

SETTLING INTO THE CORNER OFFICE

The newly appointed chief executive of the Confederation of Indian Industry shares some lessons on establishing himself and attaining credibility

For all the glamour of the position of a chief executive officer (CEO) and the power and perks that go with it, most CEOs have butterflies in their stomachs when they take charge of an organisation. And when that institution happens to be the Confederation of Indian Industry (CII), the premier industry association in India, and the new director general is at 45 years the youngest-ever in the more than a century-old institution, the responsibility can seem daunting. But New Delhi-based Chandrajit Banerjee (or "CB", as he is popularly known within CII and Indian industry circles) faces up to them without allowing himself qualms. Says Banerjee: "In recent years before I took charge, we had a CEO who was here for 40 years and two others since then who had tenures of 2 years each. I had the time to see them develop the company but also to see problems develop."

Banerjee's predecessors left big footprints to fill, especially the former director general Tarun Das - the one with 40 years of tenure. Moreover, "CB's" selection entailed a search that was extensive and lasted several

months. Bypassed were many officers in the organisation who were senior to him in age and experience with whom he now needs to work. There's also the problem of competition with associations in the same line as the CII.

But realizing all that didn't seem to panic Banerjee. "Taking over the top position at CII is no easy task," he says. "What has simplified my life and quelled the initial jitters was relying on a simple 4-step leadership process.

I started out by defining my vision for CII, then set priorities, then garnered support among stakeholders. We have now reached the point where we are starting the implementation via internal restructuring."

New vision, new priorities
Uppermost in Banerjee's agenda is the need to defend CII's place as the Number One. Having worked within it for 21 years and come into the top job from a sister organisation based

in Bangalore, he says he has realised fully the strengths, the potential, as well as the problems of the organisation. Perhaps the greatest strength is that its remit includes a very great number of sectors. And Banerjee has set himself the task of making his organization not just the biggest industry association in the country, but to be No.1 in all those sectors.

The ways he plans to achieve this is as follows. While preserving key operations in



THE MAKING OF A CEO

- Director General, Confederation of Indian Industry (CII)
- Has over 20 years of experience in CII having held many senior positions.
 - Year - Head of the Regional & States Operations in CII;
 - Year - Head as Regional Director of the Western, Southern and the Northern Regions;
 - Year - Head of Organizational functions - HRD / Training; Finance; Administration; Information Technology; Internal Governance; Printing & Publishing;
 - Year - Headed CII's Economics Department;
 - Year - Looked after CII's National Council;
 - Year - Headed Press & Media Communications;
 - Year - Headed CII's Small Industry Department;
 - Year - Headed sectoral work in Affiliated Associations;
 - Year - Headed Special Events for CII.
 - Year - Active in the International Division of CII (known then as Export Services Division).
- Year-to-year - Executive Director of the National Foundation of Corporate Governance (NFCG), an organization set up by the Ministry of Company Affairs, Government of India, to promote better corporate governance practices in India
- Years - Chief Operating Officer of the Bangalore International Exhibition Centre (BIEC).

its bread- and-butter areas - lobbying, consultancy, research, and events - Banerjee sees the need to adjust his organization's activities to the changing nature of Indian industry. Says he, "I describe ourselves first as an industry institution but increasingly as a development institution," he says, and then adds, "the country today requires us to become active in several areas which heretofore were not given sufficient consideration, like the social one of providing the country with an adequate

supply of drinking water. I see several such priority areas for the country which indirectly pose challenges for our industry."

To help this vision gain focus, CII is working closely with Professor C. K. Prahalad of the University of Michigan on an "India @ 75" agenda. Prahalad, a veritable one-man think tank, is there to ideate the project. Today, sixty years after Indian independence, CII sees itself as the creative spirit behind a national agenda for the next 15 years, an agenda that seeks

to coordinate the activities of CII, Indian companies, and the government in order to keep the country and its industry coordinated and up to date. Its structuring will go deep and its purview wide.

In heading this task Banerjee wants his association to act in the role of a mover, not just a counsellor. "Take a current example," he says. After the recent massive floods in Bihar state, CII, with close support from its members, pulled out all stops to engage companies in flood relief. At the implementation level, a task force within CII with two senior-level officers took charge of this."

Says Banerjee, "We have found, not just regarding Bihar, that companies are willing to involve themselves in much more than their own, narrow lines of endeavour. CII must aid them in doing this. On the one hand we must work to aid the competitiveness of Indian corporations by addressing the regular bread-and-butter issues; on the other hand, we must guide them in contributing to the larger, macro, goals of the country."

The competitiveness of India nowadays means trimming it to sail into the global wind. Banerjee's vision is to assist Indian industry as it becomes increasingly global. In the last few months, CII has organised two industry delegations to the United States and the UK, and very recently a delegation of 90 small and medium-enterprise CEOs travelled to Berlin and Prague. The world is aware of the surge in India's economy and where there's money there's CII's effort to help is members

globalise is therefore timely and realistic.

Naturally, and this is important enough to bear repeating, CII's Banerjee sees himself obliged, as ever, to continue doing what CII has always done, counselling its members, and lobbying for them.

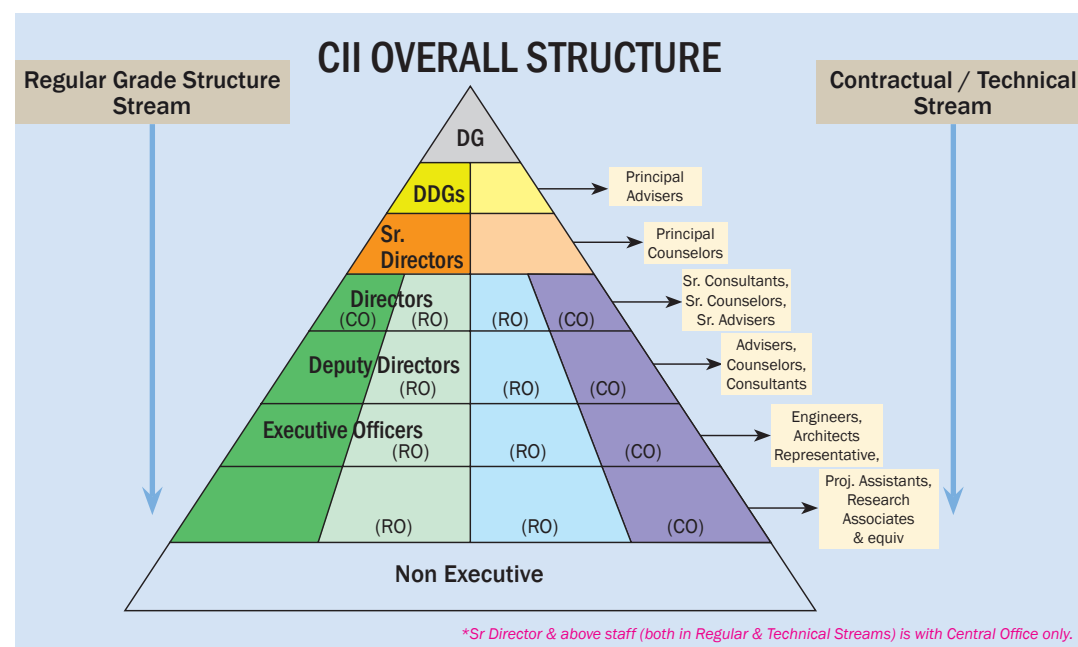
Convincing stakeholder

Knowing what Banerjee has in mind for his association, there follows the realization that he'll have to manage a project of transformation.

On the external side, one of the most important challenges now is to get the key stakeholders to cooperate in the common task. These stakeholders include corporate CEOs who are members of CII, past presidents of CII, senior managers at member companies, in the government, and among the media. Says Banerjee, "Stakeholder engagement has been a priority over the last few months. A good portion of my leadership in this area is to build consensus among my stakeholders. Otherwise, internal conflict will kill my revolution. So a good part of my daily job is on the phone or in meetings 'politicking', which is to say building support."

And how does he go about doing this? Mainly by meeting regularly with and listening to the captains of Indian industry to understand their needs. Knowing their needs spurs him to think up ideas with which to meet them. Banerjee notes that in thinking up ways of implementing needs of members he fosters their interest in, and cooperation with, CII.

It was in this sense that he has CII playing an active role in



CII: VITAL STATISTICS

Good as well. Can we add some further data: budget?, accounts, mission statement,

- Non-government, not for profit, industry-led and managed
- Founded 113 years ago in 1895
- Direct membership: over 7500 organisations
- Indirect membership: 380 national and regional associations
- 950 employees
- 64 offices in India; 8 overseas
- Institutional partnerships with 271 counterpart organizations in 100 countries
- 55 committees; 28 apex councils

helping the Tata Group with the problem it is having with land acquisition for its automobile factory in West Bengal. Even though this is a sensitive issue with governments at the state and central levels, CII mounted a public relations campaign that publicized the matter widely and caused the public and its representatives in government to give it consideration on the level of a *cause célèbre*.

Topical, too, is the global dislocation in banking and the stock market. These have become of lively concern to CII members. To respond, Banerjee ordered a review of each and every sector of the economy affected, and then arranged a series of talks with the government, including meetings with finance minister P. Chidambaram. Says Banerjee: "Our members are now face-to-face with problems that affect them but the solution of which require consideration and action by the government. Accordingly, I opened channels to get a dialogue going."

Bold internal changes

To get the CII staff organized to do things his way, he ordered a complete organisational review, performance appraisal, and

compensation review. The object of the exercise was to put the right people into the right slots so as to be able to empower them to make decisions and broaden the top management base. There was a lot of work to be done and he couldn't do all of it. Banerjee feels that if you do not move people around and don't vouchsafe them responsibility, motivation will flag and the company's performance suffer.

The first round of work re-allocation had several objectives in mind. One, have a strong leadership team that will take care of the core areas of work like those related to the manufacturing and services sectors, information technology, and the like. There was a need to relieve some managers of an unbearable workload, handling as many as six priority areas. That was changed, with people being assigned more manageable responsibilities. Then, too, younger managers needed to be given responsibility in certain areas, while counter-balancing that with experienced talent in other sectors in which it was lacking. Lastly, new talent was promoted into leadership positions in three of the four

regions in CII's organisation structure.

This difficult but necessary human resource exercise got top priority from Banerjee. It was launched the moment he took charge. In his accustomed style he went at it personally by speaking and listening to as many people as possible in the organisation, especially the top management team of about 30 to 40 people. The skeleton of his part in these confabs was to ask fundamental questions that would evoke a torrent of response: How do you feel about working in CII? Are you happy? What issues are you are facing? What would you like to do in the future?

These face-to-face encounters of course were taxing. Banerjee says that he considers himself fortunate in having had, throughout, the support of K. V. Kamath (CEO of ICICI bank), and of CII's grand old man, Tarun Das. "Still, it was hard," recalls Banerjee. "Reorganizing a large and proud outfit right after taking charge made it so. Today it looks simpler because several months have gone by."

He corroborates this by confiding that he's now planning a second round of musical chairs. This time the objective is to analyse portfolios and then consolidate them to increase effectiveness. For example, he will be reviewing how, and whether, related areas like education, technical education, and talent management, currently managed by different people, can be run by just one manager.

The targeting principle in both the first and second rounds of the reform is that of structured and cohesive management. To

this end officers from the second rung of deputy director generals will be meeting more often on management issues – possibly every week. Such meetings would typically review issues such as the extent of work that needs to be done in the area of infrastructure development of the country and how CII's infrastructure committee can coordinate this better. Who are the bright people within CII that should be encouraged and developed? Among member companies and CEOs, whom can the CII secretariat bring on board to encourage more proactivity?

Managing expectations

Banerjee confesses to having had trouble trying to balance time spent at the office with time spent interacting with external stakeholders. The problem persists. But he believes that as the organisation gets accustomed to the new changes and as the new empowerments attain grip, he will be able to balance this better. Says he, sounding like an Indian myth, "The water will have to find its own level."

On the other hand, he believes in his ability now to work cohesively with his top management while continuing the strong working relationship he has with the Chief Mentor, his link with the company's past. Sums up Banerjee, "I am looking at an organisation that I can allow to auto-pilot itself more, the auto pilot being my several empowered CEOs [the rung below him] and top managers."

The water still has to find its level but it's rising and already seems to be holding leadership lessons for CEOs on how one settles into the corner office. ■