Book Review

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HBR's 10 Must Reads 2023: The Definitive Management Ideas of the Year from Harvard Business Review

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The book is an insightful collection of ideas and insights by some of the finest management scholars and thought leaders of our times, who have contributed immensely towards government policy-making, corporate strategy, and management research. It explores useful themes that can shape managerial perspectives including flexibility at workplace, shedding strategic overload at corporations, driving innovation through efficient decision-making, bias training of employees, boosting returns from Marketing AI, the role of Net Promoter system in bolstering business strength, learning from Chinese retailers on how to

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leverage customer data to produce valuable business insights, circular business model, art of succeeding quickly in a new role and accounting for "Climate Change" via e-liability accounting system.

The first article titled **"The Future of Flexibility at Work"** written by Ellen Ernst Kossek, Patricia Gettings, and Kaumudi Misra calls for a balanced approach that helps fulfill needs and goals of both the employees and employers. These researchers claim that there are potential downsides to both forms of workplace flexibility, whether it is in the form of ad-hoc work-life accommodation upon request or boundaryless working that allows employees to set their own work schedules provided they are available 24/7 to answer stakeholders' queries and ensure the smooth functioning of day-to-day business operations. Further, the article offers set of tenets to guide modern organizations in devising their own flexible programs and policies.

The next article titled **"Eliminate Strategic Overload"** written by Felix Oberholzer-Gee underscores the need for the companies to adopt a "value-based" strategy in light of intensifying global competition, technological disruptions, changing consumer tastes, etc. This will allow top executives to have a holistic view of business activities taking place in the organization and ensure that they focus on a handful of strategic initiatives that can generate value for stakeholders including customers (raising their willingness to pay a premium for product offerings), suppliers (incentivizing them to reduce their operating cost), and employees (making it more appealing for them to contribute towards organizational goals).

The third article titled **"Drive Innovation with Better Decision-Making"** written by Linda A. Hill, Emily Tedards, and Taran Swan identifies an outdated and inefficient decision-making approach as the major hindrance for organizations looking to scale the innovation ladder but still struggling despite the availability of new ideas. The authors have extensively worked with globally renowned, knowledge-intensive firms that have transformed themselves from rigid businesses to nimbler outfits, capable of faster decision-making based on data intelligence and actionable information. The example cited is that of pharmaceutical giant Pfizer's Global Clinical Supply, which created the world's first mRNA vaccine to provide immunity against Covid-19 in record time, demonstrating how organizations can apply lean and agile principles to make rapid experimentation pay off.

The next article titled **"Unconscious Bias Training That Works"** written by Francesca Gino and Katherine Coffman adds to the discussion around the need for organizations to be more equitable, diverse, and inclusive. The authors argue that the conventional methods of Unconscious Bias (UB) training of employees have failed to achieve the desirable outcomes,

as they're focused merely on raising awareness based on race or gender instead of teaching people how to manage their biases and change their behavior. They have drawn insights from their experiences with two big US corporations: Microsoft and Starbucks, and advised that UB training is not a short-term exercise but a rigorous endeavor that involves diversity data collection, shaping employees' perceptions, encouraging interactions among different groups, tracking progress, and introducing behavioral "nudges" to make better decisions.

The fifth article titled **"Why You Aren't Getting More from Your Marketing AI"** written by Eva Ascarza, Michael Ross, and Bruce G.S. Hardie sheds light on the errors and mistakes committed by marketers in leveraging AI offerings to generate superior returns and further suggests a framework to avoid those pitfalls. The first mistake is 'Alignment' i.e. the failure to ask the right question, leading AI to solve the wrong problem, resulting in loss of investment and effort, without achieving the actual objective. The second mistake is the failure to recognize the difference between the value of being right and costs of being wrong i.e. data science teams often fail to build predictive models that optimize relative costs of errors, leading to expensive mistakes. The third mistake is 'Aggregation' i.e. inability of marketers to exploit AI tools for granular predictions to generate higher ROI, rather than clinging to old decision- making models. The fourth mistake is lack of communication and coordination between marketing managers and data science teams regarding the nature of business problems and understanding technological capabilities and limitations.

The next article titled **"Net Promoter 3.0"** written by Fred Reichheld, Darci Darnell and Maureen Burns, makes an empirically robust case for calculating the 'earned growth rate' to capture revenue generated by returning customers and their referrals. The authors claim that since the introduction of the Net Promoter System, it has been misused and rigged by corporations to their own advantage, as a result, damaging the credibility of the metric. In order to restore the faith of investors, the authors have introduced a new version of 'Net Promoter Score' i.e. *earned growth rate*, that draws on accounting results and makes a clear-cut connection between expanded purchases, investments in customer service, and business strength.

The seventh article titled **"How Chinese Retailers Are Reinventing the Customer Journey"** written by Mark J. Greeven, Katherine Xin, and George S. Yip, is a sincere effort to spell out the lessons that Western retailers can learn from their Chinese counterparts in tracking and leveraging customer data to develop useful insights for better decision making. The authors have identified five key observations about Chinese retail industry, which is not only fast- growing in terms of value, but also among the most digitized across the world.

The first observation is that an efficient retail ecosystem must provide single entry points across various platforms and brands. The second observation is that consumers should be able to evaluate products in an unbiased and transparent manner via reviews, live-streaming, influencers, independent platforms etc. The third observation is seamless experience that increases the likelihood of customer purchase; China has achieved this by integrating online and offline sales channels, providing more opportunities to buy online and creating AI-enabled interfaces. The fourth observation is to be able to deliver goods faster at reasonable cost, hence, rethinking logistics operations. The fifth observation is to always stay close to the customer via deep after-sales engagement, building fan communities, cultivating influencer relationships, loyalty programs etc.

The next article titled **"The Circular Business Model"** written by Atalay Atasu, Celine Dumas, and Luk N. Van Wassenhove highlights the growing trend of manufacturing concerns investing in a 'circular business model' which seeks to create sustainable supply chains aligned with firm-specific capabilities, which aims to recycle or recover resources used in the process of production. The authors spent decades studying this phenomenon and were able to identify three basic strategies (product ownership, product life extension, and recycling design) for successful implementation of circular business model. The combination of these to adopt depends on a range of factors including ease of access to used products, recycling materials, components or the end product.

The ninth article titled **"How to Succeed Quickly in a New Role"** written by Rob Cross, Greg Pryor, and David Sylvester has outlined five practices that will help individuals assuming new roles, to adjust and succeed faster in today's dynamic workplaces. The scenarios could range from shifting to a new organization, promotion to a higher position in the same organization or simply a new challenge in a different department. The authors extensively analyzed relationships and communication patterns across more than 100 companies and interviewed 160 executives, finding that effectively utilizing internal networks is the most important yet overlooked pre-requisite for transition success. The individuals who are high performers in their new roles are the ones who have surged massively into a wider network, are able to generate 'pull' by creating new connections, know how to generate value and fill skill gaps, leverage networks to maximize impact, and prioritize relationships that enhance their professional well-being.

The last article **"Accounting for Climate Change"** written by Robert S. Kaplan and Karthik Ramanna is a scathing critique of the present Environmental Social Governance (ESG) framework applicable to corporations that are socially and environmentally conscious.

According to the article, around 90% of the S&P 500 listed companies publish ESG reports, containing information about greenhouse gas (GHG) emissions and the company's carbon footprint. The authors claim that these reports are often unverifiable and unsubstantiated as they are based on inaccurate and contradictory data, hence presenting a misleading picture. In order to rectify this, they have proposed an alternate system known as "E-liability accounting system" where the principles of cost accounting are applied to measure the emissions (or e-liabilities) and subsequently assign them to individual outputs, along the entire value chain.

Finally, there is a bonus article titled **"Persuading the Unpersuadable"** by Adam Grant that identifies four personality traits in people that make them among the most difficult to persuade to rethink their positions. The first barrier to changing someone's view is arrogance or overconfidence in people, which makes them more defensive, instead of allowing them to recognize the gaps in their own outlook. The second barrier is stubbornness in people who have pre-conceived notions that are unlikely to change, as they believe they can control outcomes. The third barrier is narcissism in people who think they are flawless and special, which creates an aura of invincibility around them, rendering the process of persuasion meaningless. The final barrier is disagreeableness in people who are fueled by argumentative conflict and are always ready to fight for their ideas.

The book is an excellent compilation of contemporary ideas explained in a very lucid and thought-provoking manner that will leave an indelible mark upon the collective psyche of readers. It will indeed serve as an effective guide for top corporate honchos, influential policy makers, senior managers, and management researchers.