Importance of Leadership

Mohandas Pai T.V.
Importance of Leadership

Mohandas Pai T.V.

NIAS LECTURE L1 - 2007

National Institute of Advanced Studies
Indian Institute of Science Campus
Bangalore - 560 012, India
If you look at the world today and the countries that have succeeded and those that have failed, the key challenge those countries that have faced failure, is that of leadership. We always take the example of Lee Kwan Yew of Singapore. How is it that a very small island with no resources, with nothing in its favour, with a chaotic workforce, with a very indisciplined population was, within a generation, able to become a first world nation? There is no parallel in human history. Then let us look at China. How is it that a nation with a civilization record of five thousand years has been able to transform itself and become today the second most powerful nation in the world and well on its way to becoming the largest and the most powerful nation on this planet, all in the space of possibly thirty, thirty-five years? Twenty, twenty-five years ago India and China were similar in terms of per capita income, in terms of economic growth. But today China is so far ahead. The Chinese economy is two and a half times the size of the Indian economy and the growth impetus in China will drive it forward at ten per cent a year, possibly for the next decade. I would have liked all of you to visit China to see for
yourselves what a nation with a determined leadership can do.

Peter Drucker gave a very interesting definition of leadership to say: The only definition of a leader is someone who has followers. A leader is not an island in himself or herself. A leader requires followers and followers come behind a leader because they have something to receive, something to aspire for and they believe that the leader will deliver to them in ample quantity. Why do soldiers follow a charismatic leader in battle when they know that they are going to lose their lives? They follow him because the leader demonstrates to them a concept, a vision of glory in the battlefield, a vision of saving the country, which is larger than all of them. And it is this vision that he inculcates, he or she inculcates in the people who lead. So a leader is someone who has followers.

John Maxwell says leadership is influence. How do you make sure that the people you lead are sufficiently induced to follow you? How do you influence them - mentally, spiritually and by your very physical presence? We see it very often in society that when some people who are leaders come by, people stand up and talk to them, not because of the position they have, but because of the sheer respect they have for that person. Physical appearances could be extremely deceptive. For example, you had Mahatma Gandhi, a puny little figure, but everywhere Gandhi walked, everywhere
Gandhi talked millions of people followed. And what did this man have? Nothing but moral courage. So he had the ability to influence, he had the ability to think beyond, his ability to inculcate something in people.

There is another view of leadership and that is called the heroic view of leadership. And that is true of human history. Every time there has been a crisis in many countries there has emerged from within the country a person to take people out. Old civilizations looked for messiahs, looked for people who were leaders. The Buddha came as a leader to deliver his people from a very oppressive social system. Sankara came as a leader in India to bring back Hinduism into the mainstream and after that we have had leaders like Gandhi, who came and led his people to freedom. So people believe in the 'heroic' concept. The leaders emerge when there are times of great crises. Leaders emerge when things coalesce to a point when there is a need to lead. We have seen it when Poland and Lech Walesa came together. He stood up one day when the shipyard had a strike and he delivered a talk to his people and he suddenly became a leader and became the focal point of dissent against an oppressive socialistic system. So this heroic aspect of leadership also delves into a very important point that followers should be prepared to have leaders. Followers should be prepared sufficiently to say that we would follow somebody who will lead us and get us to a better life.
How do people become leaders? What is it in us that make us leaders? Well, I think there are some people who are natural leaders - leaders by birth. When we were children, we always played under a captain, right? We always had somebody who came up and said, "Let's play together" and we listened to him/her. That is a natural trait. It happens in life. Some people come up and take leadership, because leadership is never given. In most organizations and most societies leadership is taken. Somebody comes and makes a point and somebody has the courage to push it forward and somebody gets accepted and becomes a leader. So, a leader has to be outgoing. A leader should be a great communicator. A leader should have that extra energy to say that they will do something extraordinary.

Another event which could make a leader is called the 'great events' theory, which fits in well with the heroic theory. It says that when some events happen in a particular way, that event itself creates leaders. It could be a crisis, a crisis in society, it could be an event of extraordinary difference and people look for somebody who can solve the problem because people do hope for deliverance. At the back of our minds, in society we all think that we need somebody who will deliver. But the great events theory works in very peculiar circumstances, in great crises and doesn't work in normal times.
Then the other theory, transformational leadership theory talks about how people can choose to be leaders. It says that people can learn leadership skills, and leadership is a process and for those of us in business, we like to go by this theory because while we in business cannot hopefully create great leaders from everybody, we can create leaders in the context in which people are, imbibing them with those qualities which will make them much better in leading groups of people in achieving business objectives. So a process-based leadership program could work under this transformational leadership theory. It is widely accepted in human resources area today to say that people can be taught to be leaders and people can be educated how to be leaders and we can bring in behavioural aspects of leadership and this is something that is engaging global corporations in a very big way today.

If you look at the lives of the greatest leaders throughout history, particularly Mahatma Gandhi, one attribute of a leader is pretty evident - a leader leads by example. In a battlefield you can't be a leader if you run away from battle. You can't be a general if you stay at the background and ask your soldiers to march to their death. It is not going to happen. It will happen in a limited context that people march to their death because they are disciplined people. But you can't be a great leader. People always like to see a leader lead the people.
Take the example of Alexander. In 300 BC Alexander was a young person from Macedonia. The Greek states looked down upon Alexander and Alexander had something special in him. He was taught by Aristotle. He got educated. And he wanted to go and conquer the world. And in those days Macedonia was a small city. But he went and conquered the greatest empire the world has known, the Persian Empire, and he came to India and conquered many states in India. And he led by example. He fought in the battle so that he could enthuse his soldiers for many, many years to follow him and do something different.

Gandhi also did the same. Gandhi never asked anybody to do anything which Gandhi did not want to do himself. When Rajiv Gandhi addressed the joint session of the U.S. Congress some years ago, he gave a story about Gandhi. It appears that when Gandhi was working, a mother came to him and said, "Gandhiji, please talk to my son and ask him not to eat too many sweets. It is not good for his health. He doesn't listen to me." So, Gandhi told the lady to come back after fifteen days. And after fifteen days when she came back, Gandhi told her son not to eat and the son obeyed. And she asked him, "Why did you ask me to come after fifteen days? You could have done it on the same day". He said, "Look, I spent the next fifteen days not eating sweets, just to find out what it means, how does it impact me, how does it affect me? How can I tell somebody to do
something which I am not willing to do?" This is an important thing. It is a personality trait. All great leaders will first do something themselves and then ask their followers to do it. But if you do that, there is credibility. So leaders need to build credibility.

If you are a business leader, you have to walk the talk. If you tell your people to cut costs, to work harder, you have got to do that. In Infosys, Narayana Murthy used to come to office at six thirty in the morning and leave at eight thirty in the evening, because he had this feeling that as a leader he has to be the first to come and the last to go. It was tough on his personal life, but he built a culture in Infosys, where all of us accept the demands of leadership and all of us demonstrate that in our lives and it makes for a very different organization. I think in all organizations the leaders themselves do not walk the talk, they have a very comfortable life and they ask others to do something very much different. People are not going to accept it. People are very smart. They look out for signals. They look out for something different from the leaders. And I think this is a very important thing.

At Infosys, leadership by example is one of the five core values. And we are all asked to practise leadership by example. I will give you an instance. This year we are going to hire twenty thousand people. Hiring twenty
thousand people is not easy. I think every working day we have got to hire about maybe eighty to hundred people. And it is a tough call. We have got to get these people from colleges, from outside, induct them, train them and develop a value system. People ask us, "How do you create a value system in all these new people"? In the last three years we have grown from about fifteen thousand people to fifty thousand people. And we have lost about ten thousand people in the bargain. That means about forty-five thousand people have come in. Now, how do you create a value system? The only way you can do a value system is by education and by walking the talk. Because they look up to you as leaders to practice the value system that you preach. And if you practice that value system then it percolates down. But if you happen to be a leader who doesn't practice but mouths it, nobody is going to listen to you. It is not going to work, because people are very smart and they look up to people for signals.

Gandhi did a very important thing to demonstrate to his people what they should do. First, he dressed and lived as the people in this country did. He had a loincloth. He went bare-chested. He had a stick and he walked, he walked and he walked. His spoke to them in the language they understood, very simply. And he went to all the villages. After the Buddha and Sankara, I think Gandhi was the only person probably who spent an enormous amount of time
going through the country. And he could communicate. Remember, at the time of the freedom movement, the leadership came from the educated elite. The leadership didn't come from the masses. The educated elite was probably 1%, 2%. And we see it in India today, that leadership does not come from the educated elite. Leadership comes from the great masses and we in the middle class are slightly upset about it because we can't relate to these leaders. We can't relate to them because they are not one of us. But the great mass of people of this country is different. And they relate to people. We talk about a Laloo Prasad Yadav - he is a great leader. He won the elections for many years. You may not like him. That's OK. It is a democracy. But the fact remains that he could communicate. He was the aspiration for the people. He delivered a lot of people from an oppressive social system. So leaders walk the talk, demonstrate and their lives become an inspiration. And Gandhiji did that.

The second trait he had was to have tremendous amount of moral courage. He fought a political battle. Moral courage is important for a leader, because leadership is a slippery slope. The moment you slip and you compromise yourself, you are gone. People may respect you because you hold a position but they may not respect you as an individual, as a leader. So the moment you compromise on any of your values and show people some
kind of a compromise, it is gone. And that I think, is an important attribute and Gandhi taught that by sheer moral force you can oppose the greatest empire the world has seen and you can do it without raising your hand. If you take up a gun and fight against somebody it requires a little bit of courage. But to stand before an oppressive power unarmed and to say, "Do your worst" and be prepared to give up your life, it requires indomitable courage, something totally extraordinary. And Gandhi's view was that he could imbibe the passion among ordinary people - housewives who stayed in the house in purdah, who could march in the streets and stand before the guns of the British and tell them, "Do your worst". Now, what is this magic? The magic came because they saw him as a leader.

Now, in business, what is this context? The context is simple. Leadership is painful. It is extremely painful. If you want to be leaders you must take the pain. Leadership is making no compromises. No compromises. Life is not a compromise if you want to be a leader. You can't compromise on values. You can't compromise on the essential qualities that make you and you have to walk alone. Leadership is lonely. And leadership means that you listen to everybody but at the end of the day you take responsibility for the consequences of your action and you don't pass the buck. And if you look at great people, we learn all this and life has gone on.
Look at Abraham Lincoln. Lincoln had another facet of leadership. Lincoln failed many times. He failed in business, failed in coming to the Assembly, failed in business again, had a nervous breakdown, defeated for Speakership, defeated again for Presidential electorate, defeated again for U.S. Congress. I mean, he was defeated many times. But what made him a great leader? Simply perseverance. Leadership is all about perseverance. Leadership is about banging your head against the wall, against all obstacles and bringing the wall down. Leadership is about falling down on the ground and trying new things and getting up and fighting.

Look at Nelson Mandela. Mandela was a product of the modern age and Mandela had a value system, which was instilled in him by his family. And he became one of the most influential leaders. Mandela led his people out of apartheid and slavery but did it in a very non-violent way. And after he became President he set up the Truth and Reconciliation Commission just to make sure that people take their angst out, their anger out. And he got it recorded and put it behind them. He forgave everybody. So Mandela lived by his values, didn't compromise on his values. He went to jail for many years. He lived by his values. So leading by values is an important trait of leadership. Leading by example, having perseverance, taking failure in your stride and carrying on regardless and making sure that you have
a value system is something that we need to look at.

What is it about Napoleon that set him apart from everybody else? A story is told about his general who came and told informed about his famous victory and went on talking about it. Napoleon listened politely and after he stopped talking Napoleon asked him, "What did you do the next day after the battle?" Now, what is the message here? The message is very clear. A leader never rests on his laurels. Life is all about tomorrow. Today is dead. Today is gone. The past is history.

And, you know, it is a very personal thing. When I was forty-five, you know, two or three years ago, it suddenly struck me personally that I have less to live than what I have been through. So everyday that you live, life slips through your fingers because you have lesser days. And it struck me, "Make the most of it. You are not going to get it back". Because when you are very young it doesn't matter. Mortality is not a very big thing on your radar screen. But as you cross the age of forty, forty-five, one day it hits you, maybe I don't know, it hits all of us. You have got less to live than you have been through and every day is important. So, when you do that, you only think about the future. The past is dead. When you talk to your wife, you know, you don't talk about the old quarrels and all the things you did. Just forget about it. Talk about today and
tomorrow. And make the most of it. Make the most impact on your surroundings, because you are not going to get it back. And Napoleon demonstrated that. Yesterday's battle is history. Tomorrow's battle is all that matters. So leaders have to look to the future. They can't rest on their glory, on their laurels and say that I have done many things. I am going to be a leader for life. There is nothing like a leader for life.

Look at the animal world. I am fascinated by wolf packs. The wolf packs have many young wolves constantly looking at the leader because the leader, you know, is the male, the alpha wolf is the one that leads the pack. He mates with all the females. And that is a very important thing, because that is nature. You want to carry on. And there are these young uppity guys who go for the leader. And every time the uppity guys keep looking at this guy and say, "The moment this guy shows some weakness in the hunt, shows a lack of energy, a slight weakness, keeps his eye away, go for him and go for the kill". So leadership is about tomorrow. Leadership is not about yesterday. You could have been a great hero yesterday. But, tomorrow if you don't perform, if you are not there, you are gone. It is very tenuous. That means you have to be practicing leadership every single moment, and if you don't do that, you are gone. And that's a difficult thing to do.
In business, does it matter? To some extent, yes. Because, in business if you fail as a leader or demonstrate some weakness, the decline starts. Time for you to go. Sunil Gavaskar made that famous statement that you must go when people ask "Why?" rather than "Why not?" And you must go with your flag high, with trumpets blaring, in a blaze of glory, so people remember you as the person who changed stuff, changed matter, not as a pathetic creature who lived past his prime. And that is important because human beings cling on to positions. They cling on. They want it, because, you know, leadership is like an aphrodisiac, it gives you a kick. You can get that exhilaration of power. You feel powerful. People respect you. It's a difficult thing to give it away. But a good leader always gives it away.

We had the case in Infosys. At the age of fifty-five, Narayana Murthy stepped down as CEO and gave it to our current CEO, Nandan Nilekani. It was a terrible thing for him because he is a powerful man. He built this corporation. It is a very unique company. But he stepped down because he said, "I work till sixty. I retire at sixty. I have got five years to make sure that the CEO runs this Company well. So I am going to hand it over. And he then stepped back and one thing he did to make sure that the memories in the organization of a charismatic leader do not impinge upon the capacity of the new leader to take
strike. He traveled out. He spends eighty per cent of his time outside India. Now what is the message? The message is clearly: he wanted change. He is going to be around to make sure it works. And he will fade away. But he went at a time of his choosing, not when we people asked, "Do you have the energy to continue?" I think that is an important thing for a leader, because you want to be remembered as a leader, as a very strong person, who led change, who changed the context, not as a person who retired past his prime.

And look at all the leaders we think about in our lives and when we remember them what do we remember? Very few of them went when they had to go. Most of them were pushed out. And when they are pushed it is indeed pathetic. In the organization context what does that mean? If you look at the failure of corporations in modern business today, you find a very unique thing. And what is that? You find that business corporations fail because of the lack of leadership, not because of a lack of capital, because capital is available today to great leaders and good businesses but if you don't have leadership, you cannot succeed. A leader needs to strategize. So, in business, too leadership is a key differentiator between corporations which succeed and corporations which do not.

Why are leaders important? Can we do without leaders? Can we rule by committee? Leadership means a
single person. Committee means many people. Committee means shared responsibilities. Shared accountability. Can we do that? Well, very, very difficult. Nobody has succeeded in ruling by committee. You can develop consensus. But the leader has to take the decision. Leaders are required because leaders need to give direction. In business, what is the new business to follow?

Look at the Sensex, the Stock Market Index for India. Look at the companies that formed the Sensex about ten years ago and look at the companies that form the Sensex today. There is a sea change. In the Dow Jones index in New York for the last hundred years only one company has remained constant. All the thirty companies that make up the Dow Jones index are gone. Only one company has remained constant. And why is that only one company has remained constant? Could it be serendipity? It could be great strategy? But if you look at the company, which has remained constant you find a very unique thing. The company has constantly changed business. In business theory, the biggest question people ask is: why do companies become mortal? Why are companies mortal? Why are business organizations mortal? Studies have proven that even though business organizations are perpetual succession, are legal entities who could survive for a long period of time, most of them die in middle age at thirty to forty. And why is that? Because the business that they are
in ceases to be profitable, becomes competitive or commoditised and they just can't make the change. So business entities, too, die. Very few grow to be hundred. Very few grow to be seventy-five and very few grow to be two hundred or three hundred. There is no recorded instance of listed companies, which are more than a hundred and fifty years old. They all die. In America today AT&T is gone. AT&T was the largest, most valuable company thirty years ago. It's gone. It is dead. And you see, all great organizations which we heard when we were growing up, they are all gone. The brand names are gone. The new company on the block is 'Google'. Google? A small, uppity company? Just a search engine? But it is worth a hundred and fifty billion dollars.

The key thing in society is that there is change. We need leaders to manage through times of change and give a sense of direction. Leaders make things happen. That is an important context. You have got to be dynamic and you have got to be creative and you have got to change the context. And only leaders can do that because all of us get into the comfort of the womb. We all become comfortable in what we do. And as we get older and become more comfortable, we don't want change. Because change forces us to react very differently. And we don't like to do that. So inertia sets in and inertia sets the direction. So maturing organizations, very often, need to change. We try to do it.
We are growing 30% a year and our biggest challenge has been that the stars of yesterday are not the stars of today. People who we thought were leaders yesterday are just unable to cope with the pace of change and they don't become the leaders of tomorrow. The mortality rate in leaders is extremely high. So when organizations grow up, they change the context. People who are leaders and make things happen are unable to grow mentally to react to the new circumstances and that makes an enormous difference.

Leaders are revolutionaries. This is a very nice concept. Why are they revolutionaries? Leaders are innate rebels. You know, one of the fascinating things that we see in the world today is: Young people in colleges are becoming status quo, not rebels. Young people have no ideology. Look at our post-war history. Every time there was a change, it is the student community that brought about change. In 1977 in India, it was the students who brought about change after the Emergency. Where are those students today? Where are those young people today who are ideologues, who have an ideology? Nevertheless, the important thing is that leaders should be rebels, because the rebel has enormous energy. A rebel has an innate passion for change and the rebel can change the context. And if you are not rebels, you don't fight the status quo, the status quo overwhelms you. Society is about atrophy.
Society is about stratification. Society is about inertia. Because the pace of change in nature is extremely, extremely slow. The only thing that can change the pace of change is the enormous amount of energy, is the rebellious nature of the human being and the rebellious nature shows up when one is young. So leaders are revolutionaries in a very particular way.

**Leadership Traits**

Now, the nine traits of leadership. What are the traits? Charisma. Do leaders need charisma? Well, yes. Leaders need charisma. Something different that sets them apart. Something that makes people follow. Can you develop charisma? I don't know whether you can develop charisma. Charisma is just the way you are. It is a persona. It is part of your persona. So leaders need charisma.

An individual consideration. A sense of individuality. A sense of reaching out to every single individual. Leaders have a capacity to make every individual important. If you walk into somebody's chamber and talk to them for a few minutes, some people have the innate ability to make you feel extremely important and make you feel as if you are the most important in the world till you go out and they forget your name. They can't remember your name but for that moment you feel important. So, an ability to reach out to an individual.
Intellectual stimulation. Since a leader can change the context, leadership is an attribute, by which you stimulate the capability of various people who deal with you to talk about something very different. So leadership is an intellectual challenge. An intellectual challenge because you need change and change can come only when you are intellectually capable of analyzing change and coming up with a rationale for change.

Courage. I think on courage we have a consensus, because unless you have courage you cannot change and with courage you take unpopular decisions at a time you think that others are not going to stand by you. And the only way you can take decisions is to make sure that you accept responsibility.

Dependability, keeping commitments, credibility. A leader should have credibility. A leader makes a promise, the promise should be followed up with action because if the leader doesn't keep the promise we are not going to trust the leader. But one thing I feel we all accept in business and organization is that a leader should not play favourites. A leader should not follow nepotism. A leader should give a sense of direction.

Integrity, judgement. A leader should have the capacity to make sound judgement, and respect for others.
Leadership Dilemmas

What are the dilemmas that you face if you are a leader? Some of the dilemmas that you face are: As a leader do you have a broad-based leadership team or are you a loner? What kind of leadership do you prepare? Look at Gandhi again. It is a very interesting thought. Gandhi created the largest pool of leaders this country has seen in politics. When Gandhi left, this country was very rich in leadership. When his successor Nehru left, this country was very poor in leadership. What is the essential difference? The essential difference was that Gandhi, being a very secure person, created leaders, inspired people to follow. But, of course, the context was different - in the context of the freedom struggle, we had a common enemy. And Gandhi had a very collegial open way of leadership. He accepted many people coming and he debated with them, he discussed with them. After Independence, it became almost like a lone ranger battle and educated people never went into politics. A leadership team was never created. And that is impacting this country today and impacts on organizations, too. You see some organizations, which have a bench of leaders, because the leadership style is: create the next generation of leaders and many more leaders; you have a bench. You have organizations, which have high visibility leaders. A single leader who is charismatic, who is out of the world but after he goes, what happens to the organization? So it is essentially a leadership trait.
Long term versus short term: is the dilemma leaders face. Do you invest for the long term? Do you try to meet your short-term objectives and get your glory, how do you balance one against the other? For those of you in government and in the public sector this is a very key thing. Because you are judged by the short term, but you need to invest for the long term and the long term calls for a different kind of orientation. But you have to survive the short term to go to the long term and this is very difficult.

Creativity versus discipline is a leadership dilemma. Do you instill creativity in your enterprise? Allow dissent? A great leader, I believe, allows dissent, allows people to talk their mind and to be free and to dissent. Dissent is perfectly fine. If followers have the right to dissent, you create greater leadership team, because the right to dissent is a very important attribute for a leader to have in his followers because the right of dissent creates new points of view. And the right of dissent also imbibes a sense of freedom, of independence in the followers. That is an important trait.

Trust versus change. Do you scheme as a leader or do you create a bench of trust? That is an important dilemma which you face.

People versus productivity. Can a leader be heartless
with an organization; not look after the people's interest; go after profits? And keep profit maximization as the goal, rather than people development? This is a dilemma you have to face.

It is not easy. Leadership is not easy. Leadership is extremely difficult. Leadership is very challenging. But it can only be mitigated by the fact that the leader gets much more in the form of satisfaction as a leader who has changed the context, as a leader who has brought in something very much new, because as human beings we always want change. And I think that change is something that drives. Look at this example. You know Walt Disney was a very charismatic person who created the Walt Disney Company - one of the greatest media companies the world has seen. And Walt was a very creative person. After he died - unfortunately did not create the next generation of leaders. So the company spent a decade or two wondering what the leader would have done, what the past leader would have done in the circumstance and trying to come out with an answer to business dilemmas and business issues. So an organization dominated by charismatic leadership is not sustainable. It is like a firefly, brings light and goes away. There is a beautiful poem, which my friend told me one day. It talks about charisma and how charismatic leaders are and I quote,
My candle burns at both ends, it will not last a night. My candle burns at both ends, it will not last a night. But, oh my friends and oh my foes, it doth give a beautiful light.

Edna St. Vincent Millay, 
*A Few Figs from Thistles, 1920*

Charismatic leaders burn at both ends at night. They give a beautiful light when they last and after that it is darkness because there are no more candles being lit. And leadership is all about lighting many more small candles to create greater light.

In the future the real core competence of companies should be the ability to continuously and creatively destroy and remake themselves to meet customer demands. In business, too we have to do that. The leader creates, sustains, destroys. As a leader he must have the capacity to destroy - destroy in a very positive way. Because if you carry on with the past practices and don't change, you are doomed, you are doomed, you stultify and you do not change.

Effective leadership and talented professionals have a profound impact on sustained organizational performance. We do believe that if an organization has to continue to succeed, we need to have leadership development programmes. We need to work in honing the edges of the
people who we think are future leaders. We need to identify people who can take up leadership in ten to fifteen years, nurture them, sustain them and create in them the qualities required to take over and it has to be a continuous process. In the last two years we have seen a proliferation of leadership development methods and we have seen many, many things happening and many things are changing because people are finding themselves unable to handle the complexity of leaders.

Within India, too, we are finding a greater degree of movement among senior people. People are shifting jobs. And I think it is good to shift jobs. All of us should shift at least two or three jobs in our lives. I think this is very important. I think it is very important primarily because even within a particular organization, we tend to reach to the maximum that we can do and we get stuck and we get comfortable. And if we get comfortable you can't develop yourself. You can't realize your potential. So, unless you go from organization to organization - but not changing organization every two years, but probably changing one every seven years or ten years. The seven-year itch. Should we stick in the same place for thirty years, twenty-five years or should we change? I don't know the answer but I think all of us should find out because if we want to be true leaders, we need a change.

And why is it that we need to produce leaders? And have a process? There is going to be intense competition
for individuals capable of leading complex business organizations. When our economy is going to double in ten years, in the next ten years, and the odds are in our favour, there is going to be that much more opportunity available for leaders. All new businesses want leaders. Today the biggest shortage in India is about leaders for business. Companies don't have enough CEOs. Companies don't have enough leaders. And I think that it is going to be a big challenge going forward and the challenge is only going to get worse. Things are going to become much more competitive and complex. And when there is competitiveness and complexity, leadership challenges become that much more important.

Career growth emphasizes leadership skill rather than technical skills or industry knowledge. Hitherto we have seen an economy where specialist skills were much sought, but in future leadership skills are going to become that much more effective.

Another trend we are seeing is the emergence of the global leader. With globalization, the leadership traits are going to change. We have to have the attributes of what we call the global leader. What is a global leader? A global leader is a person who can demonstrate leadership traits in any part of the world that you jettison them in. It basically means that you have a common set of traits - for leadership traits are common, but there are cultural differences -
cultural differences are overlaid. If you go to any culture you can imbibe the culture but you have the capacity to be a leader across. Especially for people like us, creating global leaders is becoming a challenge. And as business globalizes, people find that they don't have enough people who can become global leaders. And this is a challenge for organizations in the twenty-first century.

As you go up the ladder within an organization and as you globalise much more, cultural differences become much more important. You have seen the ad of HSBC: "Think local, act global". They are talking giving ads about various cultural practices and saying that people who can understand the nuance of culture can do that. For example, in France you have got to learn how to drink wine. If you are a teetotaler is going to be in trouble. You must learn to eat French food because when you talk to the French, these things are extremely important. They think that their unique way of life is based upon a gastronomic way of thinking and that becomes extremely important. If you go to the Japanese, very hierarchical, very, very obedient, very slow decision-making process. And if you happen to be one of those tear-away leaders, you are not going to succeed.

Leadership Styles

There are different styles - Autocratic, paternalistic, participative, delegative, free-rein style. I think we have experienced some of this in our lives. Which is best and
what is necessary? I don't have an answer. But going forward, the lack of good leaders is going to be a barrier for growth.

Look at these companies. All these companies are not doing well. Ericsson went down. It is coming back. Burger King is gone. Coca-Cola now is going through change and not able to compete. Two-thirds of the world's companies have changed CEOs at least once in the last five years, because they have not succeeded. They have not been able to compete. This is going to be a challenge.

Organisations are investing in Corporate Universities. We also have our Leadership Institute and the Leadership Institute is doing good work. And we have three tiers of leadership and a formal process of leadership. If we succeed - I don't know, but we certainly improve the context and improve the qualitative differences in people who want to become leaders.

Great organizations are built to last. At the end of the day, for business and organizations, mortality, mortality is the reality. How do we extend the period when mortality becomes a reality? We can only do that by having great leaders and having a process for leaders.
T. V. Mohandas Pai
Infosys Technologies Ltd.
Electronics City, Hosur Road
Bangalore - 560 100.
Ph: 2852 0396, 28520261; Fax: 28522392
Email: mdpai@infosys.com

T. V. Mohandas Pai is Member of the Board and Director-
Human Resources, Education and Research and
Administration. Mr. Pai joined Infosys in 1994 and has served
as a Member of the Board since May 2000. Mr. Pai served as
the Chief Financial Officer from 1994 to 2006. In 2006, he
voluntarily remitted the office of CFO to lead the efforts in
the areas of Human Resources and Education and Research.
Mr. Pai has a Bachelor’s degree in Commerce (B.Com) from
St. Joseph’s College of Commerce, Bangalore, Bachelor’s
degree in Law (LLB) from Bangalore University and is a
Fellow Chartered Accountant (FCA).

During his tenure as CFO, Mr. Pai has played a strategic role
in the transformation of Infosys to one of the most respected
and widely-known software services companies in the world.
He put in place the country’s first publicly articulated financial
policy for the company. He played a key role in branding the
company among the investor community and enhancing
transparency and disclosure levels. The Infosys Annual Report,
under his supervision, has won the Best Presented Annual
Accounts Award from the Institute of Chartered Accountants
of India for ten years in succession as well as from the
South Asia Federation of Accountants for the year 2000.
Mr. Pai was an integral part of the Infosys Team that enabled
the first listing of an India-registered company on NASDAQ
and the first sponsored secondary offering of American
Depositary Shares by an Indian company. Mr. Pai was voted ‘CFO of the Year’ in 2001 instituted by IMA India (formerly EIU India) and American Express. He won the “Best CFO in India” award by Finance Asia in 2002, and “Best Chief Financial Officer in India” in the Asia Money Best Managed Companies Poll 2004.

Mr. Pai has been active in working with regulators to improve the business ecosystem. He was also a member of the Kelkar Committee constituted by the Ministry of Finance, Government of India (GoI) for reforming direct taxes, the Non-Resident Taxation Committee, the High Powered Committee on E-Commerce & Taxation. He is currently a member of the SEBI Accounting Standards Sub-committee and the Empowered committee for setting up the Tax Information Network of the GoI. He also works with the Union and State Governments in the fields of education, information technology and business. Mr. Pai is also a Trustee of the International Accounting Standards Committee Foundation, the oversight body of the International Accounting Standards Board.

In addition to his current responsibilities, Mr. Pai is working with governments and decision makers across India to improve the quality of education and availability of skilled manpower in India. He is also involved in Akshaya Patra Foundation, a project providing mid-day meals to over 4,50,000 children across India with the aim of reaching out to one million children.
'Excellence in Leadership' Lecture series will bring to you lectures delivered by eminent speakers for the participation of the NIAS Course for Senior Executives. NIAS conducts an annual week long Course entitled 'Excellence in Leadership' that offers an integrated understanding of a wide variety of issues such as governance, management, leadership and Indian culture. The Course is intended to provide the overview that leaders of today and tomorrow will need to posses. The participants of the Course get to interact with some of the most important leaders and decision makers in the country.

The National Institute of Advanced Studies was conceived and started by the late Shri J. R. D. Tata. Shri Tata was desirous of starting an Institute which would not only conduct high quality research in interdisciplinary areas but also serve as a medium which would bring together administrators in government and private sector with members of the academic community. He believed that such an interaction could be of great help to executives in their decision making capabilities.

NIAS is situated in the picturesque Indian Institute of Science Campus in Bangalore. Its faculty is drawn from different fields representing various disciplines in the natural and social sciences. The institute carries out interdisciplinary research and is unique in its integrated approach to the study of the interfaces between science and technology and societal issues.

Dr. M. S. Swaminathan is the Chairman of the Council of Management of Institute. Dr. Raja Ramanna was the Director since its inception till his retirement on July 31, 1997. Prof. R. Narasimha was the Director from 1997 to March 2004. Dr. K. Kasturirangan, (Member of Parliament, Rajya Sabha), Former Chairman, ISRO, is currently the Director of the Institute.