

Does Infosys need an outsider as next CEO?

The current CEO of Infosys Technologies, S D Shibulal is due to retire by January 2015. The most crucial question about leadership succession at Infosys is whether an internal candidate must be chosen for the company's top job or should the company opt for an outsider to take up the position. In an interview to the Times of India Mr. Shibulal refrained from giving a clear answer. Infosys had always been proud of its internal talent pool for leadership positions. An internal candidate has a good understanding of the organizational culture, which is quite important in a service business.

The CEO of HCL Technologies opines that superheroes can't be expected to come from outside and solve all the organizational issues. *"Don't hire a French chef to cook butter chicken,"* is his advice. Nayar says that Infosys needs to first define the direction that it wants to take and then decide the candidate who can take it there. He is inclined towards an internal candidate because, *"when you have 150,000 employees, you can't tell them we do not have a leader among ourselves."*

Others opine that an external candidate will help infuse a new outlook and energize the company. Peter Bendor Samuel, CEO of IT research firm Everest Group says, *"The new leader must be able to have a customer view of the industry."* It is also important that the person must command high respect within the industry and is trusted by the board and the founders.

"The company needs an entrepreneurial manager to steer the ship with a blend of strong values and managerial skills," says Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at the Indian School of Business. However, that last part is a major issue. Will an outsider who is highly respected within the industry, be willing to work under Murthy? This is yet another factor that might force the company to opt for an insider.

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