



Leading Through Disruption

Powerful conversations with prominent leaders on navigating this era of relentless change

Organizations Are Now Like Streams, Always In A State Of Flow And Change

Published on March 30, 2022



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Ravi Chaudhry, a veteran leader — the chairman of CeNext Consulting & Investment and former chairman of four Tata Group companies — shared smart insights with me and my colleague, Adam Bryant, managing director of The ExCo Group.

Lauterbach: What is a key leadership lesson for you that is particularly relevant to the past two years?

Chaudhry: If I was to identify one lesson that can propel a leader from base camp leadership to the summit of exceptional leadership, that is the trait of “awareness.” That basically translates into the ability to face reality and leverage reality, to shape the future you can have rather than the future you may face by default.

The good news is that this ability is present in everyone. The sad part is that very few people are able to discover this ability, because so many of us hold on to our past beliefs and prejudices long after they are no longer valid. We keep learning all the time and yet we don’t change, because of a structured inability among us to absorb information that does not tie in with our strongly held beliefs. If you change the way you look at things, the things you look at also change.

Bryant: What are the practical approaches that you share with leaders to help them become more aware?

Chaudhry: It is about questions people must ask themselves. Am I

willing to acknowledge that perhaps what I know is no longer relevant? You have to empty the mind and let go of long-held beliefs even about issues like strategy or organizational structure. That doesn't mean discarding your core values. It's about the skill of distinguishing the relevant from the irrelevant.

Lauterbach: What are some other questions that leaders today need to consider?

Chaudhry: Companies generally don't have the resources and capabilities necessary to deal with Black Swan events. So the first question they must address is, do we have enough reserves and the readiness of skills to handle such events? We have seen so many companies spend their reserves on share buybacks, only to ask for a government bailout during a crisis.

We are also seeing a much greater focus on ESG and DEI. Employees are demanding tangible demonstration of fairness and equality in policy frameworks. We should not forget that the 2.4 billion millennials and 2.5 billion Gen Xers in the world are not going to be the same types of consumers as we have been used to.

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less ego, and more humility.*

There is also a paradigm change in how organizations are functioning today. For several decades, organizations functioned like machines,

with predictable controls. A couple of decades ago, we realized that organizations were functioning like living organisms that called for more sensitivity, more responsiveness, and a different way to motivate people.

Today, organizations are like streams, always in a flow, which means continuous change and fluidity of identities and ideologies of all the players. Fluidity means less control, less ego, and more humility. It makes organizational pyramids irrelevant. You have to tap the skills wherever they are in the company. In such a scenario, the quality of conversation becomes the biggest strength of an organization.

Bryant: What are the skills that CEOs need today to lead?

Chaudhry: A CEO requires traits of sensitivity, humility, clarity, and an ability to always focus on what is best for the organization. That is possible only if the CEO has the ability to create a fully aligned leadership team. Alignment doesn't mean everybody starts with the same view. Alignment doesn't mean they don't air their differences forcefully. Alignment means they listen to each other and what they know is never an impediment to what they don't know.

Lauterbach: As a director, how do you think about the balancing act of knowing how many what-if scenarios to contemplate as you gauge enterprise risk?

Chaudhry: I start with focusing on what I call the T-factors — the

factors that are relentlessly transforming the world in which business operates. Boards spend too much time worrying about compliance. That's not their job. Their job is to look at the T-factors.

For example, in ten years, there will be more grandparents than grandchildren. We will have for the first time a global economy that will be driven by non-Western consumers. We will have more computers doing brain work than human brains, more robots than workers, more currencies than countries, and growing inequality.

Bryant: What are key leadership lessons you've learned over the course of your life?

Chaudhry: My father was a very highly respected professor. He studied at Cambridge and came back to India to teach. We were living near the campus, so I had access to the college library, and books started becoming my best friends. My father had a saying he would often repeat: "There are three things in the world whose power is unlimited — an earthquake, a raging fire, and a determined person at work."

I was lucky that we had very good teachers in our city schools. On the last day of school, one teacher said, "Remember one thing, and those who remember this will do better in life: Live your life as if today is the last day of your life, but keep learning as if you will live forever."

Lauterbach: What are the common themes that come up when you mentor executives?

Chaudhry: I find that people often look for shortcuts and quick recipes. Generally, I tell them, “I can’t know more than you about your company and your industry. I am here to show you a mirror. I can tell you where the profile looks good and where it’s not so good, but you have to change yourself. The mirror can’t change it, and I can’t change the profile in the mirror. But certainly, I can assist in the self-discovery of one’s dormant strengths that are vital for leadership today.”

I also tell them, “Don’t worry about what you have been doing till today. If you can change for tomorrow, people will welcome you and love you for what you are tomorrow. They will not hold the yesterdays against you.” This is my firm belief.

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