader of many leadership teams. The focus of all her top executives/functional heads should be on advancing meaningful change to perform to serve a more ambitious purpose. Some new leadership roles may be required and some may need strategic restructuring to drive the transformation. The winning CEOs will be great at building collectively responsible teams through primal leadership which requires emotional intelligence in every decision, communication and execution. Attitudinal reorientation may emerge as a formidable challenge to the top leaders and those who excel, will be human sensitive, vision driven, compassionate and effective communicators.

### Design Thinking

Thinking is the starting point of every strategy, process or action to make it effective and to deliver the desired results. Process oriented creative thinking with total customer centricity is design thinking which is getting recognized as a wonderful method to be used by CEOs to develop more effective solutions to difficult to define and very complex problems. Since all businesses exist because of human dreams, desires, wants and needs and these are human beings only who create amazing prospects and solutions through space research, medical science, different technologies and AI etc., the potential of design thinking, being a human centric approach, is tremendous.

Design thinking helps in identifying and appreciating human needs and motives that might have added to the complexity of the problem. It emphasizes on brainstorming and feedback and reflection gathering process to strengthen the understanding of the issues/problems. It encourages to challenge assumptions, experiment and to create alternative innovative solutions. Design thinking has five stages:

- Scientific research to reach out to the mind and heart of users.
- Understanding users' perspectives and needs.
- Challenging assumptions and generating innovative thoughts.
- Carefully designing new solutions.
- Experimenting and selecting the best.

CEOs of some of the leading companies of the world viz; Google, Apple and Samsung have adopted design thinking.

### Invention & Innovation

Great CEOs, while managing the present, continue their endeavors to create the future. They select some learnings from the past and make sure that the rest is forgotten. It may be recalled that forward-looking CEOs of leading global giants like Amazon, Microsoft, Tesla, Pepsico and Infosys are racing ahead in the journey of excellence on their core ability to create future. To create future on an ongoing basis, they invent and reinvent themselves, their business models and sometimes their industry. Inventing oneself requires that she challenges herself to think and act differently for evaluating new perspectives and for seeing new paradigms. Asking questions like why?, what?, where?, when?, who? and how? and listening to unique sounds, can help CEOs reinvent new business models. Younger people particularly the millennials have amazing aspirations and challenging questions with promises to experiment and to take risk. Interacting with them with an explorative mind can lead to invention of a new business model.

In current scenario, almost all business leaders are focusing on innovation which carries the promise to help lead in future. Now the competition is amongst innovating companies and innovation no more confines to products and services, it encompasses the entire game plan starting from conceptualizing the business idea to analysis, interpretation, decision making, processes and communication. To steer their companies into a high growth future, aspiring CEOs would go for transformation but transformation without innovation does not create value and growth. Through motivation to aspire and explore the individual selves, great CEOs will create an urge to experiment and innovate.

### Technology Advantage

Technology has, perhaps, been the most powerful facilitator of business performance during the past one century because technology helps increase production multiple times, improves communication, saves time and what not and ultimately it strengthens the bottom line. But today, the technology advantage is driven by the digital transformation which requires Big data, Internet of Things, AI and Cloud computing. Digital transformation is the topmost agenda of all visionary boards. It is one of the most exciting responsibilities of the CEOs and has strong promise for sustainable growth. Machine intelligence has changed the rules of business. The farsighted CEOs will leverage the disruptive power of digital transformation to remove all limits to scope, speed and learning opportunities.

Brilliant CEOs need to articulate their vision for products, processes and scale. AI driven processes can be scaled up fast and can create unlimited scope because of immense connectivity prospects with other digitized businesses. Through digital transformation, CEOs will create many new opportunities

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for learning and continuous improvement. They have this challenging opportunity to rebuild their traditional firms. They will be required to reorganize their structures, strategies, teams and processes and gear up the whole system to exciting new possibilities.

### Environmental Exploration

Environment is a very vast term. It includes all natural things like soil, water and air and changes happening to these. It also includes all living beings including the humans, their changing needs, behaviors and endeavors. The influence of environment on business is all pervasive and almost unavoidable. High performing CEOs always remain sensitive to the environment. Many business leaders are characterizing the current environment as volatile, uncertain, complex and ambiguous. But there are many others who are coming out with astonishing performance and future guidelines. What distinguishes these exceptionally high performing CEOs from those lagging behind and telling the environment to be very threatening? The ability to explore the environment to try to spot possibilities of transforming problems into prospects is the primary differentiating factor.

Environmental happenings, most often, are of consequential nature, for example, drought is the consequence of scant rain fall, entry and further scope of electric vehicles is a consequence of threatening level of pollution generated by petroleum vehicles, current economic situation is largely attributed to the Russia-Ukraine war. There are many technological developments like the digital revolution, research about people's health and changing behavior of different generations which, if explored proactively, can bring out promising prospects. Winning CEOs sense and smell the changes in the environmental factors, fast and try to forecast and interpret the future from the synergies of possible paradigms.

### Conclusion

The ERUDITE approach is developed to support the CEOs who are excited about the future and who have an ambition to continue their journey of excellence. It is expected that this concept should help the budding CEOs also because all visionary boards are keen to evaluate the candidates, majorly on these parameters so that their company ensures sustainable growth and goes on building value for the stakeholders. The concept will continue to develop itself on the further experiences of the CEOs. ■

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