

Scions of Change: GenX being groomed to lead

India's large family business groups are establishing a long process of grooming the young generation for future leadership roles. The next generation successors at the country's large family business groups do not get the high chairs only based on their bloodline or surname. They are joining the businesses in middle management roles and are being honed for years before they take up leadership positions with much wider roles. Call it pressure from investors or the self-interest of families in ensuring sustenance of their businesses, the trend is visible across many groups.

Anand Mahindra, for instance, spent 15 years as managing director and 9 years as vice-chairman of Mahindra & Mahindra before getting the top job recently. Anant Goenka joined Ceat in 2005 after a stint with group company KEC International. After long years of experience, he recently got the top job in April 2012. Similarly, Pirojsha Godrej joined Godrej Properties as a management trainee eight years ago. He was made the CEO of the firm this April. Ratan Tata is grooming Cyrus Mistry for the upcoming leadership role at the Tata House. On the same lines, the Piramal group, Future group and RPG group are all in the process of grooming their next generation members for leadership in future.

Though management skills of non-family executives may not be doubted, it is difficult for them to have their careers fast-tracked as is generally done for the family members. Prof. K Ramachandran, Thomas Schmidheiny Chair Professor of Family Business & Wealth Management at ISB opines that though the careers of the next generation family members are fast tracked, *"the young scions also have a greater entrepreneurial drive, which may be missing in a professional executive from outside."*

Source: Hindustan Times, June 02, 2012