'A captivating attempt to illustrate the pathway to becoming a CEO' Harsh Goenka, chairman, RPG Enterprises

THE MAKING OF A CEO

SANDEEP K. KRISHNAN

SANDEEP K. KRISHNAN

MAKING OF A CEO

PENGUIN BOOKS

Contents

Introduction

1. Leading Established Organizations
2. Start-Up CEOs
3. Family Businesses
4. Educational Institutions
5. The CEOs of Social Change
6. CEOs in Public Sector and Government
7. Developing as a CEO

Summing It Up
Notes
Acknowledgements
Follow Penguin
Copyright

PORTFOLIO

THE MAKING OF A CEO

Sandeep K. Krishnan is a senior director at People Business, a global leadership and human resources consulting firm. He is an adjunct professor for the course ‘The Making of a CEO’ at IIM Bangalore. He is also a visiting faculty at IIM Indore.

Sandeep is a fellow (doctorate) of IIM Ahmedabad and did his graduation from the College of Engineering, Thiruvananthapuram. At People Business, Sandeep has led consulting assignments with organizations like 3M, Tata Group, ITC Limited, Biocon, Britannia, Manipal Group, Allstate, United Technologies, PWC and Accenture in the areas of leadership and talent management. Prior to joining People Business, he has worked with Infosys, Ernst and Young, IBM and RPG Group. He is an executive coach with certification from the University of Cambridge.

Praise for the Book

‘Sandeep Krishnan illustrates, through his narrative, the pathway to success. From start-ups to family businesses to NGOs—the book traverses the journey of a CEO in different contexts. Backed by research and insightful interviews of business leaders, this book gives an interesting, fresh perspective’—Harsh Goenka, chairman, RPG Enterprises

‘A CEO’s job looks glamorous from the outside. However, it is lonely at the top. It’s a job where you depend more on the strengths of others than your own abilities. This book chronicles the journeys of various CEOs. Read it to become a CEO and also to appreciate your CEO as he/she is the least appreciated person in an organization’—D. Shivakumar, chairman and CEO, PepsiCo India

‘Is it skills, integrity, relationship management, family background, keeping an ear to the ground . . . what is it that makes a good CEO? This book goes a long way to help us understand this by blending real-life examples with insights from research’—Prof. Errol D’ Souza, director-in-charge, IIM Ahmedabad

‘*The Making of a CEO* by Sandeep Krishnan is a delightful exposition of the insights garnered from the life and work of several celebrated CEOs, from various sectors and fields of organized activity. I am sure this book will make a significant contribution to the “sculpting of future leaders” for the corporate sector as well as for the community at large’—Prof. Mathew Manimala, director, XIME, and former professor, IIM Bangalore

‘Sandeep paints a vivid description of the role of a CEO in multiple contexts—start-ups, established companies, the public sector, educational

institutes, family businesses and social organizations. He is able to bring out the nuances of the role across these diverse environments and provide valuable suggestions for professionals who aspire to be successful CEOs'—G.V. Ravi Shankar, managing director, Sequoia Capital India

To
my wife, Dr Dhanya Sandeep,
and daughters, Isha and Aekta.
With heartfelt gratitude to my parents,
Professor K. Kunhikrishnan and
Syamala T.C., and brother,
Dr Sudeep K. Krishnan

I'm responsible for this company. I stand behind the results. I know the details, and I think the CEO has to be the moral leader of the company . . . I think high standards are good, but let's not be confused, it's about performance with integrity. That's what you have to do.

—Jeffrey Immelt, chairman and former CEO, General Electric

Introduction

The chief executive officer (CEO) epitomizes the organization. The organization's existence and its future are defined by the role the CEO plays. The CEO is the ultimate decision maker and can often be defined as a combination of a chief operations, marketing, finance, people and communications officer apart from the other key roles. The success or failure of the organization is often directly attributed to the CEO. At one level, the CEO is also the chief decision officer.

Great CEOs leave their footprints behind. They have the ability to transform businesses and even change the way society operates. Bill Gates changed the way the world works with Microsoft. Steve Jobs changed the way the world designs gadgets with Apple. N.R. Narayana Murthy of Infosys paved the way and showed how corporations can share their wealth with employees in India. Dhirubhai Ambani, founder of Reliance, showed how an entrepreneur can start from scratch to create an empire. Larry Page and Sergey Brin, co-founders of Google, changed the way the world searches for information. It is amply clear that every CEO has a unique opportunity to leave behind an enduring legacy.

In this book, the word CEO is sometimes used synonymously with positions such as managing director and chairman if the incumbent is also, in many ways, handling the operating role of running the company. Research shows that the role of a CEO is becoming more significant and often has a more direct impact on the company's performance. With the environment of organizations becoming more dynamic and competitive, it is the top management's strategy led by the CEO that can steer the company towards sustained growth. A CEO also shapes the culture of the organization—either sustaining or changing it. An interesting example of this would be of the ex-chairman of IBM, Louis V. Gerstner, who is

credited for its turnaround. Gerstner revived the ailing IBM by pulling the levers of its culture, changing the attitude towards teamwork, providing solution to the customers, integrating different business units, changing the measurement of results, and improving communication with external and internal stakeholders. In the end, it is a well-known fact that Gerstner got IBM to dance!

There are leaders in corporates, NGOs, government and public sectors who have made a tremendous impact. There are great examples of public servants heading government enterprises and making a lasting impact on society. In India, E. Sreedharan illustrated how a government servant can influence society by high levels of effectiveness. He is credited with the successful execution of key projects that helped the Indian public. This includes the Konkan Railway, a 741-kilometre line that connected Mumbai to Mangaluru. As per Wikipedia,[1] 'With a total number of over 2,000 bridges and 91 tunnels to be built through this mountainous terrain containing many rivers, it was the biggest and perhaps the most difficult railway engineering project in the Indian subcontinent at the time.' He was then entrusted with another key project: to develop the metro lines for urban transport in the National Capital Region (NCR), called the Delhi Metro. The success of the project gave E. Sreedharan a new name: 'Metro Man'. The ability to lead and make a difference in the society has made E. Sreedharan one of the most successful CEOs that India has seen in the recent past.

Verghese Kurien, known as the Father of the White Revolution, made a tremendous mark on the cooperative movement in the country. He is credited with establishing Amul and the National Dairy Development Board (NDDB). Kurien was able to bring dairy farmers into the fold, changing the dairy supply chain of the country. His ability to organize the cooperative movement, first in Gujarat through Amul and then later to replicate the experiment across the country through NDDB, points to a leader who could articulate a vision and execute it to make a large-scale institution.

CEOs play the most critical role in organizational success. The making of a CEO is definitely not an easy journey. 'Data shows that in the past two

decades, 30 per cent of Fortune 500 CEOs have lasted less than three years. Top executive failure rates have been high [as high as 75 per cent and not less than 30 per cent] and the average tenure has been reducing over a period [9.5 to 7.6 years]. According to the *Harvard Business Review*, two out of five new CEOs fail in their first eighteen months on the job.'[2] This book attempts to understand how individuals evolve as great CEOs. The book synthesizes an understanding of how individuals develop skills and experiences for the role. The context of operations also illustrates how the role of a CEO is defined. The book covers the nuances of leading established organizations, family-owned enterprises, educational institutions, government and public-sector enterprises, not-for-profit organizations and start-up firms. With the growth of the start-up culture, we have witnessed professionals taking up the role of a founder CEO very early in their career—busting the usual image of CEOs who are in their late forties or early fifties with a track record of broad exposure within one or multiple organizations. The book explores the journey of start-up CEOs and some of the key expectations from the individuals in the role. A major part of the corporate world and the economy is controlled by family-owned businesses. CEOs who are part of the family and professional CEOs who have been recruited from outside face different kinds of challenges. It is interesting to see how they rise to meet the expectations of different stakeholders.

Our educational institutions play a key role in building society. Leading these institutions is a complex role with the administrative and academic aspects associated with it. The vice chancellors or principals of institutions play a role similar to that of a CEO of a business enterprise but with a wider set of stakeholders to manage. Similarly, non-governmental organizations (NGOs) try to create social change and are driven by their core purpose. Their CEOs have to balance the purpose and the business side of running such an organization. They also lead a unique set of employees who may not fit into the norms of a corporate entity. Finally, the book gives the reader an understanding of how professionals grow to take up the role of a CEO and how CEOs can improve their effectiveness by improving their skills.

The premise of a lot of leadership theories and their effectiveness gets measured in terms of its applicability to a CEO. In an organizational context, the CEO becomes the ultimate leader and he/she can influence the organizational performance and employee outcome. For example, the leadership style of a CEO could influence the company's performance and also the employees' emotional relationship with the organization. Authority and power exercised by the CEO can also have substantial influence on the strategic direction of the company. Their role influences almost all of the critical functions of an organization.

* * *

The job description below will give you an understanding of a CEO's role and will help you explore the key responsibilities that the incumbent handles:

A Brief Overview of the Role

A CEO is the highest-ranking executive in a company. The position is expected to drive the company's strategy and direction, be the liaison between company operations and the board of directors, manage the overall operations of the company, manage resources of the company, and ensure long-term success.

Key responsibilities of the role:

1. Developing and implementing the company's strategy.
2. Ensuring corporate governance principles are followed. Be a role model for sustaining the organizational culture and values.
3. Develop the strategy for key divisions and functions and lead the top team of the company.
4. Work in close liaison with the board of directors. Be a trusted adviser to the board and align the company's operations with the broad direction set by the board.
5. Enhance the overall value of the firm for the shareholders by developing and implementing strategies that will improve growth—fundraising, acquisitions and geographical expansion.
6. Creating and implement plans to fulfil the company's strategy.
7. Review the plans set by various divisions and functions and ensure that corrective actions are taken to meet agreed outcomes.
8. Achieve business growth by ensuring customer success.
9. Be the face of the company to the media and key industry/professional forums.

10. Attract, develop and engage with key talent of the organization. Build and sustain a strong top team.

The job description provides an overall view of the complexity of the role. The CEO plays the role of a primary strategist, moral compass, talent developer, sustainability officer, profit and loss manager, and finally the spokesperson of the company. At the end of the day, the CEO should be able to create value for the customers, shareholders, employees and society at large. It certainly is lonely at the top. The CEO should be able to drive the operations of the organization and at the same time play the role of a governance officer, ensuring compliance to the laws of the company.

A CEO has tremendous responsibilities and expectations from multiple fronts. Let us take the example of Vishal Sikka who was the first non-founder CEO of Infosys. His appointment attracted huge media attention and comments from multiple sources. The board and the founders were expecting him to bring in new strategies and help the company grow further. It was definitely a humongous task to bring change in an organization the size of Infosys with its legacy of being led by founders. Vishal Sikka, in an interview at the Wharton School,[3] explained how he had brought about a new culture in the past three years, from 2014 to 2017. He revisited the go-to-market strategy, customer relationship management, culture of innovation at the workplace, and the structure and roles of the employees. Irrespective of a seemingly positive stint, he had to resign from Infosys mainly because of his differences with one of the founders—Narayana Murthy. Managing expectations and stakeholders becomes an important factor for CEOs of such large organizations. However, it is also interesting to note how an outsider takes up a key role and delivers by bringing about changes to show positive results.

One of the most critical questions to answer is—can one prepare oneself to become a CEO? Established organizations put in elaborate processes to find successors to CXOs and other senior management. IBM is a classic example where they have an elaborate process to groom leaders for the top slot. From a systems engineer in 1981 at IBM, Virginia Rometty grew to

become its CEO in 2011 and then the CEO and chairman in 2012. She held many positions in the company and demonstrated her ability to lead multiple functions and businesses before finally taking up the role of CEO. In an interview with *Wall Street Journal*,[4] she says that as a CEO it is important to be a role model. She recollects, 'I was doing a presentation to a customer and later the client walks up to me and mentions—I wish my daughter was here to watch you making the presentation.' As a CEO of an iconic company like IBM, all her actions and views are emulated and watched very carefully. Many others, including the employees, shareholders and customers, assess the CEO; being a role model who demonstrates performance and what he/she stands for is critical to becoming a successful CEO. In the journey of growth, however, there are multiple experiences—support from others through coaching and mentoring, and focused learning and exposure—that help an individual to progress. This book also explores how potential CEOs can be groomed within an organization and how CEOs can develop skills to be more effective.

My journey of writing this book started with the research on CEOs done for the preparation of a course at the Indian Institute of Management Bangalore (IIMB). The book draws extensively from the research and also the numerous interactions that the students had with CEOs as part of the course.

1

Leading Established Organizations

What makes a CEO successful? It would be too easy if there was a simple answer to that question. The difficulty is that there are CEOs for different types of organizations which may vary in nature, size, age and even the country of operations.

Skills and Expertise of a CEO

The typical competencies expected of a CEO fall into five categories. These are: thinking strategically, communicating, enhancing teamwork, motivating others, and developing others.[1] Very similar to the broad competencies mentioned here, Indra Nooyi, CEO of PepsiCo, articulated the leadership competencies required by a CEO as the five Cs at one of their conferences.[2]

These five Cs stand for:

1. Competency: The knowledge, skills and competence one brings to the table. You are respected for your ability to bring unique value.
2. Courage and confidence: The ability to give your opinions and decisions. Willingness to take a stand.

3. Communication: The written and oral articulation of your thoughts that can help align and motivate your team and other stakeholders.
4. Consistency: To have a clear view on matters and clarity on the principles that govern your work style.
5. Compass: Your values that will help you go on the right path.

Coming from a similar perspective to Indra Nooyi's, three researchers,[3] Modesto A. Maidique, Candace Atamanik, and Ruthann B. Perez, after interviewing twenty-five experienced and successful CEOs of multibillion-dollar businesses, found six competencies that are critical for success. These were self-awareness, having a moral compass, being an effective listener, possessing good judgement, being a persuasive communicator and leading with tenacity. They found that a successful CEO has to have a high level of self-awareness and the ability to be wise, persuasive and resilient.

These competencies can apply to other senior leaders as well. In an interesting study, Russell Reynolds, a leading executive search firm, looked at the attributes that differentiate CEOs from other executives.[4] Of the sixty attributes they studied, nine were unique to CEOs.

Top three of the nine attributes	• Willingness to take calculated risks • Bias towards action • Ability to efficiently read people
Other six attributes	• Forward thinking • Optimistic • Constructively tough-minded • Measured emotion • Pragmatically inclusive • Willingness to trust

The nine identified attributes showed paradoxes that CEOs go through: their ability to be decisive yet inclusive, being emotionally intelligent yet tough, and strategic yet having a bias towards action.

In an interview with IIM Bangalore students,[5] Krishnakumar Natarajan (KK), co-founder and executive chairman of Mindtree, the multinational IT firm, described the qualities of a CEO, 'I think that the answer to this

question has changed over the years. Back in my time, a CEO had to be charismatic and tell people what needed to be done all the time [your communication skills]. In today's world, I would say that a CEO needs to be more collaborative than earlier because he does not know everything. He also needs to be more humble because he does not know everything and has to listen to everyone's input in a respectful manner. Also the CEO should be able to deal with moments of crisis. Be calm, do not lose the confidence, think about the solutions and do not break under the pressure.' Here, KK mentions how inclusiveness and collaboration become critical behavioural traits of CEOs. He also stresses the ability to power through tough situations.

In most established organizations the 'potential' of a professional is seen as a key parameter for growth. While performance is an outcome of doing the current job effectively, potential is the individual's ability to grow. An interesting research paper published in *Harvard Business Review* spoke about four 'X' factors that defined high potential.[6] These were drive to excel, learning capability, enterprising spirit and dynamic sensors. People with high potential have a great drive to excel; this means delivering excellent results in good or bad conditions. They are willing to go the extra mile to make it happen. The second aspect is the learning ability—learning continuously and using requisite skills to put new ideas to productive use in the organization. The enterprising spirit looks at the willingness and skill to take up new opportunities and assignments in an organization. Their willingness to go beyond their comfort zone can help them garner richer experiences and prepare themselves for higher roles. This, along with dynamic sensors—the knack to sense the organizational climate in terms of potential challenges that might affect their career negatively—helps professionals navigate their path to the top.

So if we look at a pipeline approach towards growing into a CEO, the starting point would be right when an individual joins an organization. Evolved organizations are able to specify what competencies are critical for successful performers who can grow in an organization. Research shows that while intelligence and values are important, organizations need to

evaluate potential candidates on the following competencies. These are strategic orientation, market insight, result orientation, customer impact, collaboration and influence, organization development (attracting and developing top talent), team leadership and change leadership.[7]

The body of thought leadership available gives an interesting landscape showing how certain competencies can define potential and growth of individuals to the very top of the organization. The generic model of this growth as a CEO is described in the figure above.

However, apart from the behavioural traits, a CEO has to handle a whole lot of responsibilities that require deep functional expertise and overall experience. Key responsibilities are best delivered by an individual who has high strategic and business thinking, and the ability to manage people, including internal and external stakeholders. It is also important to understand what makes CEOs successful.

It is quite certain that the job of a CEO is rather complex and requires above-average skills. From interviews with CEOs and other existing literature, we have identified key enabling skills of a CEO: communication

and influencing skills, thinking strategically (big picture, taking calculated risks), execution skills (getting things done) and managing people (ability to read people, build a great team and keep them). We explore in detail here the multiple aspects of communication and decision-making as part of thinking strategically.

CEO Communication

Communication is often stated as one of the most critical skills that a CEO should possess for his/her success. Communication involves reaching out and influencing multiple stakeholders. CEOs need to communicate their vision and strategy across all levels of the organization, and influence key stakeholders, including board members, investors and shareholders, key team members, employees at large, and even society. Their verbal and written communication, and also non-verbal aspects like body language or attitudes, are often scrutinized and interpreted by stakeholders. CEOs of established organizations are also expected to face media and attend PR events on a regular basis.

Communication essentially happens at the following levels/forums:

1. One-on-one communication that is verbal or through emails
2. Public speaking at internal or external forums
3. Traditional media communication
4. Social media communication

The CEO of Starbucks, Howard Schultz, has fabulous communication skills and this is considered a major factor of his success.[8] Schultz's communication style emphasizes providing a vision to the business that others can connect with, aligning the team to the common goal, and providing a human touch through storytelling. Carmine Gallo, author of *The Storyteller's Secret: From TED Speakers to Business Legends* describes it further through Schultz's response to a business question: 'I hear you talking about people, health insurance, customer service, and the experience

in your stores, but I have yet to hear you say the word coffee. Aren't you a coffee company?'

To which Schultz said, 'We're not in the coffee business. It's what we sell as a product but we're in the people business—hiring hundreds of employees a week, serving sixty million customers a week, it's all human connection.' In that moment Carmine realized that successful leaders and inspiring communicators do not talk about the product as much as they paint a picture of what the product stands for.[9]

Voice modulation, clarity of content and body language are techniques that CEOs learn over a period of time. Communication skills relevant for a CEO can also be developed with the right training. For example, Juan Ramón Alaix, the CEO of Zoetis, described a rigorous approach on how he would communicate with investors, media or the board as the CEO of a company that was getting ready for an initial public offering (IPO).[10] Most CEOs have to give a number of interviews, make public appearances, address internal and external audiences, and even be active on social media. In their role, CEOs come across crisis situations and it is their responsibility to communicate on behalf of the organization. How a CEO communicates —spontaneous or planned—is a critical element in making his/her image. The CEO's image also influences the reputation of the organization with internal and external stakeholders.

One of the most critical elements in the process of communication is how the CEO makes sure that he is understood in the proper sense by the larger audience. This involves a combination of techniques that could help in effective communication. Some of the best CEOs put in efforts to be understood and to determine how their message is communicated to the organization.[11] Alan Mulally, the CEO who is credited with the turnaround of Ford, emphasized the 'unity of purpose' in all his communication and relied on multiple channels to get the message through, transforming the way the organization worked—from silos to a more collaborative culture. Similarly, Jack Welch of General Electric (GE), though known to be very assertive and demanding, had excellent listening skills and ensured that he was understood and the messages that he was trying to get through to the

senior leaders were well communicated. A few of the other communication skills that Jack Welch swears by are simplicity and clarity, frequency of communication, and the ability to persuade others to follow in his steps.[12] There are three aspects that sum up the essential communication skills of CEOs or top leaders.[13] These are: ability to have two-way communication, repeating the communication keeping in mind clarity and the simplicity of the message, and the use of storytelling to connect with the audience.

The body language and the emotions that CEOs convey can have a major impact on the morale of the employees and other stakeholders. A negative impression about a topic or an individual, given without the right backing of data or without understanding the emotional impact of the statements made, can affect the organization in a big way. For example, in the case of United Airlines, a customer named Dan was forcibly removed from the aeroplane since the flight was overbooked. As the airline had to resort to force, the passenger sustained injuries. This led to a furore and the airline got negative publicity. Oscar Munoz, the chief executive of United Airlines, initially described the passenger who was forcibly removed from the plane as ‘disruptive and belligerent’, and told the airline’s employees that they ‘followed established procedures’. This led to further public reaction and the share prices of United Airlines went down. Oscar Munoz had to publicly apologize for the incident in many forums. Research also shows that high-performing CEOs have the ability to manage conflicts. They are able to manage multiple interests for the common goal of organizational success.

With the rise in popularity of social media, data shows that CEOs have begun to embrace it. The most popular social media platforms that CEOs use are LinkedIn and Twitter.[14]

Statistics on CEO Social Media Presence[15]

* 61 per cent of CEOs have no social media presence whatsoever
* Not one Fortune 500 CEO is active on all six major social platforms
* Although not active on their own accounts, 41 per cent of all Fortune 500 CEOs were featured on their companies’ YouTube accounts
* 70 per cent of the CEOs who are active on just one social network joined LinkedIn first

* Only 60 per cent of the CEOs who have Twitter accounts are actually tweeting

There are multiple ways in which CEOs can use social media to make their role more effective in terms of communication. Social media can help CEOs reach out to larger audiences and help build their own or their organization's brand. It can help to communicate key messages on specific aspects like the vision, new offerings, thought leadership, and even provide views of larger social issues. It also helps the CEOs to be in touch with ground realities. Many CEOs in India use Twitter extensively. For example, Vishal Sikka, the former CEO of Infosys, shares through his Twitter handle personal and official aspects of his life. Harsh Goenka, chairman of the RPG Group, tweets frequently and often comments on aspects beyond personal and organizational interests like society and politics. He often uses humour in his tweets and that generates a lot of interest. Anand Mahindra, who is the chairman of Mahindra & Mahindra, has a dedicated following on Twitter and his tweets are business related or pertaining to larger social matters.

Social media platforms like Twitter make it easy for CEOs to communicate effectively, but they also have a downside. Social platforms are open to interpretation and responses from a diverse group. Many organizations exercise caution and provide guidelines on communication on social media. For example, political views can lead to a lot of social media reactions. Meg Whitman, CEO of HP, who has in the past expressed her political views on Twitter has received a number of responses and reactions from individuals who might have different political inclinations. A Hillary Clinton supporter in the US elections, she has been vocal about her negative impressions of Donald Trump. Her views on the topic led to both positive and negative responses. Social media is definitely a key communication tool for CEOs. But it has to be used carefully as it can damage their personal image as well the organization's. Many CEOs also choose not to use Twitter themselves, and communication on the website is directed through formal company announcements.

Illustrative Tweets from CEOs

Harsh Goenka @hvgoenka (Harsh Goenka, chairman of RPG Group, on humour)
IRONY: Hollywood actress said she eats 3 spoons of food to be slim. Indians eat 3 spoons just to check if meals are properly cooked or not!

Vishal Sikka @vsikka (Vishal Sikka, former CEO of Infosys Ltd, on Technology)
Another amazing, exhaustive effort! My standouts: insights on voice, wearables, India, China & entrepreneurship . . .

Ratan N. Tata @RNTata2000 (Ratan Tata, former chairman of Tata Sons, on government policies)
Demonetisation of old currency notes by the Modi govt is a bold act that will wipe out black money and corruption. It deserves our support.

Similarly, many CEOs are using Linkedin.com as a platform for expressing their ideas. Many top CEOs are 'influencers' on LinkedIn. 'LinkedIn Influencers are selected by invitation only and comprise a global collective of 500+ of the world's foremost thinkers, leaders and innovators. As leaders in their industries and geographies, they discuss newsy and trending topics such as the future of higher education, the workplace culture at Amazon, the plunge in oil prices, and the missteps of policymakers.'[16] Many CEOs like Richard Branson and Bill Gates are listed as influencers. They write about topics that are of wider interest and shape thoughts about industry, society and global policies.

CEO Decision-Making

Decisions are made by CEOs on a daily basis and the critical ones shape the organizations they spearhead. Decision-making, especially taking calculated risks, is one of the most critical competencies of CEOs. Some decisions that are taken by CEOs shape the future of their organization or even an industry. Verne Harnish and editors of *Fortune* in their book, *The Greatest Business Decisions of All Time*, describe some of the most impactful decisions CEOs have made. This includes the decision of Apple CEO, Gil Amelio, to bring back Steve Jobs, who later transformed Apple through many key decisions. These included reconstituting the board, retrenchment

to clean up Apple, working out a deal with Microsoft, and finding key talent that could help the company in its journey. Walter Isaacson, who wrote the biography of Steve Jobs, mentions that Jobs transformed Apple from a struggling enterprise to one of the world's most innovative firms. It became the house of products like iMac, iPod, iPod Nano, iTunes Store, Apple Store, MacBook, iPhone, iPad, App Store, OS X Lion—all revolutionary ideas and concepts. Steve Jobs' success has been attributed to his ability to focus, simplify and put products before profits.[17]

A CEO is expected to take multiple decisions that are strategic, business or people related. Quality and the speed of decision-making are critical for business success. In a ten-year study called the 'CEO Genome Project', researchers found deciding with speed and conviction as one of the four behaviours that set the high-performing CEOs apart from the rest. Those who were described as more decisive were almost twelve times more likely to be high-performing CEOs. The study found that high-performing CEOs understand that even a bad decision is better than no decision. They are willing to take a decision even if a reasonable amount of information is available. They do not delay due to lack of availability of all the information. Once the decision is made, the high-performing CEOs do not waver. They press on, making the decision work.[18] A McKinsey study published in 2017 found some interesting aspects regarding exceptional CEOs. They were able to review the strategic direction of the company and clearly make choices early on in their role. Exceptional CEOs were able to make a higher number of calculated changes in the first two years of their role as a CEO. This study clearly indicates that the ability to make strategic choices and implementing them to bring in desired benefits is one of the key differences that effective CEOs bring to the table.[19]

Ajit Singh Chouhan, CEO, Weir India

Ajit Singh has had an illustrious career with organizations such as Ingersoll Rand, Emerson, RPG Transmission/KEC International, and as the CEO of Weir India. His journey to becoming the CEO of Weir India had multiple events of successful decision-making.

Below are some of the most relevant learnings from Ajit on how to become a CEO and turn organizations around, based on a session he presented at IIM Bangalore:

1. Create a shared vision across the organization.
2. Company strategy:
    1. Develop key strategy pillars to drive growth.
    2. Developing a strategy is not a differentiator for the organization, execution is.
3. Company culture:
    1. An organization needs a specific culture to execute its strategy.
    2. As the saying goes 'Culture eats strategy for breakfast'.
    3. Identify the key culture pillars required in the organization to execute the strategy and communicate it widely across the organization till it becomes a part of it.
4. Company structure: Build a customer-centric organization; remove tiers that don't add any value; decentralize operations to make them more accessible.
5. A company's ambition to grow should be driven by belief in the market potential rather than incremental targets.
6. Sharp focus on financial health, costs, pricing policies and cash flows.

Ajit mentioned that everyone is a leader in their own unique way. A CEO's job is to make every employee feel empowered and bring out the best in them. A CEO should be a very good listener and communicator. Communication, truthfulness and honesty in approach are the top three traits of a successful leader. He also mentioned that he loves 'murder meetings' where a key idea or a decision area is attacked thoroughly by all before it is finalized.

—Inputs from Abhilash Soudarrajan and Pranav Kumar Mallick, participants of the course —'The Making of a CEO' at IIM Bangalore

* * *

Age and experience may not matter if you look at CEOs in start-ups. However, becoming a CEO of an established organization demands a plethora of proven skills and experience. It is not uncommon to find somebody who joined as a management trainee and later became the CEO of the company. Arundhati Bhattacharya of State Bank of India is an interesting example of someone who joined as a management trainee at the bank and went on to become the chairperson and managing director. The famous chairman of GE, Jack Welch, is yet another example of somebody who started from the bottom of the career pyramid. Leading an established organization requires a proven record in most cases, and as research proves

many of the CEOs tend to be insiders who have spent considerable time in an organization.

Krishnakumar Natarajan, Executive Chairman, Mindtree

Krishnakumar in his earlier role was the CEO and managing director of Mindtree. He had held multiple key top management roles before he became the CEO. Co-founder of the company, he is credited with making Mindtree a global IT player. 'He was ranked amongst the most valuable CEOs in India by *Businessworld* and *Forbes* in 2016. He won Bloomberg UTV's CEO of the Year award in 2010, *Business Today*'s CEO of the Year award in 2014 and was recognized by *Chief Executive* magazine as one of the twelve global leaders of tomorrow. EY [Ernst and Young] honoured him with the Entrepreneur of the Year award 2015.'[20] Below is an interview with Krishnakumar.

Tell us about your journey. You have an engineering background, did your MBA and then came into software. You have also been in several positions in marketing and HR at Wipro, and unlike many CEOs you are not a founder, but you took the long route through management positions.

Absolutely true. The transition from engineering to business was trendy at my time, but coming into IT happened rather accidentally. Even though IT wasn't really known in 1979, it was one of the domains where engineering and business came together. So, I thought this was the way that I should go. And the best thing that could happen to me was getting into a start-up like Wipro, a company with which I could grow. And I was probably one of the first business school graduates in IT. The big advantage was that I could take several positions within a short time: selling computers, building software or even service engineering.

In particular, what did Wipro offer you?

I think a true leader pulls in other people. When they came to our campus to recruit, there was a very charismatic guy in charge of Wipro's IT business. Before that he had been the youngest general manager of Tata Motors. I think he was a leader as he had clarity in his vision. This is one crucial capability of leaders and managers; make a beginning and make people follow you into a new field as it was for us at that time.

In the beginning of your career, did you ever think that you would become a CEO one day or lead a big company?

Become a CEO? Certainly not! This started much later. But as the company grew, they prepared me step by step. The initial grounding after working in many different jobs within the company and seeing it grow was very useful. And almost every time there was a new position due to the fact that the company was expanding, it was filled by an insider. Hence, they made me regional manager of Chennai and later Delhi, responsible for marketing, then HR and later e-commerce. So, it is very important to take on new roles, reinvent and adapt yourself for the

upcoming challenges. But the fact that I knew the entire organization also helped. By this time, I realized that I could also run a much bigger company.

What led to your shift to Mindtree from Wipro?

I think, at that time, the question came up, ‘Is there an opportunity to create a next-generation service company?’ This along with the support that I got from Wipro helped me fund the venture.

If you have to list one key lesson you learnt at Wipro, what would it be?

One very important lesson was that if you are successful in what you do, then you tend to give yourself credit. But we forget that this success is also because of the organization you work with. The moment you step out and try to gain the same success, without this platform, it becomes very difficult.

What did you do in your first term as the CEO of your company?

You see this was well planned. I knew that I would take on the role of a CEO one day. Actually I became the CEO just after the company went public in 2007. So it was a lot of responsibility as I had to manage three key dimensions of the business: the stakeholders, the customers and the Mindtree minds [the employees of the company]. So you have to focus on the things that are in the best interest of the institution. I learnt a lot with this transition. Another key aspect is to deal with the investors because you need to give them information, a certain vision of the company’s future, where you will be. They know everything and are very well informed, so you have to be honest with them. Otherwise, you will break your reputation.

What would be your advice to young graduates? Should they start their own company directly or follow your example?

Actually, I feel like I am still learning, but what I always say to the people I meet is that the spirit of entrepreneurship and the passion to start something on your own is important. The most important thing, in fact, is the idea. You must have something that can solve a problem and that people are willing to pay money for. So if you have such an idea you can directly start your own company even after your graduation. If you don’t, you should just start somewhere, pick up some skills and experiences.

What are the two main characteristics any CEO should have?

I think that the answer to this question has changed over the years. In my time, a CEO had to be charismatic and constantly tell people what needed to be done [your communication skills]. In today’s word, I would say that a CEO needs to be more collaborative than before because he does not know about everything. He also needs to be more humble and listen to what people have to say with an open mind. Also a CEO should have the ability to deal with crisis situations. Be calm, do not lose your confidence, think about the solutions and do not break under pressure.

What are the differences between a CEO and a chairman according to you?

There is a huge difference. I think from the governance perspective, these two posts are very different. The CEO is 'just' responsible for running the business while a chairman can't interfere in a CEO's role. But the second important role of a chairman is that he is here to worry about the interests of all the stakeholders. So I must question myself if the things I am doing are right for the stakeholders.

How do you see the role of a CEO of a government-owned company? Is there a difference in the private and public sector?

I think that the role of a CEO in the public sector is much tougher. Because in the private sector, his role is very clear: you are answerable to the board and the stakeholders but in a public-sector organization, you have multiple stakeholders, even unknown or invisible ones that can come and ask you questions. So it is much more difficult.

How do you balance your life, work and family? Since you cannot have everything.

I think it is a state of mind. I think you can balance all three but don't make the mistake of mixing them. You see most people have the tendency to check their e-mails when they are with their family, for instance. The e-mails can wait for one or two hours, so just spend quality time with your family and friends and then go back to your e-mails. You have to take out time for everything. I think it is an excuse to say you cannot have all of them. I would say that the discipline is important. If you cannot manage a healthy balance between work, health and family, how will you balance customers, stakeholders and employees? It is the same thing.

Any book which inspired you the most?

Stephen Covey's *Principle-Centered Leadership* and *The Rules to Break* by Richard Templar.

You were forty-two when you co-founded a company. Do you think it was late?

In hindsight, it was probably late; it was possible then but not now. Now the complexity and velocity of business is so high that starting something at forty-five would be tough. There were no start-ups then. However, I joined Wipro when it was venturing into IT. The experience you get in start-ups is unique and brutal.

Did you ever have a coach or mentor; do you have one now?

Now I don't think I have any. Ashok Narasimhan was someone I admired. The other person is Azim Premji, his work and personal discipline is very high. Narayana Murthy is amazing with his intellect, and I had the opportunity to work with him.

I see you spend time in NASSCOM [National Association of Software and Services Companies]. Do you see more people coming forward to act as mentors?

Absolutely, here we ask Mindtree minds what their individual social responsibility is. Some want to teach in their native government schools etc.; basically, the notion of giving back to

the society is making a comeback. Even a company's success comes with the responsibility to give back.

—Interview conducted by IIM Bangalore students: Vinay M.K., Gakiko Audry, Wachter Semjon and Ujjwal Tah

In his interview, KK mentions some of the key facets of being a CEO and how multiple experiences help an individual to get a 360-degree view of the business. One of the key aspects of the role is to build a sustainable culture. Successful CEOs are able to actively change or build a culture that is required for success. CEOs, by pulling different levers, bring out the cultural change that is required for sustaining the business. Alan Mulally, the CEO who helped turn Ford around, focused on increasing transparency and sharing information between the different business units. The shift from silos and lack of cooperation to a high level of collaboration helped Ford return to profitability and better growth.[21] Another example of a CEO creating change is Indra Nooyi and how she enhanced the culture of innovation at PepsiCo through design thinking. Nooyi made concerted efforts to build a culture where employees started thinking about what could be done differently with their products from packaging to core product characteristics. The aim was to increase their portfolio of new, enhanced products which helped the company's sustained growth.

Growing into a CEO

CEOs from within the organization have a variety of formative experiences that help them to understand the landscape of the organization very well. Becoming a part of the core operations, and at times running the largest business or the most critical business is the most common. This helps individuals reach the top. Many CEOs have a finance background; their canny ability to interact with external stakeholders is considered a big advantage.

Hiring a CEO is not an easy job. Organizations expect the CEO to sustain growth, turn the company around, or build a new culture. The expectations and focus from the board may differ depending on the organizational

context. Many times, for bringing about major change, boards look at professionals from outside the company and expect them to deliver. However, an article published in *Wall Street Journal*[22] mentions the critical aspects that a new CEO should be able to manage to create success. The article stresses aspects like appreciation of the culture, understanding of the personnel, clarity on strengths and weaknesses of the organization, and good understanding of what will work in the organization. Research also shows that executives who had formative experiences in tackling deep strategic issues and managing different and difficult stakeholders make the best CEOs.[23] A study covering Fortune 100 CEOs and 222 CEOs from eighteen companies that survived more than 100 years found some interesting generalizations on education and experiences that shape a CEO. Almost all of the 100 CEOs were degree holders and 40 per cent had an MBA. Of those, who had an MBA, 60 per cent were from top, Ivy League business schools. This study shows that it pays to get a higher education from top schools, especially if your goal is to reach the CEO position of big corporations. In terms of career choices it pays off to be an insider who has spent a long time in the organization. Seventy-nine per cent of CEOs in the list were insiders.[24]

Srimanto Bhattacharya, Co-founder and Senior Partner, Spearhead Intersearch

Intersearch is one of the top international executive search alliance organizations in the world, with more than ninety offices in over fifty countries. Spearhead Intersearch is a partner firm of Intersearch. The following is an excerpt from an interview with Bhattacharya.

What are the major criteria that companies look for in a CEO?

Companies want forward-thinking people who are good at planning, with high team management experience. People who have helped a company grow in a dynamic environment with practicality are preferred. Strategy building and operational skills are also high on the list. Soft skills are very important. Finally, they want someone who would fit into the culture of the company.

What is an ideal CEO profile?

1. A CEO must have high EQ [emotional quotient] along with high IQ. Understanding people and handling teams is his/her main job. A CEO should be inclusive and know how to handle emotions of people well. That is why some companies even prefer female CEOs.
2. A CEO must know how to delegate well. Delegation is not as simple as it sounds. He/she must know how to plan well and know how to build the right teams for the right kind of job.
3. A CEO must know how to take calculated risks. A risk-averse CEO will not be good for a growing company. A risk-taking CEO may endanger the future of the company. A CEO who takes calculated risks will help the company grow and prosper.

In the Indian context, Infosys has been an interesting case of how founders became CEOs one after another and then transitioned out to larger board-level roles or exited the organization. Narayana Murthy, one of the key founders of Infosys, was also the first CEO. After he stepped down, Nandan Nilekani took over as the CEO in 2002. In 2006, Narayana Murthy retired from the services of the company after he turned sixty. The board of directors appointed him as the additional director. He continued as chairman and chief mentor of Infosys. In 2007, Kris Gopalakrishnan, who was the chief operating officer (COO), took over as CEO, and Nandan Nilekani was appointed the co-chairman of the board of directors. In 2011, S.D. Shibulal, then COO, took over as the CEO and managing director from Kris Gopalakrishnan. The latter was appointed the executive chairman. It is interesting to note that founding members went through multiple roles before becoming the CEO at Infosys. Nandan Nilekani, Kris Gopalakrishnan and S.D. Shibulal served as COOs before becoming CEOs. Finally in 2013, Infosys had a non-founding member as the CEO—Vishal Sikka. It is apparent that the founders saw value in insiders handling the key role for a long period of time. In 2017, in a major public altercation with the key founding member, Narayana Murthy, on issues related to corporate governance, Vishal Sikka resigned as the CEO of Infosys. This also saw the return of Nandan Nilekani as the executive chairman.

Exceptional CEOs

Harvard Business Review assesses best-performing CEOs from across the globe to list the top 100. Over a period of time, the parameters for assessing the performance have changed. From pure financial outcomes, the ratings have evolved to include environmental, social and governance parameters. Hence, for successful CEOs, apart from financial performance and sustainability, governance is an important aspect.[25] A CEO should be able to balance short-term returns and long-term sustainable practices.

Lars Sørensen, Ranked Best-performing CEO, 2015 and 2016, by *Harvard Business Review*

Lars Sørensen was appointed the CEO of Novo Nordisk, a leading pharma giant, in 2010. He remained the CEO till the end of 2016. He was also a member of the supervisory board of Thermo Fisher Scientific Inc., US, and of Bertelsmann AG, Germany. Lars Sørensen joined Novo Nordisk in 1982 and has broad international experience, having worked in China, Greece, France, the Middle East and the US. Sørensen was appointed a member of the Novo Nordisk corporate management in 1994 and the president and CEO in 2000. Sørensen has an MSc in forestry from the Royal Veterinary and Agricultural University, Denmark (now the Faculty of Life Sciences of the University of Copenhagen), and a BSc in international economics from the Copenhagen Business School. In 2007, he became an adjunct professor at the Faculty of Life Sciences of the University of Copenhagen. Sørensen has strong operational competencies and extensive knowledge within innovation, marketing and HR as well as substantial management experience.

In various interviews and articles published about Lars Sørensen, he talks about the importance of values and how they have impacted the way he runs the organization; he says they are critical elements for success. In an interview with *Harvard Business Review*, he mentioned how challenging it was to transition and transform from a specialist, focused on operations, to a CEO who had to have an exposure in management and the ability to supervise multiple areas. He also shares that it is important to have a long-term strategy and put together the efforts to create a sustainable organization. Sørensen is an interesting example of how an employee moved up the ladder through multiple assignments to become the CEO. In his interview, Sørensen mentions that an insider CEO works best if the organization has a long-term strategy that is working well. An outsider can help if the company wants to fundamentally change its direction and culture.

Sir Martin Sorrell, CEO, WPP plc

Martin Sorrell was ranked No. 2 by *Harvard Business Review* in the best-performing CEOs of 2016 list. A self-made entrepreneur and CEO, Martin Sorrell, over a period of three decades, built up WPP plc, a British multinational advertising and public relations firm, making it the largest globally. Sorrell is a graduate of the Harvard Business School. He built WPP through a

series of acquisitions. Sorrell has built his career by consolidating the industry and heading one of the largest companies in it for many years. As he said in the interview with *Harvard Business Review*, growth to the top of an organization and remaining there depends on the professional's interest in the industry that he/she has chosen.

Similar to the *Harvard Business Review* CEOs, ranking, *Business Today*, a leading business magazine in India, conducted a study on India's best CEOs. The three key parameters that the study looked at were the compound annual growth rate, growth of market capitalization and return on equity (geometric mean)—all over a period of three years. These necessarily captured how a CEO helped the growth of the organization through a quantitative evaluation. Apart from the above, the shortlisted CEOs were also evaluated on how their strategic decisions had positively influenced the organization.

Arundhati Bhattacharya, Chairman and Managing Director, State Bank of India

Arundhati Bhattacharya has a bachelor's degree in English literature from Lady Brabourne College and a master's degree in English literature from Jadavpur University. It is interesting to note that she does not have an MBA degree but still heads India's largest bank—State Bank of India (SBI). She joined SBI as a probationary officer (entry-level officer) in 1978 and managed many roles in her career before becoming the chairman and managing director (CMD). She has been a part of many strategic initiatives at SBI, including SBI General Insurance, SBI SG Global Securities Services and SBI Macquarie Infrastructure Fund. She is also the main force behind the technological evolution of the bank. When she was pronounced one of the best CEOs in India by *Business Today*, the main focus was her ability to change the face of the bank in the digital economy. She has been successful in making the bank social media savvy and invest in technology.

Arundhati Bhattacharya has worked across major domains of SBI. She has a balanced approach towards handling issues. Arundhati is also known to have built good rapport with trade unions.[26]

In an interview with Aparna Piramal Raje, for a column in the *Mint* newspaper,[27] Arundhati mentioned how authenticity has helped her become a successful leader of India's largest bank. Her refreshing candour and humour help her to be more approachable. This makes decision-making more effective as approachability helps her get a better view of the situation. This brings in more clarity and helps in communicating the situation to the team better. Authenticity, according to Arundhati, also helps in consistency. This ensures that the team has a clear idea of the leader's expectations. It helps the employees be more productive as the communication and expectations from the leader are clear, consistent and open.

There are legendary CEOs who are much admired in the business community, and they have redefined the companies they have headed. General Electric saw an increase of almost 4000 per cent in the company's value from 1981 to 2001 when Jack Welch was the chairman and CEO. Welch implemented strategies that majorly influenced how GE worked as an organization, and many of the practices that he implemented became examples for others to follow. Welch focused on the competitive advantage and market positioning of the companies in GE. The ones that were not No. 1 or No. 2 in their areas of operations were shut down or divested. The principle he rigorously followed was that if the business is not No. 1, or No. 2 in the industry, either you have to fix it, sell it or shut it down. He sold seventy-one businesses/product lines that were not the No. 1 or No. 2 in their areas of businesses or did not have future strategic relevance. However, taking the decision to divest is not easy with long-standing market relationships and loyal employees who have strong emotional connections with the company. An article[28] in *Harvard Business Review* written by three senior-level consultants from McKinsey, the management consulting company, states that 'for executives, selling a business can sometimes seem like treason. When Welch sold off GE's housewares unit, for instance, he got angry letters from employees accusing him of destroying the company's heritage'. He also focused on going global and drove home the point that while companies are local, their businesses are global and the competitiveness should be seen from the global market's perspective. He strengthened the businesses through focused acquisitions. Welch built in-house leadership talent through 'GE Workout' sessions that focused on succession planning for key roles and leadership development. The performance culture was reinforced—letting go of relative non-performers every year. Welch and his style continue to echo the essence of an ideal American global CEO. In an interview, he stated five key traits of leaders based on his experience: high positive energy, energizing others, ability to take tough calls and being passionate about what you believe in.[29] Welch also said that taking tough calls and focus on execution can be learnt over a period of time through training and experience. However, being

positive and passionate are much deeper personality traits that are difficult to acquire. Welch said that the best strategy is to ‘hire for energy, the ability to energize and passion. Go full force in training and developing edge and execution.’ Much of Welch’s success as a CEO can be attributed to his leadership style, ability to drive a clear strategy, and build a winning and competitive culture.

* * *

Y.C. Deveshwar served as the chairman of ITC for over twenty years. He is credited with much of the transformation of ITC over the years. He has successfully led diversification of the businesses, improved growth in the core sectors, built social relevance through a farmer-friendly approach and enabled last-mile effectiveness of the supply chain through e-Choupal, a conglomerate to link directly with farmers. In the list compiled by *Harvard Business Review* of the best CEOs in the world, Y.C. Deveshwar was ranked seventh globally. The business newspaper *Mint* published an interesting tribute with anecdotes from his top management colleagues[30] when Deveshwar moved to a non-executive role at ITC in 2017. The article observed the key qualities of Deveshwar as the chairman.

He has been able to successfully diversify ITC and reduce the risks of being exclusively in the tobacco/cigarette business. The food, lifestyle and stationery businesses were conceptualized directly under his leadership. He had the skill to think strategically, evaluate fresh ideas and incubate them to create new successes in diversification. He empowered his teams to go ahead and test the market even if there were risks involved. His high level of detail orientation and focus on execution ensured that businesses moved ahead at the desired pace. Deveshwar also created a highly effective corporate governance process that brought transparency to ITC.

A CEO’s role in large, established firms involves making key strategic decisions, influencing the culture, aligning the team including the top management with the organizational vision and direction, ensuring execution and achieving desired results, managing relationships outside the

organization, and above all being a beacon for corporate governance and ethics. CEOs are also expected to deal with global changes and risks. These include aspects like geopolitical uncertainties (like conflicts, eurozone challenges with Brexit, growing nationalism and demand for more protective and conservative regimes), social changes, environment and climate change, jobs and talent availability, and technological changes.[31]

In a Nutshell

Based on the research and learning from the experiences of successful CEOs, here are some key takeaways on becoming a CEO in an established large organization:

1. Provide vision and strategic direction for the organization
2. Ability to take tough calls
3. Make things happen—ability to execute strategies and generate results
4. Align the team with organizational goals
5. Have the skills to communicate with clarity
6. Manage the overall operations of the firm
7. Manage different internal and external stakeholders, including the board
8. Lead corporate governance and create social relevance for the organization
9. Be the moral compass of the organization

2

Start-Up CEOs

A CEO definitely faces a lot of challenges. The role of a start-up founder CEO, however, might have a lot of unique dimensions to it. The founder CEO brings the idea of a product or service as a business entity. He/she sets up everything from scratch—creating the business offering, starting the sales engine, hiring the first set of employees, creating a physical workplace if required, and then planning for the scale-up. This is a very critical phase for the CEO and the organization. It is important that the founder hires the right kind of people with key skills. The product/business offering should be conceptualized and best aligned with the customer needs.

Most founder CEOs need exceptional skills to market and sell the product. Vedantu is an interesting example of how a vision propelled the founders to create a strong offering in the market. Vamsi Krishna, founder CEO of Vedantu said in an interview,[1] 'Vedantu is a venture in the edtech space that facilitates live, one-to-one online learning through a platform, connecting teachers and students from all parts of the country. The venture successfully filled the gap in the sector, by bringing personalization and democratization to education.' Vamsi and his team wanted to create something meaningful in the field of education and they have accomplished that. The goal of the founders is to make Vedantu the Airbnb of education.

Another interesting example in the edtech space is Byju Raveendran—the founder of Byju's classes. His love for teaching led to the creation of an innovative and scalable model in this space. With a mantra of 'life-long love for learning' and use of technology, Byju's has become the largest edtech company in the country with some of the best-known venture capitalists backing the firm.

While we use the word CEO and founder synonymously in a start-up environment, it is important to understand that the skills required of a founder and those of a CEO are vastly different, especially when the company starts growing. Bhavik Kumar, co-founder of Medibox Technologies, defines a good CEO as 'someone who is able to manage a given situation to the best of his abilities'. He believes that a CEO is more of a delegator while a founder executes and shows how the work is done. A founder has the luxury to go more or less by his gut feeling but the CEO always has to take rational decisions as he/she has to explain his decisions to the board. When you are a founder, you drive yourself but a CEO might be driven by the board.[2]

While the key characteristic of a founder might be to have a vision for business and a strong passion to make it happen, a CEO needs to have much more than that to build a sustainable organization. It is important to recognize the importance of the transition from a founder to a CEO and how a founder must be ready to take that journey.[3] A few of these characteristics are: system and process orientation, ability to manage people, range of functional skills and broader understanding of business, and even having a managing style that aligns the whole organization for a common purpose. A founder can become a successful CEO if he/she can understand these skills and apply them well in the organization.

Nithin Kamath is the founder CEO of Zerodha, an online discount brokerage firm. Nithin won the *Economic Times*' Bootstrap Champ award in 2016. Zerodha is an interesting example of how a founder's passion was converted into a business proposition. Nithin started stock trading at the age of seventeen. Zerodha started operating on 15 August 2010 with the aim of providing a cost-effective, hurdle-free and technology-enabled experience

to the trading community. Nithin shared how as a CEO you should constantly innovate to stay ahead of the curve and grow the business. It is also important to rework the strategy to enable growth. For example, initially at Zerodha, the competitive advantage was cost. However, Nithin quickly realized that to sustain the competitive advantage, it was important to build a cutting-edge technology platform and also create a more informed customer base. This was how Zerodha conceptualized Zerodha Varsity, an online education platform to understand trading.

In a discussion with students at IIMB, Nithin mentioned that these innovative steps helped Zerodha sustain its growth. As the organization grew, his biggest challenge was to sustain a culture of freedom and innovation for the employees. Nithin's story is a good example of how hard work and focus help to build a successful organization. Prior to setting up Zerodha, Nithin worked in a business process outsourcing (BPO) and as a sub-broker at a large brokerage firm. He stated that for almost three years he was working in the night at a call centre and trading during the day. It is interesting to note that Nithin built his company around what he knew best, and that can be an important factor for success.

A study undertaken in the US, published by the *Entrepreneur* in 2017, states that one-third of successful entrepreneurs built businesses in their area of work, one-third in a related industry, and the other one-third had a good understanding of the industry and the customer needs.[4] Similarly, Vamsi Krishna's advice to future entrepreneurs is to 'experiment instead of searching for certainty'. He believes that at the first stage, nobody can be 100 per cent right. So, the best way to avoid failure in order to build a strong and successful start-up is to try to practise and learn about the service or product that one wants to deliver to one's customers.

As more and more people take to entrepreneurship and start-ups, there is a lot of discussion around what makes successful start-up CEOs. Some of the key aspects are:

- The ability to create purpose/vision
- Execution of the vision

- Attracting key talent and letting go of non-performers
- Willingness to take risks
- Influencing ability
- Taking decisions
- Clarity in communication

To illustrate and contextualize some of these aspects, Dr Mohan M.R., founder CEO of Nano Hospitals says, ‘The biggest challenge was forming a like-minded team and making each staff member a stakeholder in our vision, mission and values. Further, winning people’s trust was the biggest challenge. Bridging the perception gap between doctors and patients was also a problem. The other problem which we faced was the lack of trained staff, and to make them understand and train them in compliance with our protocols.’[5] As Dr Mohan mentioned, the skill of the founder CEO in building a team and aligning it with the purpose of the organization can help manage the key challenges in a start-up.

In an interview, Neeraj Kakkar,[6] the CEO of Hector Beverages (owns Paper Boat), shared his advice for founder CEOs: ‘There are two things which are important in early stages of anything, you require a lot of focus—you cannot be distracted. Then there is also an escalation of commitments. You cannot waste resources over something that is not going to work. Finding the right balance is the key.’

Neeraj Kakkar, Founder CEO, Hector Beverages (Paper Boat)

The team[7] had a wonderful opportunity to meet and interact with Neeraj Kakkar, CEO of Hector Beverages at his office in Whitefield. The office environment was extremely casual, complete with a swimming pool. The company’s two dogs gave us a very friendly welcome and ushered us into their colourful and quirky office. Below are excerpts from the interview that we had over glasses of Paper Boat.

Do you come from an entrepreneurial background?

No, I do not have an entrepreneurial background. I come from a very middle-class family. My grandparents came from Pakistan, settled down in Haryana and worked in small shops. My father joined a government power plant as a subordinate and worked there all his life.

As an entrepreneur, how important is it to have family support, because entrepreneurs are already up against a lot of things, trying to prove to people that they are doing fine. How did you embrace and/or overcome this?

Generally, if you are not from a business-class family, they won't support you ever, I don't think so. Not straight away.

You have different mindsets depending on where you come from. It is easier for people who come from business-class families, than for people who don't. And you can't buy the support. You can't expect them to support you from the beginning, so you will have to go and do the things that you want to do. At some stage things will fall in place and in the end everybody will like you, love you and support you.

My father had never seen something like this in his life, so he was very afraid. The whole thing was pretty scary for him, but I think my wife has been very supportive. She helped me go through this journey and always encouraged me to follow my dreams. My father is a very proud man today.

In one of your interviews you said that entrepreneurship is a pretty selfish decision. What did you mean by that?

Yes, I think most entrepreneurs are happier because in the end they end up doing things that they want to do rather than doing things that people around them would like them to do. I only like to do things which I am interested in. I work on products which are interesting. I don't have to do anything to please anyone.

But it's the people who suffer, other people around you, your family, but when you go home after a hard day you are very happy. Entrepreneurship gives you immense joy and there is nothing that can replace that.

Please tell us more about your work mantra.

I love my work and I would do whatever it takes to keep working. Even at home, I find excuses to go and check my email; sometimes I go to the bathroom and check my email.

I don't think this is the case just with me. I think it is the same with all the people who love their job. I don't want to go on vacations often because when you absolutely enjoy what you do every single day, you do not feel stressed. Nobody is forcing you to do what you do, and since you do it because you enjoy it, it will show in the results. If given an option, I will choose work over watching a movie.

With two MBAs, what are the things that you learnt from business schools?

I think confidence is the biggest thing that I learnt from my MBAs. The first time I did my MBA, I couldn't speak a single line of English. I studied in a Hindi-medium school and spoke in Hindi all my life. Every time I wanted to say something in English, I would end up using 'matlab' and 'ki' in every sentence. I think if you don't have proper language skills, it stays with you for a long time in your life. At the back of your head there is always something that holds you back. That got corrected after the first MBA.

I was in the company of people who were from Delhi University, good colleges. When you talk to them every single day, it gives you a lot of confidence to stand in front of people and speak. The second MBA was the same actually. You're there competing with some of the best minds in the world, people from different countries, and then when you top the class, you think if you can do well here, you can do well anywhere else too.

Apart from that, an MBA gives you a network and a set of people you can always talk to. Technical subjects like finance and softer ones like strategy are both critical in some sense. I think education is important, network is important. I think it gives you a lot of confidence to do what you want.

How difficult was it to get people to believe in your idea of Paper Boat?

I don't think it was very difficult. See, if I say that I am working in a company part-time and that I am starting something new, then people will think that I am not passionate enough. Nobody will believe you. People will say that he is not convinced himself, then why should I be? If you want to build a castle, you must be able to burn all the bridges behind.

In the US, every single opportunity was open for me to explore. I topped my class in Wharton, I could have done anything there, but I decided not to and came back to India to do this. All my co-founders came in easily, the money came in easily and we always got support from the people around us.

How was the experience of taking your product to the market in the initial days?

One of the things in entrepreneurship is that you always face early success and early failure. Every single day, there is a time when you are very happy, and on the same day there is a time when you are sad. For example, you launch a product, and go to your first outlet. The owner looks at your product and orders some. You are very happy. Then you go to the second retailer, but he/she is not sold. You become extremely sad [laughs].

Early-stage bipolarity is real.

Has the external funding made any substantial changes in the organization?

To a large extent, there is still freedom. I don't see a lot of changes happening because of the funding. They invested in us knowing what I want to do and they appreciate that. Personal and professional integrity matters the most when you have people believing and investing in you.

How has your leadership style evolved after becoming a CEO?

Coca-Cola is a great company [Neeraj worked as a general manager with Hindustan Coca-Cola]. I learnt a lot there, but at the same time when you come from such a place and you want to work in an entrepreneurial set-up, you have to unlearn a lot of stuff. I have always learnt hands-on, led from the front; always been in contact with the front end. In a large company, the system takes care of people. You can afford to be abrupt, to be high-handed, you can talk to people and they will listen to you, because there are other things around them that make them feel secure. But these systems aren't in place in a start-up. You will have to be very cautious about what you tell people, how you speak to them, how you respect them, because if

you don’t do that well, people will become insecure. So I think the responsibility is far higher here, and you have to change your leadership style accordingly.

So what kind of system did you put in place at Paper Boat?

It is work in progress all the time, because it is still a growing organization. Systems are there to a certain extent but it is still not set in stone. In the initial days, it is personality-driven work. There is no formal performance-appraisal system in the initial days of a start-up and the evaluation of performances is based on your perception. But as you grow, you don’t want that to happen, you want it to become a meritocracy. No system is perfect but you constantly work towards making it better.

What do you look for in people when you are hiring them?

We look for two things. One is skill set, the capability of any person. The second is the value system. We want people who are not necessarily the best performers, but possess values that we hold in high regard. We value hard work with an honest conscience, adaptability, positivity, innovation and treating others with respect. We want to work with such people.

However, another thing is that you still want everybody to work together. There are some people in the organization who have all the five values and then there are others who don’t. I don’t have all of these five values but I work on them every day.

What have been the exciting parts and the not-so-exciting parts of being a CEO?

The exciting part is that you meet a lot of people whom you normally wouldn’t have met in your life otherwise. My work allows me meet them. That’s the exciting part. And for the non-exciting part, I think it becomes slightly lonely at the top sometimes. Even if you are not confident at some point, you cannot show that to people. As the organization grows and hierarchy sets in, information flow to the top becomes difficult. It is important to have knowledge of what is happening on the ground. I don’t micromanage but I am always connected with what is happening in different sections of the business.

Your products are very creative. How do you foster creativity within the organization as a CEO?

Innovation is a core value in the organization. We encourage people to be creative. This is something that we have learnt from technology companies. Consumer companies are sticklers for their practices and don’t change too much. I think technology companies do it very well. So, for example, Google does it very well by taking feedback from consumers. Apple keeps improving all the time to make its products better. They take feedback to improve. We encourage people to change, we encourage our employees to do better all the time. On the communication side too, we ask our people to push the envelope and not settle even if things are okay.

What is your vision for Hector Beverages in the coming years?

How I look at it is, in some sense, we are the protectors of these recipes which have been around for centuries. Many of the drinks which we make have been made for thousands of years. These are recipes which have a strong connection. So, it started in some household, was passed down from mother to daughter. But because they are not available in accessible hygienic packaging today, they are disappearing from our cultures and markets. I have the job of protecting these recipes and if we are not there these may disappear.

How do you manage conflicts?

You try to understand. You need to develop long-term trust. You listen to everybody very carefully. Understand their points of view and take decisions. Ultimately, risk cannot be diffused. But at the same time, those who have a different viewpoint will believe in you only if they know that if you are wrong, you will come back and do the right thing.

Do you find time outside of work to do some extra activities?

Yes, I love to read. But at this point, any time I get, I spend it with my family. I have a twelve-year-old son, and I don't get enough time to spend with my family because of my work.

What has been your mantra for success?

I think you should do only what you want to do. Work and life should merge. You should feel passionate and happy to go to work.

Who has been your role model?

Narayana Murthy is my biggest inspiration. He has been able to create so much for people living in small towns across the country. I looked up to him even before I ever met him. He is passionate and loves his work. He has raised his kids very well. He is willing to do anything for his company; he is always the first to arrive and the last to leave. He is a role model for all the sacrifices he has made.

What is your advice to twenty-somethings dabbling in entrepreneurship?

There are two things which are important in the early stages of anything—you require a lot of focus. You cannot be distracted. Then there is also an escalation of commitments. You cannot waste resources over something that is not going to work. Finding the right balance is the key here.

Paper Boat's story provides a brilliant example of product innovation, marketing, bringing together passionate people, creating a unique organizational culture and understanding the role that a founder CEO plays in sustaining the organization's growth.

The common factors that contribute to the success of start-up founder CEOs are: they have an idea which they are passionate about, a vision built

on the idea, the ability to influence stakeholders like investors, a team that will be a part of the vision and strong execution capability. *Fortune India*'s 'forty under forty' lists CEOs and founder CEOs who have been successful in their careers. It is interesting to note that entrepreneur CEOs who made it to the list in 2016 built their businesses across a spectrum of industries, finding a niche in terms of offering or execution. The list included the India head of Xiaomi, Manu Jain, who was instrumental in scaling up operations and sales; Bhavish Aggarwal, co-founder and CEO of Ola, who built a strong taxi aggregator service in India; Amit Jain, the president of Uber India; Vijay Shekhar Sharma, founder and CEO of Paytm, a well-known payment and commerce company; and Richa Kar, founder CEO of Zivame—an online lingerie portal. The success of these CEOs, who have scaled up their start-ups, indicates that age and experience are not deciding factors.

Anvar T.K. who is one of the co-founders of Aufait, a comprehensive web-portal management services IT firm, shares his experience of leading start-ups. At Aufait, co-founders took turns to play the role of CEO over a period of ten years. Each founder had a period of two–three years to work on a plan and grow the business. Anvar, due to his interest in the IT product space, moved out of the operations role of the company and is the co-founder of another start-up called XAdapter. According to Anvar, the most interesting part of being a founder CEO is the opportunity to make your vision a reality. The difficult part is managing the administrative part of running a company, which can drain many entrepreneurs. These are aspects related to compliance, administrative tasks and even managing the accounts of the firm. The best advice that worked for him was to 'hire team members who are better than you'. He said that while many start-ups look at the cost while hiring team members, his experience was that the right talent, even though more expensive, would deliver much more in terms of value.

As businesses grow, the founder CEOs have a more complex role to play. For example, if the business gets funding, investors may play an important role at the board level. The investors, especially venture capitalists (VCs), may play an active role in advising the founder CEO/board on how to manage growth. The VCs may even suggest getting a professional CEO or

leadership team on board to execute the plan. An interesting example of how the relationship between the founder CEO and VCs can go into a downward spiral is the case of Housing.com, an online real estate portal. The relationship between Rahul Yadav, founder and CEO, and the VC, Sequoia Capital, turned sour and also led to many controversial public spats. Rahul accused Shailendra Singh, managing director of Sequoia Capital India Advisors, of poaching employees from Housing.com. The controversial email, written in a harsh tone, went public and created negative publicity. Similarly, Rahul was openly critical of Housing.com's board. The communication between them, that was made public, showed the lack of a positive working relationship. Rahul Yadav had to step down as the CEO of Housing.com as the board asked him to quit as an employee.[8] Some failures are attributed to the business ideas themselves, and some to the CEOs' inability to manage the scale-up. They became unfit to lead the firm as CEOs.

Vasuta Agarwal, Business Head, InMobi India

In modern-day start-ups, especially in the technology space, we see educated and experienced professionals joining the co-founders to pursue their passion. Vasuta Agarwal, who heads the business of InMobi in India, is an interesting example. Vasuta left a career at McKinsey to join the start-up world in 2012. A BITS-Pilani and IIMB graduate, Vasuta took an unusual decision to leave a coveted job to join an organization that was still at a rather nascent stage. Yet, going against the advice of her friends, family and colleagues, Vasuta decided to take this leap of faith. She joined the co-founders of InMobi to help them build the future of mobile advertising. Today, InMobi has seventeen offices globally and Vasuta heads InMobi's business segment in India.

Vasuta was in the director's merit list for being among the top 5 per cent of her batch at IIMB. She was also a part of the drama society at IIMB. Vasuta emphasizes that McKinsey prepared her for everything in life because she always had to be thinking on her feet to deal with experienced and senior clients from various industries. In 2012, she took the decision to join InMobi as part of the founders' strategy team. This has been her longest stay at a company so far. Vasuta says that the fast-paced nature of the mobile industry and the start-up world provide her with new challenges every day that keep her going.

Vasuta believes that her involvement in extracurricular activities has taught her some very important skills which help her in managing her work at InMobi. Playing sports not only taught her teamwork but also the ability to deal with failures. It taught her how to handle disappointment better. The drama and theatre classes made her more confident. She learnt how to talk to people, especially when it came to presenting in front of clients or at conferences. It

also taught her how to come across as a calm and composed individual. She believes that in order to move up the corporate ladder, you need to prove yourself, start performing and give more than people expect from you in your current role.

Vasuta's main day-to-day challenge in her current role includes managing uncertainty and ambiguity, given the rapidly evolving digital and mobile space. She needs to manage the uncertainty without it affecting her work and team. The other critical challenge Vasuta speaks about is talent retention. She feels hiring new talent is easy but keeping them engaged by giving them challenging work every day is difficult.

Vasuta claims that a good CEO should have the following critical qualities:

- Ability to have a certain vision
- Ability to inspire people around that vision
- Ability to execute that vision

Founder CEOs of start-ups have to handle multiple roles. Their personality traits and skills also play a key role along with the expertise they bring to the table. Jessica Stillman, an author with Inc.com, after collating responses from experts and researchers in the field of start-ups, mentioned six key traits of successful start-up CEOs.[9] These were resilience, people sense, intellectual humility, risk awareness, vision and passion. In the early stage of a start-up, processes and other people might not be available to help. In such a scenario, the founder CEO is the ultimate decision maker and, in most cases, the only decision maker. A lot can depend on how decisions are made and executed by the CEO. The decisions related to business operations or people management can have a major impact on the sustenance of the organization.

CB Insights,[10] a research firm that analyses company data, did a study to analyse why start-ups fail and the top five reasons were:

- No market need for the services or products of the firm
- Running out of cash
- Not having the right team
- Getting outcompeted in the market
- Pricing/cost issues

These points clearly show some of the skills that could help a founder CEO succeed. Having a great sense of the market need, ability to garner resources, having a sense of the right team needed, and managing competition could enhance the chances of start-up success.

Start-Up Stages and the Role of the Founder CEO

A start-up goes through various stages. A research study[11] covering thirty-five countries calls entrepreneurs who are at an early stage in their careers ‘baby business owners’. While those who are just starting out, the ‘nascent entrepreneurs’, are at the idea-forming stage that will give ‘birth’ to the business.

The ‘baby business owners’ sustain it and grow it to build a more established firm. Startup Commons, a global non-profit initiative, mentions these stages broadly as formation, validation and growth. The first stage of formation involves ideating, conceptualizing and committing. The second stage involves the minimum viable proposition; hence validating the concept. The last stage includes scale-up and growth. The skills required of a founder CEO would definitely change depending on what stage the start-up is in. In the first stage of formation, the most critical part would be the idea and how it is going to be made into a business proposition. At this stage, it is important that the founders have a very objective view of whether the idea can make a difference to its potential customers. Hence, calculated risk-taking and decision-making top the list of capabilities required. This is also the stage where if there are multiple founders, they align and commit to the cause of the start-up. It is these ideas that led to some growth stories like Facebook, Google, LinkedIn or Instagram.

An interesting example illustrating the first two stages would be of three young entrepreneurs from Rajasthan in India. As reported in major newspapers, the three entrepreneurs, Chetanya Golechha, Mrigank Gujjar and Utsav Jain, all tenth-standard students, built a start-up based on infusion beverages. The all-natural infused beverages successfully passed the idea stage and were accepted by the customers with sizeable sales. After the

business was tested for its viability, they received funding of close to half a million dollars for a scale-up.

Flipkart was founded by Sachin and Binny Bansal in 2007. The founders got the idea of starting an e-commerce platform in India while working for Amazon.com. From a modest beginning as an online bookshop, Flipkart has grown to become one of the largest e-commerce service providers in the country. In the past ten years, the company has grown beyond its formation and raced past the validation stage to high growth. The company has more than 30,000 employees and as of 2016, a turnover of 2.2 billion dollars. The challenge it now faces is to find new revenue opportunities and differentiation from the competition.

CEO Skills at Various Stages of a Start-Up		
Formation	Validation	Growth
• Ideation • Vision • Influencing others • Risk-taking	• Vision • Customer acquisition • Building consensus • Resource management and accountability • Execution focus • Risk-taking	• Strategic planning • Customer management • Execution focus • Stakeholder management • Managing people • Networking

The founder CEO has to take responsibility for his/her own actions and also for the organization. So at every stage of the start-up, the CEO is the key decision maker and executioner. Finally, the accountability rests with him/her. An IBM study found that many start-ups failed because the founder CEOs were unable to manage the governance aspects of running a business; lack of knowledge, experience or judgement leads to misrepresentation of facts and poor governing standards. This eventually leads to the investors losing money and, subsequently, faith in the founders. Nipun Mehrotra, an IBM leader commenting on the study, mentioned that it was the key responsibility of a start-up founder to treat investor money as his/her own money, creating accountability in the process.[12] Another integral part of this role is to build the organization's culture. Are you going

to have a culture of openness, fun, challenges and innovation? Many start-ups, especially in the technology space, have tried to be ‘cool’, allowing freedom, openness and, beyond everything, high focus on outcome and creativity. Research indicates that one of the reasons behind failure is the inability to build a culture that can ensure future success. The major factors that can lead to failure of the business include a poor business proposition, hiring without a plan, poor planning of day-to-day activities, lack of team building, inability to translate the organizational goals to the team, poor sales efforts, inability to raise funds/lack of planning to raise funds, and inability of the CEO to manage him/herself properly—including poor etiquette.

Swapnil Pawar has been the founder/CEO of four ventures after graduating from IIM Ahmedabad in 2006 and a stint with BCG (Boston Consulting Group). He was the founder of PARK Advisors—a personal investment advisory firm; CEO of Karvy Capital, the asset management firm of Karvy Group; founder of Scient, an asset management firm; and CEO of Engineers Gate, a portfolio management firm. The key trait of being successful is to focus on the key strategy and not diverge and spend resources on a multitude of ideas that might come in the way. In a smaller company there are so many distractions and it is important to focus. It is important to stay true to the chosen path and make changes only if required in a well-thought-out manner. The CEO of a start-up, along with his/her team should be able to carve a niche early on in the life cycle of the company. It may be the product, the technology or even the way you market. For example, PARK Advisors attracted a lot of attention because of the thought leadership articles that got published in the mainstream media. There should be a focus on profitability and growth. Many start-ups focus on valuation and growth without real profitability. At one point, this can lead to erosion of capital and resources. Swapnil also advises that it is important for an entrepreneur to venture into businesses where he/she has considerable expertise, otherwise you may be relying on false hopes of a successful venture without knowing the ground realities. As a founder, Swapnil also led teams of high-calibre individuals. He mentions as a CEO

your role is to ensure that individual efforts are channelled to the larger goals and plans of the organization.

In many organizations, we see that the founders hire professionals to scale and sustain the organization. A recent example in the Indian context is of Richa Kar of Zivame. Richa is the founder and CEO of Zivame, an online lingerie store that she started in 2011. While, she was instrumental in getting the organization to a certain growth stage, she moved away from the day-to-day operations and focused on more strategic projects related to the business. It is important for the founders to focus on their strengths and bring in professionals to manage other operational aspects to ensure that the organization is prepared for growth. Founders hire a CEO or a more experienced team to manage the operations as the business grows. It may be driven by the founder, or other stakeholders like investors who envisage the need for a more experienced team to grow the business.

Rakesh Kumar and Poornima Rakesh, Founders, WE Fitness

Rakesh Kumar started his journey as a businessman when he got involved in his family business at the age of eighteen. The business was headed by his grandfather who was the *karta* of the HUF (Hindu undivided family). Run in a traditional manner, Rakesh found multiple opportunities to improve the business: from computerization of the offices to using more efficient communication mechanisms. However, Rakesh found that bringing change in a family-run business was a difficult process because of resistance for the same and the inbuilt hierarchy. In 2002, he started his own business with a set of partners. They started a fitness centre. Rakesh was chosen as the CEO because most of the funding had come because of his credibility, and a lot of the ideas were his. The firm brought new concepts of fitness in south Bengaluru. It moved away from the traditional concept of body-building and focused on fitness as a concept that was gender neutral; they also created a modern environment for exercising. The firm made good operational profits and built a reputation in the market. However, the firm had to close down in 2010. Ego issues between the partners led to the closure. Divergent views in management philosophy and lack of concurrence on many aspects of decision-making led to the shutdown of the business. Rakesh mentions that in many partnerships or family-run businesses, professional management and empowering the employee is not the practice. Often, even if the CEO believes in certain practices and decision-making processes, if the other partners do not agree, it can lead to conflicts.

When Rakesh decided to start his new business, he was clear that it would be professionally managed and would have a singularity in leadership. From 2010 to 2013 Rakesh put his efforts into building WE Fitness—a modern fitness centre. He invested his own money to fund the venture. The focus was to create a fitness centre that would appeal to all target groups of

people who are concerned about their health. The idea was to create an environment that was fun and engaging for the members. Learning from past experience, Rakesh decided to name the centre 'WE Fitness'—where there was more 'We' and less 'I'. There was more emphasis on teamwork and less on personal egos. He also introduced a system where each employee was empowered to do their best for the centre. Rakesh's wife, Poornima Rakesh, joined WE Fitness as an instructor. A homemaker, Poornima transformed herself into a trainer by taking specialized courses in fitness. She also helped the centre strengthen its aqua fitness programmes. Rakesh did not set any targets for the employees as he wanted them to see it as their own responsibility and do their best, rather than be driven by the owner/founder. This professional culture also attracted talent that liked being empowered. The fitness industry was not considered very lucrative by those looking to build a career. WE Fitness focused on creating a learning environment and also insisted that the trainers undergo formal training to appreciate and understand fitness and body physiology better. The empowerment, learning and a more formal approach towards fitness helped attract and retain a core set of employees. This culture has helped to achieve more than 30 per cent growth year-on-year from 2013, even with an environment of increased market competition.

As in the case of Rakesh Kumar, a start-up, even after becoming a more established firm, can struggle to survive for many reasons, not purely financial. Noam Wasserman, a professor of clinical entrepreneurship at the University of Southern California (USC) and the director of USC's Founders Central Initiative, in his article 'The Founder's Dilemma' published in the *Harvard Business Review*,[13] mentions how difficult it is to find a successful founder CEO. According to his research from US start-ups, only 40 per cent of founders remain CEOs after a period of four years. Many of them understand their limitations to take the company ahead or are forced to leave the job to professional CEOs due to pressure from the board or VCs. Most founders believe that they are best suited to lead the organization. They provide the initial vision, put the idea in action and bring the team together. However, at the growth stage, the competencies of the founder may not be enough to bring the organization forward.

3

Family Businesses

Family businesses influence the world economy in a big way. A research by BCG shows that they account for more than 30 per cent of firms with 1 billion dollars or more in sales annually. They are also often ahead of other firms in terms of internationalization, ability to retain critical talent, building a strong culture, and prudent management practices.[1] Some of the largest and most well-known firms controlled by families are Samsung, Tata Group, Walmart, BMW Group, Toyota, FIAT, Ford, Wipro, Arcelor Mittal and Reliance. Leading a family business is similar to running a professional firm. The complexities exist because of two aspects. First, the head of the organization, if from the family, has to manage views and interests of other family members and lead the organization. Second, if a professional CEO looks after the day-to-day running of the organization, he needs to take into account the interests of the family.

Professional CEOs of Family Businesses

There has been a lot of recent research to understand the factors that can help a non-family CEO be effective. Family businesses hire or promote professionals who are not from the family for many reasons. One of the reasons is to have a more professional outlook in management. At times

members of the family, especially the next generation, may not be interested, or do not have the necessary skills to take up leadership roles. However, taking up the role of a CEO in a family business is not easy. As part of my research, I spoke to ten CEOs who have led family-owned businesses. Below are the key skills to become an effective CEO of a family-owned business:

- Trust: In the same way as a CEO of a professional organization has to win the trust of the board, it is important for a CEO of a family business to have a relationship based on trust with the family members. This trust is somewhat hard to come by and has to be earned over a period of time.
- Respect: Professional CEOs also have to earn the respect of the family members by the value they bring to the firm. If they do not see the competence and business acumen, it becomes difficult for the CEO to continue.
- Balancing act: Often, the professional CEO has to balance the interests and opinions of the family and the rest of the organization. It is also important for the CEO to have an independent point of view that would help the organization make better decisions.
- Values alignment: One of the most important aspects of a successful CEO is having the same values as the family. There is a high chance of conflict if the values and culture do not match. For example, some family businesses have a very paternalistic and caring approach towards their employees. A CEO who has previously worked in an organization that has a ‘hire and fire’ approach towards performance might not be able to successfully execute the same approach. Usually, family business owners are very careful while hiring a CEO as he/she should be able to fit into the culture of the company. It is not uncommon that the family members meet the potential CEOs informally before making a decision. Having a personal relationship helps build a positive working environment.

I had the opportunity to interact with Chandru Kalro, the managing director of TTK Prestige, a well-known company that manufactures Prestige pressure cookers. The company was founded by T.T. Krishnamachari in 1995. Currently, his son, T.T. Jagannathan, is the chairman of the company. While Jagannathan is fully involved in the day-to-day activities of the business, Chandru Kalro, as the CEO, adds value to the countrywide scale-up by introducing new products to the portfolio and creating better brand equity. It is his ability to build trust, have an independent opinion and bring in substantial value addition through business competence that has helped Kalro in this journey.

Business Today explained in its research the transition that family businesses undergo from being entrepreneurial to functional to process driven.[2] The first-generation owners are heavily entrepreneurial and mainly focus on making their ideas into a business proposition. However, once the business matures, the need for better functional orientation increases. To bridge the gap in terms of talent, the business might have to induct managers from outside. With increasing complexities in the growth and expectations of corporate governance, the need for process orientation in family businesses increases. Management at this stage might not be the strength of the family. This is when an external CEO is inducted into the firm to manage the operational aspects of running the company. Many owners like to spend their time handling the entrepreneurial aspects of the business and leave the day-to-day operations to a professional CEO.

Arvind N. Agrawal, the former group president, human resources, and board member at RPG Group, shared with me some of the key success factors of a professional CEO in a family business. Family businesses such as RPG Group give a lot of freedom and autonomy to professional CEOs to run their operations. They are expected to plan and strategize for growth, pool resources for execution of strategy and ensure that execution happens. They are expected to be detail oriented and focused on making the plans work. This also requires the ability to manage a diverse set of stakeholders, including the board, team members and external stakeholders like customers. It is important that the professional CEO maintains a

relationship that is based on respect and trust with the family. While they might not have a great rapport with the promoters, successful CEOs understand the fact that they should give the promoters their due respect and their views should be considered important. Unsuccessful CEOs of family businesses are not able to read the culture or working style of the promoters; they end up either waiting for directions that might never come or becoming too rigid in their views and approaches, often alienating the family.

Agrawal was also the CEO of the construction equipment business of the Escorts Group. He reported to the promoter family members. He says that if consulted for the right matters, promoters support through their networks, pool resources for operations, and even provide an alternative view to the challenges.

Family Business Owner CEOs

When a business is owned and run by the first generation, or a single family member, the operations resemble an entrepreneurial firm. However, as the business moves to the second and third generations, new challenges emerge. These include the involvement of multiple stakeholders, difficulty in integrated decision-making, family feuds, dispersed ownership structures and the lack of experienced/skilled/interested family members to run the business. Research has shown that no more than 5 per cent of family business enterprises survive beyond the third generation.

The major reason behind disintegration of family businesses is the lack of clear planning about who will take over and friction among family members. It’s very important to have a clear succession plan, and then execute it successfully.

There are very interesting cases in the Indian context. In Wipro, we have witnessed the move of Rishad Premji, son of Azim Premji, as the chief strategy officer. Roshni Nadar, daughter of the founder of HCL Technologies, Shiv Nadar, was appointed the CEO of the group’s holding company. Anant Goenka, son of Harsh Goenka, chairman of RPG Group, is

already the managing director of CEAT Ltd, the flagship company of the group. Similarly, Adi Godrej's daughter, Tanya Dubash, is now the chief brand officer and executive director on the board of Godrej Industries, while his younger daughter, Nisaba Godrej, heads human resources and innovation. He also has his other relatives handling key roles and positions in the group. Many of these members are in their late twenties or early thirties and their elders who are heading the organization are still very much in the thick of things. In his article in *Harvard Business Review*, Ivan Lansberg, adjunct faculty at the Kellogg School of Management, spoke about the 'Tests of a Prince'[3] where he essentially brought out the key challenges a successor faces. The point he made is that while a successor is chosen based on the family's decision, leadership is gained through multiple tests with the business stakeholders—the board of directors, shareholders, employees or the social network.

It was interesting to observe Anant Goenka's induction into the RPG Group while I was working in their human resources department. He joined as a manager with CEAT and later moved out to do his MBA from Wharton. People in the organization and the CEAT group got to know him during this period. He later came back and joined another group company, KEC International, as its vice president. This senior role exposed him to management councils and top-level decision-making. His next role was as the deputy managing director at CEAT Ltd—a shadow of the managing director. Anant Goenka spent at least eight years of his formal career journey within the group before he was inducted into the top role. He took over as the managing director of CEAT in 2012 when he was just thirty years old. Under his leadership, the company has seen great growth in profitability and market capitalization.

Nirupa Shankar, Director, Brigade REAP and Brigade Hospitality

She is the younger daughter of M.R. Jaishankar, chairman and managing director of Brigade Group—a leading property development firm based out of Bengaluru.

What was your background before you joined Brigade Group?

I have a bachelor's degree in Economics from the University of Virginia, accelerated certification in hotel operations from New York University, and a master's degree in hospitality management from Cornell University. I also worked for about three years in the risk advisory team of Ernst and Young [EY] in the US after my bachelor's degree. I chose to join Brigade Group after evaluating a couple of options in the US. At Brigade, I got an opportunity to be a part of an exciting growth journey.

How would you describe your career till now at Brigade Group?

I joined Brigade in 2009 as a management trainee. For my first assignment, I did a lot of customer research. I personally visited more than 100 buildings that Brigade had constructed and sought customer feedback. I also interacted with a lot of staff members during this period. Even though, I did not join with a fancy designation, people knew that I was approachable and eager to learn. They also appreciated the fact that I took a lot of interest in the business and people who worked with us.

It was also a coincidence that Brigade launched its major hospitality initiative with a hotel in 2009. I had the option of either working in the residential business segment, the core business of Brigade, or being a part of the growth story with the hospitality division. I had a passion for hotels and chose to work in the smaller vertical of the business where I would have more opportunities to make decisions and experiment. I developed my career at Brigade by consciously taking up new responsibilities in multiple areas year-on-year. As a management trainee, I focused on sales and marketing. In the second year, I was involved in legal aspects and contracts, and in the third year I was focused on business development. In my fourth year at the company, I developed an interest for data analytics and metrics-driven management. In the fifth year, I got involved in human resources. I spent a lot of time on the innovation part of the business as well.

I also managed to work on two pet projects—launching a stand-alone restaurant and bar outside Mumbai and launching Asia's first and only real estate accelerator, Brigade REAP. I ran the restaurant for two years, before handing it over to a third party.

In 2015, I saw that there was a lot happening in the start-up world. Start-ups were coming up with innovative solutions and products. The Brigade Real Estate Accelerator Programme [REAP] was launched to capitalize on the booming start-up ecosystem in the country. Brigade REAP focuses on mentoring and supporting real-estate-focused technology start-ups. Over the past eight years at Brigade, I have been exposed to multiple facets of the business which keeps work life very interesting.

How has your family helped in your career?

I learn a lot by observing my father. Though there is no formal mentoring process, I learn a lot through discussions with him on various aspects of the business. My father has got great problem-solving skills. I admire his work ethics, integrity and business acumen. I derive a lot of energy from my mother who is a very courageous woman. She has always advised me to work and remain financially independent. The support from my husband and mother-in-law helps me to be focused on my professional work.

My sister and I often share ideas with each other. She manages the marketing domain of the residential business. We are all able to work fairly well because we have been given very

distinct responsibilities to handle.

How do you manage professionals in the business?

I have a healthy working relationship with the senior leadership team in the organization. Focusing on a person's strengths and not being judgemental helps to bring out the best in them. Treating people with respect across levels is another value that we run strong in the business. In case there are conflicts or differences in opinion, I try to approach the issues directly, but gently in a calm and objective manner. This also helps in building trust and transparency.

As a woman leader in a family business, what has been your experience?

It is important to focus on the job at hand rather than on your gender. Many times, I am the only woman in a meeting, but I do not hesitate to make my views heard. I have been fortunate and have not experienced anything untoward just because I am a woman.

In the case of all possible successors, there are a few repeating patterns:

- They are inducted into strategic roles where they can have a view of overall operations.
- They are assigned to mentors from the top.
- They earn some legitimacy by getting a respectable degree from a well-known institute, mostly abroad.
- They visibly do not work directly with their parents and do not avail greater privileges than their peer professionals.

Nancy Higginson, a researcher on the transition in family-owned businesses, spoke about network and support for successors on three levels. An owner of a large enterprise has huge networks that are required by the organization, and this is the most intangible asset that the successor has to take forward and enhance. While some might not be easy to replace, it should be augmented by new relationships that the successor can bring into the picture. The challenge is also the successor's acceptance of the parent's teachings and internalizing the network and associating with it. The second challenge is to manage the employees or the current team that is involved. The successor, especially if he/she is young, might be questioned, criticized and expected to prove his/her mettle. Ivan Lansberg[4] put these tests into four major categories: qualifying, self-imposed, circumstantial and political. The first aspect includes the qualifications or external experiences that the person has, which are tested by the stakeholders. Even the first assignment

in the organization and how he/she deals with it is considered a qualifying test. These generally give an impression of the capabilities of the person and his/her confidence to take on larger roles. The second aspect includes the ambitious tasks that one might take up like expanding the business, setting up new businesses and increasing sales that are appealing to the stakeholders, including the board. The final outcome can have a very large impact on the future of these leaders. This could be a crisis related to finances and management that could influence the organization's future. The last aspect is related to the politics in the organization. The management might try to resist or not support the new leader. As these issues are more ingrained into the system, only an adept leader with the right amount of competence can tackle them and go ahead.

Anand Mahindra, the chairman and managing director of Mahindra Group, set a great example by successfully taking over the family business even though he is from the third generation. He joined the Mahindra Group in 1981 as an executive assistant after graduating from the Harvard Business School, and now leads the USD-17-billion (in revenues) entity. An interview published by the *Harvard Business Review*[5] describes the major challenges that Mahindra faced and how he transformed the business into a global corporation. After the Indian economy opened in 1991, Mahindra had to face stiff competition from multinational corporations. He was the deputy CEO then. Mahindra mentions in the interview, 'I helped restructure the group in 1994 to cope with the liberalization and globalization of the economy. M&M was transformed from a functional organization to a multi-business group of companies. At that stage, we created six sectors—automotive, automotive components, farm equipment, financial services, infrastructure development and software—and moved out of other industries. We re-engineered business processes, brought in new people, invested in information technology, and reduced head count.' This clearly shows how Mahindra helped manage a critical change in the business. From 2001 onwards, Mahindra helped steer the organization to clear areas of focus. Each year, Mahindra focused on key strategic areas. For example, in 2002, the focus was on business leadership. From 2003, it moved towards

its full potential by focusing on stretch goals. In 2004 it worked on customer focus and from 2007 on innovation. Clearly the vision and focus of Anand Mahindra helped the organization take big strides in its various businesses. For example, Mahindra & Mahindra, the automobile manufacturing corporation under the group, was able to expand to many markets outside the country and come up with contemporary vehicle models. The group also saw high growth in all their major business sectors.

Nishith Mohanty, the global HR head and chief human resource officer of the Manipal Group, says that the culture of an organization is dependent on the family members. Based on his experience at Manipal Group—a major family-owned conglomerate with interests in health and education—he provides guidelines on how a family can build a sustainable business:

- The promoters should be able to separate family affairs from business. Professionalism can be built by not involving family members in operations unless they bring clear added value.
- Providing freedom to professionals. CEOs and top management should have freedom and should not be micromanaged.
- Promoters should be supportive of practices and processes that professionals suggest for the organization's development.
- The family promoter should be able to build a positive image of self and the organization to attract talent.
- The promoter, while not getting involved in the day-to-day operations, should be able to provide a long-term vision and provide necessary support in terms of resources, and also work with key stakeholders like board members and investors.

Nishith shares how Dr Ranjan Pai, the CEO and MD of the Manipal Education and Medical Group (MEMG), the corporate-holding entity of the group that focuses on education, healthcare and research, successfully built a professional family-run business. Dr Pai is always willing to learn from his senior team of professionals and use their expertise to bring in best practices to the organization.

For example, Rajen Padukone, who was the CEO of Manipal Health Enterprises Private Limited (MHEPL) says that Dr Ranjan Pai has left the day-to-day operations of the individual companies to the professional CEOs. The CEOs usually consult the promoter on key issues, and larger decisions are always taken at the board level. This helps the professional

CEOs as the operational freedom and the consultative approach ensure that the decisions are taken in the best interests of all stakeholders.

An interesting example of building a business in a family conglomerate is Suresh Krishna, chairman and managing director of Sundram Fasteners Limited (SFL). An arts graduate, Suresh Krishna started Sundram Fasteners under the ambit of the TVS group. In an interview with the Harvard Business School, Suresh Krishna described his journey of building a company from scratch. The aspects that helped him sustain the organization are:

Learnability	Willingness to learn from others—be it partners, employees or customers who helped him build a successful engineering company although he himself was a non-engineer. As he mentions in the interview, 'I have learnt over the years by osmosis: by asking questions, getting answers, studying, interacting with people, listening to seminars and reading books. So it has been a process of learning, and the more you get interested in learning, the more you are interested in the business.'
Influencing and networking skills	Building a business in India when the economy had not opened up and was governed by the Licence Raj was a difficult task. Suresh Krishna had to work with patience and at the same time work out strategies to ensure the growth of the business. He also built relationships with customers, government officials and important people in the industry in the course of time. These relationships also helped him bring technology to the company. Suresh Krishna says, 'Fortunately for us, we didn't have to buy technology. The way we got technology to Sundram Fasteners was that we used to travel—and I was very young at that time. I used to travel, meet with people—nuts-and-bolts people. And they gave us technology out of kind-heartedness. People don't believe this. Whether it was Lamson & Sessions in Cleveland, or Republic Steel, or Canada Steel.'
Personal commitment and ownership	The journey of success has been one of personal commitment and ownership. In the initial years, Suresh Krishna himself met all the major customers. His willingness to learn and develop new products and personally tend to customer requirements helped him succeed. His personal commitment to quality helped enhance the capabilities of the firm and also helped sustain the business.
Values–honesty and transparency	Sundram Fasteners was able to build a culture of openness. It helped the organization sail through an environment that was troubled with difficult industrial relations. The employees were able to recognize the genuine intent of the management. As Suresh Krishna says, 'The second thing I always felt was that it is important to be very honest—we used to talk about sales, profits, costs, everything. There were no secrets in the company at all, as far as the openness of its activity. One of the main attributes of that openness is that if you keep on telling the truth, it builds a certain amount of confidence in the workforce. They know that you are not bluffing.'

Suresh Krishna has built an organization that has sustained itself for more than sixty years and is still growing. Two of his daughters have taken up major leadership roles in the organization: joint managing director (Arathi Krishna) and deputy managing director (Arundathi Krishna). Arathi Krishna plays an active role in the operations of Sundram Fasteners and under her leadership the company has performed well in terms of revenue, profitability and market capitalization.

As families grow and multiple generations get involved in the business, a formal family council is formed. The family council integrates the roles, views and involvement of the family in the business. It also integrates the views of the professional managers in the family decision-making process. John Davis, an expert on family businesses, in his Harvard Business School working paper[6] mentions that a family council creates the basic governing standards of the business and resolves major issues that can be points of contention. At the strategic level, it also integrates the family's views on the business with the decision-making of the CEO.

The examples of Anand Mahindra or Anant Goenka show that heirs to family businesses need to prove themselves and earn their positions. They prepare themselves through world-class formal education, taking up positions low down in the hierarchy, exposing themselves to key management positions through shadowing or mentoring, and finally taking on the role after proving themselves. This also helps the organization to adjust better to the new family CEO. This reduces the risk of failure that can have a major impact on the organizational dynamics.

Quite certainly, family businesses go through a process of growth and professionalization. In terms of leadership, three scenarios exist in a family business:

Scenario	CEO's Role
Led by a single owner—fully family-owned	To lead the firm with full control. May take help of professionals in key positions. Board may guide the owner/CEO.
Family member at the helm—public listed	Led by the board. Owner plays a key role. However, might have to work together with the board and the professional top management.
Fully family-owned—led by a professional	The owner might be supportive at the board level, influencing strategic decisions.
Public listed, led by a professional	The key decisions are taken by the professionals in concurrence with the board. Very rarely the family gets involved in the day-to-day activities. Will still have a major role to play at the strategic level.

The skills and orientation of the CEO—whether from the family or outside—depend on the nature of the ownership and the control the family has in the business. However, a professional CEO should have the ability to engage with the family and at the same time understand the dynamics that exist while making key decisions related to the business. A 2014 study by PricewaterhouseCoopers (PwC),[7] found that family businesses hired external CEOs to bring more professionalism and processes into the organization. However, the key success factor is the CEO's ability to bring the change gradually by understanding the current dynamics at work.

4

Educational Institutions

Heads of educational institutes like principals of schools or colleges, or vice chancellors of universities play a key role in shaping the institutions they head and also in the way they impact society through the students. In effect, they play the role of a CEO in an educational setting instead of a corporate one. Changing society and industries, evolving expectations of the learners and technology all influence how educational institutions impart knowledge. Teaching as such is seen as a very noble profession, and leading an educational institution comes with the responsibility of supervising the teachers and focusing on the larger cause.

Largely, the role of the leader of the school, that is the head of the school or the principal, is to provide strategic alignment, administrative excellence, academic excellence and people leadership. This involves providing a vision and aligning the different aspects of the school to realize that vision. This is the key to building a culture of excellence rooted in the purpose of the institution.

An interesting example of how heads of educational institutions lead their organizations to sustained greatness is Ravi J. Matthai, the first full-time director of IIM Ahmedabad. Prof. T.T. Ram Mohan, a professor at IIM Ahmedabad, gives a detailed account in his book, *Brick by Red Brick*, about

Ravi Matthai and the making of IIM Ahmedabad.[1] It talks about how Matthai helped build one of the most respected institutes of management in India. Vikram Sarabhai, a well-known institution builder, appointed Matthai to head IIM Ahmedabad when the latter was just thirty-eight years old. Matthai built a culture that could sustain itself for a long period of time by providing freedom to the faculty and making them the centre of decision-making. Back then, this was rather unusual as directors or the heads of institutions used to take all major decisions.

Matthai also created the vision for the institute and emphasized the application of knowledge where the faculty was encouraged to teach and do research through consulting. This set IIM Ahmedabad apart from the regular management schools that just focused on teaching. At a time when finding faculty to teach at management institutes was difficult, Matthai was able to spot talent that could be groomed. He was instrumental in developing the collaboration with Harvard Business School. Many of the faculty members were encouraged to be trained at Harvard and this showed his commitment to encouraging talent. It is interesting to note that Matthai chose to relinquish his role as director when his first term finished—setting a precedent that IIM Ahmedabad directors were to only hold the position for one term so that there were no issues regarding continued reliance on an individual to lead the institution.

Leading an educational institution is unique in some aspects. The person who heads it is often a well-respected academician with enviable academic degrees and past teaching experience. However, the role that the head of the institution plays has less to do with academic knowledge and more to do with administrative prowess. It is important that the head of the institute is able to manage diverse viewpoints of stakeholders (faculty, students, board, investors and administrative staff), manage day-to-day administration, set governance standards, communicate to external and internal stakeholders, build the brand of the institute, and at the same time set and manage high levels of academic excellence. Leadership and governance are the key elements of educational excellence globally.

Research conducted by Exeter University shares some critical elements that are taken into consideration for hiring the chief executive officer (vice chancellor or principal) of an educational institution. It is observed that while ‘research and academic’ excellence is a given, the ‘credibility’ of a candidate is seen beyond just teaching and research; it also includes management and leadership experience and potential. ‘Thus, candidates are now likely to be considered on a range of factors, including credibility [to peers and colleagues within and beyond the institution], capability [including operational and strategic management experience], character [particularly integrity, distinctiveness, interpersonal skills and personal style] and career tactics [ambition and desire to progress, political skills, self-management and ability to proactively manage change].’[2] The study also shows that leaders in universities are expected to manage the business side of the institution, inspire the team, manage change and provide a compelling vision. While traditionally, these institutions were insulated from competition due to the demand-supply gap and regulations, the opening up of global competition, institutional ranking and changing expectations of industry and students have also changed the role that a CEO of an educational institution plays. More than academic background, it is the ability to manage multiple stakeholders that sets a vice chancellor apart.

The National Assessment and Accreditation Council (NAAC), an autonomous body under the University Grants Commission (UGC), assesses the excellence of higher educational institutions on seven broad parameters:

1. Curricular aspects: This aspect looks at the relevance of the curriculum, flexibility in the learning process, career orientation of the curriculum and learner centricity. It also looks at the flexibility provided to the learner.
2. Teaching—learning and evaluation: The second aspect looks at how the learning process takes place, including the quality of the students and the faculty. It also looks at the multiple methodologies

adopted in the classroom. The evaluation of the learning outcome and the faculty is also a key element of this aspect.

3. Research, consultancy and extension: The key elements here are to create a culture of research—encouraging the faculty to do relevant and impactful research in their domains, collaborating with external stakeholders through research/consultancy; ability of the institution to get external grants; and having mutually beneficial collaboration with other institutions or organizations.
4. Infrastructure and learning resources: This aspect looks into the institute's capability to provide cutting-edge resources in terms of physical infrastructure related to learning, such as libraries, IT laboratories and other facilities that enable the institution to grow.
5. Student support and progression: The fifth criterion looks at the support for student progression. This aspect looks at whether the institute is able to provide the necessary resources to prepare the students for the job market and higher education; and whether there are enough enablers to handle student grievances and concerns. These are the key elements here.
6. Governance, leadership and management: This criterion covers institutional vision, strategy deployment, faculty empowerment, internal quality, and various human resource development aspects. This is a core element that readies the institution for the future. Leaders of the institutions play a key role in developing the vision and the road map for excellence. Developing next-level leadership is also a key aspect to be considered here.
7. Innovation and best practices: The seventh criterion in the NAAC assessment is about innovation and best practices. It talks about how the institution should be environment conscious, how it should bring in best practices related to education, and create a culture of innovation.

A leader of an institution, a vice chancellor or a principal, has to work towards the vision, garner necessary resources to sustain and grow, develop

research and academic excellence, enable student progress, nurture innovation and best practices, and attract and develop faculty and administrative talent.[3]

* * *

Globally, the Times Higher Education World University Rankings is considered a definitive guide to the ranking of universities worldwide. The rankings are based on thirteen performance indicators. The performance indicators are grouped into five areas: teaching (the learning environment), research (volume, income and reputation), citations (research influence), international outlook (staff, students and research), and industry income (knowledge transfer).

As part of this project, I interviewed twelve vice chancellors of Indian universities to understand the challenges they face in managing the institutions and how they influences their role. The responses varied from state universities to central universities and the autonomous/private ones. Vice chancellors of state-run universities, central universities and autonomous/private universities participated and shared their views. The summary is as follows:

Key Challenges Leaders Face in State-run Universities

- Managing external stakeholders including the government, political pressures and unions
- Managing student expectations—including unrest
- Driving a common goal with different parties within the university
- Leading in a democratic environment driven sometimes by non-academic stakeholders in key decision-making bodies like the senate or the syndicate
- Ensuring compliance to regulations and regulatory bodies like the UGC
- Managing the budget of the university and the finances
- Creating academic and research excellence
- Providing cost-effective service
- Managing administrative issues, including human resources, facilities and social aspects
- Being the spokesperson/ambassador for the university
- Influencing faculty and aligning them to a common vision

In the case of central universities and autonomous/private universities, many of the challenges like political involvement or student problems may be less, and hence the leader is able to focus on key goals of academic excellence.

The growth of a leader in a university is mostly organic. The evolution from a pure academician to an academic leader requires exposure to multiple elements of administration. Typically, most vice chancellors take up multiple stints in administrative roles before opting for the top role.

Additional Responsibilities That Help in Administrative Excellence

- Leading student activities like warden of hostels, heading committees, leading student guidance and placement unit
- Dean of institutions; academic and administrative activities
- Special assignments related to global collaborations
- Leading the university's quality initiatives
- Managing key activities like inspection by regulatory bodies

The appointment of vice chancellors of government-supported universities is of critical significance as the person can have a major impact on the future of the organization. As per the present UGC norms, a candidate applying for the post of vice chancellor should be an academician with a minimum of ten years' experience as a professor in a university or in an equivalent position in a reputed research and/or academic administrative organization. In their paper on the appointment of vice chancellors, Sudha Rao, senior fellow of ASERF (Apeejay Stya Education Research Foundation), and Mithilesh Singh, vice chancellor, Karnataka State Open University,[4] pointed out that the vice chancellor is the bridge between academics and the administrative department of a university. Apart from the basic qualifications, many committees/panels that look at academic excellence in the country stated that vice chancellors should have high respectability and integrity, they should be holders of values and should have a strategic vision.

Building academic and administrative excellence is the key role of a leader of a university. Drew Gilpin Faust, the twenty-eighth president of Harvard University, describes the role she played in institution building. ‘As [the] president of Harvard, [I] have expanded financial aid to improve access to Harvard College for students of all economic backgrounds and advocated for increased federal funding for scientific research. [I have] broadened the university’s international reach, raised the profile of arts on campus, embraced sustainability, launched edX—the online learning partnership with MIT, and promoted collaboration across academic disciplines and administrative units.’ Clearly the achievements Faust lists show the expectations from leaders of universities. A leader should be able to manage resources from various sources, broaden global outlook, build sustainability, embrace technology and create a well-oiled engine for a functional organization.

Time magazine in its list of the top presidents of universities mentions the influence that the role of a leader of a university can command. While many presidents get embroiled with internal issues, the most influential ones understand the larger social impact that they can have and are able to effectively leverage their positions. They are able to lead wider social campaigns, influence decision makers on larger matters related to society and education, and play a key role in making the university visible beyond its campus.

* * *

Dr Rajesh Panda, who heads the Symbiosis Institute of Business Management in Bengaluru, mentioned how some of the softer aspects of leadership helped him successfully manage the role at a young age. While it is typical to assume that the chief executive of an educational institute would be well above fifty years, Dr Rajesh is an interesting example of how somebody can take up the role at a rather young age—thirty years. It is important that the head of the institution is able to gain the trust of the various stakeholders, including the faculty, staff and students. The different

aspects of institution building as mentioned by Dr Rajesh are: capability building in terms of academic excellence, attracting quality talent, building administrative excellence with the faculty members, and building a value-based culture—in this case building mutual respect and trust.

Rajesh Panda, Director, Symbiosis Institute of Business Management, Bengaluru (SIBM-B)

Rajesh Panda is a graduate of IIM Ahmedabad and holds a master's degree in Economics and a PhD in retailing. Besides being a director and professor at SIBM-B, he is also an adjunct faculty with the School of International Business and Entrepreneurship, Steinbeis University, Berlin, and a visiting faculty at IIM Ranchi. Dr Panda has been awarded the best professor in marketing by National Educational Leadership Awards (2014). He is a member of the 'Board of Studies (Faculty of Management)', 'Planning and Monitoring Board' and 'Academic Council' of Symbiosis International University. He has also served as a member of academic councils of Symbiosis Centre for Distance Learning in the past. He became the director of the institute at the young age of thirty-three.

How did you make the choice to lead an educational institution?

I started my academic career as an assistant professor with Symbiosis Institute of Business Management [SIBM], Pune, way back in 2005. This was just one and a half years after graduating from IIM Ahmedabad. I worked briefly in the industry as an area manager [product development]. Frankly speaking, I had neither aspired nor worked towards heading an academic institution. My love for teaching and research got me into academics, and I always wanted to pursue my career as a faculty member. My experience in SIBM, Pune, gave me a lot of exposure to various administrative and corporate-related activities. However, I wanted to teach students and corporate participants after completing my doctoral degree. Subsequently, I was involved in various committees at the university level for enhancement of academic and exam processes. This made me familiar with various administrative processes at the university level, and gave me an opportunity to contribute towards academic and procedural reforms. I completed my PhD and in between was promoted as an associate professor. In 2011, the deputy director of SIBM, Pune, resigned, and I was promoted to this position. I was just thirty-one years old at that time, and there were many faculty members who were much older than me. However, I always believed in treating human beings with dignity and respecting my elders. I enjoyed the cooperation and support of the faculty members. Moreover, I had known these people for years and had a cordial relationship with them. I hardly faced any challenges as the deputy director.

There was a vacancy for the position of director at SIBM, Bengaluru, in 2013. I was offered this position. If opportunity knocks at your door, you have to carefully evaluate it. I knew I liked teaching and research more than administration. The decision was not easy. I thought over the offer, consulted well-wishers, and then finally decided to accept it. But I had to take time out from my busy schedule for teaching and research. It was up to me how well I could

manage my time and prioritize various activities. So, I joined SIBM, Bengaluru, on 1 April 2013, as the director at the age of thirty-three. I was a little nervous, but looked forward to the new assignment.

You are a young leader heading a well-known educational institution. What are the challenges you face?

When I took over as the director of SIBM, Bengaluru, the institute was only five years old, and before me there had been five directors. Hence, my first priority was to bring stability to the place and reinforce the standard academic procedures. Unlike my earlier institute, I was meeting the faculty members and the staff for the first time. When I took over as the deputy director at SIBM, Pune, I knew all the faculty and staff members and shared a cordial relationship with them. However, in Bengaluru everybody was new. Maybe I was lucky; we had a great set of faculty members and supporting staff who cooperated and supported me. I am happy to say there were hardly any challenges where people were concerned.

I faced a few operational challenges while bringing in the right processes, but it took only a few months to set up all the processes.

To build up the rigour in academics, we started subscribing to case studies, simulations and reading materials from Harvard Business School Publishing. Most of the faculty members were sent for various faculty development programmes to get trained in case method teaching. We made substantial efforts to upgrade the research skills and capabilities of faculty members. We formally appointed a faculty member with good research credentials as the head of research. We subsequently took various steps to establish the right research culture in terms of brown bag seminars, symposia, research camps and informal faculty meetings.

We had a student council with different coordinators for various student-driven activities like management conclave, management fest, placement, etc. I believed the student council represented the students and the right culture of academic rigour could be built by treating the council members as ambassadors. Today, there is hardly any indiscipline on the campus, students are dedicated to the institute; they work hard, not just for academics, but also for various institution-building activities.

Initially, we needed more qualified faculty members. We were able to hire many good professors through references and build a strong team. The team is now a perfect mix of people with both academic and industry experience.

What is your style of managing?

I believe in a flat organization with limited or no hierarchy. When I trust somebody’s ability, I prefer to delegate and empower the person. My experience says that a person performs better when she/he is given a free hand but is also held accountable for the consequences. In a private B-school, the director is involved in all important activities on a day-to-day basis. However, I wanted to do it differently. We identified a few faculty members with great administrative skills and created virtual departments for various key activities under them. Now we have faculty chairpersons for various activities like admissions, research, placements, exams, corporate training, etc. Today, I don’t have to monitor these activities on a daily basis, and this has also given me time for teaching and research.

What are the key values that you hold close to your heart?

I believe in respecting the people for their work and contribution towards the institute as per their capabilities. In my opinion, employees should be happy to come to the workplace and should respect the work they do. We introduced a statement at the institute for everybody to follow: 'Respect for work and respect at the workplace'. Everybody respects each other, irrespective of their rank or position, even when there is an inadvertent error or breach of procedures by a colleague/subordinate.

So, I believe that when faculty members and staff respect the workplace, other virtues like integrity, honesty and dedication automatically flow. And they always remain ambassadors of the institute even after they leave the job for better opportunities or relocate to a different place.

What do you think are some of the success factors of a head of an institution?

Some of the factors that have helped are:

- Trust in your own people. You can't do everything; one must learn to delegate to the capable and deserving.
- Supervision is hardly required, but guidance is important.
- Share your vision with everyone and make all the employees part of it.
- Respect each and every individual, even the external stakeholders.
- Appoint the right people for key positions. While recruiting people, I always see if they will be able to fit in and not just their ability.
- You don't always have to lead from the front; you can be a team player and hand the baton to somebody who is more capable.
- Be receptive to the opinion of others, especially those who are older than you.
- In my opinion, the most important factor is that you as the leader of the organization have to be happy, content and satisfied with your work.

* * *

The leadership in educational institutions starts from schools. Many evolved curriculums of education focus on imbibing strong values and knowledge building in their students. The leaders of the schools are also expected to have strong skills to ensure that the vision of the programme is met. For example, in the case of the international baccalaureate (IB) programme, the focus on building international-mindedness in the students is the key aspect. Definitely, in a programme like IB, the leader of the school should have a global mindset and should be able to manage students, faculty, staff and parents from diverse international backgrounds. In typical schools, the head, mostly the principal, should have a mix of skills to enable

strategic thinking, academic excellence, administrative excellence, people leadership and personal leadership. This would enable a strong vision for the school and help plan future strategies. The key would be to manage expectations of students, parents, teachers and other stakeholders, including school management. The leader should be able to leverage technology, balance curricular and extra-curricular activities, and ensure a safe environment for learning.

The Curious Case of Manipal University

Manipal University, situated in the suburb of Manipal close to Mangaluru, is a case of transformation of barren hills to a sprawling campus that hosts more than 28,000 students from fifty-seven countries. Over a period of sixty years, the university has transformed into a prestigious centre of higher learning and is also recognized globally. Dr T.M.A. Pai is the founder of Manipal University. He started the concept of self-financing education in the country. He was the first to start a private, self-financed medical college, offering a medical degree, in India. Dr Pai established the Kasturba Medical College in 1953, Manipal Institute of Technology in 1957, and also other education institutions such as Kasturba Medical College, Mangaluru, Manipal College of Dental Sciences and Manipal College of Pharmaceutical Sciences. Dr Pai is an excellent example of entrepreneurship and vision in the education space. His ability to conceive something that was never thought of in the country, and to pool resources for the institutions to grow set the tone for many similar institutions in the country.

The university improved its status under the leadership of his son, Dr Ramdas Pai, who is currently the vice chancellor of the university. Dr Ramdas Pai led efforts to acquire deemed university status. Currently, the university has grown in size in terms of number of students and also in ranking in terms of research and academic excellence. The university has been able to institutionalize its running under the leadership of professionally qualified teams of academic administrators. This is an excellent example of how leaders in academic institutions are able to instil sustainability and take the vision of the founder to greater heights.

The current vice chancellor of the university, Dr Vinod Bhat, focused on building a sustainable organization that is globally respected. He has streamlined the efforts for Vision 2020 that focuses on research excellence, international visibility, academic reputation and employer reputation.

Here is an interview with Dr Vinod Bhat, vice chancellor, Manipal University.

Could you share your journey of becoming the vice chancellor of the university?

I have been with Manipal University for the past thirty years. I started as a project officer and was confirmed as a faculty member within six months of joining. My first big assignment was to start a rural hospital in a place called Karkala near Mangaluru. I spent thirteen years building the hospital (1987–2000). This experience helped me learn a lot about growing an organization with limited resources. The hospital was started in a place that had limited

facilities—with six beds and six employees. Two of them being my wife and me. I was a practising paediatrician at the hospital and available most of the time for the patients in need.

When I moved back to the university from the hospital, it had grown from six to 120 beds and 150 employees. The aim of the hospital was to provide best-quality care at the most affordable cost. I learnt how to balance business and academic targets while working at the hospital. Even when we had limited resources and tight control on capital investments, we managed to grow the hospital with alternate sources—contributions from the society, foundations, and by running projects in the hospital funded by external agencies. A lot of our equipment came through the funding and projects.

After moving to the hospital, I handled the roles of head of department, registrar, pro-vice-chancellor, and I was finally selected for the role of vice chancellor. While heading the department of community medicine, my focus was on adding value to the university beyond its regular activities. In the years 2001–2003, we did fourteen big projects that helped to advance the department.

Later, I took on the role of registrar. I was the head of administration at the university and my role was to facilitate multiple issues—operational and people oriented. However, this job was also very tedious, even though it had a major impact on the smooth running of the university.

I voluntarily took up two additional responsibilities as part of institution building at this point of time. To internationalize the university—collaborations, joint programmes, exchange programmes and research collaboration with institutions worldwide—and to build the research portfolio. I still have these two responsibilities and it helped the institution grow in terms of its capabilities and international rankings. I later took on the role of pro-vice-chancellor. My responsibilities included building the institution keeping in mind the future trends of higher education.

What was your vision as the vice chancellor?

The selection committee unanimously recommended me for the position of vice chancellor. I had certain advantages since I had worked with the university in multiple roles. I had a deep understanding of the academic process and the administrative responsibilities of the university. Before I took charge as vice chancellor, I had a thirty-day window. I formed a small team to decide what would be the vision of the university by 2020. The team worked with me and we arrived at four pillars of excellence—academic reputation, employer reputation, internationalization and research. We went on to operationalize the efforts of the various institutions of Manipal University in line with the vision. We had an ambitious target to be among the top 200 universities worldwide.

Two years after taking on the role of vice chancellor, we are No. 1 in Karnataka. Some of the departments at the university such as pharmacy and medicine are ranked among the top 400 worldwide.

Manipal University is definitely finding its place as a top university in the country. My aim is to fulfil the vision in my five-year term as vice chancellor.

With your experience, what would be the key skills required for a successful vice chancellor?

> I would put the key skills into three buckets. The first one would be domain expertise. A vice chancellor should have a deep understanding of how higher educational institutes work. He/she should have an understanding of the rules and regulations that govern the university in India and abroad. The vice chancellor should also be able to understand the competition's role and how to create an advantage.
>
> The second major aspect is to understand that higher education is a service industry with a high people interface. The head of the university should be able to manage different stakeholders—students, faculty, regulatory bodies and the many others involved. There should be a deep understanding of how to manage people like your team members or the authority above you.
>
> The third aspect is business skills—understanding of finance and managing resources.

Another example of a visionary educational leader is Achyuta Samanta, founder of Kalinga Institute of Industrial Technology (KIIT University) and Kalinga Institute of Social Sciences (KISS) that host more than 50,000 students. Started in 1992 with a funding of just Rs 5000, these institutions made a large social impact. In the case of KISS, Samanta was able to bring in 25,000 young children from interior Orissa and transform their lives through education. KISS was also granted a deemed university status in 2017 and is the first tribal university to be granted the status.[5] KIIT hosts close to 30,000 students from streams like engineering, management, law and nursing. Samanta is an excellent example of how a person's vision led to building an educational institution. He went on to serve KIIT University as its first vice chancellor and is the youngest chancellor of any Indian university.

A successful vice chancellor/head of a university should be able to see the trends of higher education and steer the levers of change to enhance effectiveness. With globalization, education has a global canvas and extends beyond national boundaries. The global factors are: influence of technology on education, international standards of research excellence, extension of boundaries of knowledge, and even movement of students and faculty beyond boundaries. Dr Vinod Bhat of Manipal University, in his interview, explains how having a strategic view and an understanding of parameters that influence the global rating of a university can help educational leaders have clarity on the strategy to achieve their vision. Local constraints on infrastructure, regulatory bodies, operational nuances and local job market

expectations are here to stay. A successful leader should be able to balance local and global factors to run his/her institution successfully.

5

The CEOs of Social Change

This section focuses on leadership in not-for-profit organizations and foundations that work in the areas of public or social welfare. Their main purpose is to champion social causes and reach masses that government bodies may not be able to reach on a regular basis. NGOs focus on causes like education, shelter, food, health, child protection and security, old-age homes, environment and vocational training. They mostly help the weaker section of society by providing access to basic necessities like food, shelter and education. Leading an NGO requires unique skills. One has to be passionate and committed towards the social cause and also have the ability to run an organization.

Key Challenges of Leading NGOs

Like a corporate start-up, the founder's passion for a cause and commitment to it brings the NGO alive. However, as the NGO grows, the founder might realize that the skills and knowledge required to run, grow and sustain the organization are very different from those needed to run a corporate start-up. Arundhati Ramanathan,[1] in her article in the *Mint* newspaper, outlines some of the interesting challenges that CEOs face as their organizations grow, and the skills required to overcome these challenges. With funding

agencies looking for better-planned and organized NGOs, the CEOs need to have skills such as:

a) Vision and planning: Funding agencies are reluctant to support NGOs that do not have a long-term plan. NGOs should have a sustainable model of making an impact on the cause. The CEO, therefore, needs to articulate the long-term plans, rather than just the short-term requirements.
b) Managing finance: Financial accountability is the key to an NGO's efficiency. It is important that the CEO is able to manage finances, from overall budgeting to ensuring that the funds are prudently spent.
c) Human resources: Many employees join NGOs because of their passion for the cause; this automatically makes them accountable. It is important that the NGOs are able to attract the right talent, and inculcate the right practices.
d) Managing technology: NGOs cannot remain isolated from the use of technology. With the growth in operations, it is important that CEOs are able to embrace technology.
e) Resourcefulness: Leaders of NGOs should have the ability to seek new avenues to enhance the impact of the NGO, the ability to pool resources, such as finance, administration and creative execution, and should maintain beneficial partnerships.

There are two critical aspects that are essential for leading NGOs: first, efficient field operations that ensure the available funds are utilized with the right impact; and second, a well-managed organization, that is able to support the operations, ensuring efficiency and transparency.

Balakrishnan Madhavan Kutty, Resident Representative, World Bank

Balakrishnan has more than a decade of experience working in the social sector, both in India and the US. He has led design and implementation of varied interventions aimed at enhancing livelihoods of marginalized rural communities. He is an expert in strategic leadership of large-

scale non-profits and rural development initiatives of the government. Balakrishnan was a Fulbright Scholar for his master's in public administration from Harvard Kennedy School.

What are the key qualities that you look for in the CEO of an NGO?

One of the key skills of a CEO is to balance multiple and varied investors. For example, if there are multiple funding agencies like the government, corporates and high-net-worth individuals, then expectations in terms of results, systems and processes would vary. For example, corporates might like to see reports that are well-structured and result-driven while the government might be interested in input compliance [like when and for whom the funding is spent]. The ability to manage these multiple stakeholders and ensure internal systems and processes that can cater to diverse stakeholders is a key skill. A CEO should also have the ability to influence internal and external stakeholders through sheer charisma and conviction. He/she should be able to work with people from diverse socio-economic backgrounds. The CEO should be able to engage with donors and beneficiaries with equal ease. He/she should have the persistence and stamina to build an institution as non-profit organizations take a longer time to mature.

The stakeholders of an NGO are very different. What are the skills required for a CEO of an NGO in this context?

In the current context, new stakeholders have come into the picture. These are people from the private sector [CSR funding], private philanthropy [high-net-worth individuals], socially conscious individuals [linked through crowd funding], volunteers [urban middle class] and companies that invest in the equity of ventures that focus on social causes. A successful CEO should be able to influence and manage these stakeholders.

What do you think are the key skills that a CEO in a not-for-profit organization needs?

In my experience of working with different CEOs, some of the key skills are:

1. Ability to communicate with private-sector donors in their language
2. Entrepreneurial skills—the ability to network, search for opportunities and be adaptive to a changing environment
3. Building relationships with people different from you—in terms of ideology and skill sets
4. Media-savvy, especially social media
5. Informed about innovations in the sector
6. Flexible with organizational strategies
7. Comfortable in wearing multiple hats within the sector: convener, doer, catalyser, thinker and technical expert

You have worked in NGOs in different countries—what can CEOs of NGOs in India learn from the practices abroad?

Some of the best CEOs think beyond the organization. They consider human resources as an investment and not just a 'cost'. There should be a balance between data-driven decision-making and strategies built on knowledge and intuition.

Another major trend I see in Western countries is the lack of fear to grow and become big. In India, few follow this trend to garner resources and have an impact on a much larger sphere of the society. It is important to realize that 'small is beautiful' might not help in creating the impact that you would like to make.

What are the factors that can hamper the effectiveness of CEOs in NGOs?

The most important factor is the trust that the CEOs should build with internal and external stakeholders. It is critical that they 'walk the talk'. Lack of ethical conduct and an attitude that does not espouse the social change the organization is pursuing can lead to disengagement from both internal and external stakeholders.

Leading Successfully

Successful leaders have a clear vision and are able to influence multiple stakeholders in the direction of social change. The leader of an NGO or a foundation is also accountable for the funds the organization has taken from investors. In 2006, Warren Buffett, CEO of Berkshire Hathaway, pledged USD 30 billion to the Bill and Melinda Gates Foundation for the various initiatives it had taken for social change globally. In 2016, Buffett wrote a letter to the foundation requesting them to reflect on the impact of the funding. In this letter, Warren Buffett[2] encouraged Bill and Melinda Gates to measure their success. Their reply has been discussed quite a bit in terms of the expectations that Warren Buffett had. The response from the Bill and Melinda Gates Foundation outlined some of the key indicators of social change that the fund supported.

1. According to statistics, the Bill and Melinda Gates Foundation has had a direct impact on the reduction of fatal diseases, and saved 122 million children by providing them with immunization against such diseases.
2. The number of neonatal deaths has gone down.
3. The number of children with polio and malnutrition has reduced.
4. Self-help groups are increasing in number across India.
5. There has been a reduction in polio cases.

6. Extreme poverty was almost cut by half, thereby increasing optimism in the way people view widespread poverty.

The letter from Warren Buffett and the response from Bill and Melinda Gates dig deep into the core issue of governance in an NGO or a foundation. Unlike in a business entity, showing ROI (return on investment) is not easy for NGOs. Many times, there are no numbers to show the progress quantitatively, and at times it might not be practical to do so either. However, it is important for a leader to build a relationship based on trust with the funders. Some NGO leaders are able to show numbers while others rely on observable evidence. Even if metrics don't exist, it is important that the NGO shows the work it has done at the grass-roots level, says Sreekanth Sreedharan, who is the programme manager of the Azim Premji Foundation. He also shares his experience of working with Anurag Behar, the co-CEO. Anurag spends a large amount of time on field activities and this helps him have clarity on what is happening on the ground and share a good picture of the same with the key stakeholders. He writes about change in the educational sector and the change that needs to come about in his column in the business newspaper, *Mint*. Creating an impact is the main focus of established NGOs. For example, Tata Trusts has reworked its strategy to reach the grass-roots level. Earlier, Tata Trusts used to work with other NGOs to execute their activities on the ground, but based on Ratan Tata's vision, they changed focus to direct implementation.

Jamie Merisotis, in his article in the *Stanford Social Innovation Review*,[3] sums up leadership capabilities of CEOs in the social sector under 'the three pillars of leadership in philanthropy'.

- The first aspect is focus: Commitment to the limited but measurable and quantifiable cause the organization stands for. It is important to have the clarity of purpose narrowly defined to ensure that the energy and resources are spent on the key goals.
- The second aspect is flexibility: If the organization finds that its resources and capabilities are not making an impact on society, it

needs to re-evaluate the strategies or even the cause of failure itself. This helps the NGO to stay relevant.

- The third aspect is fortitude: Leaders should be strong and persistent to make the social change happen. This is of utmost importance since the areas that the NGOs address might face many challenges, and the leaders might have to work against strong forces.

Utilizing external funds for a social cause places tremendous responsibility on the CEO of an NGO. He/she has to be accountable, transparent and, at the same time, ensure execution with measurable impact.

Values of a CEO

An effective CEO in the sector is able to shape the thoughts of the society and push for desired change. An interesting example is Sudha Murthy, the chairperson of Infosys Foundation. Murthy, through her writings and interviews, shares a picture of the sustainable efforts she has put in through Infosys to help the underprivileged. In an interview with Anindita Ghose of *Vogue* magazine,[4] she says it is important to start from the areas that you are comfortable with. For example, coming from a middle-class background, she understood the importance of reading and studying, so, early on in her work with the foundation, she undertook the project of building a library in every government school.

She also believes that as a 'giver' to the society, you should not expect anything in return. This helps in being true to your cause rather than getting influenced by beneficiaries. Leaders should have an exit strategy to make change sustainable and help the local communities be more self-sufficient, instead of making them dependent on others. Murthy has also upheld her personal values of simplicity and selflessness, thereby reinforcing her personal commitment to the social cause. Research[5] shows authentic leadership and accountability form the bedrock of success in the sector. Authentic leadership entails an honest, transparent and moral approach,

which opens new dimensions for future challenges. Accountability emanates from self-awareness, where leaders have to understand their own roles, acknowledge their importance and set relevant priorities before they can begin to influence followers.

Balakrishnan Madhavan Kutty, the resident representative of World Bank (interview in the box), says that unethical behaviour, lack of transparency or arrogance can lead to the downfall of a CEO. An interesting example of how extravagance and lack of ethical behaviour can lead to leadership failure is that of T.T. Durai, former CEO of the National Kidney Foundation (NKF), Singapore,[6] a not-for-profit that helps patients cope with kidney diseases and supports their treatment. They encourage and promote renal research, and also conduct educational programmes on kidney diseases. A scandal exposed the lack of financial prudence and governance on the part of the CEO. Durai admitted to spending the donated money for his personal comforts and luxuries, such as travelling frequently in first class, using funds for lavish interior fittings in his office, manipulating information on how the funds were utilized and more. The exposé led to the removal of the board of NKF Singapore, and even led the government to form a new regulation to ensure transparency and accountability in not-for-profits.

Leading the Growth of an NGO

In the initial phase, the founder's vision and passion for the cause lead the activities of the NGO. Like in the case of Jyoti Thyagarajan, founder of Meghshala Trust, (see box for interview), the primary purpose of the organization should be clearly articulated, and the resources should be aligned with it. An example of translating a powerful cause to a broader social impact is Akshaya Trust.[7] Narayanan Krishnan who is the founder of the Akshaya Trust was recognized by CNN as one of the top ten heroes of 2010. Once a celebrated chef, Krishnan started Akshaya Trust to aid the helpless, homeless, sick, elderly, mentally ill and destitute in Madurai by providing food, care and the opportunity to rehabilitate in order to restore human dignity. Inspired by a destitute elderly man in 2002, who was

homeless and starving, Narayanan started his efforts to feed the needy from his own savings. Akshaya Trust has served more than 1.7 million meals to the needy by now. The trust has also built homes to provide shelter for homeless people. Akshaya Trust was able to get funding from multiple contributors including corporations. The trust also has branch in the US. Akshaya Trust and Narayanan Krishnan are good examples of how a CEO can build an institution that brings together the cause, infrastructure, volunteers and supporters to create a sustainable model. The power of the cause and the founder's commitment to it become the backbone of the organization.

Initially the organization can operate with a small team of passionate people. However, as the organization grows, it requires more resources in all aspects—financial resources, human resources, infrastructure and so on. Thus, the ability of the founder CEO to amalgamate these resources is essential for the growth and expansion of an organization. As Jyoti mentions, the formal process of management and governance play a role in this phase. Gradually, the organization has to bring on board experts in technology, human resources and financial management. They complement the core purpose by ensuring that the organization runs smoothly.

Jyoti Thyagarajan, Founder, Meghshala Trust

Interview with Jyoti Thyagarajan,[8] founder of Meghshala Trust, an NGO that focuses on building teachers' capability to enhance the learning experience of schoolgoing children in some of the remotest corners of the world through a scalable model.

Tell us about Meghshala and its journey till now.

I've been a teacher all my life and have taught in some of the best private schools attended by kids of 'important' people, with the belief that if I teach them well, they will go on to become the movers and shakers of the world and will do the right things. Suddenly, at the end of my career, I realized I was catering to the wrong end of the population! So I started talking to people to do something about the millions of children in the lower strata of the society who never get good teachers. We realized that good teaching is very hard to scale. I had taught around 600 kids in my life, how do we reach out to 60 million kids? We realized that it had to be a technology-enabled intervention. Hence, the idea of Meghalaya was born. We developed a tablet-based platform, on which we built a virtual school and included 3400 lessons from all subjects, to help teachers deliver the subjects better. We started offering it to a few government

schools and now we are in 120 schools, from Mysore to Pakistan to East Africa. The Tata Trust supported our efforts, so we were able to provide the tablets for free. Our dream is to reach out to the remote, excluded and troubled places of the world, like Syria and Kashmir, to facilitate education, so that those kids will grow up to be adults who will change the world they live in.

How difficult was it to design the curriculum? How long does it take to develop the content?

We design the content exactly on the lines of the school curriculum, and we cover all the subjects for classes 1 to 8. It is challenging because a topic can be taught in multiple ways depending on the teacher's style. The content also has to be modified for contextual relevance in different geographies. We have a team of twenty-eight people, including analysts, proofreaders, translators and designers, who study various approaches and develop comprehensive content which will suit different teaching styles and geographies. It is then uploaded to the cloud where the instructor can access it. We have streamlined the process to ensure that one person can develop a module in one and a half days. That is how we were able to develop more than 3400 lessons in a year with a small team.

How do you manage to attract and retain these smart and efficient people?

We believe that one cannot get a man to build a boat unless he is taken to the seashore, and shown the beauty of the horizon. He will then yearn for the sea, and will himself learn to build the boat. So, we motivate people by showing them the potential impact of what we do. We are a non-profit, but we ensure that we get enough funds to pay these people appropriately for the great work they do because we have to match what they would get paid elsewhere for similar work. We are also a flat hierarchy, which gives them the freedom and autonomy to do things they are interested in.

How do you contextualize the content for different geographies?

We actually send our people there, to spend time and know about the people in those regions. Be it Kashmir or Bandipur, our team interacts with the locals and gains these insights.

When did you realize you wanted to do something to improve rural education?

I didn't always want to do this, and like I said, I realized it very late in life. But I did know that the problem existed and would keep thinking about how to solve it.

Since you target places that are excluded and remote, does the lack of infrastructure hinder the performance of your product?

Yes, electricity and connectivity are problems. We have designed our product to handle these constraints. In areas where Internet connectivity is poor, we provide tablets with preloaded content so that they don't need Internet. Also, the devices consume very little power for charging and last a long time on a single charge. We also give a pico-projector, which can wirelessly project images and videos on to walls and notebooks.

Does this automation of content make teachers redundant?

No, it makes them much more important and much more efficient. The tablet enables a teacher to teach better, but it cannot replace the teacher. Teaching is not a trivial activity, and just like any other profession, it needs its own preparation and skills. The tablet just makes the teacher's job easier.

What were the challenges in dealing with different stakeholders?

When we initially approached the local government, we were unable to convince them about the potential of the product due to linguistic barriers, but some politicians have been very supportive. However, the larger pushback was from the teachers, who were used to a particular style of teaching and found it difficult to adapt to the tablet. You have to also realize that the life of most rural teachers is tough; most female teachers have to juggle between their household obligations and deal with hardships every day when they set out for school. We wanted to make their lives easier. So, we approached some early adopters and gained their trust; we trained them to use the tablet, and then turned them into influencers. Thankfully, our timing was right as people are becoming more tech-savvy nowadays.

How many students are being taught with your product as of now?

We have already impacted around 5000 students after launching for just one semester. And we don't even have salespeople!

Do you think you would need more people to manage the product as you scale up?

We will need more help when we launch in a new geography, especially in the initial adoption of the technology. But we have a plan for that. We were told that retired army veterans go back to their villages and work in their farms. They're all technically able because they've been signal officers, electricians, etc. So, these people can use the product and train others to use it. We plan to appoint them to spearhead the adoption and operations in their respective villages.

Can you get a lot of information because of these inroads?

Yes, in fact, we can generate big data. Apart from anything else, it can be the first-information network. For example, if there are eight people in one village, and all of their children have chikungunya, you know you have to direct your supplies there. Another example is an activity where we asked children to bring water samples from their homes to test with an aquarium stick, and we collected all this data and plotted the water quality of various regions on a map. This information can be very useful for the government.

How has the transition been, from a teacher to an enabler of a teaching process?

Being a teacher, the challenge of surviving in a teenage classroom makes you a negotiator, an enabler; you develop a strong sense of humour, you develop a real appreciation for different kinds of cleverness. So I feel the teaching experience was useful in preparing me for this transition.

What is the most important skill that has helped you succeed?

I would say it is weighing all possibilities, comparing and contrasting and picking the one that you think is set for success. Sometimes we pick wrong and it's a failure, but if you don't make that wrong decision you don't learn. So just remember that when you fail you can always pick yourself up and get going.

Is this your first entrepreneurial stint, or have you tried something before?

Every new class that I walked in to teach was an entrepreneurial adventure for me.

How does your husband support you?

He has worked with many NGOs before, so he's very useful in ensuring that the finances are in place. He touches base with the team regularly and ensures everything is working fine. Apart from anything else, he continually makes sure that I eat.

What is the worst decision you have made and what is the best one?

As a teacher, I believed that every kid has potential, and should be given a chance. This affects my hiring decisions. I often make the mistake of putting too much faith in people, which sometimes leads to disasters. I need to be stricter. My office has learnt to put up with some of my bad decisions [laughs]. The best decision was to start Meghshala.

How is the culture in the organization?

That's an interesting question. The organization actually runs itself. We have a reporting line, where everyone, including me, reports to somebody else. We have collective responsibilities to do things, and we are accountable for each other. People are happy, and we always get together and eat together so it's a very family-like atmosphere. It's an equal atmosphere, in the sense that everybody earns roughly the same, as far as possible.

What is your vision for this space five years from now?

I want Meghshala to be an example for others to build educational products and services for rural children. I would like to see more people work in this area because there are too many kids who need help. I want to help in building an ecosystem that enables and facilitates others who want to do something in this space. We are already working with a lot of people, and seeing this network grow into a large movement.

How much time do you dedicate to Meghshala?

Almost all my time. I have other projects, but they all got sidelined after Meghshala started growing. I spend my entire day in the office, sometimes even on weekends.

Social entrepreneurs often face funding challenges. How did you sell your idea to funders?

We didn't have a hard time because the cause and idea were good enough to get people interested and invested. Apart from one or two sceptics, everyone loved the idea for its simplicity and potential to scale. Initially, we were running on my own funds so it was a honeymoon period as we were not answerable to anyone. But once we had someone else's money we became very responsible and efficient, and that's a good thing because it helped us become more sustainable.

Tell us some interesting stories from people who have used your tablet.

My favourite story is that of a teacher who used the pico-projector in a unique way. She had a worksheet to discuss with the class and got the children to fill it [which, by the way, was not even in our curriculum]. So, she had this idea where she took a picture of it with the tablet and then projected it on the wall. All her students gathered around it and began calling out the answers as if it were a game they were playing, and it was a very exciting activity for everyone!

Do you see Meghshala taking on a more formal management structure as it grows?

We are still small and work like a family, but I do realize that as we grow, we will have to become more professional and will need some managerial structures to handle our projects and activities. I do see myself stepping aside and making way for someone more capable of handling the affairs. Because how long can a grey-haired physics teacher run a space-age company!

Sabu Thomas, chairman, United Way, a not-for-profit organization, in his interview (see box below) states some interesting aspects of the role of a CEO of an NGO. It provides a multidimensional understanding of the social sector and its stakeholders, along with a professional manager's expertise of the corporate sector. Unlike the corporate sector, the ultimate success of an NGO is when it is able to meaningfully address the challenges of society. An effective leader in this sector should be able to fulfil the commitment to the cause. This requires bringing in resources for growth, sustaining the field activities and building the right organizational infrastructure. This involves working on three different aspects:

a) Clarity of the purpose and creating a strategy to enable the same
b) Pooling the required resources—finances, technology and people
c) Enabling the organization with right practices and processes

An interesting example is Raj Shekhar, who was the consultant CEO of Magic Bus, an NGO that supports children between the age of twelve and seventeen, and helps them get a formal education so that they are eligible for job opportunities. Raj Shekhar was the head of operations at Mastek Limited, an IT technology provider, before he joined Magic Bus. Raj acted as a full-time adviser to the founder of Magic Bus, and helped in streamlining the operations and ensuring better effectiveness on the ground. The main levers that he used were:

1. The purpose of the organization: Raj helped the organization decide its purpose and stay focused to achieve the same.
2. Value alignment: The next step was to translate the values which define the culture of an organization into model behaviour. For example, how do we define and practise values such as accountability in the day-to-day activities of an NGO?
3. Increasing transparency: This was achieved by sharing the direction of the company and how the organization progressed in a short period of time. This helped build better performance culture and trust across the board.
4. Developing leadership skills: The main focus was on how to effectively work with the society and its stakeholders. Raj focused on changing the culture from a command and control model to one which was collaborative in nature. This helped the teams take responsibility, and inspired and motivated the volunteers. This further helped build a culture of trust; teams supported each other and focused on the purpose rather than working in silos or waiting to take instructions within the organization.
5. Building credibility: To build credibility, Raj started discussing the progress reviews of the programmes with donors. He made efforts to improve the situation by fulfilling the promises made to them. This helped them have a better line of sight of how their funds were being spent and also appreciate the work of the NGO.

6. Creating more financial and operational control with auditable information: This helped to increase transparency in the organization. The donors were also encouraged to see the work of the NGO in villages.
7. Creating IPs: Raj focused on developing a blueprint for building a technology platform for designing curriculums, distributing them in remote villages and collaborating with other NGOs to increase the efficiency. This was still a work-in-progress when his tenure came to an end as per the agreement with the founder/director, i.e., to find a CEO who would be passionate enough to bring in a social change and at the same time continue the transformation of the NGO to operate like a corporate.

Sabu Thomas, Ex-chairman, United Way, Bengaluru Chapter

United Way is the world's largest NGO and it has its presence in forty-three countries around the world. Sabu is the former chairman of the Bengaluru chapter. He has been associated with the organization as a board member since its inception in 2008. He is also the chief people officer (India operations) of Allstate, a personal insurer. He tells us about his journey of setting up United Way in Bengaluru and his role as the founding board member and then as its chairman for three and a half years.

How has the journey been so far?

United Way, Bengaluru chapter, started in 2008. I got the invitation to be on the board of the chapter and I took it up as I was keen to contribute to the society.

The local chapters of the NGO were empowered to choose the campaigns they wanted to work for.

The Bengaluru chapter started its journey with a seed funding of USD 10,000 from the Deshpande Foundation, a non-governmental organization. After a few months of basic operations, the core team went for a retreat to decide what we wanted to achieve as an NGO.

One of the key initiatives that we came up with was to revive the lakes in Bengaluru. Experts have predicted a water famine in the city in 2020. Fast industrialization and rapid urbanization have led to the depletion of waterbodies. Once famous for having more than 1000 lakes, Bengaluru now has less than 300 left. The rest were encroached on for building community spaces and industrialization. Of the 288 remaining, many of them are polluted and can't sustain the ecosystem within or around them. The first key campaign of United Way (UW) Bengaluru is 'Wake the Lake'.

The second key area we wanted to focus on was educating underprivileged children. Malnutrition is a major factor that prevents children from going to school or excelling at studies. The 'Born Learning Campaign' came about to help more children excel in schools.

The campaign focused on educating parents, supplying nutritious food, supporting the government and funding such initiatives.

How are the UW Bengaluru campaigns different from other such initiatives?

We were able to bring together various organizations that helped bring about a change. For example, in the case of the 'Wake the Lake' campaign, UW contacted government bodies that own or maintain the lakes, experts in the field who could help revive them, and organizations that could help with funding to support the various activities. We also educated the local community about the importance of the waterbodies and how to protect them. This helped create an impact and bring about sustainable change.

How did you hire the team for UW? What qualifications did you look for?

We hired highly qualified people who were passionate for the cause. We had a mix of people from both social and corporate sectors, who brought complementary skills to the table. We hired a professional who had worked with well-reputed NGOs to be the CEO/executive director. The CEO had an excellent professional background and communication skills.

In your opinion what qualities are important to run an NGO?

It is very important that the individual has a deep interest in the social sector and the causes the NGO works for. The person should have the ability to connect with multiple stakeholders—society, government, funding agencies, media—and bring them together for the common cause. It is important to realize that the government is a very crucial stakeholder in making large-scale social change as it can impact the society, and a successful leader should harness this power.

The leader should be comfortable in running the operations of the organization and also have a sense of how the social sector works. This will help him/her remain connected with field activities and influence the effectiveness of the work at grass-roots levels.

Like the corporate sector, not-for-profit organizations are attracting talent from all fields. Although the compensation is relatively low, the sector is drawing qualified professionals, experts and consultants who add value to specific areas of work. For example, the national director of the Bill and Melinda Gates Foundation is Nachiket Mor, who completed his MBA from IIM Ahmedabad, and PhD from the University of Pennsylvania. He worked with Pradan, another well-known NGO, ICICI Foundation, and is also a board member of the Reserve Bank of India. With NGOs trying to make an impact at a larger scale, the profiles of many CEOs of noted NGOs come with a respected educational background and achievements in the professional field.

With emphasis on effectiveness and scale-up, CEOs of NGOs should focus on the use of technology, innovative and cost-effective means of reaching out to the grass-roots level, and building a professional team.[9] The social sector is adopting practices like design thinking to help create better community solutions. From inspiration to ideation and implementation, design thinking helps to find innovative solutions to social issues. As a CEO in a not-for-profit organization, it is important to appreciate the latest concepts and sustainable models of social change. Led by Prasanth Nair, the district collector of Kozhikode, 'Compassionate Kozhikode' is an interesting initiative which brings together volunteers to support various social causes, such as taking care of a mental health hospital, providing meals to hungry citizens, supporting orphan kids to experience the love of families, or providing better support to elderly citizens. Prasanth, as the district collector, was able to formulate multiple high-impact social programmes and get support from fellow citizens of the state for these initiatives. He also used the power of social media (such as Facebook) to reach out to the masses and urge them to contribute and volunteer for the activities. Volunteers and experts from various sections of society formed core groups for various activities. Prasanth's use of humour in his social media posts also attracted thousands of citizens to these social initiatives. He was profiled as one of the top ten promising bureaucrats by *Outlook* magazine.[10] Though not a CEO of an NGO, Prasanth's contribution as a district collector has lessons for those heading not-for-profit organizations; these are: the ability to communicate with the masses, focusing on key social issues, the use of social media and technology for impacting social change, and leveraging key stakeholders like the government, expert volunteers, the public and media.

In a Nutshell

The key skills required by successful CEOs are:

- Passion for the social cause that the organization is working for

- Ability to articulate the vision for social change
- A deep understanding of the social sector and its operations
- Ability to measure qualitative impact
- Ability to engage with diverse sets of stakeholders
- Ability to build strong organizational processes and practices to support governance
- Creativity to find innovative ways to engage with the society
- Comfort in working both in the field and at strategic decision-making levels
- Charisma and confidence to influence people and work at various levels
- Strength and persistence to make the idealized social change a reality

6

CEOs in Public Sector and Government

Traditionally, in most countries, the public sector significantly contributes to a nation's economy. Solely owned by the government or by government-private partnerships, the public sector often controls businesses in some of the core domains. These are typically areas of national importance like power, banking, defence, public services, or sectors that require large government spending like oil and gas—Oil and Natural Gas Corporation (ONGC), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Aeronautics Limited (HAL) and Coal India Limited (CIL) to name a few. Many of them are the 'Maharatna' Companies—a department of public enterprises which are classified based on high financial performance. Public-sector firms are often present in many domains where the private sector is also very active—like airlines and tourism. However, as with many world economies, the Indian government is now moving away from more competitive areas where private players play a major role. The CEOs of public-sector organizations have an important role in running a business entity where the government is the key shareholder and accountability rests with the board of the company and the government.

Competencies of CEOs in the Public Sector

In 2002, an eighteen-month empirical study[1] was conducted under the aegis of the Public Enterprises Selection Board (PESB), the apex body for selecting the top management in public-sector companies in the country, with the support of BPCL and the Hay Group to study the competencies that are required by CEOs in India (with focus on both public and private sectors). The study identified critical competencies of CEOs in public-sector firms and also compared them with the private sector. The competencies were put in four broad categories:

a) Socially Responsible Business Excellence

- Adaptive thinking: Strategic insight into businesses, adapting methods and technology to the Indian situation to address unmet needs
- Entrepreneurial drive: Entrepreneurial and competitive spirit to find new horizons of growth
- Excellence in execution: Foresight, with fierce and unrelenting passion to execute right away

b) Energizing the Team

- Driving change: Leading the organization for sustainable change
- Team leadership: Inspiring and protecting the team, enabling excellent team performance
- Empowerment with accountability: Delegating authority to others to act with purpose and accountability

c) Managing the Environment

- Networking: Reaching out to a wide network for ideas and problem-solving
- Organizational awareness: Understanding how things get decided and done
- Stakeholder influence: Using customized strategies to influence specific stakeholders

d) Inner Strength

- Executive maturity: Emotional wisdom to respond to others and embody the aspirations of the organization
- Transcending self: Dedication to a larger goal/vision; doing what is right and what will make the country great

The study, which covered more than 100 CEOs, also indicated that public-sector CEOs were better in stakeholder influence (boundary management), transcending self, energizing the team and higher empowerment with accountability than private-sector CEOs. The latter were better in adaptive thinking, driving change and networking. Public-sector CEOs have to manage a greater number of stakeholders than a typical private-sector CEO. For example, in a public-sector unit managing government officials (ministers, bureaucrats and public representatives) is a major task. Often CEOs have to influence the government for regular business operations and at policy levels to ensure competitiveness of the organization. For example, Deepak Kumar Hota, the chairman and managing director of BEML Limited, says that he has to influence four ministries as part of managing the business—defence, railways, urban affairs and mining. He also has to work in close connection with the army to ensure good business relations. BEML also works closely with a number of international players for its operations. This also leads to another complexity; that of maintaining win-win relationships. It is important that the CEO wins the trust of the international partners to ensure collaboration, technology transfer and a joint go-to-market strategy. Effective CEOs in the public sector should be able to manage relationships effectively with various stakeholders.

PESB, the high-powered body that supports the government in decisions related to selection of personnel for top management roles in central public-sector enterprises, has provided guidelines with regard to the experience required for the role of managing directors. The key aspects are: top management experience of working on the board or a level below, graduation as a minimum qualification and a sound professional background. Often candidates have worked at the board level as functional

directors or already held major positions such as managing directors. The important aspect here is how the individual shows consistent performance and rises through the ranks in the public sector.

Deepak Kumar Hota, CMD, BEML

Deepak Kumar Hota became the CMD of BEML in July 2016. He joined the board of BEML in July 2013 as director (human resources). Deepak has an honours degree in economics from St Stephen's College and a postgraduate degree in human resources from Xavier School of Management (XLRI). He has over three decades of professional experience in HR and business, and has served in various capacities in Hindustan Petroleum Corporation Limited (HPCL), including serving as the CEO of HPCL Biofuels Limited. Prior to joining BEML, he was heading the natural gas division at HPCL, Mumbai.

What were the new challenges you faced after you took over as the CMD of BEML?

I was fully aware of the organizational context of BEML being the director, HR, for three years. However, the challenges that had to be addressed were on three fronts.

a) Changing the culture: BEML had a risk-averse culture, where people were hesitant to take decisions, and this often slowed down the organization. Ghosts of some past events had made people very cautious and approval was always sought from the topmost level. One key area of my effort was to change this culture.
b) Performance orientation: In the public sector, people often stick to one job their whole life and performance takes a back seat. We started focusing on having discussions that clearly outlined the gaps in performance and gave directions on how to improve. This, along with consequence management, helped us create a better work culture.
c) Aligning human resources: Efforts were made to ensure that the right people were taking up the critical positions. This was done to ensure that the organization delivers as per its potential.

As the CEO of BEML, what were the changes that you brought in your first year?

In the first year, my focus was on enhancing the performance of the organization. This required extensive work with our customers—ministry of defence/army, rail and metro, coal and mining. I also had to invigorate our global technology partners. Extensive efforts to build relationships at various levels in the government and pushing the case for BEML helped us secure high-level orders and also explore opportunities. This helped us secure a growth rate of 91 per cent year-on-year.

What do you think are the key skills of being a CEO in the public sector?

In my experience, some of the critical competencies of a CEO are:

- Ability to manage pressure: CEOs should be able to manage various aspects of running an organization with demands from both internal and external stakeholders. Time management also becomes a critical competency. You will have to prioritize, multitask and manage the most critical aspects first and also make sure that the team takes on the accountability.
- Managing relationships and people: It is important for the CEO to be able to manage relationships with key stakeholders. Having good relationships can help the CEO remain in the role.
- Networking: To be effective as a CEO, it is important to build connections in the government, and with international technology partners. This helps in increasing the visibility and competitiveness of the organization.
- Domain knowledge: While this is not the most critical aspect, CEOs should have a good understanding of the organization's strengths and products. This helps to manage the organization better.
- Managing change: CEOs should be able to influence change and align the various aspects of the organization to bring about desired results.
- Managing within the structure: It is important to understand that the public sector and government have set processes of governance in decision-making. An effective CEO is able to leverage these processes rather than be limited by them.

Looking back, what were the different experiences that helped you to prepare for this role?

I grew pretty fast in the initial phase of my career in human resources. However, I took on business responsibilities focusing on marketing and business operations to get a more holistic view. I also got a lot of inputs from people like Manav Bose, who was my mentor at HPCL, M.B. Lal, the former chairman of HPCL, U. Sundararajan, the former chairman of BPCL and Prof. Debashis Chatterjee, the former director of IIM Kozhikode. They helped me become more confident about taking on higher responsibilities.

In your opinion, why do some CEOs in the public sector fail?

It is important for CEOs in the public sector to be very balanced in their approach. Recklessness in behaviour—especially in decision-making and the inability to manage relationships in the government—can be extremely detrimental. You should also be astute and take the team along. Creating unnecessary conflicts with internal and external stakeholders can create issues.

Deepak Hota's view of the key competencies required by public-sector CEOs is similar to the competencies identified by research done by PSEB. Ability to manage relationships and change stands out for public-sector CEOs. With dynamics changing in business and politics, public-sector

CEOs are also expected to have the capability that will help them cope with the new environment. A survey on CEOs by PwC[2] listed four key aspects.

1. Competing in an age of divergence: After globalization, the impacts of national policies, unrest and technological changes are creating bigger challenges for organizations. It is important for CEOs to cope with these changes and manage the risks for the organization.
2. Managing man and machine: Skills that were earlier provided by humans are being taken over by machines. It is important for CEOs, especially in the public sector, to acknowledge this change and cope accordingly. Automation is becoming important to remain competitive and the CEOs should be cognizant of this.
3. Gaining from connectivity without losing trust: With technology embracing multiple aspects of the business, it is important for CEOs of public-sector organizations to imbibe them. However, it is also important to show the organization still believes in the basic value of trust. It is also critical that threats to technology like data privacy, hacking and IT disruptions, do not damage the trust in the organization.
4. Making globalization work for all: It is important that the public sector helps in creating a fairer society. It is also essential to impact the basic infrastructure of society positively. Balancing the interests of business and society is the key here.

While many of these are applicable to the private sector as well, the expectations from CEOs in the public sector are much higher. For many private banks in India, embracing technology and using it for operations was normal. However, for banks like the State Bank of India, which is the largest public-sector bank in India, adopting technology was a challenge due to resistance from the employees. In the past years, under the leadership of Arundhati Bhattacharya, SBI has revamped its operations and product portfolio with the use of technology and digital platforms. This has helped the bank align with changing customer preferences and be more efficient to

drive growth.[3] Similarly, BEML has emerged as a major player in the metro coach business—serving customers like Delhi and Bengaluru Metros. BEML was able to effectively forge technology partnerships with some of the world leaders in the field and leverage them to compete with other players, winning some of the largest orders in the country. This shows that it is important for CEOs in the public sector to anticipate changes and adapt effectively.

Often, the public sector bears the brunt of technology obsolescence, operational inefficiencies, lack of accountability and performance by employees, and not changing with the industry dynamics. Public Sector Undertakings (PSUs) become 'sick' and this may even lead to their closure. In such cases, there is a need to appoint turnaround CEOs who can bring back the organization as a viable business proposition. An interesting case here would be that of Air India. The company has been incurring losses for a long period and has a huge debt. There are a number of factors including poor service, employee attitude and even a difficult market situation. Ashwani Lohani joined as the CMD in 2015 with the mandate to turn the company around. Ashwani is known as a turnaround leader, who has already turned around two other organizations. He was perfect for the role as he possesses qualities such as personal integrity and a high level of professionalism. While turning around an organization like Air India with its massive debt and legacy issues is a mammoth task, as of 2017, Ashwani's efforts have led to a mixed bag of results. Air India has made highest-ever operating profits, increased its revenues and reduced losses. However, many parameters including on-time performance, load factor and customer satisfaction are still the worst in the industry.[4] Although the mandate to turn around Air India had not been fulfilled, Ashwani was appointed as the chairman of the board of Indian Railways in August 2017. Turnaround CEOs have to be strategic, take tough decisions and lead the change. This also requires considerable personal endurance and commitment.

Leading in Government

Leading in the government is complex and different from leading in other enterprises on multiple fronts. First, in a democratic country, government leaders are expected to work in alignment with elected representatives. The incumbents who hold key positions in government are political appointees or bureaucrats. The positions in government are often much bigger than that of a CEO in the private or public sector, and often the influence is directly felt by society. In India, for example, a district collector who is the CEO of the district administration even holds quasi-judicial powers. Very early in their careers, Indian civil service officers get opportunities to work in positions that have considerable scope and power. They often move to and fro from public-facing roles like a district collector to departmental postings like managing director of public-sector enterprises and corporations, and secretary of various departments. They also get deputed to various central government positions. As they move ahead to lead some of the key government departments or even become the chief secretary, the officers gain a lot of experience managing stakeholders and large-scale social programmes, and get a good understanding of laws and regulations.

I had the chance to interview Prasanth Nair, IAS (Indian Administrative Service), who was the district collector of Kozhikode, Kerala. He had done over six major and five minor stints in a career of over ten years. Five of his postings were as the managing director of state-run enterprises/corporations. The rest of the postings involved handling major government projects as the district administrator. He states five key qualities that helped him to be effective:

a) Close connection with the citizens and their issues
b) Being accessible and compassionate to the public's needs (use of technology and social media)
c) Having a direct impact on citizens' lives
d) Having a clear personal vision and purpose to create a change in society
e) Ability to pool resources and support to create change

However, Prasanth Nair has been in the midst of controversies that involved political leaders.

Although many competencies of CEOs remain consistent across operating contexts, leaders in government need to be more proficient in certain skills. Some of the characteristics are: being ethical, authentic, having a reputation, optimistic about making things happen and being self-aware.[5] Similarly, a study conducted by the Center for Creative Leadership (CCL), a firm focused on leadership research and development,[6] on government leaders found that leadership qualities, resourcefulness, straightforwardness and composure, building and mending relationships, and participative management are key competencies required to be successful in the government.

In the government, important roles such as heading the Reserve Bank of India (central bank), NITI Aayog (National Institute for Transforming India), or government secretaries need a high level of strategic thinking, ability to influence multiple stakeholders, and to manage change and execution. Many of these key positions in India or abroad are handled by seasoned bureaucrats who come from the civil services. They have the ability to manage the bureaucracy, society and the elected ministers. For example, Amitabh Kant, the CEO of NITI Aayog, is a 1980-batch IAS officer. In the past, he has successfully handled multiple administrative roles. Sonya Dutta Choudhury[7] in her article in *Mint*, profiled three successful IAS/IPS officers—Amitabh Kant, Kunal Prakash, assistant collector, and Sanjay Sahay, additional director general of police. The article states the critical skills that make these officers successful:

- Ability to partner with varied stakeholders
- Ability to find capable people and work with them
- Ability to work with large and sometimes difficult crowds
- Connect different pieces and see the big picture
- Ability to leverage technology for better governance
- Patience, passion and endurance to make change happen

Indian Civil Services largely remains a broad-ranging service and most of the officers are expected to possess broader management skills rather than being specialists. Whether civil services officers should be specialists or generalists is often a debate. In the UK, the Fulton Committee in 1968[8] pointed out that the lack of specialist administrators is not helping civil society. It is often seen that generalist officers handle the roles of CEOs or their equivalent in many public-sector entities. In India as well, often specialists are brought from outside to handle critical leadership positions.

In the UK, the various competencies required by public-service officers are well-documented.[9] A few of them that are different from leaders in other sectors are:

a) Working with the bureaucracy and the government, especially ministers
b) Public communication and dealing with media
c) Managing change
d) Managing public money
e) Managing large public projects

Successful public leaders are able to manage and lead change involving multiple variables such as political leaders, citizens, bureaucrats and various agencies. Often, leaders do not take bold steps and miss the chance of leaving a legacy in the office they hold.

The need for accountability and responsiveness has also increased manifold. An article[10] about civil services attributed it to:

a) A more intrusive 24/7 mass media
b) Rising public expectations of the government
c) A less deferential and trusting citizenry
d) Globalization and the diffusion of power
e) Policy challenges that require joined-up, cross-boundary responses

f) Greater electoral volatility, making it harder to achieve public consent

An effective government officer should have the ability to manage stakeholders, have a contemporary view on policies and economics, and expertise in one or more areas like project management. They should also be able to deliver in difficult situations. Exceptional leaders in public service are able to innovate in their realm and bring a change to society. A good example of this would be Dr E. Sreedharan, who is known as India's 'Metro Man'. He is widely respected for projects such as the Konkan Railway, Pamban Bridge, Delhi Metro and Kochi Metro. *Forbes India*, in an article on Dr Sreedharan,[11] mentions some of his expertise and key leadership skills. His extraordinary ability to manage large and difficult projects helped him deliver what he promised. Project management, engineering and technical prowess are some of his key strengths. As a leader, he has the ability to take timely and correct decisions, and manage stakeholders in the government and large teams. He is also disciplined and above all has integrity and ethical conduct.

7

Developing as a CEO

The role of a CEO definitely requires some distinct skills, or skills at a much higher level. The evolution of a professional into a CEO and his/her growth in that role are two aspects that have drawn a lot of interest. Established organizations put in place practices for identifying future leaders and provide multiple experiences to enable their growth to top management roles. For CEOs, who are currently handling the role, the development is mostly need-based and is not easily achievable. They might not take part in the development processes that identify the individual's weaknesses. CEOs of organizations might also face the 'emperor's new clothes' syndrome. They might not get the correct feedback because of their personality or positional power. Many CEOs find it difficult to ask for feedback on their dysfunctional behaviour.

In an article[1] published in *Fortune* magazine, Ram Charan, author and executive coach, and Geoffrey Colvin, author and editor-at-large with *Fortune* magazine, put together the major reasons for CEOs' failure. The article states that CEOs don't fail because of lack of a strategy, but because of poor execution of these strategies. The major reasons for failure to execute and provide results are their beliefs and attitudes, and their inability to get the key team members to perform. Often CEOs take too long to make

critical decisions about people, tolerating non-performers in the process. Bias against people also leads to incorrect decisions; relying on individuals who are not contributing to the organization's success adds to this. On the contrary, great CEOs always keep people in the loop. They use processes for decision-making and execution of plans. Hence, most CEOs fail because of lack of decisiveness, poor follow-through on commitments and execution, and finally not delivering results. Similarly, the failure of top executives/CEOs, as per author Sydney Finkelstein, is mostly rooted in their leadership style and personality dynamics. Many of these aspects include inability to see other points of view, excessive self-obsession, inflexibility to try out new methods, basking in past glory, a know-it-all attitude and an unbalanced view of the reality ahead.[2]

In the early 2000s, Michael Maccoby, an expert in the field of leadership research,[3] wrote an article about narcissistic leaders. It talked about how narcissism at the level of a CEO can have negative consequences. Narcissistic leaders are skilful communicators, provide inspiring vision, motivate their followers and are great in generating publicity about the company, but mostly focus on themselves. However, they are overconfident, self-centred, poor listeners, lack empathy and often ignore others. They are averse to mentoring and also may not take feedback easily. Although narcissists provide an inspiring vision and motivate the team, in the long run, they might damage the morale of the organization and run into problems.

In contrast, Jim Collins, in his article published in the *Harvard Business Review*, looks at CEOs/leaders who lead their companies from 'good to great'. Collins found that the CEOs of these companies were 'level five leaders': 'The leaders who build enduring greatness through a paradoxical combination of personal humility and personal will'. Level five leaders, apart from being performance oriented, espoused a high level of humility, a deep sense of reflection and took support from mentors or coaches.[4]

Many CEOs who take up the role may not be fully aware of the skills required to be effective. The incumbent may find a totally new environment after taking up the position. The sphere of influence is much larger for a

CEO—a bigger set of stakeholders to manage, and higher expectations from employees to show results in a short period of time can be quite overwhelming. Michael Porter, Jay Lorsch and Nitin Nohria in their article titled 'Seven Surprises for New CEOs'[5] in *Harvard Business Review* mention that even the most experienced CEOs find it hard when they take on the role. They realize that a CEO's role is more complicated than they imagined. The article explains seven surprises that new CEOs encounter:

1. You can't run the company: While this may sound ironic, a CEO has many responsibilities apart from overseeing the company's operations. Day-to-day workings might have to be left to other managers. The CEO has to find time to deal with many other internal and external stakeholders that he might not have dealt with earlier with the same intensity.
2. Giving orders is very costly: While the CEO is definitely the most powerful person in the organizational hierarchy, it is important to learn that he/she is heavily dependent on others for the organization to operate smoothly. Giving orders can trigger resentment in employees.
3. It is hard to know what is really going on: Though you are the CEO, you might not know what is actually happening in the organization. You might no longer be privy to inside information and what's happening at the ground level.
4. You are always sending a message: As a CEO, knowingly or unknowingly, your actions are being constantly scrutinized and interpreted. Your style, behaviour, or even likes or dislikes are under the radar. Your signals can be misinterpreted by different employees. You have to be careful about the kind of image you build in the organization.
5. You are not the boss: Board members, members of the owner family, or even external stakeholders might have a say in the organization.

6. Pleasing shareholders is not the goal: Keeping the shareholders happy is not the ultimate goal of a CEO. CEOs need to understand that it is the long-term profitability that matters. He/she should know what will work best for the organization and balance it with the demands of the shareholders.
7. You are still only human: CEOs are not superheroes, and taking on the role can affect their personal lives and their relationships with family and friends. It is important for CEOs to acknowledge this and learn to manage the changes.

These possible surprises raise the question of who can help the CEO.

With the new role comes a multitude of new responsibilities along with a diverse set of challenges, such as seeing the bigger picture of the organization, dealing with a new set of stakeholders, and moving away from a functional/divisional role to a full-fledged managerial one.

Ram Charan, author and noted CEO coach, in an interview with Eben Harrell, a senior editor with *Harvard Business Review,*[6] says that it is important for a new CEO to seek help. There are many sources from where support and guidance can come. Board members who have a good view of how a CEO functions can help. A supportive board member can provide guidance as a mentor to the CEO without controlling his/her day-to-day responsibilities. CEOs can also seek help from an external coach who might provide a neutral opinion on how to navigate in a new organization. Another source could be the outgoing CEO. Usually, because of the dynamics in organizations, this resource is not leveraged much. The outgoing CEO has a wealth of knowledge and knows what will work and what won't. The new CEO might not make a concerted effort to reach out to the outgoing person for many reasons, including ego, lack of rapport, wanting to set up his/her own legacy, and even narcissism.[7] However, exchanging notes with the outgoing CEO can help the new CEO learn from his/her mistakes. The key aspect, according to Ram Charan, is for the CEO to understand and acknowledge the need for support. The CEO should be able to choose the kind of support required and it should not be imposed.

However, not getting the alignment correct with the board or sometimes even with the predecessor can have repercussions. Ratan Tata's successor Cyrus Mistry is an interesting example of non-alignment with the key stakeholders. Cyrus Mistry had to step down because of differences in the organization, including with Ratan Tata.[8] Therefore, settling down as a new CEO and growing in the role can be quite a daunting task.

CEO Coaching and Mentoring

Executive coaching is a popular method for developing top leaders. A study by Stanford Graduate School of Business[9] on executive coaching found that almost 100 per cent of CEOs like to have a mentor or some form of leadership advice. The area where the maximum number of CEOs have sought support is conflict management. With multiple challenges, learning how to resolve conflicts is important for a CEO. From the board's perspective, the key area that needs improvement is talent development. The CEO should be able to mentor, identify talent and provide an opportunity to exhibit it.

Similarly, in the Indian context, People Business, a global human resources and leadership consulting firm,[10] conducted a study with the Indian Institute of Management Kozhikode (IIMK) on executive coaching. The study found that CEOs benefited from coaching as it helped them improve their effectiveness in the role. CEOs found coaching useful in areas like conflict management and team building. However, for potential senior leaders, who were aspiring to be CEOs, strategic thinking was an area that required support from external coaches.

Mervyn Raphael, Managing Director, People Business

Mervyn Raphael has helped more than forty senior-level executives as a coach.

In your experience, what are the main reasons of CEOs taking up coaching?

I have mainly coached CEOs on behavioural aspects. Managing conflicts effectively has been one of the top priorities for CEOs, as they work with stakeholders with different interests. The challenge is dealing with complex situations on a regular basis and taking effective decisions.

In today's fast-changing business environment, CEOs are focused on harnessing the creativity of employees This is often a difficult task. Therefore, areas where CEOs require coaching are aligning leadership, conflict management, team building and mentoring. Also, managing talent and succession planning are in focus at this level.

How long does a coaching engagement last?

A typical coaching engagement lasts six months to a year. The period really depends on the objective of the engagement. When a CEO needs a 'buddy' to bounce off ideas, then the period tends to get extended. If a specific area of behavioural change is to be addressed, then the coaching period is normally six months. Some examples of behavioural change are willingness to listen to different viewpoints and reacting to situations rather than responding.

According to you, what are the skills of a successful CEO coach?

As a coach you should be able to appreciate the business context and the role of the CEO. Without knowing the nuances of the business, you may not be able to relate to the CEO. The second key aspect is to build a relationship based on trust. CEOs should be able to open up about their concerns. The third aspect is to have the courage to table an alternate viewpoint and discuss this logically.

A good coach is tuned to understand issues which are important and address the same diplomatically.

How has your experience of coaching aspiring CEOs been so far?

We can safely assume that most of the top executives are highly talented and smart professionals. However, they might have some blind spots that stop them from achieving greater potential. My observation is also that many more top management executives are now open to coaching as they see it as a great opportunity to develop themselves.

How does the process of coaching work?

The first step of coaching is to understand the behavioural gaps. This is typically done through discussions with key stakeholders. In the case of CEOs, it may be the board, the top management team and even some of the key external stakeholders. I also suggest a 360-degree assessment as it helps to get a good idea of the person's character traits. Agreement on the areas of behavioural change is the starting point of coaching. I usually spend around two–three hours per session with the executive for a period of six months, with eight–ten sessions overall. Each coaching session has an agenda to discuss—typically the progress, reflections on change, and plans for the future. Midway, inputs are also taken from key stakeholders.

The model that I use for coaching is called 'GROW'. It is a popular model proposed by Alexander Graham and Sir John Whitmore. The acronym stands for G: goals that one wants to achieve, R: current reality, O: options [the different means to achieve the goals], and W: will. The last aspect looks at the willingness of the executive to change and take action for the same to achieve the set goals.

Marshall Goldsmith, one of the top-rated executive coaches, in an interview with Des Dearlove for *Business Strategy Review*,[11] says that a professional has to be committed if he/she wants to see change. ‘The person who is receiving the coaching has to get confidential feedback on how everyone sees him. He is going to find out what he’s doing well and what he needs to improve. Then we sit down, with his boss, if possible, and talk. We have to reach an agreement. He’s going to have to get the feedback; talk to people; follow up on a regular, disciplined basis; apologize for previous sins.’ He also mentions some of the essential character traits that top executives work on. The No. 1 bad behaviour for top executives is being over competitive. The need to win every time and in all situations is one of the worst leadership qualities. Other top characteristics that executives work on are ‘passing judgement quickly, negativity, speaking when angry, making excuses, clinging to the past, passing the buck, not listening, and goal obsession, not a habit itself but something that leads to bad habits’.

Start-Up CEO Mentoring

For founders and CEOs of start-ups, mentoring is a very popular tool. Experienced CEOs and seasoned founders often lend a helping hand to others who are establishing themselves. Early-stage investors or VCs also act as mentors to the start-ups. Many not-for-profit organizations that give loans to start-ups, like Virgin StartUp[12] set up by Sir Richard Branson, provide a mentor as part of the support. Virgin StartUp provides loans to entrepreneurs with viable business ideas and mentoring for a year as a free incentive. Mentoring in start-ups is quite popular and is seen as a valuable tool for founder CEOs. In the case of Virgin StartUp, mentors are valuable friends who provide motivation, guide the founders with their experience and skills, and help the founders to develop their personality. For example, a lot of start-ups are technology led and are founded by entrepreneurs straight out of engineering colleges. They have very little experience, mostly of working in a large technology firm. Many of them are not exposed to business operations and management. An experienced

CEO/entrepreneur can guide a novice founder CEO in his/her business. Rajesh Nair, who founded two start-ups—Ecologix and Happystry—says that start-up founders need mentoring on different levels depending on their experience. A fresh graduate with a technology start-up idea might require a different kind of mentor as opposed to a seasoned professional starting a business in his/her field. For some, a mentor might be just a sounding board while for others he/she could be the primary guide for decision-making. Start-ups and entrepreneurs are varied and diverse and it is important to find the right mentor.

Many respected management and technology institutions have incubation centres that support entrepreneurs, especially in the technology domain. For example, CIIE (Centre for Innovation, Incubation and Entrepreneurship) at IIM Ahmedabad provides support in terms of early funding, mentoring and functional expertise. CIIE brings together various partners like government agencies, large corporations, experts and different corporates that support early-stage entrepreneurs. The team of functional experts at CIIE also helps the entrepreneurs take operational and strategic decisions in the areas they are not adept at. Prof. Amit Karna, chairperson of CIIE, describes its role as follows, ‘CIIE primarily supports the start-up ecosystem in three ways. It incubates and invests in start-ups that use high-tech solutions to address pressing needs of the country. It provides grants and funds against equity. We act as fund managers to invest in these companies. Close to 120 start-ups have received funding through CIIE.

‘The second area we work on is promoting entrepreneurship. We create competitions and boot camps for aspiring entrepreneurs to refine and pitch their ideas. The ideas are then shortlisted by an expert panel. The entrepreneurs are also guided on how they can pitch their ideas to potential venture capitalists. CIIE leads these efforts through initiatives like Economic Times Power of Ideas [an entrepreneurship development programme]. We also have a panel of expert mentors who guide the entrepreneurs. The third area of focus is on training. CIIE runs courses at IIM Ahmedabad, conducts research and develops incubation centres in companies.’

The Indian Institute of Technology Bombay and many other colleges have their own incubation and entrepreneurship cells.

The Indus Entrepreneurs, commonly known as TiE, is a global not-for-profit organization which nurtures entrepreneurship and provides mentoring support at many levels to start-up founders. TiE conducts sessions by experienced founders about the different phases of establishing a start-up;[13] it also conducts sessions on specific areas that benefit the founder. This includes finding the true purpose of the start-up and funding and legal aspects. The events and programmes are customized keeping in mind the different challenges an entrepreneur faces at different stages. For example, one of the events conducted regularly by TiE focuses on the first six months: the journey of incorporating, finding purpose, setting up the team and managing the initial chaos.

Vardan and Ankita Diwekar Kabra, on How to Lead a Successful School

Vardan and Ankita Kabra met at IIM Ahmedabad and they are now partners in life and also partners in successfully leading a school they set up from scratch. After passing out from IIM Ahmedabad in 2004, Vardan and Ankita started exploring options to set up a school that would be different from the usual schools that only focus on traditional learning models. ‘My experience of studying at various schools due to my father’s transferable job got me thinking of the state of learning in our schools. Most of the learning is focused on examinations and teachers only lecture in classrooms. It often leads to non-participative classrooms, which are far from reality. The only different experience I had was at IIM Ahmedabad where students experienced learning through real case studies. Prof. Sunil Handa, who taught at IIM Ahmedabad and also ran a non-conventional school, Eklavya, motivated me to think about starting a school that offered a different learning experience,’ says Vardan.

After graduating from IIM Ahmedabad, Vardan and Ankita set up their venture with a preschool in Surat, Gujarat. This was the first step in building a school that encouraged student-centric education. The venture was self-funded and both the founders were involved in all the operations. Within a short period of time, the school got widespread attention.

Parag K. Shah, who is a diamantaire by profession, wanted to contribute to society and add value to the education sector. Parag floated the idea of expanding the preschool to a full-fledged school with the same principles of education that Vardan and Ankita espoused. With funding from Parag’s family, the Fountainhead School was started in 2008; it was also affiliated to the IB. In ten years, the school has grown and has more than 2000 students and more than 500 employees.

The key learnings are:

a) Managing the organization: This includes administration, finance, human resources, facilities and other aspects. The support from Parag Shah and his well-established firm helped Vardan expand quickly.
b) Academic expertise and leadership: Another key learning for Vardan was understanding the methodologies of IB and developing academic excellence in the school. He got an understanding of academic leadership by attending professional programmes and visiting various well-managed schools in India and abroad. This helped Vardan and Ankita get a good perspective of the best practices in managing schools.
c) Managing people: Vardan believes that he has good skills when it comes to managing people. He believes that this is an important strength for leading an institution.

The two leverage their skills to run the school successfully. Vardan uses his ability to develop a broader vision while Ankita uses hers to improve the operations.

Executive Development Programmes

Many top business schools and consulting firms focus on executive education programmes, which are specifically designed for CEOs and top management teams. For example, Harvard Business School conducts a workshop for first-time CEOs called ‘The New CEO Workshop’. It helps CEOs of large, established enterprises set an agenda for their success, navigate easily in the new organization and work towards managing the many new challenges they might face. Some of the areas covered in the programme include building legitimacy as a CEO, developing appropriate strategies, communicating with internal and external stakeholders, building a relationship with the board, setting the values in the organization, and dealing with the predecessor. Programmes like this definitely identify the key challenges CEOs face and help them to be better prepared. Similarly, Wharton offers a global CEO programme,[14] which is conducted over three non-consecutive weeks in China, Spain and the USA, and focuses on developing the skills needed to be a CEO of a global corporation. It covers aspects like working across boundaries, building strategies for global competitiveness, understanding global markets and expanding global footprint. All top business schools globally and in India offer programmes that help top management executives including CEOs develop key skills.

Most of these programmes focus on areas like strategic thinking, leadership, marketing strategies, global mindset or other general managerial skills.

Events and Forums

CEOs stay abreast of current happenings through multiple events that they attend. From the World Economic Forum to regional industry briefings, CEOs are part of many events and conferences. The World Economic Forum brings together more than 1000 business leaders, most of them CEOs of influential companies, to deliberate over matters that have considerable current or future impact on economics, business and society. From India, more than 100 CEOs representing top business entities attended the annual meeting of the World Economic Forum at Davos, Switzerland, in 2017. This included names like Mukesh Ambani (Reliance), Vishal Sikka (ex-CEO, Infosys), Abidali Neemuchwala (Wipro) and Amitabh Kant (NITI Aayog).[15] The CEOs got to network and understand the global dynamics on major issues. For some, it was a good opportunity to showcase their ideas and ideologies to the world.

There are many such events that are organized by industrial bodies, such as the Confederation of Indian Industry (CII). CII conducts industry-relevant conferences and round-table talks. These events and programmes help CEOs network and voice their opinion. There are also specialized forums for CEOs in different countries. For example, IMA, a research service, has an India CEO forum that conducts regular briefings for CEOs on various relevant issues followed by interactions. The CEOs also get to interact and network with their peers. The IMA forum also conducts annual meetings where more than 200 CEOs come together for a multi-day event of discussions and networking.

CEOs can network, learn from industry peers and also get updates on latest perspectives at these events, forums and conferences.

Rakesh Sridharan, CEO, TigerStop

Rakesh Sridharan is currently the CEO of TigerStop LLC, a Washington-based global leader in automation equipment under the TigerStop and SawGear brand names. Before TigerStop, Rakesh was the president and chairman of the board of directors at Ledlenser Corporation Ltd, a division of Leatherman Tool Group, US, a global player in LED flashlights. He was responsible for business operations in Germany, China, Japan, Italy, Switzerland and Poland. Prior to Ledlenser, he was the vice president of operations at the Leatherman Tool Group and director of operations at Toro Company.

Rakesh moved to the US after completing his bachelor's degree in engineering from Bengaluru and a brief stint with HAL. He completed his master's degree in manufacturing from the University of Texas and started working with Continental Sprayers. One of the first experiences of working in foreign operations came when Rakesh took up the responsibility of starting a manufacturing set-up in Mexico for Toro Company. Within three years, the Mexico business operations had more than 3000 employees and it helped the company achieve its cost-reduction objectives while continuing to deliver high-quality products. At Leatherman, Rakesh led the team that acquired Ledlenser, a German entity with operations in China. He later became the president at Ledlenser. Here, Rakesh led teams from different nationalities and cultures.

Personal Learning on Becoming a CEO

Rakesh says that it is important to quickly understand and define the vision of the company, develop strategies (both short- and long-term) and ensure that a process is in place to execute the strategies. It is then important to ensure that you have the right players with the right skill sets to execute them as well. It is also important to establish the function of the board, and the expectations from the CEO and the board, including their roles and responsibilities. As a global CEO you are also legally responsible for the operations across multiple countries. The CEO should be watchful of the metrics that drive performance; and get a grip of what are the key competencies/products of the organization. Functional leaders are mostly focused on internal issues. As a CEO, a lot of focus should be external—such as customers, end users, markets, trends, technology and competition. Understanding the customers and their real needs can help the CEO to be successful. You also need to build real connections with the local and global teams. For example, Rakesh spends time with teams who don't even report to him to understand what drives them to work in the company, the challenges they face, and their suggestions for change. These conversations have helped him get a better picture of the organization and the talent. As a CEO of a global company, you should be able to understand the concerns and motivational factors that drive your employees. This understanding is beyond the cultural and national differences that we observe. A successful CEO should be able to get people with the right skills and experiences on board to achieve the goals set by the company. Once you have set a strategy, do not abandon it. Evaluate strategies constantly for changing conditions in both the external and internal environment. If required, make minor adjustments but still stay focused on the long-term plan.

Communicating with internal and external stakeholders is important. Waiting too long to communicate can lead to rumours. Honesty, integrity and openness in communication are critical. A CEO should walk the talk and get the team involved by giving them an accurate picture—good or bad.

A CEO should be in a constant learning mode. Rakesh mentions that a lot of his learning came through experience, peer groups and reading. His willingness to take risks and take up roles where he had minimal experience helped him to get out of the comfort zone. He learnt about organizations and what works with the support of senior leaders who were his mentors. Reading books and attending sessions on aspects like 'strategy development and execution, leading organizational change, creating high-performing teams, responsibilities of a board' helped him get an understanding of the different aspects of managing at the top. To be successful as a CEO, it is critical that you stay humble. It is important to learn from different stakeholders, especially if you are leading a global team.

Developing CEOs in Family Businesses

Family business owners have to be well prepared before taking on the role of CEO. The successors should have a clear understanding of the dynamics of the family business and the process of managing it. Ivan Lansberg and Kevin Gersick,[16] in their article published in *Academy of Management Learning and Education*, on educating family business owners provide a holistic approach for aspiring leaders. The common strategies proposed for learning are books and reading materials, formal education through established institutions (e.g. executive programmes at institutions such as Kellogg, Harvard, the International Institute for Management Development [IMD], INSEAD, London Business School [LBS] or other top business schools) and conferences in which business owners and their families are exposed to experts on particular topics with a focus on family-led businesses. Other tools like e-learning: family websites, electronic newsletters (e.g. online learning courses offered by specialized institutions), executive development networks in which business owners are exposed to a myriad of speakers and professional advisers (e.g. Conference Board, Young Presidents' Organization, Family Office Exchange, Council on Foundations), and customized in-house workshops (using external and internal resources) are also suggested. Family business owners need to have a comprehensive understanding of the intricacies and complexities of how the business functions and what roles members play. At a broad level this includes aspects like the family council, family assembly, employment policy for family members, dividend policy and aspects related to decision-

making. They should also be willing to learn business operations through various mechanisms like special assignments, internships, shadowing and mentorship.

I had the chance to interview Ravi Menon, the chairman of Sobha Group, a major real estate player, while he was the vice chairman. Ravi was handling all project-execution-related functions (project management office including planning, costing, quality, safety and technology, technical resources, plant and machinery) at the group. He was also responsible for other functions like customer relationship and information technology. Handling project execution helped him understand the core of the business in depth. As the son of a first-generation entrepreneur, P.N.C. Menon who was the founder of Sobha Group, Ravi said that he learnt a lot from his father. 'The advantage in my case is that I already have a strong platform from which I can build the business. The challenge initially was to understand the business from a bigger scale with our multiple verticals, and that required time and more experience. Building a business from scratch [my father is a first-generation businessman] is a totally different experience, and I won't be able to comprehend those challenges fully as I have not done it myself. Of course key lessons from my father's business life have been shared with me, but experiencing them would be something else. During the recession of 2008–09, we learnt new lessons, so it is also a continuous learning process. We are currently scaling to newer geographies which will be challenging. My task is to grow the business and ensure that it is sustainable,' he said.

In the case of family businesses where many generations work together, the owner CEO should be astute enough to understand the various dynamics and steer the business to a common vision. A book titled *Family Business on the Couch: A Psychological Perspective*[17] describes some of the deep-rooted psychological issues of being a family business successor. The leader has to understand the various dynamics in the family, his/her own psychological fears and suspicions, and reflect on the impact of the responsibility. It is also important to understand that unlike in a purely professional organization, when the mantle is passed on to the next

generation, the older generation still has a hold over the business. Respecting the family values and culture, and at the same time taking the business to new heights, are the key competencies that a CEO should acquire.

Building a Talent Pipeline

Many established organizations have formalized practices to build a pipeline of senior executives who could take on the mantle of a CEO. Succession is a key mandate of the board and planning ahead goes a long way in ensuring the success of an organization. Companies invest in identifying key talent, and grooming them through multiple development programmes to take on critical positions. One of the pioneers in building the talent pipeline and succession planning process is GE,[18] a well-known American conglomerate. The company has built an exhaustive process to review talent through 'Session-C', which looks at the performance and behaviour of key executives and their future career plans. The executives are also nominated for various leadership development programmes at Crotonville, the corporate university of GE. Crotonville has different sets of programmes for leaders at different levels: the management development course for senior professionals to move to the executive band, the business manager course for leaders in the executive band to move to the senior executive band, and the executive development course for leaders to move from the senior executive band to officer level (top management team below the CEO). The key talent are tracked closely on their performance and behaviour. The talent review helps the professionals to move to new positions and grow in the organization.

GE's Recent Big Succession Move: John Flannery as CEO, Successor to Jeff Immelt

On 12 July 2017, GE announced John Flannery, president and CEO of GE Healthcare, as the CEO of GE. He took over from Jeff Immelt who led the company for more than seventeen years. Susan Peters, global HR head at GE, wrote an article about the process to identify the

successors for the top job and how John Flannery was eventually selected. She mentioned three different aspects in the article.

1. The identified leaders went through multiple stints and varied experiences to groom them to take over higher roles.
2. GE drafted a job description for the future CEO. This also focused on the key competencies required to be successful in the role. Based on research and interviews with close to 100 external leaders, the key ‘enterprise leadership capabilities’ required to be successful as CEO in the present and in the future were defined.
3. In 2012, the board discussed in detail the key potential successors based on the available data. This included their hard performance and softer leadership aspects.
4. As the final step, the board met with the potential candidates and listened to their perspectives. The discussion was around the following interview questions.

Susan Peters writes, ‘The board challenged candidates with difficult questions and listened intently to their answers. Questions posed included the following points:

- What would your current leadership team say they most appreciate about how you lead them?
- How would you position GE to win in that environment?
- What strategic changes would you drive, including capital allocation and portfolio management?
- What do you see as the most beneficial aspect of GE’s culture that would be important for you to maintain? What would you change?
- What is the toughest personal feedback you have received?
- What professional or personal experiences have helped shape your global perspective?
- How do you learn?

For John Flannery, who was finally selected for the role, she wrote ‘In John Flannery, our company’s next CEO, the GE Board has selected a life-long learner and a strong operator with global experience. He is someone who possesses the capabilities needed to lead, empower and inspire. Over 30 years with GE, John has shown that he thinks big, dives deep, and is both adaptive and resilient. One of John’s hallmarks is how he engages the people and teams he leads.’

Succession planning for senior leadership positions is the main priority for many established organizations. For example, RPG Group used development centres to assess high performers at various levels. The leadership competency model was used as the basis for assessment. Managers who showed a benchmark level of proficiency in different competencies were identified as high potentials and were given special developmental interventions and career development opportunities. Arvind Agrawal, who was the president, group HR, and a management board

member at RPG, mentions two instances of developing CEOs. Talent reviews identified areas of development for potential CEO candidates. The first was that the candidate needed to have a more holistic view of all functions of the business with a special focus on managing people and finance. The candidate was appointed as the COO before taking on the CEO's position. This role, along with his supervisor's advice, who was the CEO, helped the individual reach the top position. Similarly, another professional who was slated for the top role was seen as an old-fashioned leader with a very hierarchical style of managing people. The executive was provided with an executive coach who mentored him through his journey of transformation. The coaching helped the professional become a more contemporary leader. Manipal University introduced a programme called 'SMILE—Synergic Manipal Integrated Leadership Engagement' in partnership with People Business, a leadership consulting firm. The objective of the programme is to develop leadership capability of faculty members. The university needed leaders who could manage high growth in terms of student intake, geographical spread and internationalization; higher focus on innovation, research and quality; new capabilities; and higher complexities due to changing government regulations. The programme included workshops on leadership competencies, special projects and executive coaching. It helped the faculty members develop new skills that are required as administrative leaders (like business acumen, strategic thinking and people management). The participants were groomed to take on larger roles.

Chief Operating Officer (COO) to Chief Executive Officer (CEO)

The COO is the second in command to the CEO. The position is often seen as a stepping stone to the CEO's seat. The COO is often hired by the board as a natural successor to the CEO. The COO gets the opportunity to experience and run the operations of the company and move to the role of CEO through a smooth transition. For example, Varun Berry was hired as the COO of Britannia Industries when Vinita Bali was the managing

director and CEO of the company. Hired in February 2013, he was given the responsibility to run the India operations of Britannia by May 2013. He was later promoted as the managing director and CEO within a period of a year. As the COO, Berry was able to make strategic tweaks and improve operational efficiency.[19] In February 2016, *Outlook Business* ran a full article[20] on how Berry moved on from being a COO to become a very successful CEO. The article attributes his success to his ability to take tough calls, provide a strategic direction that helped in a highly competitive market, bring back focus on key brands and brand innovation. A COO's role can be different in different organizations. Nathan Bennett and Stephen A. Miles, in their article titled 'Second in Command: The Misunderstood Role of a Chief Operating Officer' published in the *Harvard Business Review*,[21] explain the roles that a COO may be entrusted with. These are: the executor, the mentor, the change agent, the other half, the partner, the heir apparent or the Most Valuable Person (MVP). As an executor, the COO takes on the role of executing the strategies and plans the top management and CEO devise. As a partner or the other half, the COO equally supports the CEO in most of the activities or in the areas where the CEO lacks expertise or experience. As an heir apparent, the COO shadows or gets familiar with the role of the CEO. In most of these cases, the COO has to handle critical roles in the organization after the CEO. However, the transition to CEO is not an easy one. The COO has to get exposed to areas beyond managing operations or supporting the CEO. In another article published by Nathan and Stephen in 2010 they mention three areas where the COO needs to focus. First, the COO needs to be comfortable with the idea of being the final decision maker. Earlier he/she had the liberty to consult the CEO but this doesn't exist in the new role. The second aspect is to have a broader strategic outlook. While the COO is predominantly focused on efficient operations, suddenly the outlook shifts to the broader system of the organization. He/she needs to plan to ensure sustained growth. The third aspect is about stakeholders. The COO is required to deal with shareholders, external stakeholders like government or industry bodies, external communication and the board. A COO who is going to take

over as CEO should focus on the above aspects.[22] If the COO is already the CEO's heir apparent and this has been accepted by the board and the CEO, the transition can be easier with their support. Vasanth Kumar, the executive director of Landmark Group and CEO of Max Fashion, says that without the right support and exposure there is a very high chance of failure once the COO becomes the CEO. The reason for this, he says, is the difference in expectations from a CEO and a COO. The latter is expected to manage different functions and bring in optimization, synergy and efficiency, while the CEO takes ownership of the business and makes sure that the profitability improves. A COO focuses on internal issues, while a CEO looks after external stakeholders. A CEO should prepare the organization to deal with disruptions in the marketplace. The CEO should be able to bring in vision for the business for the next five years. A COO should have the ability to take decisions and calculated risks, develop strategies and communicate, and influence the external world. In ideal conditions, a COO should handle a small business unit independently and shadow the CEO before taking on the role. In my own case, I focused on three aspects as a CEO.

1. Differentiating the business in the marketplace
2. Have a value system and culture, and encourage professionalism and candour in the workplace
3. Have a clear idea of what is happening in the organization.

A COO has high chances of becoming a CEO if he/she is able to communicate effectively with external stakeholders and take ownership for the overall success of the business.

Career Management Strategies

Managing one's career is an important aspect of reaching the top. Even in the case of family businesses, where there is some certainty that the scion will take over the leadership at some point, formal education and career

experiences are important to take on the big role. Robert Kaplan, in the article titled 'Reaching Your Potential'[23] published in the *Harvard Business Review*, enumerates some of the critical aspects of career planning. The three key points that Kaplan described as important for reaching one's potential are:

a) Having a clear sense of what defines a successful career and course the journey accordingly
b) Knowing one's strengths and weaknesses and working on them, excelling in the critical aspects and showing character and leadership
c) Taking ownership for your career and not leaving it to the organization or manager

Top leaders who take up the role of CEOs are in control of their destinies. They take ownership to define their career aspirations and work towards achieving the same.

Heidrick and Struggles, an executive search and leadership development firm, analysed the careers of all current Fortune 500 CEOs. They found interesting facts about the career journeys of these CEOs. 'About 30 per cent of Fortune 500 CEOs spent the first few years of their careers developing a strong foundation in finance. This is by far the most common early experience of today's CEOs. As the second-largest constituent, CEOs who started out in sales and marketing roles account for only about 20 per cent of the current big company CEO population.' The study found that most of the CEOs had experience in core operations. Most of them had been appointed internally and had spent an average of sixteen years with the firm. However, only one-third of the CEOs had spent their entire career with the same firm. Many of the CEOs were also non-executive board members of other firms. This study clearly shows the value of experience of running the core operations of the firm and also the ability to understand finance and financial performance.[24] For example, Paul Polman, the CEO of Unilever, spent his initial twenty-seven years with Procter and Gamble

(P&G). He started his career as a cost analyst and went on to become the managing director of P&G, UK. He was also the group president of Europe for P&G. Later, he joined Nestle as the CFO and then became the global CEO of Unilever. As CEO of Unilever, Polman leads many corporate social responsibility efforts and is a United Nations Sustainable Development Goals (SDG) advocate. He is also on the boards of companies like Alcon and Dow.[25] Polman makes for an excellent example to validate the study of Heidrick and Struggles.

Vikram Shah, Chairperson, Governing Council, Stonehill School

Vikram Shah became a CEO very early in his career. He has held key positions in organizations like Systime, Tata Unisys, Mahindra British Telecom, Tata IBM, Novell and NetApp. Currently, he is the chairperson of the governing council at Stonehill School in Bengaluru. Vikram shares some interesting insights into his career journey.

What were the defining moments of your career?

I completed my bachelor's degree in engineering from BITS-Pilani and completed my master's degree in computer science from University of California, Berkeley. After working in the US for three years, I joined Tata Consultancy Services [TCS] in India. It was my aspiration to become a CEO. Hence, I knew I had to move to management early on. After spending six–seven years in technology at TCS, I moved to management. This was a defining moment of my career. After this, I got an opportunity to be the CEO of a forty-employee-strong office of a UK-based firm, Systime. This experience helped me get a good understanding of board-level governance. This was another defining moment of my career. From here, I moved to Tata Unisys as a senior-level executive. This move helped solidify my experience of managing a larger and more complex organization. The next big move was as the CEO of Mahindra British Telecom [MBT]. Here, I got exposure to segments like building teams, financial planning, starting offices in different geographies and sales. From here, I moved as second in command to Tata IBM. This role helped me to get a 360-degree view of managing operations.

My next move was as the CEO of Novell. Here I helped the organization grow to 800 employees. The role here helped me get a strong foundation of working with leaders from different geographies. It also helped to learn the process of managing growth in an Indian captive centre of a large global firm. After Novell, I became the co-founder of a technology firm called Andiamo, which we were able to grow and sell to Cisco. The venture helped develop entrepreneurial skills. After this, I had a short stint as the CEO of Talisma and then I joined NetApp. The company grew from 200 employees to 1700 during my tenure as the CEO.

When I look back, I realize that each role helped me better my skills as a CEO.

What are the positive aspects and what are the challenges?

A role gives you the power and resources to make an impact in the organization. However, the role comes with a lot of responsibilities and this can cause a lot of stress. A CEO should be able to manage his/her time well. There should be a good sense of work-life balance. As a CEO, you should find time to relax—for me it was about spending time with my family. It is important that you hire competent people and manage them well. Good CEOs understand that the changes they bring in an organization are not solely because of them. They bring the team together and acknowledge their support.

As a CEO, how did you build a rich network that helped in your career growth?

There are two factors that led me to take active efforts to build a network. The first was that I was a non-MBA in the management field. I had to actively build a network of leaders as I was not an alumnus of a premier business school. Secondly, my personality profile [Myers-Briggs Type Indicator–MBTI] showed that I had introversion as a personality trait. This meant that I had to make extra efforts to build a network. I used to attend business networking forums and engage in conversations with people who were new to me. I also tried to have discussions on topics that I was not comfortable with. The networks I built over a period of time have helped me at different stages of my career.

How do you see your role as chairperson of the governing council at Stonehill International School?

The chairperson's role at Stonehill involves mentoring school management teams, defining effective governance standards and strategizing for the growth of the school. Unlike a CEO in a corporate, the role of a chairperson of an international school does not involve managing operations. It is about providing guidance on the overall academic excellence and growth of the school. The role exposed me to nuances of managing an international school and working with faculty and students from across the globe.

Vikram Shah is an interesting example of how professionals can develop key skills and leverage them for career success. In the case of Vikram, it was his ability to build networks and technical skills with the practical knowledge of business that helped him become a CEO so early in his career.

It is often not easy to establish and grow professionally or establish new ventures in foreign countries. An interesting example of this would be Raju Menon, who trained with leading chartered accounting firms in India and in the UAE before starting his own professional practice in 1996. He has over twenty-five years of professional experience in the UAE. He is currently the chairman and managing partner at the Morison Menon Group. He built the company in 1994 as a three-member CA practice and today it is a well-

respected audit and consulting firm in the UAE. Menon was ranked as one of the top Indian leaders in the Arab world by *Forbes Middle East*. It is his ability to build strong professional networks in foreign countries and establish credibility by delivering the best to his customers that has helped him grow.

* * *

In the case of the public sector and government as well, professionals who are able to prove their contribution move ahead and are able to take up influential positions. Amitabh Kant,[26] currently the CEO of NITI Aayog had an illustrious career in the IAS. A Kerala cadre IAS officer of the 1980 batch, Amitabh has worked as CMD, India Tourism Development Corporation; joint secretary, Ministry of Tourism, Government of India; secretary, tourism, Government of Kerala; managing director, Kerala State Industrial Development Corporation; district collector, Kozhikode; and managing director, Kerala State Co-operative Federation for Fisheries Development Ltd. He was a very popular district collector at Kozhikode and is respected for the transformational work he did there, including building the Mananchira Square in the traditional Malabar architecture and creating a public-private partnership model at Calicut (Kozhikode) airport. Amitabh Kant was behind popular campaigns such as Make in India, Startup India, Incredible India and God's Own Country which positioned India and the state of Kerala as tourism destinations. Amitabh also conceptualized and executed the Atithi Devo Bhavah—Guest is God campaign to train taxi drivers, guides and immigration officials, and make them stakeholders in the tourism development process. In government services, like the IAS, we see high-calibre professionals taking up critical roles after they prove their capability in their formative years. There are a number of specialized learning programmes that senior government officials are encouraged to take part in within their departments or institutes. In the government, although seniority plays a key role, talented

officers often get big assignments to influence government policy formulation and deployment.

* * *

A lot has been written about the difficulties women face to reach the top of the organizational hierarchy. There is a glass ceiling on opportunities for women due to multiple factors including discrimination and biases; the general notion is that women can't have distinguished careers due to family commitments. Sarah Dillard and Vanessa Lipschitz, two management consultants, published a study in *Harvard Business Review* where they[27] analysed the career paths of twenty-four women who are CEOs of Fortune 500 companies. They found that most of the women CEOs had spent considerable time in the same company to reach the top. The study states: 'Just as important, there is something inspiring for young women in the stories of these female CEOs: the notion that regardless of background, you can commit to a company, work hard, prove yourself in multiple roles, and ultimately ascend to top leadership. These female CEOs didn't have to go to the best schools or get the most prestigious jobs. But they did have to find a good place to climb.' The 2017 Fortune 500 list of CEOs shows that the number of female CEOs is at an all-time high at thirty-two. Women run seven of the largest companies under the Fortune 100, including Mary Barra of General Motors, Ginni Rometty of IBM, Indra Nooyi of PepsiCo and Marillyn Hewson of Lockheed Martin.[28] Denise Morrison, CEO of Campbell Soup Company, provides interesting career advice to women.[29] She actively planned her career to get maximum exposure within the company, moving across multiple functions and roles. She also sought challenging roles to improve her leadership capabilities. She talks about the importance of building relationships and networking. Serving on boards of other companies also helps in building leadership skills and learning about corporate governance. It is also important to have a personal mission for growth and build one's career to reach the top. In the Indian context as well, we have women leaders like Arundhati Bhattacharya (SBI), Chanda

Kochhar (ICICI), Shikha Sharma (Axis Bank), Naina Lal Kidwai (HSBC), Usha Sangwan (LIC) heading some of the largest financial institutions in the country and even globally. They have spent considerable time in the industry and are known for their ability to add value to their businesses. An interesting example is Chanda Kochhar of ICICI. She joined the bank after graduation and spent close to twenty-five years with the organization before she became the managing director. She was part of the teams that started the corporate banking business segment and later retail banking. She was instrumental in the growth of these businesses.[30] Chanda Kochhar is one of the most influential women leaders, not only in the country but also globally. Kiran Mazumdar-Shaw, chairman and managing director of Biocon Limited, is another notable businesswoman, who started a company from scratch and made a respectable name in the pharmaceutical industry.

Growing to the top of the corporate hierarchy and remaining there is a matter of qualifications, talent, experience and careful career planning. The professionals who make it to the top consistently deliver on performance and have a learning curve that puts them ahead of others. The role of the CEO gives them an opportunity to craft the future of the organization and leave behind a legacy.

Summing It Up

A CEO is the main architect of an organization and plays a critical role in providing the business direction, building organizational culture, managing change and aligning the various parts of the organization to achieve common goals. A CEO is also the face of the organization for the internal and external stakeholders. Taking on the role of CEO is not an ordinary task and it requires high levels of professional competence.

In this book, we discussed the critical competencies of a CEO—ability to take decisions, strategize, manage people and relationships, communicate effectively, and give more importance to action and execution. Individuals take on the role of CEO at various stages of their careers. Some take it on very early, especially in start-ups. For CEOs of start-ups, the ability to persevere and chase the idea to a viable proposition, pool resources, manage the start-up team and create a sustainable model are some of the key qualities. As the organization grows and becomes established, the demands from the CEO become more pronounced. Leading at this stage requires the ability to influence and lead a larger set of stakeholders.

We explored the nuances of leading in different contexts, like start-ups, large established professionally run businesses, family businesses, educational institutions, not-for-profit organizations, the public sector and government. Leaders of all these organizations had certain characteristics in common—ability to provide vision, give business direction, execution capabilities, taking calculated risks, managing varied stakeholders and, above all, a strong foundation of personal values. CEOs have the choice to become role models. Staying at the top requires the ability to deliver results, manage and motivate people, engage effectively with various stakeholders, and above all create an effective organizational culture. Leadership skills of a CEO are closely linked to the context of the business. For example, for a

start-up CEO the ability to take calculated risks might be of paramount importance. However, in a government set-up, managing diverse stakeholders might be more important than taking risks. In the case of family businesses, a family member who becomes the CEO has to earn credibility by performing well, and a non-family member CEO has to earn the trust of the family as well as of the other stakeholders. Leading educational institutions requires administrative prowess apart from knowledge of the regulations and processes. An NGO leader should be a steward of the social cause and should have good management expertise. Leaders in these contexts should be able to develop the critical competencies relevant for them.

The journey to the top involves three key aspects:

1. Building professional credibility: Credibility through education and professional experience
2. Career management: Building a strong background by handling roles that would help to move to the top, like profit and loss, and working across geographies
3. Managing self: Building a personal brand in the area of expertise, building strong professional networks and a strong value system

Growing to or in the role of a CEO requires continuous learning and development of the self. The book explores various development opportunities that CEOs or aspiring CEOs can take to succeed in the role. While business skills and industry expertise are acquired through experience, leadership skills have to be acquired from others, attending focused learning programmes, coaching and mentoring. Stepping into the role of a CEO requires the ability to manage external stakeholders like shareholders, media and society.

Exceptional CEOs go beyond their organizational performance and create a positive impact on society. They are able to create value for all the stakeholders.The journey to become an exceptional CEO includes achieving a higher goal. As Steve Jobs said, ‘You can’t connect the dots looking

forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future. You have to have trust in something—your gut, destiny, life, karma, whatever. This approach has never let me down, and it has made all the difference in my life.' One needs to have the guts to lead, innovate, take decisions that would change the destiny of the people who work for the organization, and shoulder the responsibility of making sure the organization achieves success and is sustainable.

This book is an effort of more than a year of curiosity and research about CEOs in multiple contexts. I sincerely hope the book helps CEOs or aspiring CEOs to get motivated and push a few steps ahead to achieve their goals.

Notes

Introduction

1. ‘E. Sreedharan’, Wikipedia.com, 2017, https://en.wikipedia.org/wiki/E.Sreedharan.
2. Williams, R., ‘Why CEOs Fail: Execution’, Psychologytoday.com, 2009, https://www.psychologytoday.com/blog/wired-success/200905/why-ceos-fail-execution.
3. Sikka, V., ‘Vishal Sikka: Reaching for the Future without Abandoning Infosys’s Past’, Knowledge@Wharton, 2017, http://knowledge.wharton.upenn.edu/article/vishal-sikka-ceo-of-infosys/
4. ‘IBM CEO Ginni Rometty on Being a Role Model’, *Wall Street Journal*, 2015, http://www.wsj.com/video/ibm-ceo-ginni-rometty-on-being-a-role-model/04713069-8549-400A-82A4-31F853B9BAAE.html.

Chapter 1: Leading Established Organizations

1. Matthews, C., ‘Core Competencies of a CEO’, *INC. Magazine*, 2001, https://www.inc.com/articles/2001/10/23549.html.
2. ‘Keynote: Exploring Inspiration and Leadership with Indra Nooyi’, 2011, http://www.blogher.com/liveblog-lunch-keynote-exploring-inspiration-and-leadership-indra-nooyi.
3. Maidique, M.A., C. Atamanik and R.B. Perez, ‘The Six Competencies of a CEO’, *Leader to Leader* 71 (2014): pp. 31–37.
4. Stamoulis, D., ‘How the Best CEOs Differ from the Average Ones’, *Harvard Business Review Blog*, 2012, https://hbr.org/2016/11/how-the-best-ceos-differ-from-average-ones.
5. Vinay, M.K., G. Audry, W. Semjon and U. Tah, Interview with Krishnakumar Natarajan, IIM Bangalore Student Interview, 2016.
6. Ready, D.A., J.A. Conger and L.A. Hill, ‘Are You a High Potential?’, *Harvard Business Review* 88 (2010): pp. 78–84.

7. Fernández-Aráoz, C., ‘21st-Century Talent Spotting’, *Harvard Business Review* 92 (2014): pp. 46–54.
8. Harris, J., ‘Why Howard Schultz Is So Successful’, Addicted2Success.com, 2017, https://addicted2success.com/entrepreneur-profile/why-howard-schultz-is-so-successful/.
9. Gallo, C., ‘Starbucks CEO: Lesson in Communication Skills’, *Forbes*, 2011, https://www.forbes.com/sites/carminegallo/2011/03/25/starbucks-ceo-lesson-in-communication-skills/#55f80fcd72b8.
10. Alaix, J.R., ‘The CEO of Zoetis on How He Prepared for the Top Job’, *Harvard Business Review* 92 (2014): pp. 41–44.
11. Schrage, M., ‘Great CEOs See the Importance of Being Understood’, *Harvard Business Review Blog*, 2016, https://hbr.org/2016/12/great-ceos-see-the-importance-of-being-understood.
12. ‘Jack Welch: The Strategic Communicator’, Westsidetoastmasters.com, 2012, http://westsidetoastmasters.com/resources/communication_secrets/lib0072.html.
13. Edinger, S., ‘If You Want to Communicate Better, Read This’, *Forbes*, 2013, https://www.forbes.com/sites/scottedinger/2013/03/20/if-you-want-to-communicate-better-read-this/#452cea052dd1.
14. Nusca, A., ‘Social Media Use by CEOs Is Increasing Slowly, *Fortune*, 2006, http://fortune.com/2016/01/25/social-media-ceo/.
15. 2015 Social CEO Report, CEO.com, 2015, http://www.ceo.com/social-ceo-report-2015/.
16. LinkedIn Influencer, Linkedin.com, 2017, https://www.linkedin.com/help/linkedin/answer/49650/linkedin-influencer?lang=en.
17. Isaacson, W., ‘The Real Leadership Lessons from Steve Jobs’, *Harvard Business Review*, 2012, https://hbr.org/2012/04/the-real-leadership-lessons-of-steve-jobs.
18. Botelho, Elena Lytkina, Kim Rosenkoetter Powell, Stephen Kincaid and Dina Wang, ‘What Sets Successful CEOs Apart’, *Harvard Business Review* 95 (2017): pp. 70–77.
19. Birschan, M., T. Meakin and K. Strovink, ‘What Makes a CEO Exceptional’, *McKinsey Quarterly*, 2017, http://www.mckinsey.com/business-functions/strategy-and-corporate-

finance/our-insights/what-makes-a-ceo-exceptional?cid=other-soc-fce-mkq-mck-oth-1704&kui=_M6yy2Mvtip4Ahq7UAOVfQ.
20. 'Krishnakumar Natarajan', Mindtree.com, 2017, https://www.mindtree.com/about-us/leadership/management-team/krishnakumar-natarajan.
21. Lorsch, Jay W. and Emily McTague, 'Culture Is Not the Culprit', *Harvard Business Review* 94 (2016): pp. 96–105.
22. Elson, C. and C. Ferrere, 'When Searching for a CEO, There is No Place Like Home', *Wall Street Journal*, 2012, https://www.wsj.com/articles/SB10000872396390444620104578008560469526162.
23. Hansen, M.T., H. Ibarra, and U. Peyer, 'The Best-performing CEOs in the World. *Harvard Business Review*, 91 (2013): pp. 81–95.
24. Stadler, C., 'How to Become a CEO: These Are the Steps You Should Take', *Forbes*, https://www.forbes.com/sites/christianstadler/2015/03/12/how-to-become-a-ceo-these-are-the-steps-you-should-take/#7fefbff11217.
25. Ignatius, A., 'The Best-performing CEOs in the World', *Harvard Business Review* 92 (2016): p. 16.
26. Unnikrishnan, D., 'SBI Chairman's Post: Arundhati Bhattacharya's Name Cleared by FM', Livemint.com, 2013, http://www.livemint.com/Companies/dHbtOlQamQvq4MgR4XyohL/Finance-minister-clears-Arundhati-Bhattacharyas-name-for-SB.html.
27. Raje, A., 'Arundhati Bhattacharya: The Authentic Modernizer', Livemint.com, 2017, http://www.livemint.com/Leisure/CDWKZrJ9Q7AQixexsXyQrN/Arundhati-Bhattacharya-The-authentic-modernizer.html.
28. Dranikoff, L., T. Koller and A. Schneider, 'Divestiture: Strategy's Missing Link', *Harvard Business Review* 80 (2002): pp. 75–83.
29. Welch, J., 'Former GE CEO Jack Welch Says Leaders Have 5 Basic Traits—and Only 2 Can Be Taught', LinkedIn Article, 2015, http://www.businessinsider.com/former-ge-ceo-jack-welch-says-leaders-have-5-basic-traits-and-only-2-can-be-taught-2016-5?IR=T.
30. 'Y.C. Deveshwar's Management Style: In the Words of His Colleagues', Livemint.com, 2017, http://www.livemint.com/Companies/fXrYeDFuEuql5mvgcMKzOI/YC-Deveshwars-management-style-in-the-words-of-his-colle.html.

31. Gray, A., ‘This Is What’s Worrying CEOs the Most’, *World Economic Forum*, 2016, https://www.weforum.org/agenda/2016/01/this-is-what-s-worrying-ceos/.

Chapter 2: Start-Up CEOs

1. Jain, P., V. Ferriera, P. Douard and B. Nishchal, ‘Interview with Vamsi Krishna’, IIMB Student Interview, 2016.
2. Hashmi, F., Jao Dos, L. Chotjewitz and P. Parag, ‘Interview with Bhavik Kumar’, 2016, IIMB Student Interview.
3. Symanowitz, C., ‘Making the Transition from Founder to CEO’, Colettesymanowitz.com, 2013, https://colettesymanowitz.com/2013/11/12/making-the-transition-from-founder-to-ceo/.
4. Glauser, J., ‘Want to be a Successful Entrepreneur? Do What You Know’, *Entrepreneur*, 2016, https://www.entrepreneur.com/article/288631.
5. Jain, P., V. Ferriera, P. Douard, B. Nishchal et al., ‘Interview with Dr Mohan’, 2016, IIMB Student Interview.
6. Anand, A., L. Minguet, M. Sethi, R. Prabhakar and V. Despons, ‘Interview with Neeraj Kakkar’, 2016, IIMB Student Interview.
7. Ibid.
8. Balachandran, M., ‘Rahul Yadav: The Bad Boy of Indian Startups Is Finally Acting Like an Adult’, Quartz India, 2016, https://qz.com/684041/rahul-yadav-the-bad-boy-of-indian-startups-is-finally-acting-like-an-adult/.
9. Stillman, J., ‘Top Six Characteristics of the Best Start-up CEOs’, Inc.com, 2016, https://www.inc.com/jessica-stillman/top-6-characteristics-of-the-best-startup-ceos.html.
10. ‘The Top 20 Reasons Startups Fail’, CB Insights, 2016, https://www.cbinsights.com/research-reports/The-20-Reasons-Startups-Fail.pdf.
11. Arenius, P. and S. Ehrstedt, ‘Variacion en el Nivel de actividad a traves de las etapas de inicion empresarial evidencia de 35 Paises’, *Estudios de economía* 35 (2008): pp. 133–152.
12. Talgeri, K., ‘Unethical Business Conduct a Major Reason for Indian Startups’ Failure: IBM’, *Economic Times*, 2017, http://economictimes.indiatimes.com/small-biz/startups/unethical-

business-conduct-a-major-reason-for-indian-startups-failure-ibm/articleshow/58707138.cms.
13. Wasserman, N., 'The Founder's Dilemma', *Harvard Business Review* 86 (2008): pp. 102–109.

Chapter 3: Family Businesses

1. Kachaner, N., G. Stalk and A. Bloch, 'What You Can Learn from Family Business', *Harvard Business Review* 90 (2012): pp. 102–106.
2. 'India's Business Families: Redefining the Roles', *Business Today*, 2007, http://www.businesstoday.in/magazine/cover-story/indias-business-families/story/16717.html.
3. Lansberg, I., 'The Tests of a Prince', *Harvard Business Review* 85 (2007): pp. 92–101.
4. Ibid.
5. Stewart, T. and A. Raman, 'Finding a Higher Gear', *Harvard Business Review* (2008): pp. 69-76.
6. Davis, J., 'The Three Components of Family Governance', *Harvard Business School Working Knowledge*, 2001, http://hbswk.hbs.edu/item/the-three-components-of-family-governance.
7. 'Professionalisation 2.0: The Role of a Professional CEO', *PWC Family Business Survey 2016*, https://www.pwc.com/gx/en/services/family-business/family-business-survey-2016/role-of-the-professional-CEO.html

Chapter 4: Educational Institutions

1. Mohan, T.T. Ram, *Brick by Red Brick*, Rupa Publications: New Delhi, 2011.
2. Bolden, R., G. Petrov and J. Gosling, 'Developing Collective Leadership in Higher Education', Centre for Leadership Studies—University of Exeter: Report, 2008.
3. 'Assessment and Accreditation', Naac.gov.in, 2017, http://www.naac.gov.in/assesment_accreditation.asp.
4. Rao, S. and M. Singh, 'Appointment of Vice Chancellors: Rules, Procedures and Intentions', Aserf.org.in, http://www.aserf.org.in/presentations/vcpaper.pdf.
5. 'KISS Becomes First Tribal University in the World', Kalinga Institute of Social Sciences, 2017, https://kiss.ac.in/kiss-becomes-first-exclusive-

tribal-university-world/.

Chapter 5: The CEOs of Social Change

1. Ramanathan, A., 'Wanted CEOs for NGOs', Livemint.com, 2016, http://www.livemint.com/Companies/9cMhd8fWY16y8c6KfQlXjP/Wanted-CEOs-for-NGOs.html.
2. Gates, B. and M. Gates, 'Warren Buffett's Best Investment', Gates Notes, 2017, https://www.gatesnotes.com/2017-Annual-Letter.
3. Merisotis, J., 'The Leadership Model of Philanthropy', *Stanford Social Innovation Review* 2014, https://ssir.org/articles/entry/the_leadership_model_of_philanthropy.
4. Ghose, A., 'Why Sudha Murthy Will Be an Inspiration to the Generations of Women to Come', *Vogue*, 2016, http://www.vogue.in/content/why-sudha-murty-will-be-an-inspiration-to-generations-of-women-to-come/.
5. Siddiq, K., E. Meyer and M. Ashleigh, 'What Is the Impact of Authentic Leadership on Leader Accountability in a Non-profit Context? Proceedings of the International Conference on Management', *Leadership and Governance*: pp. 396–399, 2013.
6. 'National Kidney Foundation Financial Scandal', National Library Board, Singapore, 2015, http://eresources.nlb.gov.sg/infopedia/articles/SIP_2013-07-01_120748.html.
7. 'Narayanan Krishnan', Akshayatrust.org, 2017, http://www.akshayatrust.org/krishnan.php.
8. Anand, A., L. Minguet, M. Sethi, R. Prabhakar and V. Despons, Interview with Jyoti Thyagarajan, IIMB Student Interview, 2016
9. Brown, T. and J. Wyatt, 'Design Thinking for Social Innovation IDEO, *Development Outreach* 12 (2010): pp. 29-31.
10. Mukherjee, A., 'Steel, Forged in Fire', *Outlook India*, 2016, http://www.outlookindia.com/magazine/story/steel-forged-in-fire/297901.

Chapter 6: CEOs in Public Sector and Government

1. Spencer, M.S., T. Rajah, S. Mohan and G. Lahiri, 'The Indian CEOs: Competencies for Success', *Vision* 12 (2008): pp. 1–10.

2. ‘20th CEO Survey’, PwC, 2017, https://www.pwc.com/gx/en/ceo-survey/2017/industries/ceo-survey-gps-report.pdf.
3. Lulla, A.B., ‘With Gen Y in Mind, State Bank of India Rides the Digital Wave’, Yourstory.com, 2016, https://yourstory.com/2016/08/state-bank-of-india-digital/.
4. Bhattacharya, S., ‘As Air India’s Poor Performance Continues, Govt Should Take Up Privatisation Urgently’, Firstpost.com, 2017, http://www.firstpost.com/business/as-air-indias-poor-performance-continues-govt-should-take-up-privatisation-urgently-3833971.html.
5. Kamensky, J., ‘The 7 Characteristics of Highly Successful Government Leaders’, *Government Executive*, 2013, http://www.govexec.com/excellence/promising-practices/2013/03/7-characteristics-highly-successful-government-leaders/61675/.
6. Velsor, E.V., C. Turregano, B. Adams and J. Fleenor, ‘Creating Tomorrow’s Government Leaders’, Center for Creative Leadership, 2016, https://media.ccl.org/wp-content/uploads/2016/09/creating-government-leaders-and-addressing-challenges-center-for-creative-leadership.pdf.
7. Choudhury, S., ‘Civil Services: Making a Difference’, Livemint.com, 2016, http://www.livemint.com/Leisure/vZpL5lzkXibRCRzdntVDQI/Civil-Services-making-a-difference.html.
8. ‘The 1968 Fulton Report’, Civilservant.org, 2017, http://www.civilservant.org.uk/library/1968_fulton_report.html.
9. ‘The UK Civil Services’, Civilservant.com, 2017, http://www.civilservant.org.uk/index.html#management.
10. Lodge, G., S. Kalitowski, N. Pearce and R. Muir, ‘Accountability and Responsibility in the Senior Civil Service: Lessons from Overseas’, Civilservant.org, 2013, http://www.civilservant.org.uk/library/2013_ippr_Accountability_and_Responsiveness_in_the_SCS.pdf.
11. Ramnath, N.S., ‘E. Sreedharan: More than the Metro Man’, *Forbes India*, 2012, http://www.forbesindia.com/article/leaderhip-award-2012/e-sreedharan-more-than-the-metro-man/33847/1.

Chapter 7: Developing as a CEO

1. Charan, R. and G. Colvin, ‘Why CEOs Fail It’s Rarely for Lack of Smarts or Vision. Most Unsuccessful CEOs Stumble because of One Simple, Fatal Shortcoming’, *Fortune*, 1999, http://archive.fortune.com/magazines/fortune/fortune_archive/1999/06/21/261696/index.htm.
2. Finkelstein, S., *Why Smart Executives Fail: And What You Can Learn from Their Mistakes*, Penguin: USA, 2004.
3. Maccoby, M., ‘Narcissistic Leaders: The Incredible Pros, the Inevitable Cons’, *Harvard Business Review* 78 (2000): pp. 68–78.
4. Collins, J., ‘Level 5 Leadership: The Triumph of Humility and Fierce Resolve’, *Harvard Business Review* 83 (2005): p. 136.
5. Porter, M.E., J.W. Lorsch and N. Nohria, ‘Seven Surprises for New CEOs’, *Harvard Business Review* 82 (2004): pp. 62–75.
6. Harrell, E., ‘How Boards Can Set a New CEO Up for Success’, *Harvard Business Review* (2016): pp. 2–4.
7. Friel, T.J. and R.S Duboff, ‘The Last Act of a Great CEO’, *Harvard Business Review* 87 (2009): pp. 82–89.
8. Datta, A., ‘Tata vs Mistry: The Inside Story’, *Forbes India*, 2016, http://www.forbesindia.com/article/battle-at-bombay-house/tata-vs-mistry-the-inside-story/44721/1.
9. ‘2013 Executive Coaching Study’, Stanford Graduate School of Business, 2013, https://www.gsb.stanford.edu/sites/gsb/files/publication-pdf/cgri-survey-2013-executive-coaching.pdf.
10. ‘Research on Purpose and Effectiveness of Executive Coaching’, People Business, 2016, http://peoplebusiness.org/blog/wp-content/uploads/2016/02/Exec-Coaching.pdf.
11. Dearlove, D., ‘Marshall Calling’, *Business Strategy Review* 18 (2007): pp. 5–9.
12. ‘How to Get a Virgin Startup Mentor’, Virginstartup.org, 2017, https://www.virginstartup.org/how-get-virgin-startup-mentor.
13. ‘Mentoring’, TiE Bangalore, 2017, http://bangalore.tie.org/mentoring/.
14. ‘Global CEO Program: A Transformational Journey’, Wharton.upenn.edu, 2017, http://www.iese.edu/es/files/101027%20Xpress%20Global%20Ceo%202011-12_AF_tcm5-55399.pdf.
15. ‘World Economic Forum Annual Meeting’, Weforum.org, 2017, https://www.weforum.org/events/world-economic-forum-annual-

meeting-2017.
16. Lansberg, I. and K. Gersick, ‘Educating Family Business Owners: The Fundamental Intervention’, *Academy of Management Learning and Education* 14 (2015): pp. 400–413.
17. Kets de Vries, M.F.R., R.S. Carlock and E. Florent-Treacy, *Family Business on the Couch: A Psychological Perspective*, England: John Wiley & Sons, 2007.
18. Bartlett, C. and A. McLean, ‘GE’s Talent Machine: The Making of a CEO’, Harvard Business School Case Study, 2006.
19. Dalal, M. and A. Sen, ‘Varun Berry Likely to Replace Vinita Bali as Britannia Chief’, Livemint.com, 2014, http://www.livemint.com/Companies/DWVvIpmkBfyPV76iEUzOXP/Varun-Berry-likely-to-replace-Vinita-Bali-as-Britannia-chief.html.
20. Krishnan, G., ‘How Varun Berry Re-energized Britannia’, *Outlook Business*, 2016, http://britannia.co.in/pdfs/new_press_release/How-Varun-Berry-Re-energized-Britannia.pdf.
21. Bennett, N. and S.A. Miles, ‘Second in Command: The Misunderstood Role of a Chief Operating Officer’, *Harvard Business Review* 84 (2006): pp. 71–78.
22. Bennett, N. and S.A. Miles, ‘Making the Move from a COO to a CEO’, *Accenture*, 2010, https://miles-group.com/sites/default/files/article_file_attachments/coo_to_ceo_april_2010_accenture_coo_circle.pdf.
23. Kaplan, R.S., ‘Reaching Your Potential’, *Harvard Business Review* 86 (2008): pp. 45–49.
24. Sanders, J., ‘The Path of Becoming a Fortune 500 CEO’, *Fortune*, 2011, https://www.forbes.com/sites/ciocentral/2011/12/05/the-path-to-becoming-a-fortune-500-ceo/#3ce70277709b.
25. ‘Paul Polman’, Unilever.com, 2017, https://www.unilever.com/about/who-we-are/our-leadership/paul-polman.html.
26. ‘Amitabh Kant’, 2017, http://www.amitabhkant.in/index.php/profile.
27. Dillard, V. and V. Lipschitz, ‘Research: How Female CEOs Actually Get to the Top’, *Harvard Business Review*, 2014, https://hbr.org/2014/11/research-how-female-ceos-actually-get-to-the-top.

28. McGregor, J., ‘The Number of Women CEOs in the Fortune 500 Is at an All-time High—of 32’,*Washington Post*, 2017, https://www.washingtonpost.com/news/on-leadership/wp/2017/06/07/the-number-of-women-ceos-in-the-fortune-500-is-at-an-all-time-high-of-32/.
29. Morrison, D., ‘How Can Women Rise to the C-suite’, *Fortune*, 2014, http://fortune.com/2014/11/19/how-can-women-rise-to-the-c-suite/.
30. Taneja, R., ‘Career Story of Chanda Kochhar, the ICICI Icon’, Careerguide.com, 2016, https://www.careerguide.com/blog/inspirational-stories/career-story-chanda-kochhar-icici-icon.

Acknowledgements

This book has its genesis in a course I taught at IIMB. I would like to thank the faculty at IIMB—Prof. Manohar Reddy, Prof. Mukta Kulkarni and Prof. Sourav Mukherjee who invited me to teach the course: ‘Making of a CEO’. The students who attended the course were from IIMB and various management schools in Europe and the US. The class interactions and interviews that the students facilitated provided the richness to the book. I would like to mention and thank the students of the batch of 2015–17 (including the exchange students) at IIMB—Semjon Wächter, Vinay Krishnamurthy Mangalore, Rajatha P., Mithun Ganesh, Audry Gakiko, Minguet, Ujjwal Tah, Pranav Kumar Mallick, Ophélie Lestrade, Ashesh Mamidi, Victor Bourgouin, Ravi Kumar Bunga, Monalisa Sethi, Veena Kumari Dermal, Mark Hadj Hamou, Faizan Ahmed Hashmi, Harilal K.M., Victor Despons, Abilash Soundararajan, Ole Magnus Stokke, Abhishek Anand, Eivind Skeie, Joao Pedro dos Santos Duarte, Nischal B., Piyush Parag, Vemuri Satya Surya Pavani, Jean-Jacques Audran, André Borowski, Priya Jain, Pierre-Marie Douard, Meenakshi M. Singh, Lukas Wilhelm Chotjewitz, Pankaj Kumar, Sonia Loi, Quentin Villot, Shruthish, Vasco Ferreira and Eliott Rousseau. I would like to thank Shakuntala N. and Babu Prasad from the postgraduate programme office and Dr Rama Patnaik, librarian, who gave me the necessary access for research. I acknowledge their support here.

I owe a lot to IIM Ahmedabad for making me what I am today. I would like to thank Prof. Manjari Singh, Prof. Biju Varkkey, Prof. Rakesh Basant and Prof. Sunil Maheshwari for their constant guidance. I would also like to thank Prof. Mathew Manimala (IIMB and director of XIME) for connecting me to IIMB.

Mervyn Raphael, managing director at People Business, is a coach who has really helped me discover my potential. People Business helped me connect with many senior CEOs in the industry. I would like to specially thank Subramaniam Kalpathi, the author of *The Millennials*, a very solid young professional and colleague at People Business who introduced me to Radhika Marwah at Penguin Random House. My thoughts and ideas were transformed into a fine book by the constant support of Radhika, who is a wonderful editor. Thank you, Saloni Mital, who was the copy editor of the book. She helped me refine the book and make it reader-friendly.

Special thanks to Dr Arvind N. Agrawal, ex-group president HR and corporate development of RPG Group; Ratish Jha, business head of Raychem RPG; Srimanto Bhattacharya, partner at Spearhead Intersearch; Nishith Mohanty, group CHRO at Manipal Group; Riaz Hassen, founder of Colombo Leadership Academy; Georgie Anthony, managing director of international operations, People Business; Suresh Mathew, executive director of RPG Enterprises; Jagan Mohan, senior vice president (HR) of Brigade Enterprises; Jerry Joseph, head HR, Manipal University; Amit Trivedi, director's office, IIM Ahmedabad; Ritesh Rana, head HR, Britannia Industries Limited; and Jayant Mavlankar, deputy president, group audit, of Kalpataru Group.

This book would not have been possible without the insights provided by CEOs of various organizations whom I have thanked above. They took time out from their busy schedules for the interviews that are the backbone of this book. I would like to mention the support of Krishnakumar Natarajan, executive chairman of Mindtree; Harsh Goenka, chairman of RPG Group; Ranjan Pai, chairman of Manipal Education and Medical Group; Rajen Padukone, group president of Manipal Education and Medical Group; Ajit Singh Chouhan, CEO of Weir India; Nithin Kamath, founder and CEO of Zerodha; Bhavik Kumar, co-founder of Medibox Technologies; Vamsi Krishna, CEO of Vedantu; Anvar T.K., founder of XAdapter; Dr Mohan, CEO of Mohan Hospitals; Neeraj Kakkar, founder CEO of Hector Beverages (Paper Boat); Raju Menon, chairman and managing director, Morison Menon Group; Jyothi Thyagarajan, founder trustee of Meghshala;

Vasuta Agarwal, India head of InMobi; Rakesh Kumar and Poornima Rakesh, co-founders of WE Fitness; Dr Rajesh Panda, director of SIBM Bengaluru; Dr Vinod Bhat, vice chancellor of Manipal University; Chandru Kalro, managing director of TTK Prestige; Ravi Menon, chairman of Sobha Developers; Rajesh Nair, founder of Happystry; Balakrishnan Madhavan Kutty, resident representative at World Bank; Deepak Kumar Hota, chairman and managing director of BEML; Rakesh Sridharan, CEO of TigerStop; Nirupa Shankar, director of Brigade REAP and Brigade Hospitality; Prakash Poduval, Indian Postal Services; and Vikram Shah, ex-CEO of NetApp and chairman of Stonehill International School.

The endeavour to write a book needs a lot of support and encouragement from your friends and family. My batchmates and well-wishers from IIM Ahmedabad were a constant inspiration in the journey. G.V. Ravishankar, managing director of Sequoia; Vardan and Ankita Kabra, founders of The Fountainhead School; Jacob Kuruvilla, general manager of Asian Paints, Sri Lanka; and Swapnil Pawar, head of the India office of Engineers Gate India provided me with valuable insights based on their experiences. My batchmates and teachers from the College of Engineering, Trivandrum, St Paul's School and Calicut University helped me gain confidence. Sr Livinia Lobo, Sr Benedict and Sr Rose Therese, teachers from St Paul's School, always motivated me.

I would not have completed this book without the support of my family. My wife, Dr Dhanya Gangadharan, and my two little daughters, Isha and Aekta, were very patient, especially when I was glued to my laptop and during the innumerable telephone conversations regarding the book. Dhanya provided me with the much-required motivation and support to balance my professional, home and writing fronts. My father, Prof. K. Kunhikrishnan, mother, Syamala T.C., brother, Dr Sudeep K. Krishnan, and my in-laws, V.P. Gangadharan and C. Nalini, have always believed that I would do a good job with the book. I thank them for having faith in me.

I hope this book is an inspiration for all professionals who aspire to be successful CEOs in their career!

THE BEGINNING

Let the conversation begin…

Follow the Penguin Twitter.com@penguinbooks

Keep up-to-date with all our stories YouTube.com/penguinbooks

Pin ‘Penguin Books’ to your Pinterest

Like ‘Penguin Books’ on Facebook.com/penguinbooks

Find out more about the author and
discover more stories like this at Penguin.co.in

PORTFOLIO

UK | Canada | Ireland | Australia
New Zealand | India | South Africa

Penguin Books is part of the Penguin Random House group of companies whose addresses can be found at global.penguinrandomhouse.com.

Penguin Random House India

This collection published 2017

Copyright © Sandeep K. Krishnan 2017

The moral right of the author has been asserted

Jacket images © Getty Images

ISBN: 978-0-143-44026-0

This digital edition published in 2017.

e-ISBN: 978-9-386-81594-1

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, resold, hired out, or otherwise circulated without the publisher's prior consent in any form of binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.