

## AV Birla Group Prepares Second Line of Leadership

The \$40 billion conglomerate AV Birla group led by Kumar Mangalam Birla has developed a systematic plan to prepare a second line of leadership for all the group businesses. The transition plan is being implemented by appointing senior executives with leadership experience in the group to the position of deputy managing directors at several group companies. Dilip Gaur who was associated with three of the group's businesses was recently appointed as the deputy managing director (MD) of the cement arm UltraTech. Ambrish Jain was earlier appointed as the deputy MD of Idea, while Satish Pai was made the deputy MD of Hindalco. Pankaj Razdan was made the deputy chief executive of financial services business. Lalit Naik has been made the MD of Aditya Birla Nuvo. Other than Satish Pai who came from Scumberger, most of the second line leaders have been groomed from within the group. They were selected based on their ability to rally people, their leadership skills and competencies.

This group of top level executives now forms a second line of support to the heads of various businesses, which are increasingly becoming more challenging to manage in a complex business environment. Through this exercise the group aims to develop a top leadership that has rich intrinsic strengths. Management experts opine that the move points towards the group's transformation into a more professional setup. *"Most Indian family businesses have been practicing a limited level of professionalism. The AV Birla Group has now confirmed their movement from what I call 'directed professionalism' to 'democratic professionalism' wherein high quality team members are respected and treated equally by the lead promoter,"* said Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management, Indian School of Business. *"This is how most family-controlled businesses have grown global in any country,"* he added.

Source: The Economic Times, November 14, 2014