



SPINNING CHAIR

Number of expat MD/CEOs as a proportion of the total MD/CEOs in the past 12 years

As on Date	Number of NSE-listed companies	Total number of MD/CEOs	Expat (non-Indian) MD/CEOs	% of expat MD/CEOs
Mar 31, '13	1,479	1,453	33	2.27
Mar 31, '14	1,489	1,570	38	2.42
Mar 31, '15	1,461	1,564	34	2.17
Mar 31, '16	1,510	1,646	33	2.00
Mar 31, '17	1,586	1,745	33	1.89
Mar 31, '18	1,664	1,836	29	1.58
Mar 31, '19	1,674	1,822	28	1.54
Mar 31, '20	1,698	1,850	30	1.62
Mar 31, '21	1,766	1,911	29	1.52
Mar 31, '22	1,901	2,072	30	1.45
Mar 31, '23	2,050	2,239	27	1.21
Mar 31, '24	2,294	2,518	28	1.11
Apr 17, '24	2,316	2,539	28	1.10

Source: primeinfobase.com

EXPAT IMPACT

The story of India Inc's brushes with expat CEOs is a mixed bag. Will it help to simply focus on the best person for the job?

working methodology, and the dynamics of the local business environment could be the reasons why some expat CEOs struggle in India.

"The Indian landscape is very different from the West in terms of culture and complexities. On top of this, most Indian businesses are family-owned. Even if the promoter is himself or herself not the CEO, for an expat CEO to work under their constant glare is an extremely different paradigm from the West, where most companies are institutionally owned," says Pranav Haldea, Managing Director, Prime Database Group. Gibin Jayaprakash,

Now, Campbell Wilson is steering the once state-owned Air India for the Tata group.

Unique perspectives

Butschek is not the only expat CEO to shine in India. Mike Watts, who retired in 2014 as Cairn Energy's

deputy CEO, bet on Rajasthan's Barmer oilfield at a time others were wary. Cairn had bought the Barmer field from Shell for \$7 million. It was not seen as a productive asset.

Today, Cairn, now under Vedanta, contributes more than a quarter of India's

domestic oil production, and Barmer is its largest site.

Scott Bayman is credited with transforming GE's India business.

"Companies bring in expat CEOs for their unique perspectives on business growth, which can be adapted and implemented in

a developing market like India," says Randstad India's Jayaprakash.

Best person for the job

Naushad Forbes, former President of Confederation of Indian Industry and Co-Chairperson, Forbes Marshall, believes it all

depends on the individual. "I don't think it's black or white. We should not seek either an expat or an Indian, but just the best person for the job. If one is trying to build a large international business, someone with international exposure can help," Forbes says.

AYUSHMAN BARUAH, RUCHIKA CHITRAVANSHI, SOHINI DAS, AMRITHA PILLAY, ISHITA AVAN DUTT
Bengaluru/New Delhi/
Mumbai/Kolkata, 19 April

Earlier this month, Thierry Delaporte stepped down as the chief executive officer and managing director of Wipro – about a year and three months before his current term was to end. The software services major informed the stock exchanges on April 6 that Delaporte, a non-Indian – in other words, an expatriate—will be succeeded by Srinivas Pallia, an Indian who has been with Wipro for more than three decades.

The change in Wipro's leadership once again puts the limelight on India Inc's tryst with expat CEOs.

"The stay of an expat CEOs is dependent on the duration of the visa, which is based on the purpose of their visit or deputation to India. Typically, the stay period ranges from three to five years, or beyond depending on the business requirements of the company," says Divya Baweja, Partner, Deloitte India.

That sounds logical. But there are cases in which it was not immediately apparent that the purpose of the deputation had been fully accomplished.

Data sourced from Prime Infobase shows expat MDs or CEOs as a proportion of all MDs and CEOs in India have come down from 2.27 per cent on March 31, 2013 to 1.10 per cent as of April 17, 2024.

These numbers tell a story; the names tell a bigger one.

Unplanned exits

On June 12, 2014, Vishal Sikka was appointed CEO of Infosys — which, like Wipro, is a software services giant based in Bengaluru — becoming the first non-founder in the job. He resigned three years later, following public disagreements with the founders.

Many in the industry say Sikka was more of a product person, not so much the "services" guy Infosys needed. Though India-born, Sikka had lived in the United States since his college days. Interestingly, even while he was the CEO of Infosys, he continued to spend more time in the US than in

Bengaluru.

Much before Sikka, in 2005, Vivek Paul, another India-born American national, who is credited with transforming Wipro into a \$1 billion enterprise, put in his papers in a move that was seen to be out of the ordinary.

Hawaii-born Raymond Bickson quit as Indian Hotels MD in 2014, after getting a fresh five-year term.

In 2011, Andrew Levermore, Bharti Retail CEO, put in his papers and headed back home to South Africa after a short stint. It was his second exit from India after K Raheja's HyperCity Retail in mid-2008.

Some analysts say expats, at times, are unable to blend in with the cultural fabric of Indian corporations. The constant travel adds to their burden

Remote sensors

Sikka, as mentioned above, operated primarily from the US. Delaporte did so from Paris.

Delaporte had revamped Wipro's organisational structure into a seemingly simpler one, and increased its focus on large deals. He also roped in senior executives from other firms, which may have made the Wipro insiders feel left out, says Phil Fersht, CEO and chief analyst, HFS Research.

Wipro saw several senior-level exits, including that of CFO Jatin Dalal, who resigned after 21 years. It did not help that the company was not outshining its rivals.

"The large deals team was shut down at the end of last year, with Stephanie Trautman, a popular figure with clients, leaving the firm," Fresht says.

Cost and culture

Some analysts say expats, at times, are unable to blend in with the cultural fabric of Indian corporations. The constant travel adds to their burden.

Sikka, around the time of his exit in 2017, said he took 99 commercial and 17 private flights in 2016, totalling more than 800 flying hours.

Human resources experts say differences in culture,

Database Group, Gibin Jayaprakash, Business Head, Executive Search, Randstad India, a staffing and HR services firm, says expat CEOs "may struggle to align their strategies and working styles with the core values and ethos of Indian organisations, leading to resistance and disengagement from stakeholders."

Expat CEOs also come at a significantly higher cost, which can unsettle the board and management. Last year, Delaporte made headlines for his annual compensation of about \$10 million (Rs 82 crore). Sikka, likewise, was one of the highest paid CEOs in the Indian IT sector during his time with Infosys.

"Deputation of expatriates is generally a costly affair for the employer company and thus we are seeing trends such as localisation to India or Indians taking over from foreign nationals once the purpose or period of their stay is over," says Baweja of Deloitte.

Tata says hello

When Bickson quit Indian Hotels, the Tata Group company that runs the Taj chain of hotels, its financial performance was weak. The Pierre, which the company had bought in 2005, had failed to make money by the time of his exit, hobbled as it was by the global financial crisis.

However, the Tata Group is not averse to expat CEOs. It appointed former General Motors executive Karl Slym in 2012, who died by suicide in January 2014. Slym was with Tata Motors only for 15 months or so, during which he was trying to prepare a blueprint for a turnaround. Slym's predecessor Carl Peter Forster, a former BMW executive, had left abruptly after a brief stint.

However, the current buoyancy in Tata Motors, which has become an early leader in electric cars, can be credited to another expat.

In 2016, Tata Motors brought in Guenter Butschek, who had a five-year stint at the company before he decided to return to his home country in July 2021. It was under Butschek that Tata Motors launched popular EVs such as Nexon. In an interview to *Business Standard* in early 2020, Butschek had spoken about changing the consumer mindset towards EVs.