

Leadership Headaches

In almost all of my interactions with C-Level executives in last year or so, I consistently ask them one question – What they are most worried about & what they are doing about it? Much to my surprise, irrespective of the industry, size, geography or state of their business, there are some common elements and here is an attempt to list these for the benefit (or so I believe) of all:

Technology:

Everybody, who is anybody in decision making process, is worried about the pace of change & challenges of technological intrusions in their business. All of them are doing all they can in trying to cope with the technological revolution invading their space. And, interestingly, most of them admit that its impact is going to significantly increase in times ahead. They are reskilling their teams, outsourcing the expertise and investing heavily in becoming tech savvy. Their horizons cannot anymore be limited to improving efficiency, reducing costs, augmenting visibility, enhancing reach & appeal. I believe, and so do they, that they have almost perfected the recipe for traditional competition. Their focus & strength (read competitive advantage) is in spotting the next disruption before the competition, preferably create next disruption and beat the competition. So General Electric is benchmarking with Google, Facebook, Apple & so on; Ramdev's Patanjali is giving sleepless nights to Unilever, P&G, Nestle & so on; Walmart is having nightmares from Amazon and Wall Street (or for that matter any street) is worried about how China is going to manage its soft landing without causing too much damage to global economy. And this is not limited to direct business only. Oil industry is worried about IS insurgency, Manufacturing in Europe about refugee crisis, Chinese Banks about natural disasters in Himalaya and Commodity Markets about political stability in Africa, and the list, by no means of intention, can be exhaustive.

Talent:

While there is a huge influx of youngsters in the job market, more so across the emerging markets, getting right talent with right attitude & right values is enormous challenge, not only for HR but also CEOs & Boards. Employability of fresh professionals is a big pain area compounded by mismatching expectations, both from employee as well as employer. This must be a classical dichotomy when the unemployment & underemployment are at their peak in most of the markets and most of the companies are struggling to recruit & retain the right manpower. Employers, and here I include even the governments, are investing heavily in upgrading the skills of their people and employees are feeling dejected as their growth expectations are getting belied. With every job threatened by technological advancements, outsourcing and redundancy, there is little room for sustainability of routine work. I am convinced that future belongs to high skill high wage jobs only and it is an absolute imperative that workforce continuously and continually upgrade their skills to stay relevant. Equally important is for employers to equip their employees to meet changing challenges of business. Talent Management has, for sure, moved beyond the elms of HR domain and is now a business priority.

Regulators:

Much as the political leaders are advocating one & free world, all of them, without exception, are catering to their domestic constituencies. This is, invariably, resulting into bringing more and more regulations, restricting free trade, creating uncertainty over business decisions and developing inward looking approach. For the reasons that suit to politicians, irrespective of their inclinations or affiliations, they want to be seen tough on corporate and therefore are not in favour of creating even mid-term clarity. It is helping them keep the industry captains on their toes and showing the local populace that they are protecting their interests. I am not sure if it ever was true, definitely not in 21st

century world that is inter-connected, inter-dependent, instant and impatient. Against this backdrop, is it surprising that in the era of high liquidity and low interest rates, there is little new investment? The entrepreneurs and industry captains need clarity, certainty and stability, admittedly sometimes more than that is possible in current turbulent world, that is aggressively and purposely being denied to them. While there was an extreme when one George Soros could take Bank of England singlehandedly in 1992, entire Wall Street couldn't influence Washington much in 2008 & Chinese leadership didn't give a damn to Occupy Central movement in Hong Kong in 2014. While the former was not desirable, so is the later. The complexity is further compounded when judiciary start behaving like activist as we are seeing in India in recent years. Everybody privately agrees that there has to be a fine balance among the various arms, nobody is willing & prepared to put his / her neck in and we are in perfect & perennial mode of delusion & denial. Nowhere is appears more stark than in ongoing presidential campaign in United States where Donald Trump is challenging the basic premises and winning and might had faced Bernie Sanders on the other side, but for a small miss on the part of later, who was bent upon taking every corporate head on & personally.

Activists:

And here I include shareholders and market analysts as well. Until recently, the corporates had to, and most of them did, take care of the local communities where they operated in / with. With the expansion and integration of markets, democratization of finance and globalization of awareness (more of rights than rights, more of deterioration than creation, more of demanding explanations than contributing solutions), this hemisphere has exploded. Today, as a CEO, you have to not only meet the expectations of your employees, customers & investors but also beat those of analysts who might not have slightest of financial interests in your business (& they openly declare so in their disclaimers at the end of their each report), environmentalists who may have no clue of business operations' intricacies and actual understanding of issues but still create enough noise to make your life miserable, as if it already is not, and politicians (my favourites) who never like believe that you could do a fair business, fairly and profitably. In a social media driven world, you are under scrutiny 24X7 and your actions, intentions, thoughts & responses shall be treated with suspicion and the onus rests squarely on your already burdened shoulders to prove and demonstrate your innocence, perpetually.

As I have come to believe, these are the best times to be an entrepreneur but not to be a leader, all the more difficult if you happen to lead a financially successful entity that is making profit, reasonably and consistently. But, leadership has never been easy and at least on this front there is no change.

Happy & eager to have your take!