

Expat CEOs a Rare Commodity in India Inc

Cos largely homogeneous in appointments; 28 non-India expat CEOs among 2,521 appointed by 2,048 listed cos at end of FY24

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Mumbai: After Thierry Delaporte's exit from Wipro, only three companies in Nifty-50 index will have an expat CEO – Maruti Suzuki, Dr Reddy's Labs and Kotak Mahindra Bank. This 6% representation in a group of India's 50 leading companies is still high compared to other listed companies.

According to data sourced from Prime Database, there are 28 non-India expat CEOs among the 2,521 CEOs cumulatively appointed by 2,048 listed companies at end of FY24. The number of expat CEOs has hovered around the same levels over the past decade with several being individuals of Indian origin.

In a country that is a CEO factory for the world, an expat CEO remains an exotic species. India Inc has largely been homogeneous in its C-suite appointments with a clear preference for home-bred desi CEOs. This is due to a variety of reasons such as cost, culture fit, understanding of the market complexities & regulatory systems.

Companies in the more globalised aviation and pharma sectors – Air India, Indigo, DRL, Biocon (at the group level) and Syngene International - have managed to rope in expat CEOs. Sun Pharma too roped in Israel Makov, former CEO of Teva Pharma, as the chairman of its board for ten years ending 2022. In the past, Ranbaxy, Jet Airways and Spicejet have had expat CEOs.

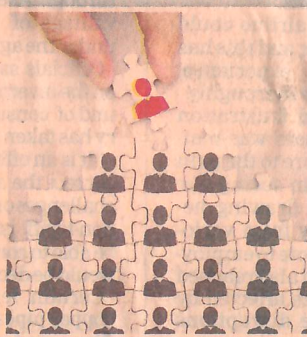
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Among business groups, Tata group has been at the forefront in onboarding expat CEOs. Air India, Tata Technologies and Agratas (Tata group's battery cell company) currently are led by expat CEOs while Tata Motors, Vistara and Tata Teleservices have had expat CEOs in the past.

Reliance Digital has had an expat CEO Brian Bade since 2010.

The multinational FMCG companies like HUL and P&G have traditionally preferred to have an Indian CEO to helm their Indian operations rather than have

Local Flavour



Source: primeinfobase.com

THE DECLINING PROPORTION OF EXPAT CEOs IN INDIA INC OVER THE PAST DECADE

Year	No. of NSE listed Companies	Total No. of MD/CEOs	Expat MD/CEOs (Non-Indian Nationality)
Mar 31, 2015	1,209	1,501	32
Mar 31, 2016	1,272	1,604	30
Mar 31, 2017	1,349	1,706	29
Mar 31, 2018	1,498	1,890	29
Mar 31, 2019	1,591	1,974	28
Mar 31, 2020	1,614	2,013	31
Mar 31, 2021	1,653	2,052	29
Mar 31, 2022	1,732	2,145	30
Mar 31, 2023	1,827	2,259	28
Mar 31, 2024	2,048	2,521	28

an outsider lead it. Nestle India was an exception. The company appointed expats to lead their India operations. However, that practice changed since the Maggi noodles controversy in 2015. Certain MNCs in consumer durables and non-consumer space such as Maruti Suzuki, BASF India, JTKET India and

Kingfa Science & Technology have appointed non-Indians as their CEOs.

In a study published in the Management Decision journal in November 2018, researchers Rajiv Kumar and Jagdeep Chhokar have highlighted how local organisations in developing countries seem increasingly willing to emp-

loy 'self-initiated expatriates' (SIEs) – who move from developed countries to work in developing countries and occupy senior positions. According to the study, emergence of hitherto non-existent businesses, rapid expansion, global ambition and organisational maturity seem to drive the demand for SIEs.

Industrial decline elsewhere, attractiveness of emerging economies, challenging roles, prior experience within similar countries and a non-working spouse enable the SIEs acceptance of employment with such organisations.

"If one looks at the track record of expat CEOs in India, very few – maybe around 10-15% – have been hugely successful" said Ronesh Puri, MD, Executive Access India, a leading search firm. "India is a very distinct and diverse country where a CEO needs to have a high emotional quotient and excellent people skills to emotionally connect with people. And, in case of expats, mishiring happens more often when a candidate's professional skills and performance are considered, and emotional and people skills aspects overlooked."