

# Business wise

Shashank Shah believes younger generation is passionate to contribute to India; this approach to give back to the society promises a great economy

GURNAAZ KAUR

Shashank Shah is a stakeholder management strategist, researcher and published business author. His research and publications focus on the role of corporations in economic and social value creation through visionary leadership, stakeholder-centric decision making and inclusive business strategies. He has co-authored over 100 research-based papers, case studies and articles in the areas of Corporate Stakeholder Management Strategy, Private Sector Development, Corporate Responsibility and Sustainability, Governance and Leadership. He has been a Visiting Scholar at Harvard Business School, Fellow and project director at Harvard University South Asia Institute. After two successful books *Soulful Corporation* and *Win Win Corporation*, this time he has come up with *The Tata Group: From Torchbearers to Trailblazers*. This book tells riveting tales and gives insider accounts of adventure and achievement, conflict and compassion, dilemmas and decisions across twenty-five Tata companies.

Here are excerpts from interview with this young author on all that has gone into bringing this book together.

#### What made you write about Tatas?

Tatas are the most globalised conglomerate in India. 66% of their revenues comes from overseas. The kind of internal changes they have made to adjust and live up to the changes liberalisation kind of



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forced on corporate India. With all that how they also streamlined their focus and value system. While I was doing my research, I realised that the last major work on the Tatas was done in the year 1992, which captured the Tata story historically but over the next 25 years the Tatas have grown substantially- 25 times precisely. From twenty thousand crores to six lakh fifty thousand crores post liberalisation. The kind of global success they have achieved made me delve deep into their story.

#### What all has gone into the book?

I have done about 100 interviews with senior Tata leaders, right from Mr Rattan Tata, MDs of all Tata companies then the next level and gone down all the way of hierarchy to middle managers, visited the factories in Pune, Jamshedpur. Tatas have 7 lakh employees. I've referred to all the

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published data on the Tatas, journals, magazines, newspapers, archival records, speeches, letters both Indian and international. It was important to include what the international press perceives about the kind of work they have done because we are very patriotic about how our companies have

done overseas but how do they perceive our companies in their geographies, so therefore it's not an opinionated book. It's a book based on several perspectives.

#### Tell us about the key learning from the research.

What I have gained is it is possible to do well by doing good. It's usually perceived that you win at someone else's cost and vice versa but my premise has been that no it's possible to win yourself and help your stakeholders to win. Tatas are considered as a group of companies that has done really well by building various institutions, but that's just one part of it, that's the kind of charitable work they have done. The way they have done business is equally interesting because sometimes charity is considered as clearing your guilt of doing things in an incorrect way but that has not been their strategy because the Tatas are owned by trusts and these trusts by mandate have to spend 85% of the earnings for social welfare, so it's a virtuous cycle. This is a model that has been in place for 100 years and this is going to be a model in perpetuity. Therefore money is going to be continuously used for social welfare and the more success the companies achieve the more money is available for larger good. This is a very unique model and this is my learning that you don't earn money just for the sake of passing it on to your next generation but you earn money and create wealth in such a way that it

benefits the country, the society. That's a key learning.

#### How did you take up this line of study based on social value creation or stakeholder-centric decision making?

My passion has been based on my observation of the Indian economy. In the early years of the new millennium, there was a huge change in the way the Indian economy was operating- from pre-liberalisation to post-liberalisation era, in the licence raj where everything was so controlled and so limited in availability to an era where multinationals came in. We moved from all the made in India services to global competition which forced the Indian companies to give their best and improve. There was that transition that happened in the Indian economy because of which there was a lot change but as a young student I also observed a lot of things that were happening on the negative side. There were .com companies that made large amount of money and in a year or two later all of those companies had gone bust. A lot of cases of insider trading, fudged accounts were surfaced. This kind of made me think what is the purpose of business? Is it the purpose of business to make money at any cost and portray an artificial sense of success of it or is about creating genuine value for all the stakeholders, while also earning money for those who have invested in the company. That kind of embarked me into my area of research as to how this can be done.