



**KAMINI BANGA**

IS AN INDEPENDENT CONSULTANT,  
AN AUTHOR, A COLUMNIST,  
AND A SPEAKER.

# EXPANDING THOUGHT HORIZONS

Given the rapid and tectonic shifts in the business environment and ever-fresh challenges to management thinking, anything lasting over a year would appear an anachronism.

However, in the last few years there have been issues that have dominated business conversations and continue to do so.

I did a quick poll among a small group of captains of industry, bankers, and academics to see if there was any consensus on books. Interestingly, everybody had their own favorites with only a few listing the much-hyped and awarded books. Yet, most of their choices centered on the same few themes.

The two criteria for my book selection were insights offered and their relevance now and in the future.

The big issues in management in the last five years have centered on banking and the financial crisis, greed and ethics, innovation and technology, leadership, environment and sustainability, poverty and inequality, and globalization.

My list of the must-read five books touch on one or more of these themes.

### Thinking, Fast and Slow

Daniel Kahneman

This is a seminal book on human behavior based on decades of research by the winner of the Nobel Memorial Prize in Economics, who is interestingly a professor of psychology. His thesis centers on why the choices we make are often not rational or informed as we would like to believe. Interestingly, even the best amongst us including pundits, gurus, and wizards will fall prey to this behavior.

Should we trust a leader who is an optimist or one who is a pessimist? Do our choices depend on how alternatives are presented to us? Are judges' decisions really based on careful consideration of all facts of the case?

The book offers learnings for economists, marketers, leaders, and anybody interested in understanding why their choices are not often in their own self-interest. It throws light on the banking and financial crisis and explains how the best and the brightest fall prey to all the judgement biases.

New York columnist David Brooks declared that Kahneman's work will be relevant one hundred years from now. This book should be made compulsory reading for every graduate degree.



### Steve Jobs

Walter Isaacson

Innovation is the holy grail for companies all over the world, especially as markets mature and get seemingly saturated. Apple has built the world's most valued company by churning out innovative platforms every few years, which seem to surprise and delight the consumer. Steve Jobs was Apple all the way till recently and led this performance with his unbelievable, often aggravating passion. The book brings out the personality of the man who had many faults, but was able to see what others could not. Who combined engineering with industrial design. Who wanted and demanded perfection. A stirring read that leads one to believe that leaders do make all the difference if they lead innovation personally in a business. A brilliant read for lessons in leadership, innovation, and technology.



### **An Inconvenient Truth**

*Al Gore*

When this book came out in 2006, climate change had many powerful detractors and skeptics including really powerful leaders and scientists. The book and perhaps more its author, with his fact-based lectures all over the world, made people sit up and listen carefully. The book articulated fact after fact to prove that society was living beyond its means in terms of nature and that each successive generation would leave the planet poorer for its children and grandchildren. The book also makes the point that the challenge will only be solved by coordinated actions by each stakeholder—governments, corporates, and individual consumers. Almost a decade later, environment and sustainability are firmly on the agenda for any company and its CEO. The book will continue to be a reminder of the dire consequences if all of us do not alter how we live and behave with respect to natural resources.

### **Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty**

*Abhijit Banerjee and Esther Duflo*

Poverty has become a major concern as it became clear that it could not be tackled by governments, or aid, or corporate actions. This book is based on observational studies and experiments to understand how the really poor think and behave often showing their actions to be counter-intuitive to what you and I may think. The authors argue that it is impossible for aid givers, or government representatives, or indeed corporate managers to truly empathize with the really poor. That is because our reality is so far removed from the day-to-day reality of life on less than one dollar a day.

In the growing debate between whether aid is really effective, this book offers solutions. The main message to aid givers, governments, and corporates is that one should not assume how the poor will behave. It would benefit to understand the underlying motivations to make aid effective. This book should be used to educate policy-makers in every country on ways to tackle poverty.



### **Why Nations Fail: The Origins of Power, Prosperity and Poverty**

*Daron Acemoglu and James Robinson*

Today, globalization has made differences between rich and poor nations more visible and sharp. This book based on fifteen years of historical study articulates why several nations fail because they are unable to build the political and economic institutions that enable progress as well as provide the necessary checks and balances to ensure the country is not hijacked by a corrupt, elite class of political and business leaders. It debunks popular notions that other factors such as geography, weather, natural resources, or culture are key determinants of successful and failed nations. The highest performing nations have created institutions that are relevantly centralized to provide basic public services such as justice and education, but are inclusive enough to encourage entrepreneurship. It is a relevant read for leaders in all fields as well as for individuals to make them aware of the need to build and support solid and stable institutions in their countries. The book illustrates the fallout of greed and poor governance. ■

