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## Context to the nugget

Sudhir speaks about Judgment, Influence and Drive as the three markers of potential and how the emphasis shifts across these three during the career of a professional in HUL. For the first few years it is Drive, then it moves to Influence and eventually in senior management it is judgment. He also speaks about how HUL thinks about what is considered a good hit rate with judgment. He goes on to speak about how HUL filters for calibre and character, often two orthogonal dimensions.

## Transcription

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Deepak Jayaraman (DJ): Going back to one of the things you said Sudhir I wanted to pick up on it this notion of potential, you said something interesting. You said for the first 10-12 years it's not that people don't notice. You are still marked for potential but you possibly aren't... there isn't let's say enough maybe celebration or applauding going on, so I'm curious about that. But just maybe a related question is in the book you talk about judgment, influence and drive being the three markers of potential but what I found interesting was you go on to say that for the first few years it's drive which is sort of the key axis of growth or differentiation and then it moves to influence and eventually its judgment. So, talk to us a little bit about this notion of how potential plays out in Unilever and I'm curious about these inflection points where the needle moves from drive to influence to the judgment.

Sudhir Sitapati (SS): Yeah, I spoke about, I wrote about judgment, drive and influence in the context of recruiting people because if you recruit for the immediate job at junior management in industry right and it's different from professional services and there's a very vast difference between professional services and industry. In industry at junior levels you need drive, but if you recruit the best person for the job you are not recruiting for the future. So, when we recruit management trainees, we have to recruit for junior management, middle management and senior management. We expect every manager of ours... so, at a very early age we've got to see whether this guy has got the potential to have judgment, does he have the potential to be influential, though in the first five years all that's going to determine success, and one of the reasons also we don't judge too early, is that all that the first 7-8 years tells you beyond a point is or heavily over indexing the fact of how driven you are. And it's only over a period of time that you start working as a team and that's really where influence comes in and even after that where you've got to start making a decision. It's one of the reasons why we don't promote too early because you promote too early, you're promoting on drive and then the person will hit a barrier very fast and may not have either influencing or judgment skills. So, I think that's the important thing on judgment, drive and influence. I think there are a natural inflection points for these within HUL DJ. I think the first 8-9 years we call it Work Level 2 which is kind of where people are really kind of... it's heavily driven and as you go a little bit more and more senior you get some influence and judgment. And I guess in middle management what we

call Work Level 3, which is gently 10-15/17 years, is where you have to work together as an organization with various functions and other people and get work done. And I guess at senior management really the success or failure depends on do you get 7 out of 10 decisions. I used to have a boss who said that anybody who gets 9 or 10 out 10 decisions make is a bad decision maker. A good decision maker has to get 7. He has to get the right 7 but that's the right ratio. 5 is too low, 9 is too high.

DJ: 9 too high being too safe, is that the point?

SS: I think it's too safe to you then you're analysing too much, you're not quick enough on the decision, there is a speed factor to it. You've got to make... those 7 have to be the important decisions; you've got to let go 3 relatively low important decisions. So, there's a decision making in taking decisions itself in that sense.

DJ: But couple of questions. One is what are the markers you look for given that you're recruiting for judgment, influence and drive? Give us a sense of how do you pick them up, how do you suss them out early on No.1, even before even at a recruiting stage for example, No.1 and No. 2 how do you think about the leadership development mix when you're solving for each of these three variables, not that it's sort of one at a time, I'm curious how that shifts as the axis of growth shifts.

SS: See one of the big determinants of drive actually is excellence in your educational or co-curricular activity. It doesn't actually determine judgment in Indian circumstances but it certainly determines drive, and academic is an important part of it but exceptional performance anywhere is a tick mark on drive for us. I think when we do the Lever way of recruitment, we still are one of the old-fashioned companies that do group discussions and people think that group discussions are a problem-solving forum; they are not a problem-solving forum, they are a teamwork forum. So, what we judge in group discussions is not whether you are the guy who cracked the case but are you the guy who facilitated someone else to crack the case, how was the team dynamic and that's what we're looking for. I guess in judgment is what we look in the personal interviews we generally tend to ask questions regarding decisions that the person has made in life and how they think through decisions, how intuitive are they, how analytical are they, so that's what we do but there's a fourth thing Deepak which is even more important and you know one of our former Unilever Chairman I found an annual report it said that you've got to recruit for character and calibre and between the two character is far more important than calibre. So, judgement, drive and influence are determinants of calibre, but there is a more important variable which is character which we actually have a fourth interview where senior people interview. So, ours is a four-step recruitment process where CV, group discussion, interview 1 and interview 2 which people say why do you have such a long process, it's to judge and the final one we have senior people to see whether the person's got a character and high integrity which for us is actually the most important.

DJ: And how do you, just persisting with the theme and for somebody let's say who's a student, how do you suss that out?

SS: I think authenticity and willing to share vulnerability in an interview, willing to look deep and what do we mean by integrity? We're not judging whether a person is going to cheat the expense statement, right? The question that we are judging is is a person true to themselves. When they make a mistake are they able to reflect and say it was their mistake rather externalize, that's integrity at the end of the day. So, what we look for is people who are a little bit thoughtful about themselves, who have a good idea of what their strengths and weaknesses are. So, that's really how at least I suss out the integrity of a person and that's what I mean by integrity as well.

DJ: This reminds me of my previous firm Egon Zehnder when you would do your 20-30 rounds with colleagues around the world then the man himself would meet you in his office in Zurich and that chat would be about just anything right, about opera, about the world climate and whatever. So, I guess in a way I like the way you frame it as calibre versus character... by that time the...

SS: I didn't frame it; a former Unilever Chairman framed it but I caught on to the framing.

## Reflections from Deepak Jayaraman

DJ: I really liked one of the things Sudhir says – there is decision making in decision making. I must say that it is a matter of cosmic coincidence that something similar came up in my conversation with Sudhir's brother Vinay Sitapati (VS) who has written the biography of Narasimha Rao – Half Lion. For the record, I must mention that Sudhir and Vinay are the only siblings who have appeared at different times on the podcast. One of these days, I need to chat with their mother about what she fed them when they were growing up but that is possibly a different podcast conversation. Coming back, Vinay speaks about Narasimha Rao's genius in knowing when not to make a decision.

VS: *"NR has made a lot of fun off because the typical view of the NR was he was a scholar but he doesn't act and that's just a straight untrue as I show in the book yes he was a scholar but at heart he was a man of action, what he also was, he was acutely aware of his political vulnerability so when he didn't act it was not because he didn't want to act and not because not acting was important but because he just lack the political ability sometimes it was that not acting is important, not making a decision is important but very often he just lack the political ability that he could have made the decision he could have made the decision to privatise Air India which today we are trying to do but at that time he would have lost his job so he didn't make a decision on that matter so the stereo type of NR which comes from that idea, analysis until paralysis that was be that joke and the joke was NR knew that how to be silent in 10 languages and I think that misses something at the core of NR that he was the man of action but he was also acutely aware that as the book points out he lack power so his genius was where to act under which political cover and when he lack political cover he would withdraw and it's a fine art because most politicians you would argue only care about survival NR cared about survival but he also cared about other things."*

DJ: What decisions to focus on is a decision indeed and whether to make a decision or not is a decision too.

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## End of nugget transcription

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Nugget from Vinay Sitapati that is referenced: [Making/Not making key decisions](#).

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## Sudhir Sitapati - Nuggets

- 51.00 Sudhir Sitapati - The Full Conversation
- 51.01 Sudhir Sitapati - Getting the problem definition right
- 51.02 Sudhir Sitapati - Choosing to stay in HUL
- 51.03 Sudhir Sitapati - HR - a department with teeth
- 51.04 Sudhir Sitapati - Entrepreneurial Professionalism
- 51.05 Sudhir Sitapati - Identifying and nurturing potential
- 51.06 Sudhir Sitapati - Building a personal brand
- 51.07 Sudhir Sitapati - Specialization versus Generalization
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- 51.09 Sudhir Sitapati - Company men, Mavericks and Rogues
- 51.10 Sudhir Sitapati - Secret sauce behind the culture

## About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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