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# FORTUNE INDIA



## India's Best CEOs 2024

**A FORTUNE  
INDIA STUDY OF  
HOW THE BEST  
OF THEM ARE  
TRANSFORMING  
INDUSTRIES  
THROUGH  
INNOVATION  
AND RESILIENCE.**

**FROM LEFT: VIVEK  
CHAAND SEHGAL  
(SAMVARDHANA  
MOTHERSON); SAJJAN  
JINDAL (JSW GROUP);  
S. N. SUBRAHMANYAN (L&T)**



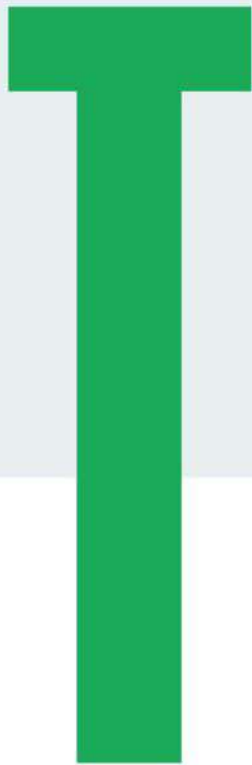
# Leadership In



# A Volatile World

How rising global and business uncertainties are forcing CEOs to think on their feet.

By Ajita Shashidhar



**THE BIGGEST LESSON** the pandemic taught businesses was to be agile and respond to change faster. Phrases such as 'flexibility', 'adaptability' and 'purpose' have never been taken more seriously. Even though the pandemic may have been a once in a lifetime 'black swan' event, the reality is that volatility, uncertainty, complexity and ambiguity are now a way of life. And just as one thought pandemic-related disruptions were at bay, geo-political events such as the Ukraine-Russia war and climate-change disruptions like the water level of River Rhine (used extensively for logistics) reducing in 2021, threw global supply chains in disarray. Leaders worldwide have been burning midnight oil trying to figure out ways to localise sourcing to make the supply chain more resilient.

In this fast-evolving world, the role of MD/CEO has turned utterly complex. The days when leaders had the luxury of crafting only growth and

profitability oriented strategies are far behind. From rising to the occasion each time there is a geo-political tension or a natural calamity to ensuring the organisation embraces sustainable practices and trains its people for the changes ahead constantly, the to-do list of the leader is inordinately long. To add to all this is the ever-changing consumer behaviour and trends such as the rise of quick commerce, forcing companies to be on the edge at all times. About 45-50% of ITC's e-commerce revenue comes from quick commerce, for Tata Consumer it is 35%. From innovating to setting up dark stores in the middle of the city so that consumers get their orders within 10-15 minutes, the game has changed.

"To thrive in this world, a leader needs new muscles, and a new way of thinking," explains Sanjiv Mehta, former MD, HUL, and currently executive chairman, L. Catterton India. Mehta explains what it means



for leaders to be adaptable, flexible and agile in today's context. "Flexibility at its core entails reacting and adapting to changing situations as they occur, while agility focuses on proactively anticipating changes and preparing for it and responding rapidly and effectively. The word agile is used often in business, but if we really peel the onion then agility entails three steps — the speed with which you are able to identify opportunities and challenges, the speed with which you decide what you need to do with them, and the speed with which you are able to execute those decisions."



To promote flexibility and adaptability, leaders have to decentralise leadership. "Historically leadership was more directive where you would set the direction for the company and tell them what to do. Your efficacy as a leader was determined by your ability to set the right targets. People in your organisation either respected you or were scared of you. That model has evolved," points out Anu Aiyengar, global head, advisory and M&A, JP Morgan.

"Through the nineties and part of 2000s, leaders were expected to know all and do all, and not be questioned. MDs and CEOs were power centres, larger than the business itself. Today, if you believe that you know everything, you are fooling yourself. I tell my colleagues I don't know as much as you know about your respective jobs. We have experts running the business, so value them for the way they run their business and at the same time make sure there is an alignment of corporate goals," points out Sanjay Sethi, MD & CEO, Chalet Hotels.



### Challenges Galore...

- Geo-political tension
- Natural calamities
- Changing consumer behaviour
- Rise of quick commerce

### ... COPING MECHANISM

- Adapting to changing situations
- Proactively anticipating changes, preparing for them
- Responding rapidly and effectively
- Deploying situational skills
- Decentralising leadership
- Engaging/collaborating with stakeholders
- Being accessible to employees

Today's world is all about collaborative leadership. In fact, Mehta says the concept of a great leader is a myth. "It is always the work of a great team that matters. It's a work of collective genius, how you unleash the genius of your team to harness and ensure you fulfill the collective good."

The leader's role in today's context is all about being a 'connector-in-

chief', says a Korn Ferry study on evolution of leadership. A vast majority of CEOs/MDs interviewed agreed collaboration is the one behaviour that will have the biggest impact on business performance in the future, according to the report.

The leader has to be essentially an enabler, says Sanjiv Puri, chairman, ITC. "As organisations we must make sure our decisions and strategies are based in the context of our stakeholders. Therefore, it is important in large organisations that people responsible for dealing with certain markets, products or businesses remain close to customers or stakeholders and are agile in a dynamic world. It is important they have their own degrees of freedom and access to the right kind of resources, training, and infrastructure. If you make a digital transformation then you also need to create access to tools and specialist resources. So, the role of an enabler or leader is centred around empowering the organisation with degrees of freedom, acting as a coach and a mentor through continuous engagement and review. The leader needs to sense changes ahead of the curve and amplify those signals across the organisation."



### Being Collaborative

A collaborative style of leadership isn't particularly easy. Most don't find it cool to ask for help. They end up juggling and multitasking, instead of asking for help, often leading to burnout. "As your leadership role grows, that's not sustainable. So, juggle less and join hands with others across your business more. Many leaders are good at asking a lot of individuals in their teams, few





**You have to be seen engaging with employees. The concept of hierarchy and structure is getting diffused."**

**Sunil D'Souza**, MD, Tata Consumer Products

are good at harnessing their collective power. Connected, collaborative leaders are the ones whose businesses will succeed in the coming years," says the Korn Ferry leadership report.

When Sunil D'Souza, MD, Tata Consumer Products took over the reign of Tata Group's FMCG business, he was assigned the task of a complete turnaround. Right from dismantling the existing organisation structure and antiquated ways of doing business to innovating new products to be able to challenge the incumbents, D'Souza had the herculean task of infusing new energy into the organisation. Instead of doing it all by himself, he chose to hire a senior management he could collaborate with. He also made sure he broke down the hierarchies that most legacy businesses typically have.

"You have to be seen engaging with employees at different levels. The concept of hierarchy and structure is getting diffused. I try to be in the market every week. I do a monthly townhall in one of our locations every month. I encourage employees to ask questions, even if it is an uncomfortable one. This promotes transparency and two-way connection. It makes employees feel wanted in an organisation and because you are communicating two or three levels below, you are able to drive the direction of the organisation across levels," explains D'Souza. He talks about 'cognitive ignorance' which is about taking personal responsibility when the going isn't that good.



**Historically leadership was more directive. That model has evolved."**

**Anu Aiyengar**, global head, advisory and M&A, JP Morgan

D'Souza cites the example of the company's ready-to-drink beverage business, which got impacted during the heatwave this year. "I stepped in there and told the team we have to do the right things to get the momentum back, which means if we have to cut prices and give up margins then so be it. I told them as long as they are doing the right thing, it's perfectly fine. I will be responsible for it and be answer-

able to the board. That gave immense comfort to the team." The company's revenue, despite commodity prices hitting the roof and all-time high inflation, went up from ₹9,637 crore in FY20 to ₹15,206 crore in FY24.



In collaborative leadership, it is also important for the leader to be more multi-skilled and multi-dimensional than ever before. "At a time when the CEO is far more accessible to employees, he/she needs to embody a lot of leadership. The current set of employees respect you because you are better than them, not because you are born early. CEOs are expected to be good at everything. Earlier I could say I am not good at sales but I am good at capital allocation, but no longer," points out Rakesh Ranjan, CEO, food delivery, Zomato.

A CEO, according to Ranjan, does need to decentralise power, but also has to be the best in the game. "You should have the mindset to control the situation in times of crisis. You may have a driver to drive you to work every day, but you should also know to drive in case there is a day the driver doesn't turn up," agrees K. Sudarshan, MD, EMA-Partners.

A collaborative leader also needs to be a perpetual learner and the learning needn't be by just observing the practices of industry peers but also looking outside of one's own industry, says Alok Gupta, MD, Allied Blenders & Distillers. "It's about networking outside your industry and understanding how problems are getting solved."

Gupta cites the example of the logistics sector, which has gone through a huge transformation. "We



are bringing some of those practices into our business. How can we build a future forecasting model, how loading needs to be done, or how load optimisation needs to be done. I am also learning from commodity companies about sourcing, how they look at forex hedging or managing price volatility. Bringing multi-industry disciplines into one's business is important for a leader."

# M

### Managing People & Ecosystem

Mehta believes if he as a leader took care of his people, people would take care of his business. The former HUL MD led Unilever's businesses across the world for 22 years. He believes trust in not just employees, but the ecosystem at large, has always reaped fruits. He cites the example of the Arab Spring in early 2000s when he was heading West Asia and North Africa. This was the time when Hosni Mubarak was overthrown in Egypt and there was complete mayhem. "We got our team to go to wholesalers and distributors to collect whatever money they owed to Unilever. They were happy to part with it because they were worried it would be looted. We collected the money and our people went door to door to handover cash not only to our own workers but even to the workers of our distributors and suppliers. With the hard cash we were able to go to many of the wholesalers and collect whatever food we could lay our hands on. We brought it to our factory and told people whoever runs out of food could collect from the factory free of cost. Since there were no police, our workers worked out shifts and guarded the premises. When normalcy

happened, the first company to start operations was Unilever."

Mehta goes on to talk about Covid-19 when HUL vaccinated not just its 25,000 employees and their families, but also distributors, suppliers and their employees. When he retired from HUL in April 2023, the organisation had quadrupled its market cap from ₹1.01 lakh crore in 2013 to ₹6.01 lakh crore and Mehta attributes this success to the team and the larger ecosystem of people.

The biggest learning for Aiyengar of JP Morgan Chase from Covid disruption was empathy. "I write down the names of all my direct reportees, and every time I speak to them in a week or in a month, I put a check against it. To all the people I didn't put a check on I proactively pick up the phone and talk. Usually, people who are extroverts will call you even if you haven't called, but there are others



**According to a Korn Ferry study, a vast majority of CEOs/MDs agree collaboration is the one behaviour that will have the biggest impact on business performance in the future.**

who think she has enough on her plate and maybe I should not bother her, and those are the people you especially need to check with. When you call that person, it makes them feel good that you are thinking of them."

In the Korn Ferry CEO survey, 76% said they would prioritise socio-political expectations, escalating climate crisis and technological advancements, including the emergence of Artificial Intelligence (AI). Nearly 66% said agility and openness to change would be critical qualities for future success.

Puri of ITC talks about ITC MAARS, (Metamarket for Advanced Agriculture and Rural Services), a 'phygital' ecosystem that provides an array of new-age agricultural solutions to empower farmers. It offers crop-agnostic hyperlocal services, enabling enhanced incomes for farmers while helping them adopt practices to combat climate change. The model is also meant to strengthen the competitiveness of ITC's agri and foods businesses by ensuring traceable high-quality agri sourcing. "The idea is to organise farmers into FPOs to enable effective aggregation and not only improve productivity, but also create larger value. ITC MAARS has been designed as a business model of its own, and the focus is on developing resilience of agri value chains and empowering farmers."



The greatest challenge for CEOs/MDs today is to proactively respond to uncertainties. “There is a greater shift towards scenario-based planning. For instance, for global geopolitics and trade flow, there could be multiple takes on the future — increased global collaboration, proliferation of regional conflicts, multi-polar rivalry or global escalation — each requiring different strategies and planning. Companies are mapping their supply footprint diligently, assessing risks of disruption, and building alternatives as mitigation. CEOs are also embracing technology proactively. They are reimagining their business processes in light of underlying disruptions and possibilities,” explains Rahul Jain, system leader, BCG India.



### The Perfect CEO

The need of the hour, says Sonal Agarwal, managing partner, Accord/Alto Partners, is a full-stack CEO, who can straddle through strategy as well as navigate uncertainties. “Leaders need to be able to look outside in and inside out, a telescope to see the world and a microscope to break it down, a snapshot view of the immediate issues and a time-lapse series to see into the future. The ability to pivot on a dime, the agility to understand and apply digital advancements, to think of both immediate and longer terms makes it a much more complex role,” she explains.

“While the tenets of leadership, strategy and implementation remain core, the importance of domain expertise is supplemented by the ability to deploy situational skills, as well as a Swiss-army knife type toolkit to



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balance technology, environmental concerns, sustainability and energy transition, manage regulators and government, macro risk, investors and activists, communications, community engagement, and ensure congruence with ESG and DEIA (diverse, equity, inclusion and accessibility) goals,” adds Agarwal.

Finding a suitable candidate who ticks all the above boxes is not easy. “It is a challenge to find CEOs who can manage a large canvas,” points out Sudarshan of EMA-Partners. “If you are the CEO of a large metals company, you are dealing with the government, environmentalists and unions. Moreover, you can’t be everywhere, you need to build teams, have the ability to direct them and review them. It’s like orchestrating a big orchestra.”

Avdesh Mittal, MD, global consumer markets, Korn Ferry India, recommends a two-in-a-box leadership strategy. Around 58% of global CEOs

according to Korn Ferry’s Workforce 2024 report (and even higher percentages in the U.S. and India, at 71% and 73%, respectively) acknowledge they experience ‘imposter syndrome’ and feel stretched beyond their abilities. “I propose that organisations have two leaders, not just one (separate the titles — have an MD and a CEO as opposed to having a MD & CEO). One of the leaders (MD) could be responsible for the ‘external’ factors, and the other for ‘internal’ factors. This will give each of them the required bandwidth to handle all dimensions of the business entity more efficiently and effectively.”

‘Imposter Syndrome’, according to the Korn Ferry report, is an outcome of the unprecedented pressures business leaders face today as they need to manage a vast range of additional responsibilities and navigate constant disruptions — socio-economic pressures, organisational transformation, AI integration and evolving work environments. This is in addition to existing responsibilities, including statutory, regulatory, legal, governance, sustainability, and investor relations. “While these factors are critical to business success, they can be considered ‘external’ relative to what I term as ‘internal’ or core elements of the business — strategy, financial capital, human capital and brand. We can argue that these so-called ‘internal’ and ‘external’ factors are inextricably intertwined, are completely interdependent, and equally important, rightly so. However, the expectation for one individual to manage all these complexities in an increasingly challenging world may be asking for too much,” explains Mittal.

The role of MD or CEO of a company comes with its share of pressures and challenges and is not always a position of envy. Also, gone are the days when firms looked for young blood to lead operations. Generous strands of grey and experience could be more useful if you are aspiring to be the leader of not just a large conglomerate, but also a cool new-age business. ■