Authentic Leadership

Authentic Leadership **Wednesday 14 September**

Vineet Nayar, a Mentor of the Annual Meeting of the New Champions and Vice-Chairman and Chief Executive Officer of HCL Technologies, shares his perspective with Global Growth Companies on the values and behaviours that underpin authentic leadership.

Key Points

€€€€€€€€€€The most important ingredient for future success is the ability to extract more from the same people.

€€€€€€€€€€Trust is needed so that employees start listening. Leaders create trust by being authentic and honest.

€€€€€€€€€€Create value by making managers as accountable to employees as employees are to managers.

Synopsis

What leadership style will work tomorrow? It should be one that pursues employee centrality by democratizing the organization. How can this be created? Through leadership style. The objective of any business is to grow – to get more out of employees, win their trust and go beyond what was done yesterday. That is where authentic leadership comes in.

How can an organization run if people don ' t believe in its leaders? How does one create trust? Vineet Nayar said that, in his experience, transparency creates more trust than anything; and transparency means sharing information.

Organization structures evolve like an army. A strict hierarchy or pyramid structure means communication is easier; but it is time to change the pyramid into a star. The future structure of the organization is like Facebook, an interconnected organization where no one reports to anyone and where a person does not belong to one hierarchy but to multiple hierarchies. This is the 360-degree leadership style Nayar adopted in 2005 at HCL Technologies.

Nayar said he believes in hierarchy, but feels that it kills innovation. As in a democracy, he takes decisions in collaboration. He debates with his employees and takes extra time to take a decision. Employees may disagree with the decision, but they know there was an open dialogue and are more accepting. Nayar launched an initiative called, " Destroy the office of the CEO " , in which he stopped making all decisions and sent questions back down the hierarchy. The point is that a revolution that transforms a company can start with each team.

Other Key Takeaways

There are three megatrends that will affect businesses everywhere. For the first time in many decades, the supremacy of Western economies and their business model is being challenged. Emerging economies and companies have done fairly well in the last decade. Globalization may have been defined as the West selling to the East but, in the last decade, it has been redefined as the East selling to the West. Western companies are now looking to the East as a way out of their current difficulties.

Generation Y accounts for 50% of the global population and is rewriting all the rules; and the dominant gen-Yers are in China and India. Most commerce for them is happening in the digital space, and they are creating completely different buying patterns.

In the future, the most important ingredient for success will be knowledge driven by people.

Disclosures

This summary was written by Charles Lee. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the World Economic Forum.

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