Leadership for India Inc: Practical Concepts and Constructs
**Prof. C Bhaktavatsala Rao**
Prof. Ajit Singhvi
Department of Management Studies
Indian Institute of Technology, Madras

Week - 05
Leadership Processes
Lecture - 25
Adaptive processes

Hi friends, welcome to the NPTEL course Leadership for India Inc. Practical Concepts and Constructs. We are in week 5, discussing Leadership Processes. In this week, we will focus on Adaptive Processes.

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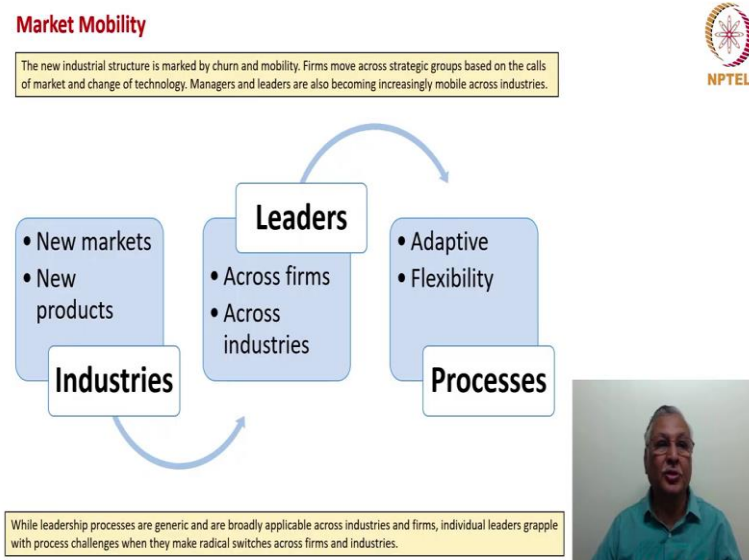
The new industrial structure is marked by churn and mobility; firms move across strategic boundaries which were set earlier. They also take calls based on market changes as well as technology developments. Managers and leaders are also becoming increasingly mobile across industries.

We can discuss this framework in terms of the following three churn factors, one – industries, that is discovery of new products and new markets. As far as leaders are concerned movement across firms and across industries and as far as processes are concerned processes need to be adaptive and flexibility. This is the overall frame for today's market mobility system.

While leadership processes are generic and are broadly applicable across industries and firms, individual leaders grapple with process challenges. As they make radical switches across firms and industries. Similarly, when firms take individuals from different firms as well as different industries, they also grapple with challenges of leadership transitions.

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Some Examples

Industrialists deliberately choose managers and leaders from different economic sectors and industrial segments to bring newer, and hopefully more effective approaches from such industries to doing business in their industries.

SN	Seeking Industry	Providing Industry	Domain	Reason
1	Pharmaceutical	FMCG	Supply Chain	FMCG is known for supply chain efficiency
2	Food	Pharmaceutical	Quality	Pharma is known for quality and compliance
3	Retail	Consulting	Strategy	Consulting companies specialize in strategy
4	Automobile	IT	Digital Processes	Home ground for IT
5	IT	Different Industries	Different Domains	Strengthens multi-industry IT consulting
6	Smart Wearables	Fashion	Design	Fashion industry is known for trends

While the functional and industrial knowledge certainly bring certain best practices to the receiving industry, the leaders in transit themselves face major issues. Sometimes such transitions work out while at other times they fail. If leaders understand the importance of adaptive processes such transitions will deliver value to both the leaders and firms.

Industrialist deliberately choose managers and leaders from different economic sectors. And industrial segments to bring newer and hopefully more effective approaches from such industries to doing business in their industries. There is cross pollination and cross fertilization of ideas and practices that is possible, when leaders are inducted from other industries.

I will take 6 examples, we will see how each industry which is seeking a leadership transition from another industry, benefits in respect of certain key domains. Pharmaceutical industry is the seeking industry in this illustration, and the providing industry is FMCG and the domain is supply chain. The main reason why leadership transitions are possible, from supply chain domain in an FMCG company to a pharmaceutical company, is routed in the fact that FMCG is known for supply chain efficiency.

Similarly, a movement in the quality domain from pharmaceutical industry to food industry is also likely to be successful, because pharma is known for the highest standards of quality and compliance. A move from consulting to retail industry in a

strategic domain is also feasible and probably helpful, because consulting companies specialize in strategy development.

A movement from IT to automobile will be very helpful for enhancing the digital capability of the conventional automobile industry. Because, information technology is a mainstream industry for digitally savvy experts and it is the home ground for information technology. Information technology industry itself seeks and accepts leaders from different industries and different domains.
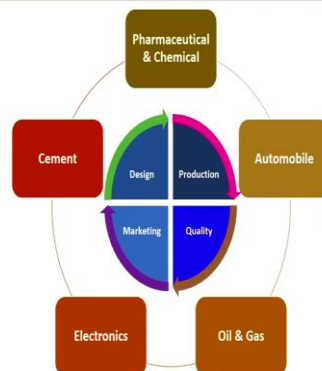
This is because such induction helps the domain specialization in the information technology, and they could provide better systems and better codification mechanisms with the leaders available from multiple industries and sectors. A smart wearables industry will accept leaders from fashion industry, because they bring the capabilities of design and elegance to the smart wearables industry.

And, fashion industries known for such trends, while the functional and industrial knowledge certainly bring certain best practices to the reviving industry or to the receiving industry. The leaders in transit themselves face major issues, sometimes such transitions work out very well while at other times they fail, if leaders understand the importance of adaptive process such transitions will deliver value to both the leaders and the firm.

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Why is it that not all leadership transfers across firms or across industries, do not turn out to be successful. That is because cross industry portability cannot be applied to roles, where deep technical and industry knowledge is required. In addition, certain industries are more technical scientific or uniquely characteristic of its fundamental requirements.

Pharmaceutical and chemical industries, automobile industries, oil and gas industries, electronics industries, cement industries they are having very unique technological features and characteristic features. And, it is not easy to port a leader from one industry to another industry. And these capabilities are primarily expressed in design production, marketing and quality domains.

In such industries product and business competitiveness is largely dependent on the technical skill and technical efficiency. Efficiency of the products and processes such knowledge is the prime driver for the competitiveness of the industry in terms of both production throughputs as also production cost. Such knowledge needs to be embedded in executives and managers and leaders to ensure competitiveness. And, in case they do not have any background of this industry, portability into such industry could fail.

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However certain leadership roles are more transferable across any firm and across any industry. They are transportable in varying degrees, because the skill sets in such domains are more generic in nature and more broadly applicable. The portable processes

are finance, strategy, secretarial, human resources and supply chain to quote of a few examples.

In general, as a principle leadership role which are technology driven will not be portable, while leadership roles which are process driven will be more portable. Somewhere in between would be the roles which are people and network relationship dependent such as marketing and even probably human resources in very specialized areas of work.

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Some Examples of Portability Failures

Despite having certain logic of industry adjacency and skill-portability, companies have seen CXO transition failures. Reasons vary in each case.

SN	Seeking Industry	Providing Industry	Role	Reason for Failure
1	Pharmaceutical	FMCG	Operations Head	Diverse processes and fundamentals
2	Automobile	Bearings	Chief Marketing Officer	B2B to B2C marketing
3	Watch	Gears	Chief Operating Officer	Complete difference in products and parts
4	FMCG	Automobile	Chief Human Resources Officer	Knowledge of industry specific talent
5	Real Estate	E-Commerce	Chief Technology Officer	Different industry characteristics
6	Capital Goods	Infrastructure	Head of Corporate Affairs	Different regulatory environment

The examples indicate that any movement across industries has to be carefully evaluated by the firm and the individual for the risks and rewards of such movement.

Some examples of portability failures, despite having certain logic of industry adjacency and skill portability, companies have also seen CXO transitions failing, reasons vary in each case of course. There was a case of an operations head who moved from FMCG industry into pharmaceutical industry. He failed to operate successfully mainly, because of the diversity in the processes and fundamentals which he had to face in the industry transition.

A chief marketing officer, who is moving from a bearings industry to an automobile industry, he is likely to face difficulties in marketing leadership. Because in the bearings industry, he is accustomed to B2B marketing whereas, in automobile industry he needs to conduct B2C marketing.

A chief operating officer who moved from gears industry to watch industry was not successful, because there was complete difference in products and parts. Similarly, a chief human resource officer who moved from automobile industry to an FMCG industry was less than successful, because there was no knowledge of specific industry talent available with him.

A chief technology officer who was very successful in an e-commerce setting was not really successful in a real estate setting. Because, the industry characteristics were completely different, a head of corporate affairs who acquitted himself very well in infrastructure industry could not do so, in capital goods.

Because, the regulatory environment which he faced were different, these examples indicate that any movement across industries has to be carefully thought about and carefully evaluated by the firm, as also the individual to assess the risks and rewards of such movement.

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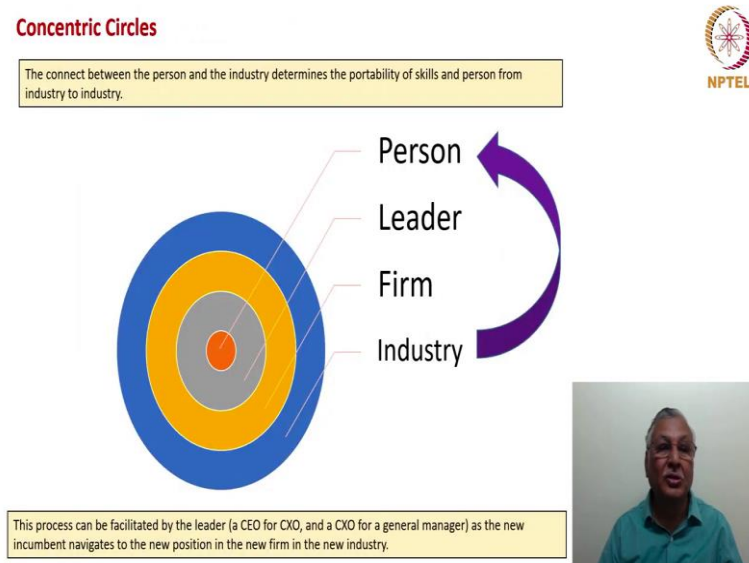
Let us look at this model of concentric circles again, the connect between the person and the industry determines the portability of skills and person from industry to industry. Person of course, has the leader to mentor him and they firm to support him, but the industry characteristics and the industry fundamentals are extremely important in the portability of a leader from one industry to another.

While a CEO for a CXO, and a CXO for a general manager could be the mentors. The new incumbent needs to navigate to the new position in the new firm or in the new industry largely based on his ability to grasp the new fundamentals or by having prior experience with those fundamentals.

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All said and done, there are certainly reasons for firms to consider cross industry leaders. Boards particularly have certain reasons to consider, induction of senior leaders from other industries. Especially in roles which are amenable to portability. First such a new leader can act as a catalyst, for change in a sector going through some kind of transformation.

If a stayed industry or a stayed firm is looking for agility getting, a leader from FMCG industry could be very helpful. The other reason is to bring in specific skills at a critical moment in the business, for example, when making a significant acquisition or undergoing an IPO. In such a case, you can bring in a leader from a listed company to an unlisted company regardless of the domain, because you are able to make an acquisition and also undertake the requirements should an IPO be required.

The cross industry portability is also helpful for maximization of the pool of top tier candidates available for targeting. If you always look for leadership acquisitions, based only on the industry domain many people who are otherwise competent yet get excluded.

So, in any such assignment the top tier candidates could be drawn from any other industry apart from the established industry which is looking for induction.

As part of a broad approach to create a more diversified and more diverse leadership team, bringing in leaders from other companies and other industry backgrounds would be very helpful. It is also helpful as part of a talent strategy that puts leadership ability above purely technical skills, we have considered earlier that technical skills are extremely important extremely fundamental.

However, there is also a leadership requirement to be multi industry focused, understand the networking requirements, and be a very successful citizen of an overall industrial ecosystem.

That could be helped when you bring in leaders from different industry backgrounds to operate in a single company. Evidently the intent to bring in cross industry talent has implications beyond technical delivery. Sometimes an industry naive leader is able to bring in radically new perspectives to a tradition bound firm that is also possible.

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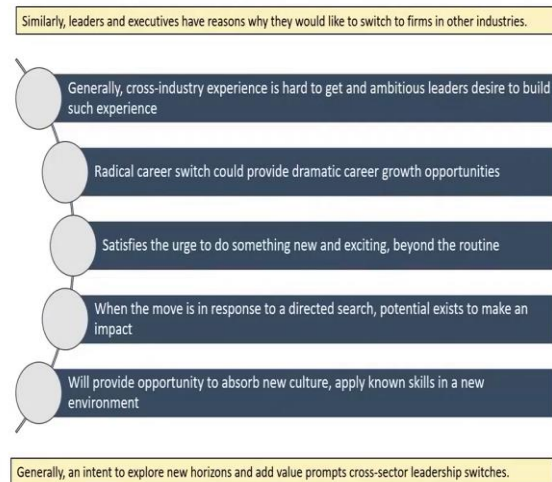
Similarly, there are reasons why leaders must consider cross industry firms, we have seen in the earlier slide why industry will consider cross industry firms. Similarly, leaders also need to consider why they could move from industry to industry with certain benefits. Generally cross industry experience is hard to get and ambitious leaders decide

to build such experience. If, in your career of 45 to 50 years you have an experience of 5 industries there is nothing like it.
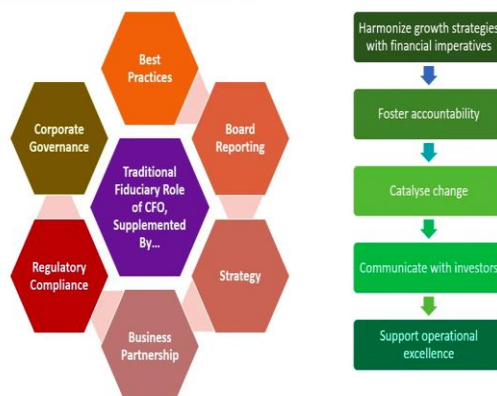
Radical careers which could provide dramatic career growth opportunities, it satisfies the urge to do something new and exciting, beyond the routine and moving out of the comfort zone. When they move across industries is in response to a very directed search potential, also exists to make an impact. It also will provide an opportunity to absorb new culture, apply known skills in a new environment.

So, for a leader moving across the industry segments is really a challenge as well as an opportunity. And intent to explore new horizons and add value prompts cross sector leadership switches, and probably this is also one part of the self actualization exercise which the leader may be undertaking.

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Let us examine, how the roles themselves are evolving in several cases; this itself is a great requirement for moving across industries for individuals, and for industrial segments to look for leaders from other industrial segments. When I say industrial segment actually I mean the firms in that industrial segment category.

Let us look at the role of the chief financial officer; CFO has always a traditional fiduciary role. But, today the CFO slowly substantially enlarged to include a) best practices, b) board reporting, c) strategic support, d) business partnership, e) regulatory

compliance and f) corporate governance. These are the 6 addition elements that have come to the stable of a chief financial officer.

He is now expected to harmonize growth strategies with financial imperatives; he is expected to be a business partner rather than a gate keeper for accounts. He has to foster accountability, catalyse change, communicate with investors and support operational excellence. The CFO is today seen as being responsible not only to the CEO, but also to the board. His accountability extents for beyond financial get keeping and reporting or making returns on investment or making budgets its far beyond that.

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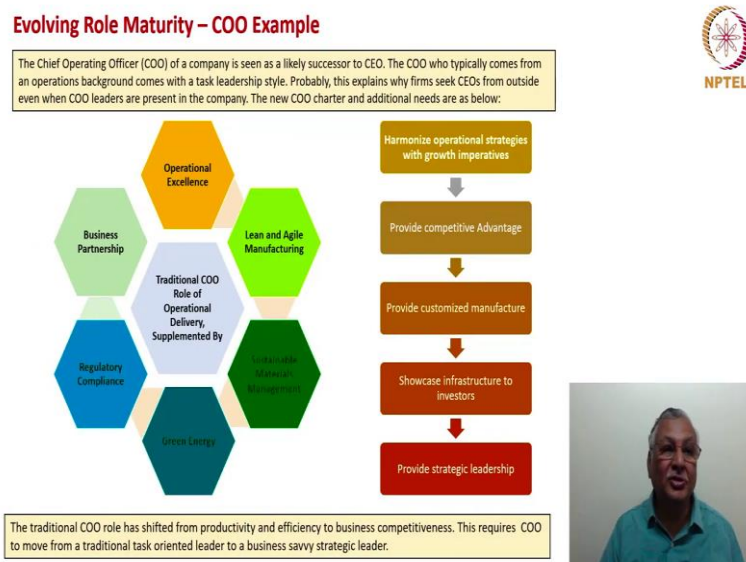
If you look at a chief operating officer's role, that role is also evolving to a higher level of maturity. Generally, a chief operating officer is seen as a likely successor to CEO, the COO who typically comes from an operations background comes with a task leadership style. Probably this explains why firm seek CEOs from outside even when COO leaders are present in the company.

Because, task leadership alone is not the sufficient condition for somebody to become a chief executive officer, but the new COO charter and additional needs are as below. If the traditional COO requirement was operational delivery, it is now supplemented by the need to have operational excellence, need to implement lean and agile manufacturing, ensuring sustainable materials management, making a transition to green energy,

enabling higher level of regulatory compliance and most importantly seeing operations as an important business partner for the overall organization.

So, a COO today is expected to harmonize operational strategies with growth imperatives, he needs to provide competitive advantage for the company through the quality as well as cost parameters. Provide customized manufacture, the COO of today cannot say that I only want a standardized level of production or a standardized set of products.

The more customers you cater to with greater product variety the more effective your company would be so, providing customized manufacturing capabilities are extremely important aspect of the COO of the new times. The COO should also be able to develop an infrastructure, which is going to make the company proud and which would draw investor attention many times when investors make their investments in a new business.

They typically look at the infrastructure that is already established and is running, and depending on the quality of the infrastructure. They would be motivated to make investments, because the next level of infrastructure investment, they believe would be of the same standard or even a higher standard.

And a COO is also expected to provide strategic leadership to the company. So, the traditional role of the COO has shifted from productivity and efficiency to business competitiveness. From being a tough task master on the shop floor, the role has shifted to being a business partner probably for other very important domains such as research and development and marketing. This requires the COO to transform himself herself into a business savvy strategic leader.

Evolving role maturity in respect of CSO is also happening, the chief scientific officer of a company like the COO is also seen as a potential successor to CEO. The CSO who typically comes from R&D background comes with a participative leadership style, and empowering leadership style and an intellectual leadership style.

Probably this explains why some knowledge oriented industries have CSO transiting to CEO roles even when COO leaders are present in the company. A typical CSO charter which is now expanded beyond the role of R&D delivery includes targeted portfolio R&D productivity global homologation product and process sustainability, intellectual property, product safety and effectiveness.

Consider the case of a pharmaceutical industry which has got 200 products that are getting sold in the United States. If that company is able to homologate all those product dossiers for the European setting, very easily it can achieve a 50 percent increase in its turnover and profitability. And if it is further extended to emerging markets, there would be multiplier impact on the revenue and profitability position.

But, to be able to do that you need to have certain special skills including ability to homogenize the products across the global scenario that was not the classic mandate of a CSO. Today that is the classic mandate of the CSO, in a transformed enterprise that is high level of regulatory knowledge of the entire global market system this is just one example.

Similarly, ability to get products out of the door sooner than the normal standards that is again another marker for a more evolved chief scientific officer. He has to literally serve as the engine of growth for the company, should be able to reinforce current product horizon, should be able to also bring in the emerging product horizon and lay the foundation for future horizon.
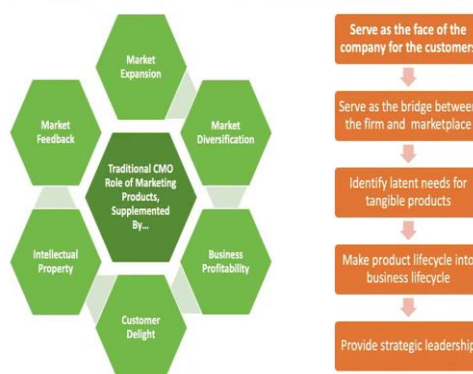
We have seen in the earlier lectures that the three horizons are extremely important aspects of corporate perpetuity. And a great leader always tries for that, but supporting that leader should be the chief scientific officer who has the ability to optimize the current portfolio, bring in quickly through appropriate technology development and transfer process the newer range of products. And also lay the foundation for fundamental discovery or fundamental invention of newer range of products.

And through this process he provides strategic leadership for the company. So, the role of the CSO or the head of R&D has shifted from just delivering products to making R&D as the engine of growth for the company and securing business competitiveness. This requires the CSO to move from just operating on a product canvas to operating on a business product canvas that is the fundamental change that is required.

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The chief marketing officer, in many companies, the chief marketing officer is another potential candidate to move into the CEO role. Because, most chief marketing officers are extroverted and come with excellent interpersonal relationships, it is also considered

as a big qualifier for moving into the CEO roles. And that happens even when COO and CSO leaders are present in the company.

But, even that traditional chief marketing officer's role is getting expanded from the traditional role of marketing products and general customer relationships. Ability to expand the market, ability to diversify the market, ensuring business profitability, ensuring customer experiences, rather than fulfilling customer transactions.

Generating intellectual property through keen observation of the market requirements and translating them into product envelopes. And getting feedback from the market these are all the new roles of a chief marketing officer. He has to serve as the face of the company for the customers; he also has to serve as the bridge between the firm and the marketplace.
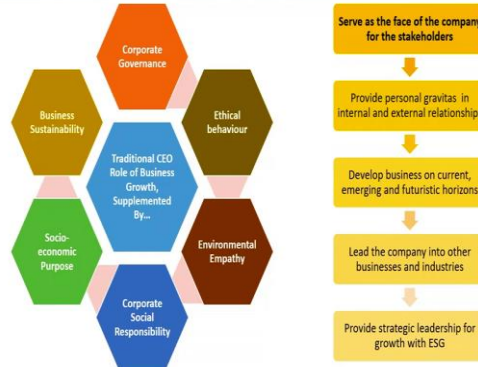
He has to identify latent needs for tangible products and make product life cycle into business life cycle. Again he has to provide strategic leadership, as you can see from the examples I have given, every functional head or the CXO is now expected to be a strategic leader than the leader of that particular function or domain that is the big change that has happened.

So, the traditional CMO role also has shifted from just selling products to making marketing as the basic business wherewithal for the company. This requires the CMO to establish unbreakable bond between the firm and the customers based on mutual loyalty and commitment. And co creation of experiences for the customers is one of the key aspects of the chief marketing officer's role.

Now, let us come to CEO position itself, this chief executive officer of a company is undoubtedly the pole position of a company. It holds ultimate responsibility for the growth and sustainability of the company, the CEO is responsible for the vision, strategy and execution of the company's plans. The CEO is the pivot of the board also, every CXO aspires to be the CEO of a company.

But, the traditional role of the CEO, itself has moved from being first amongst equals to one that of a wise leader. In fact, we have considered several Apex leadership traits which are hard to get and which are required for a CEO to live up to the role definition of CEO in the current context.

These additional requirements besides business growth including profitability, or corporate governance ethical behavior, environmental empathy, corporate social responsibility, socio economic, purpose of the product and business lines and business sustainability.

Just as the chief marketing officer serves as the face of the company for the customers, the CEO of the company serves as the face of the company for the stakeholders for both internal and external. he provides personal gravitas in internal and external relationships; he develops business on current, emerging and future horizons.

He also leads the company into other businesses and in other industries, and overall he provides the strategic leadership, but with a clear focus on ESG environmental empathy, social responsibility and corporate governance.

The traditional CEO role also therefore, has shifted from just growing business to growing business with sustainability. It is understood that a CEO who has a socio economic purpose at heart, and who believes that the corporation is the trustee of public wealth with lot of environmental and social responsibility is going to be a really differentiated CEO, who would go into the annals of leadership history.

The CEO needs multi business and multi industry grasp, if not experience, quest for CXOs with multi industry experience has genesis in the CEO expectations that are emerging.

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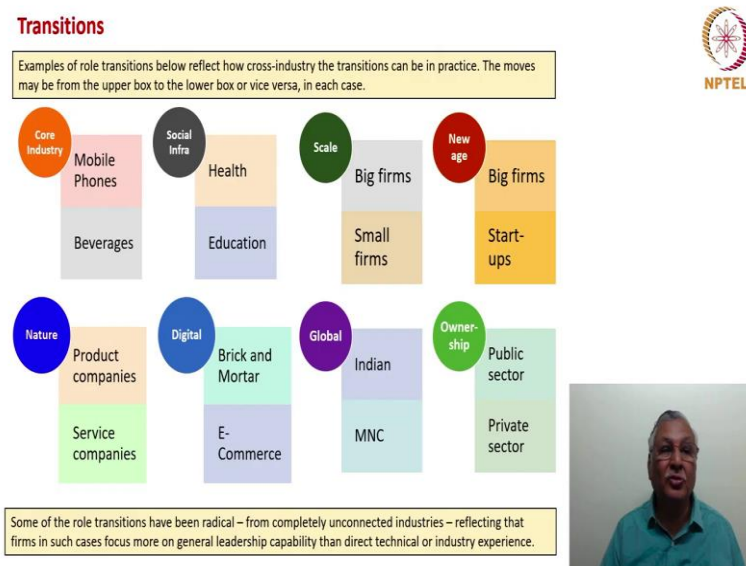
Now, let us look at several role transitions, there are 8 examples of role transitions which I have given, these reflect how cross industry the transitions can be in practice. These are all real life for examples although I have not named the person's the moves also could be from the upper box to the lower box or vice versa.

So, we have cases of a core industry situation, where from mobile phones someone moved into beverages at very senior position. From, in respect of social infra segment movements between health and education took place, and to achieve scale or in spite of

lack of scale movements have occurred, people moved from big firms to small firms and vice versa.

There are also companies which especially belong to the new age, new technology. And, here again people move from big firms to startups and from startups to big firms. There are also companies which are dedicated to nature, there were product companies in those segments and leaders move to service companies and again from service companies to product companies.

And still we have a huge number of digital brick and mortar companies, but leaders from those brick and mortar companies could make a very successful transition to e-commerce and vice versa. There have been many number of cases where global multinational corporations, had people from India coming into their systems and enriching the global operations.

We also have cases of expats coming to India and working in Indian companies, there have also been cases of leadership pass process between public sector and private sector undertakings. Some of these role transitions have been radical from completely unconnected industries, reflecting that firms in such cases focus more on generic leadership capabilities rather than direct technical or industry experience.

As we have discussed in respect of industry leader models Mr. Soundara rajan and Mr. Shahani, there are always leaders who have this capability to learn new things at a very fast click. People from financial background learnt technical fundamentals very quickly and made great mark on technical industries.

Similarly, engineers who were CEOs learnt all things financial and legal and made lot of impact in terms of overall business development and commercial transactions. So, these kinds of transitions are accelerated or enabled, when leaders themselves possess certain extraordinary capabilities of grasping new things.

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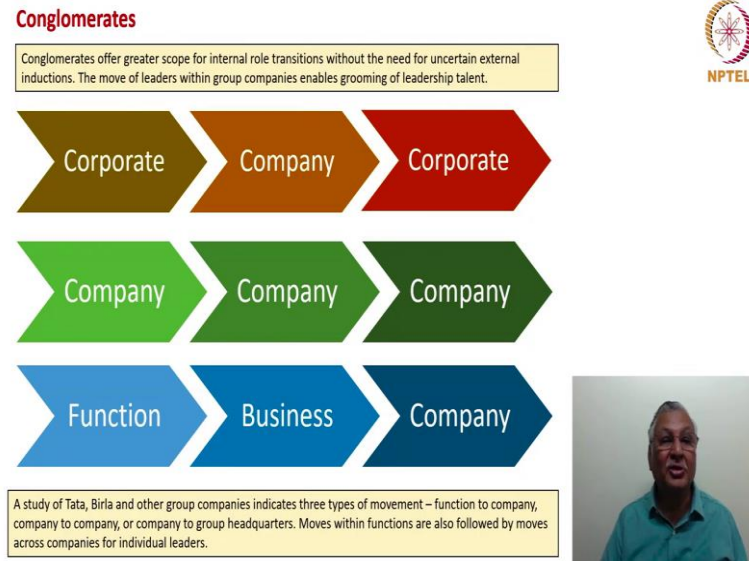
Conglomerates; conglomerates incidentally offer great scope for internal role transitions, without the need for uncertain external inductions. Because, a conglomerate is a diversified industrial setting, a conglomerate as large as Tata has 92 companies in different industrial domains operative within itself, smaller conglomerates could have 10 to 20 group companies.

So, in such cases, you could see as illustrated here, a person who is in a company of a conglomerate can move from function to business to company. As would any person leading in a company of single business scope. But, in a conglomerate, people could move from company to company to company that is one method of movement that is possible.

The leaders can also transit from corporate to company and again to corporate, that is from a corporate system of one company, you could move into a company leadership. And, then again move in to corporate system of a conglomerate headquarter situation. A study of Tata, Birla and other group companies indicates three types of movement that have happened function to company as in the case of a normal company do happen.

There are lots of changes from company to company could happen or company to group headquarters also happens. Moves within functions are usually followed by moves across companies for individual leader, this provides significant leadership development opportunity in conglomerate settings.

As I said, transactions could be successful or not so, successful depending on a number of factors. There are 6 factors that need to be kept in mind to ensure that leadership transitions are not sub optimized. It is not necessary that the same industry transition would necessarily be successful, and cross industry or cross function transitions would be failures. You have here cases of three successful transitions, where people moved from consulting to e-commerce.

I have named Ananth Narayanan who move from McKinney to E commerce Myntra of Flipkart origin originally, and he was very successful. Similarly, Shivakumar who moved from mobile manufacturing setup to beverages leadership again very successful, Umang Vohra who head Cipla, he moved from finance in Dr. Reddys to business leadership or the overall corporate leadership in Cipla.

We also have not so, successful transitions people who moved from IT to IT, Telecom to IT despite having the same level of industry background and same knowledge of industry background. And, despite also bringing certain additional technical accruement to the new firm in the same mainstream industry, they were not successful. So, this indicates that there is something more than technical capability in having successful transitions. So, the 6 reasons why the transitions could may not be successful are as follows.

Technical skills become more necessary than thought of, leaders fail to grasp the new industry fundamentals. There exists cultural disparity between the two companies',

failure of top leadership to back up the transition, there could be resistance from the organization and there could be change of circumstances.

There is a significant positive correlation between possession of leadership competencies and success in leadership transitions, when core industry knowledge is not overwhelmingly critical or where organizational talent is already evolved. Whenever these two conditions are fulfilled, transitions have proved to be very successful in spite of the industry differences.

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So, how do we reduce failure in leadership transitions? Boards and CEOs have a major responsibility in that and they should work on a number of factors, essentially verifying the preparedness of the organization for the change, the organizational readiness for change. What is the compelling reason for having an external hire, what else needs to be done apart from hiring, what is the clarity level we have on the required skill sets and what are the ideal sectors to target?

Okay, we are taking leaders from other sectors, but we cannot take from any sector. So, we should have a kind of short list of sectors which are different from our sector, but yet could provide the additional diversity requirement that we need. Benchmarking a leader from outside, understanding the motivation of the leader to join, diligence and persistence needed on the part of both the firm and the leader to integrate, ability of the

leader to demonstrate his or her personal gravitas in a new setting, likelihood of organizational resistance and therefore, likely hood of rejection.

The on boarding and integrating strategy that could be adapted by the firm and the time required of the CEO and the board to coach, mentor and guide the new incumbent as he or she comes into the industry. Much work needs to be done internal in an organization and the board and the CEO need to commit much time before and after the hire for the leadership induction, across industrial segments and at times even within the industrial segment to succeed.

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Prior to making, at times even considering this switch to cross industry and even a cross country role. The aspirant himself or herself must test individually, as well as the target firm against competences and expectations. Spencerstuart a leading such agency has identified 12 questions, which the leader needs to ask him of himself or herself before considering a transition.

The transition could be within the company or across the company or across geographies. The 12 questions are, one, does the company have a clear strategy that I can help support reform and deliver? Is the culture compatible with by values and principles? what are the common threats between my current sector and the new sector?

Am I comfortable with how big a stretch it will be to work in this new sector? Am I myself willing to learn and be flexible in new environment? Do I have enough backing from the CEO? And, Am I comfortable with the quality of the board? This could be assessed in the interaction leader has prior to joining company, do I know who supports this external appointment? who is against it? and why?

Exactly what are the expectations of me is there a realistic timeline to deliver. Am I completely clear about my goals, how will my success be measured? Will the experience contribute positively to my career progression and value in the marketplace, how open will the company be for realignment if the relationship does not pan out as envisaged? That is, you may come in for a role of COO despite, you were being a chief scientific officer in another company.

Assuming that the change does not happen to the satisfaction of both the leader as well as the firm would the firm will be willing to get him back to the core competence that is the scientific development. So, these are the questions, that must be there in the individuals' mind, as also in the company's mind to support at least in the start process.

And finally, how open will I be to course correct if the relationship does not work out and the course correction could be offering oneself in different ways and in different domains for the company to leverage his or her skills.

Traditional methods are time consuming and provide uneven results. So, implementation of this need to be substituted by a holistic adaptive leadership process. So, we will focus on the kind of adaptive leadership process, that is required to ensure that the leadership transitions are successful and stable.

McKinsey and company suggest five dimensions that leaders must consider for effective leadership transitions. These should be two layered, one taking stock and two taking action, the graphic below which I have modified from McKinsey illustrates. These five dimensions are business, culture, team, individuals, stakeholders. As far as the business is concerned, you must understand the current status and capabilities, the future status and needed capabilities.

Similarly, in respect of culture, the existing culture of the company and the likely desired culture. The current capabilities of the team as also the future capabilities of the team, you are looking at the future capabilities because those are the skills which you would be able to give to the team. Because, of your capability as a leader experienced in particular level of team management.

As far as the individual is concerned understanding the leadership of self, understand the challenges and opportunities of transition and mentoring. Stakeholders recognize multiple requirements visualize the changes of stakeholder requirements at various levels. Every leader has a different starting point with reference to these five dimensions.

For some the starting role is to maintain and improve steadily, what they inherited in each of these dimensions. For others, transformational change in all the dimensions is necessary, many other face mix of requirements. One could come to build a great team,

but the expectation may be in some cases that business also needs to be built simultaneously.

And, in some cases the business could be allowed to continue in the same manner and team building is considered more important. Stakeholder management is considered less important, while operational efficiency is being improved. On the other hand, one would expect in certain other circumstances work on all these five dimensions to take place simultaneously.

So, depending upon the industry situation, which the CEO and board must transparently share and which the incoming executive needs to find out through research as well as diligent questioning. These five dimensions must be identified.

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Leaders also require stop doing and start doing this, because leadership transitions provide great opportunity to effect transformations. And we have discussed that leadership transitions occur, because the existing leaders are not able to get the level of transformation that is required through internal talent. And these transformations could be for turnaround, growth, profitability, social responsiveness and few others.

And to be able to do that the leaders in transition have to drop a few existing things and take on a few new things in terms of strategy and execution. We have the case of Alan Lafley who took over a declining P&G in June 2000. He dropped a massive number of

experimental technology projects and regional marketing campaigns, made the company focus on 4 core priority businesses and 10 countries and drove revenue and profit growth.

It is a different matter that once the company achieve a level of grand scale and scope which he has achieved. P&G could look at different model, keep on getting newer products in newer markets. But, at that point of time that is June 2000 when he took over he needed to have a proper focus and proper depth in the business.

When John Chen took over an ailing Blackberry in 2013, he took the very important decision of eliminating the storied mobile hardware business that was bleeding; a leader who was internal probably could not have done it. He also initiated investments in cyber security and embedded software that began driving the growth of the company. So, in 2013 he envisaged the potential for cyber security years ahead.

When Sergio Marchionne took over a troubled Fiat in 2004, first thing he did was to turn around the bleeding company into massive profitability by introducing lean manufacture. Then he looked at diversification across borders, he took over Fiat Chrysler in 2010 and led the company into profitability by repositioning jeep and driving up quality.

In each of the above three examples, the leaders who came in changed the agenda of performance dropped established, but unhelpful things and added potential growth drivers. So, every leader in transition should have stop doing and start doing list to be successful.

Leadership Transition Impacts

Leadership transitions do not start happening or showing impact in 100 days as believed. Different types of actions take different spans of time.

Time a CEO has to...	In Months
Develop a strategic vision	8
Win support of employees	9
Build the right team	14
Earn credibility with analysts	17
Increase share price	19
Turn company around	21
Reinvent how the company does business	22

Source: Leslie Gaines-Ross, *CEO Capital: A Guide to Building CEO Reputation and Company Success*, Hoboken, NJ: John Wiley & Sons, 2002; *Executive transitions market study summary report: 2008*, a joint report from The Institute of Executive Development and Alexcel Group, 2008

Even an apparently 'desk task' such as developing a new action plan takes months. This is because the new leader has to first understand the business, develop new insights and gain advocacy before a new detailed strategy can be developed.

What are the leadership transition impacts? Many types leadership transitions are expected to have measurable impact in a very short frame of time probably 100 days. However, the real situation is quite different there is research to substantiate that leadership actions take different spans of time to succeed. As per the research, the time a CEO has to do a few things in its measure in terms of the months, it takes to achieve the desired change.

To develop a strategic vision, it takes 8 months, to win the support of employees it takes 9 months. To build the right team it is longer than getting the support of the employees 14 months. To earn credibility with analysts 17 months; that means, that they watch the performance of the company for at least 6 quarters.

To increase the share price, it requires 19 months that is seven quarters roughly. To turn company around again 21 months nearly 2 years and to reinvent how the company does business again is span of 2 years that is the requirement.

I have personal example of a new CEO taking my company's global operations in the past. And he took exactly 9 months to go on listening to all across the world, listening to the customers seeing the products in action. Talking to various manufacturing and developmental locations, engaging with the various internal and external stakeholders, he took 9 months, to develop a new strategic plan and a new vision.

That is an indication that the research is really realistic and fruitful to assess the time actually required for leadership transitions. Even an apparently desk task such as developing a new vision, as we have seen takes several months. This is because the new leader has to first understand the business, grasp new insights and gain advocacy before a new detailed strategy can be developed.

Similarly, when you want to do your turnaround, first you need to understand the causes for the existing state of the business, start making new product developments, start inducting new products through technology licensing's where required. Start making new investments in manufacture, start making the businesses more lean and efficient, these all are activities that require several months to bear fruit.

So, turning company around is a major task which could take a 2 years at least for a visible impact to be felt in terms of enhanced profitability.

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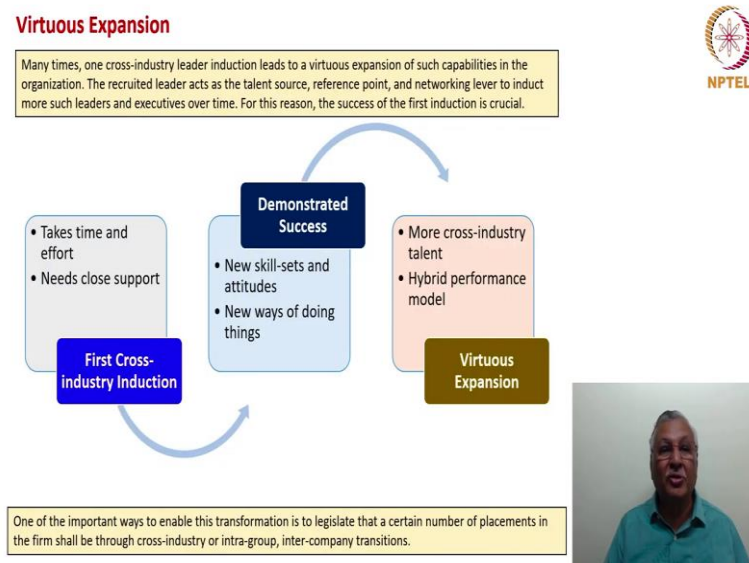
Another way to look at this adaptive process is to consider virtuous expansion. As opposed to getting all the leaders in at the same time, you may look at one cross industry leader coming into the company, and serving as the nucleus for a new leadership movement within the company.

The recruited leader acts as the talent source, reference point and networking lever to induct more such leaders and executives over time. But, this reason the success of the

first induction is crucial, the first cross industry induction takes time and effort, needs close support. Once there is demonstrated success from the first cross industry induction.

You can see the new skill sets and attitudes and new ways of doing things, in actual practice and that makes it easier to bring in more cross industry talent and develop a hybrid performance model the relevant for the company that is the meaning of virtuous expansion.

And one of the important ways in which we can enable this transformation is to legislate that a certain number of placements in the firm. Shall be through cross industry or intra group, intercompany transitions, rather than moving up the hierarchy in the same company.

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Whatever I have discussed is not just theory or research based on other experience, I have personal experience of cross industry, cross company transition, reflecting the complexities, challenges and opportunities of such transition. With all humility I present this model which I have personally experienced.

From 1974 to date I have been transiting at least 7 industrial environments or business environments. And with different ownership and company profiles, I started my career in banking and automobiles. Companies were of public sector nature; they were listed

unlisted the company was a large scale company, my role was executive role at that time. And, my focus was in operations and my contributions, were also in operations.

Between 1978 and 1998, I worked in a leading automobile company, which had medium scale at that point of time, situated in the southern part of India. It was in private sector, I worked as general manager in charge of corporate planning and the contribution I made was to leave a legacy of a whole spectrum of technology developments for the company, some through importation of technologies, some through indigenous developments.

Between 1992 and 98, I also worked in a multi industry setup. Because the owners of the company were a leading NRI group, it was an unlisted NRI group; obviously, and the nature of the company was completely global. I ran an additional twin role in charge of strategy for the group and my contributions were in terms of institution and business building during this period.

In 1998, I made a major leadership transition to pharmaceutical industry, which was in private sector, a listed start up enterprise, a first generation enterprise and started working as deputy CEO. My responsibilities were business and strategy leadership and I could build plants, I could build businesses, I could establish infrastructure for end to end value chain of the pharmaceutical production and marketing.

I could also work to develop subsidiaries of the company in various geographies such as United States, European Union and Japan, besides structuring many deals for collaboration with generic companies abroad.

In 2010 and 2015, I moved to another pharmaceutical company. This time a wholly owned Indian subsidiary of a multinational company, unlisted company, I acted as the CEO of the company, in charge of business and operations leadership, I could build the business, I could build the infrastructure from one site, we could move to 9 sites from 150 employees we could move to 4000 employees. And a whole value chain of R&D and manufacturing covering both APIs and dosage forms could be established.

Between 2015 and current date, I have been engaged in publishing consulting, self-owned, unlisted start up trying to grow this business in a slow manner. Also between 2018 to date, I have been engaged in academic pursuits working with Indian institute of Technology, Madras is a government institution unlisted obviously.

But, an institute of national importance, working as professor, working in the area of integrative management, onsite and online teaching, taking significant effort to trigger my knowledge and experience with students either physically, or through this valued digital forum. So, my own track record with all the humility demonstrates that it is possible to undertake radical cross industry transitions, yet make powerful impacts and also pave the way for leadership growth.

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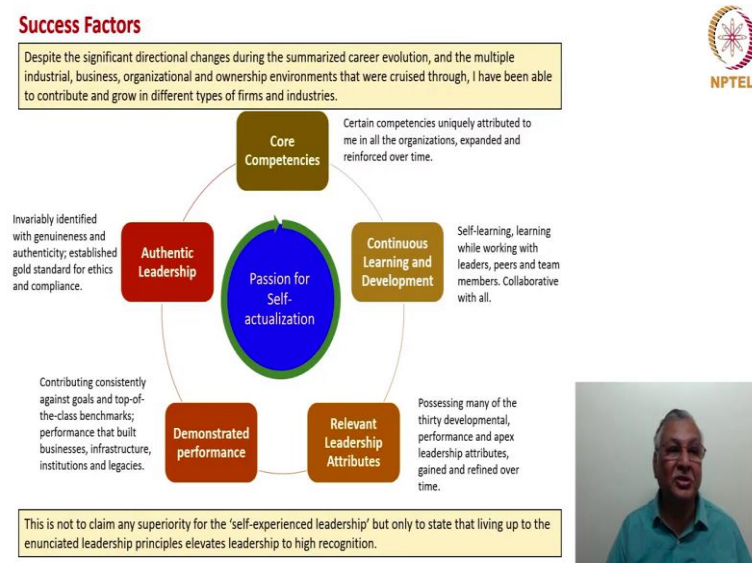
So, what are the success factors, the success factors for directional changes, during the summarized career revolution and the multiple industrial business, organizational and ownership environments that were cruised through by me. I have been very clear that certain aspects have probably been responsible, for managing this growth successfully in different types of firms and different types of industries.

Firstly, core competencies certain competencies uniquely attributed to me in all the organizations expanded and reinforced over time. These have been at the core of the recondition that, I could bring to my leadership profile in various organizational and industrial settings.

Second an aspect of continuous learning and development, wanting to look beyond the current existing industry boundaries. And, also wanting to look beyond the industry domain itself, self learning, learning while working with other leaders', peers and team members, being collaborative with all helped me to understand varied dimensions.

If I could do a project in cellular telephony way back in the 1990s, it was possible only because, I began to understand with the diligence, what cellular telephony is and how we should be in a position to develop an operational plan or a business plan for cellular telephony. And make the bits with the government of India at that point of time. So, self-learning, self-experimentation and converting those learnings into actionable ideas and plans that was essential.

Relevant leadership attributes, possessing many of the thirty developmental, performance and apex leadership attributes. That were gained and refined over time, demonstrated performance contributing consistently against goals and top of the class benchmarks. Performance, that build businesses, infrastructure institutions and legacies.

And authentic leadership, invariably identified, myself with genuineness and authenticity with various projects with various activities, and in relationships with various other leaders and employees, this establish the gold standard for ethics and compliance. This is not to claim any superiority for the self experienced leadership of mine under different circumstances, different industries and different firms.

But only to state that living up to the enunciated leadership principles, elevates leadership to high recognition. This is the mix of success factors which I have informed to you.

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So, there is a traditional method of handling transition blues, experience of others and my experiences do point to a model of adaptive leadership. That not only supports transitions, but also makes transitions effective the effectiveness quotient could be of varying degrees. If you follow the traditional method of on boarding, that is providing induction manuals, organizing site visits, enabling departmental rounds I would think that the effectiveness will be only 25 percent.

On the other hand, if you have tailored programs that is providing shadow leadership opportunities, providing special projects. If you depend on the success and number of projects to measure leadership potential and leadership success and provide more of these things, then the effectiveness quotient will increase.
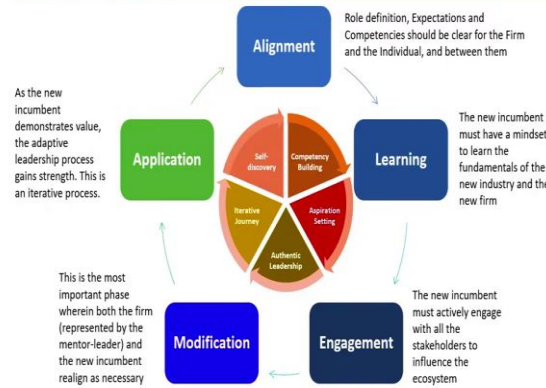
So, tailored programs would be about 40 percent effective in various leadership transitions. On the other hand, if you provide a buddy network or a mentoring network with the earlier two types of developments, you may be able to get much higher level of effectiveness which would vary from 60 percent to 80 percent to even 100 percent.

So, having mentors or informal buddy networks could be of great help in making a new leader transit himself or herself effectively into a new industrial or firm situation, given that the traditional methods are time consuming and provide uneven results. Implementation of these new foundations of transition effectiveness could be very helpful, I would accord from my experience, shadow leadership opportunities and mentoring opportunities being of great importance in driving transition effectiveness.

So, adaptive leadership is a five component process, it starts with alignment of the role the expectations and competencies which are clear to the firm as well as the individual and between them also as a shared agenda. Second learning, the new incumbent must have a mindset to learn the fundamentals of the new industry and then new firm.

Third the new incumbent must actively engage with all the stakeholders to influence the ecosystem, fourth which is the most important phase wherein both the firm represented by the mentor leader and the new incumbent must realign as necessary. And finally, application as the new incumbent demonstrates value, the adaptive leadership process gain strength this is an iterative process.

The adaptive leadership process is also intertwined with the self actualization process discussed earlier, moving out of the comfort zone and making a cross industry and a cross company transition is an important way of accomplishing self actualization, which is self discovery, competency building, aspiration setting, authentic leadership and iterative journey.

When you look at these five components of aligning the new role, new industry and the new individual, you can see that it is a process of self discovery for both the company as well as the individual. Similarly, learning and learning new competencies helps the self actualization process, engagement for new achievements. And then demonstration of

authentic leadership and an iterative journey as value is demonstrated all of these things help, in the success of adaptive leadership programme.

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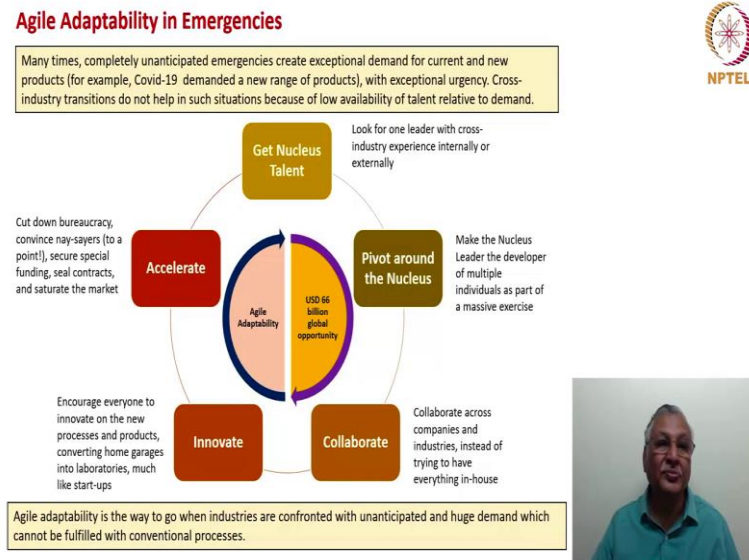
In certain cases, adaptive leadership which takes a long time may not really work, you have an emergency, you have a pandemic, you have a situation where 1000 of ventilators have to be produced. In the phase of Covid-19 pandemic, you require a huge amounts of sanitizer products, you need a great variety of novel diagnostic systems. Then you cannot expect to have talent coming in droves from outside the firm or outside the industry.

So, you have to see how with just one leader probably, you will be able to multiply the leadership capability in the firm to cater to the newer emergency requirements. And the newer emergency requirements are likely to be of exceptional demand required with exceptional energy and exceptional time frames which means that there is a need for getting a startup mentality ingrained in the organization to be able to adapt in an agile manner to emergencies.

And those emergencies do offer great business opportunities. So, you can look at a hospital which has got several floors. And, the ability to separate out the HVAC systems between what we may call a Covid floor and a non Covid floor requires an engineering capability, which only a pharmaceutical company will possess.

You may not get all the experts from the pharmaceutical industry to come and help out all the hospitals, you may be able to get at best one consultant or 1 HVAC expert to come from the industry to healthcare industry or the hospital. But, you should be having the openness and the ability to get that nucleus talent and then transform the entire capability spectrum of the company.

So, you look for one leader with cross industry experience internally or extremely. And pivot around the nucleus, make the nucleus leader the developer of multiple individuals as part of massive exercise. The third aspect is collaboration. Instead of trying to do everything in house, particularly when there is such talent shortage, you must be willing to collaborate with similar firms or firms having similar aspirations and try to develop these new products.

In an earlier lecture, we have seen how different companies have collaborated to develop sanitizers, or develop ventilators, develop oxygen measuring instruments and so on. So, that is the collaboration that is required to handle emergency exceptional demand.

Then, innovate encourage everyone to innovate on the new process and products. Regardless of the technical domain or the scientific domain or even the professional domain, you may encourage people to work in their labs or at their homes and come up with new product innovations. I have been studying the publications of IIT Madras over the past several months since the Covid came down despite the lock down.

I have seen that the number of innovations that have come out of IIT Madras in novel areas, have been of much higher scale and of much higher magnitude than they were in the normal circumstances, which means that there is great potential for innovation, when an entity has got emergency situation that needs to be catered to with some high level of innovation.

So, being a startup is feasible to respond to emergency situations, then we have to accelerate, we do that by cutting down bureaucracy, convincing people who say no to a point at least, secure special funding sealing contracts and saturating the market. For example, operation warp speed which is talked about in the United States, as a mega funding exercise to accelerate vaccine development.

That is one of the ways in which the pharma industry and the government collaborated to make sure that the development of vaccines could take place at high levels of speed. And also with certain degree of business assurance that the federal government is behind these developments, agile adaptability is the way to go when industries are confronted with unanticipated and huge demand which cannot be fulfilled with conventional processes.

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There are certainly high stakes involved in leadership transitions. Successful transitions result in higher likelihood that teams will meet their performance targets. They also result in lower levels of attrition as they signify an open organizational culture, the more the success of leadership transitions from other firms and other industries.

The culture of the organization would become more open and there would be more people willing to assimilate and integrate the best practices that the new leaders bring.

On the other hand, unsuccessful transitions take the companies back by a few years, they result in less engagement. And also the result in lower performance, transitions have got a high direct cost and high direct time of searching and placing a leader and the time taken to judge whether the new leader induction has paid off.

The loss will be higher if the competitions scores success in this area, while we are fumbling in trying to get the right leadership transition. If the competitor is able to
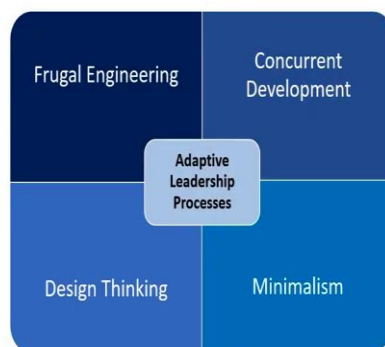
achieve a leadership transition of exceptional merit at exceptional speed; obviously, we will be the losers. So, we as a firm must make sure that the leadership transition is on the dot, and deliver is the required result and to be able to do that we have to follow all the steps which we have talked about.

That is understanding which domains should be considered for leadership induction, which type of questions and which nature of diligence must be performed by both the firm and the leader. What should be the adaptive leadership process that must be in place to be able to make a success of the leadership transition and so on.
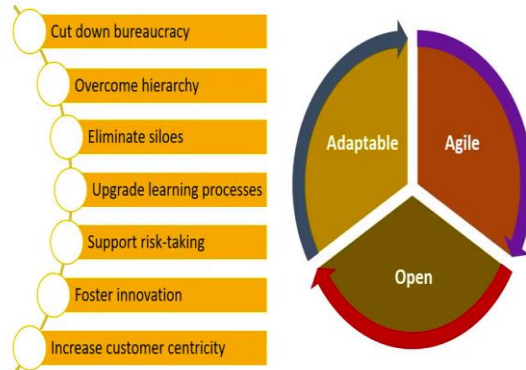
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There are also certain related concepts which come with the adaptive leadership process model. One frugal engineering could be one very good side effect. There could be concurrent development, there could be design thinking, and there could be minimalism. These concepts which are discussed in other contexts in this course, will be very useful for consideration as part of the adaptive leadership process.

Because, adaptive leadership requires out of the box thinking which does not follow rigid and prescribed prototypes. It gains from the best practices adopted by other industries and other firms besides innovation from within.

So, what are they needed ecosystem changes for making the adaptive leadership process successful. One the organizational culture should be adaptable agile and open; you may question the very purpose of having adaptive leadership process skin is use to make the organization these three.

What I am trying to say is that any level of adaptability, agility and openness that existing the organization is a good enough base to start and take the organization to the higher levels. And to take the organization to the higher levels, you should be able to implement these seven aspects of adaptive leadership preparation or preparedness, 1 cut down bureaucracy, 2 overcome hierarchy, 3 eliminate siloes, 4 upgrade leaning processes, 5 support risk taking, 7 foster innovation and 8 increase customer centricity.

So, these leadership changes should bring in these changes and to be able to bring in these changes. The existing leaders also must collaborate with the new leaders to start supporting them, to start participating in these leadership changes. So, that this adaptive leadership model is highly demonstrated within the organization and provides desired impact for the organization.

We should also keep in mind that adaptive leadership does not mean being unfocused or opportunistic, it is about just being open to learning from multiple industries. And multiple types of companies and absorbing their best practices so, that the company can

be much more resourceful much more competent and much more capable to meet the new industrial requirements.

Thank you.