

The India Way: How India's Top Business Leaders are Revolutionizing Management

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Cappelli, Peter, Singh, Harbir, Singh, Jitendra and Useem, Michael (2010). The India Way: How India's Top Business Leaders Are Revolutionizing Management, Harvard Business Press Boston, Massachusetts. Price: Rs. 995, Pages 304, ISBN: 9781422155554.

The authors have envisaged corporate reaction to 26/11 attack on Indian financial and commercial capital Mumbai, as primary source of inspiration for writing this book (page 1). The authors share Indian corporate leaders' resilience, persistency and social consciousness during the turmoil which they mention as unique features when compared to US business leaders' response to 9/11 attack. Therefore authors explicitly declare Indian corporate leaders as more humanly and adaptive. Authors also highlight the mix of capabilities, managerial practices, and company cultures of Indian enterprises as unparalleled and nearly non-existent in other part of world including US.

Authors claim to have covered 150 top listed companies and interviewed 100 senior executives (page 9). Questions like, 1) what owners and board of directors bring to the table, 2) divergence from or convergence with their western counter parts, 3) methods of recruiting talent, 4) what will be lasting legacy, among others, were asked to substantiate the findings. Authors in their interviews have used open and close ended questions regarding leadership, governance, and human resource practices.

Structure of Book

The book is organized in seven chapters. The first chapter introduces the subject matter and the second briefs four key principles (figure 1) of "The India Way". Next four chapters elaborate those four principles respectively and the seventh chapter briefs key learning and concludes the book. Mostly these key principles are supported by interview excerpts and citations from newspapers, company journals, and other such sources.

Highlights

Since the opening up of the Indian economy in 1991, the GDP of India has more than tripled, foreign investment has soared (increasing more than tenfold since 1995 alone) and poverty rate has been more than halved. At the same time, leading Indian companies such as Reliance, Tata and Infosys have become formidable competitors in the global business environment.

In these success stories, there is a distinctive Indian way of doing business that has lessons for Western companies. In their book, the authors argue 3Ps: people, pragmatism, and purpose as key ingredient of "The India way". Backed by the insights gained from the interviews of Indian corporate leaders the authors conceived four peculiar key principles (figure 1) those represent "The Indian Way" (page 4&5).

Holistic Engagement with employees (chapter 3):

Indian businesses see their employees "as assets to be developed, not costs to be reduced", and have a strong sense of obligation to them. As a result, improving workforce capability becomes an ongoing process.

Improvisation and adaptability (chapter 4):

This is a case of necessity creating a virtue. The complexity of doing business in India means successful companies have to be extremely flexible and creative to achieve their ends (e.g. concepts like Jugaad among others).

Creative value proposition (chapter 5):

Intense domestic competition and highly cost-conscious consumers imply that Indian companies have become

skilled at developing new product and service concepts (e.g. Tata Nano motor car).

Broad mission and purpose (chapter 6):

Instead of simply focusing on shareholder value, Indian companies, say the authors, are more inclined to consider family, social, and national goals in developing and executing their strategies.

While acknowledging that some of the India way is a specific adaptation to Indian conditions, the authors argue that there are specific lessons in people management, executive leadership, competitive strategy, corporate governance, and social responsibility that can be applied by leaders of Western companies. Unlike the state capitalism of China, the India Way, say the authors, "preserves the logic of free markets and democratic institutions", yet "appears to avoid some of the apparent rapaciousness and excesses of the American model."

Views

As the US dominance of the global economy continues to recede, it seems reasonable to assume that business

leaders will look to source ideas of leadership from sources outside the US. However external factors like government policies, increasing employable population, FDI inflow among others are also significant contributor to the growth of corporates in addition to their leadership, governance, and human resource practices. Few exemplars from other growing economies like Brazil and Russia can also add flavor to "The India way"., It would have been good, had the authors highlighted Japan (The Toyota way) and China (Public private partnership) in their book. Interaction with top executives through interviews have formed the opinion of authors which may simply be the views of corporate leaders. We should, in order to understand "The India way", expect its sequel in which views from middle level and lower level employees are also captured. These inclusions may justify India's poor 134th rank of World Bank's rating on ease of doing business for 2011. The rating of India has consistently declined from 132 in 2009 and 133 in 2010. Nevertheless "The India way" is a useful addition to the stock of ideas about how to make a business work, and may be a foretaste of many similar management books in the future.

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