
Book Review

Leaders At All Levels :

Ram Charan

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Ram Charan's book *Leaders At All Levels* emphasizes on rebuilding succession and leadership development from the ground up. The book is based on his four decades of rich corporate experiences with top CEOs of Fortune 500 companies. He connects the content with real corporates like General Electric, Colgate-Palmolive, Novartis Pharmaceuticals, Textron, and Well Point Inc. He unfolds the shortage of leadership talent at the corporate world and addresses the need to spot the hidden leadership talent within the company at an early stage.

The book is divided into 8 chapters with epilogue titled 'what can a leader do?' At the end of the book it provides the building blocks of the Apprenticeship Model. Usually there is a myth that the only top brass has to be developed. He advocates that leaders have to be developed at all levels. He advises to abandon traditional leadership development practices.

He coins Apprenticeship Model that may sound wrong for business executives, but it isn't. He outlines Leadership Growth Through Concentric Learning. According to this, leaders expand their capabilities through deliberate practice of a core skill in increasingly complex situations. Each new use strengthens the existing core and allows the leader to use it innovatively.

He unfolds three-step process to develop social acumen for leaders. That is, in an early job, the leader selects good people and

gets them working well as a team. In the next job, the leader influences and directs people who don't report to him such as a cross-functional team or a group of suppliers. And finally, the leader runs a global business and builds teams of people from diverse cultures, with which he has no previous experience.

He reveals that some companies like General Electric, Procter & Gamble, Colgate, PepsiCo, and Sherwin-Williams are net producers of senior leaders. If we learn the right lessons from their successes, we can incorporate the underlying principles into a new approach to leadership development and, with renewed effort, produce the kinds of leaders our corporations desperately need, including twenty-first-century CEOs

He shares that leadership can be developed through practice. People can pick up tools and techniques and ideas and insights about leadership from a book or a classroom. A lot of what passes for leadership development for leadership must develop their abilities by practicing in the real world and converting the experience into improved skill and judgment.

He identifies that finding leadership talent early is essential. The path from initial recruitment to the senior level of a company is approximately twenty-five years long and involves, on average, only five jobs before becoming eligible for the CEO post. Most

high-level job incumbents reach that point by the age of about fifty.

The author asserts that three fundamental principles should guide the CEO succession process. The first is to recognize that the CEO's job is quantitatively and qualitatively different from all other jobs; the second is no two CEO jobs are alike; and the third is CEOs are people, complete with their share of human flaws.

Ram suggests that the board must approach the CEO succession decision with passion and intensity, devoting a lot of time and energy to it years in advance. The senior most human resources (HR) executive and, in most cases, the incumbent CEO should be involved, not only to design the tools but also to contribute to the discussion of the business and the candidates and to manage the tricky issues that arise as the list of potential CEO contenders gets whittled down.

Ram pats the young people that those who are coming out of universities and business schools are quick thinkers, conceptually agile, facile with models and numbers, and able to diagnose a situation through data. They often show keen insights into business problems. Many are ambitious and driven.

He reveals about Immelt who pores over the list of 175 top leaders at his company, each and every day, thinking about where they fit, what they can do, and who needs to go into another job soon. As observing and providing feedback becomes part of the boss's everyday routine, it gets to be second nature.

Ram implores leaders to expand themselves beyond a single culture. It's not good enough to have direct reports in other countries. Running a business in China from

New York is a completely different experience from living in China while running the business. The leader must be immersed in that milieu to get the experience necessary to deal with different cultures and different constituencies, such as government agencies, nongovernmental organizations, and the special interest groups that are becoming increasingly influential in corporate affairs.

He explains that leaders must possess both people acumen and business acumen. Anyone can improve his or her ability to select and develop people's talents, but other aspects of people acumen are hard to teach. Leaders with people acumen have good instincts to anticipate problems among individuals who must work together and to get them resolved. When leaders are unable to make good decisions, or any decisions at all, it may be that their business acumen is not expanding. They cannot be considered to have CEO potential.

He investigates that in the 1970s and 1980s, companies like IBM, Xerox, and General Motors had what appeared to be excellent leadership development programs that were regarded as benchmarks within their industries. Yet, none produced the kind of CEOs that were most needed by those companies. Something was wrong in their leadership framework.

Ram reveals why some leaders like Jack Welch and Jeff Immelt at General Electric, Andy Grove of Intel, Reuben Mark of Colgate-Palmolive, Michael Dell of Dell Computer, Andrea Jung of Avon, and Ivan Seidenberg of Verizon are successful at a relatively early age because they expanded their depth and breadth of understanding of business and improved their judgment quickly.

He dwells at length about Colgate's leadership where Colgate's secret weapon is the depth of its leadership, all the way to the top. The company never even missed a beat when longtime CEO Reuben Mark announced in 2006 that insider Ian Cook would succeed him. He further explains Colgate's leadership identification and development process taking place at three levels: local, regional, and global. Local talent may be someone who is relatively early in his or her career but who can make it to the level of reporting directly to a general manager in a subsidiary. Regional talent is someone with more experience, capable of going beyond a subsidiary to responsible positions in regions like Asia or Latin America. The global talent pool is at the core of Colgate's long-term succession planning.

Ram concludes that leadership can't be taught in a classroom, but educational experiences-classroom training, voracious reading, rubbing shoulders with others in seminars-can accelerate a leader's growth. The leadership lessons from the book are as follows:

Leadership Lessons

- Remember that leadership is a job, not a badge of honor.
- The bosses must view leadership as a corporate resource.
- It is the positives that make the person valuable leader.
- If a flaw comes to light, it must be viewed in the context of the particular job and shouldn't necessarily take the leader off the list of high potentials.
- No forty-five-year-old will become the CEO of a major company unless he outshines every boss from the time he enters the company until he is nominated for the job.
- Failure is not necessarily the end of a leader's talent track. Many people who fail in one job flourish when they are reassigned to another that better fits their talents and skills.
- Building the CEO nucleus is a must. Leaders should start with a core understanding of money making, then develop that capability by moving from simple situations to those that are more complex.
- Real leaders exhibit an enthusiasm for selecting people who are better than they are – whether or not they have worked with them before – and then using those subordinates to lift the organization and themselves to new levels of accomplishment.
- A successful succession process must have an explicit component for identifying leaders early who could someday be a CEO and tailoring their experiences, training, and development to both their individual talents and to the demands of that most challenging job.
- Finding the right talent is equally important because growing high-potential leaders is highly resource intensive.
- Finally, filling the CEO Job is the ultimate challenge of any succession and talent development system; it takes a ton of leadership ore to produce an ounce of CEO gold.

Conclusion

Ram Charan advises companies to shed their traditional leadership development programs and practices. He suggests

finding out the root causes of current looming leadership crisis and addressing them immediately. The book contains pearls of wisdom about succession, leadership pipeline and leadership development.

The book outlines tools and techniques and secrets and strategies that enable people to reach higher positions quickly. For instance, it clearly emphasizes that the people who work in line jobs can grow faster than the

ones in staff jobs. Precisely, the book provides a blueprint and paves the way to reach CEO level. The book is worth reading for directors, senior executives and CEOs to learn the ropes of succession and leadership at all levels.

***M. S. Rao,**

*Founder, MSR Consultants India Ltd., and author of
a number of books on
Leadership and Soft skills
Author's Blog: <http://profmsr.blogspot.com>

