

Challenges for Cyrus

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The leadership torch at the Tata group has been entrusted to Cyrus Mistry, whom the selection committee found the most suitable person to lead the conglomerate. Having understanding of the group being an insider, Mistry has opportunity to prove his potential as the new head of the Tata Group. However his path would be quite challenging for sure.

In an insightful article on the challenges that Mistry faces in his new role, Prof. K. Ramachandran lists out three crucial goals that Mistry must set for himself. Firstly, he mentions that Mistry must ensure that there is no conflict of interest between his family (also part owners of the group) and the Tata group. This requires lot of discipline and a professional mindset. Mistry has to undertake an internal transformation from being an owner-manager of Pallonji Shapoorji group to the professional manager of the Tata group. This transition entails the shift of focus from the dreams and vision of his family to the values and dreams of the Tata group.



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Managing the optimal balances between short-term and long-term, centralization and decentralization and navigating the group in a turbulent global environment would be vital to his success. The second goal for Mistry therefore must be to further professionalisation in the group by setting up new standards. One of the ways this can be done is by institutionalising a formal performance appraisal mechanism for himself and for the board. This would help him earn acceptance and admiration as a professional business leader of global standards.

Being a non-executive member of Tata sons board, Mistry has had limited exposure of running a large conglomerate like the Tata group. Though Ratan Tata would be mentoring Mistry for the next one year,

Mistry would also need the senior leaders of the group to be on his side to provide required guidance. This would only be possible if Mistry lends himself to be mentored by other stakeholders. Listening to the many voices of wisdom before making crucial decisions would be of paramount importance. Therefore being open to be mentored is listed as the third important goal for Mistry.

It would also be the responsibility of Ratan Tata to help Mistry develop a shared vision and provide him opportunities to demonstrate a few initial successes. These will not only help gain acceptance of Mistry among all stakeholders but also contribute to Mistry's self-confidence. The many trusts and public organisations associated with the group would also guide Mistry in preserving the distinctiveness of the Tata establishment.

Leaders that view themselves as servants of their numerous stakeholders command respect; do their bit of the task successfully and pass on the mantle to the next generation.

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