

## **Infosys Co-Founder Murthy Returns to Right the Floundering Firm**

N. R. Narayan Murthy, the iconic founder of the Indian IT firm Infosys Technologies has come back to the company as its executive chairman about seven years after he had announced his retirement. Earlier, when he turned 65 in August 2011, Murthy had retired as the firm's non-executive chairman and mentor, in line with the company's policy. Infosys had to revise its retirement age for the position from 60 to 75 in order to facilitate Murthy's return. K. V. Kamath, the chairman who relinquished his position in favour of Narayan Murthy explained that *"this call was sudden, unexpected and most unusual."* Backing up the decision, he mentioned, *"The board has taken this step keeping in mind the challenges that the technology industry and the company face."*

Infosys, which was the most admired company in the IT sector, has been witnessing a downtrend in its performance. It has grown much slower than the peers, which have performed well, despite of the tough market conditions. The company officials blame the firm's over dependence on the financial services sector as one of the main reasons for its poor performance. The firm follows the founder-CEO model that Murthy had strongly favoured. Four co-founders of the company had held the CEO position one after the other. Of these, the tenure of S.D. Shibulal, the present CEO, has witnessed a severe downturn.

According to Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at the Indian School of Business, this is not the right model for Infosys or any other company. He opines that an organisation requires different management capabilities in different phases. *"Bringing back a retired leader is not a good move. No organization should be individual dependent. As a board member and founder of the company, Murthy should have facilitated the creation of a crop of new leaders at the top instead of taking up the mantle himself."* Experts opine that even if the company regains its financial leadership under Murthy, Infosys has lost the moral high ground that set it apart from other Indian companies.

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