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## Book Review: The Tata Group: From Torchbearers to Trailblazers by Shanshank Shah

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## Book Review

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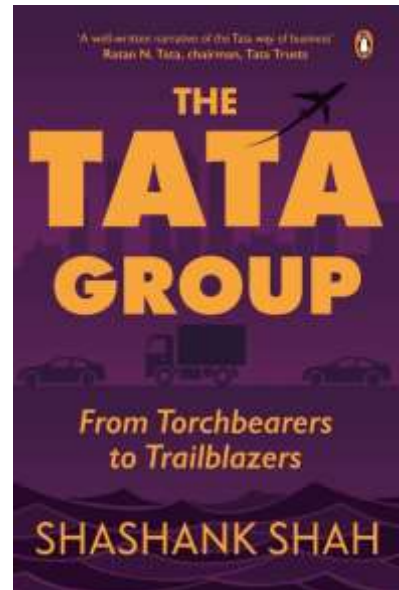
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### Introduction

Books focusing on a singular aspect of business operations or highlighting a particular industry leader, unique hierarchical schematic, or method of business sector transformation are typically limited in scope and discussion to the subject selected. In tackling, however, the behemoth *Tata Group* - which ascribes its foundational roots to India over 150 years ago and continues that national representation while functioning as a global company - is truly a daunting challenge. This commanding undertaking requires that special chronicler who is gifted in research, verse, analysis, and personal experience with the subject material. Fortunately, for the reader, author Shashank Shah has emerged to provide a historical treatise that not only captures the rich detail of the development of the various Tata industries, but infuses in his recitation relevant family quotes and personal anecdote which all combine to take these historical and current figures and give them new life.



Shah begins this account by emphasizing that the Tata Group is credited for bringing industrial capitalism to India with much of the wealth generated placed in charitable trusts earmarked for philanthropic purposes [in fact, in 2018, as the author notes, charitable trusts established by the Tata Group were predicted to distribute 85% of their dividend earnings on social welfare projects alone].

Shah's presentation of material thereafter is supplemented by his incorporation of, and frequent reference to, philosophies espoused by economic theorists over the ages as well as an abundance of financial data. His work is infused with anecdotes given by an author who has been at the forefront of his subject matter. His writing demonstrates a successful quest for quality and a commitment to accuracy and precision.

### Its Beginnings

Founded in India in the 19th century, the Tata empire was truly borne of a family business, promoting the marriage of industry and community interests. For instance, the cotton industry began to thrive under the Tata family and with increasing global competition, the resuscitation of certain native industries like silk was accomplished. The nationalistic fervor and

commitment to home-grown products led to ready, diversified investments by members of the Tata family. In 1892, the Tata endowment was established which allowed its recruitments to seek higher studies overseas. Its sense of nationalism translated into a quest for self-sufficiency to propel it to assume a prominent status of a truly independent nation in the world. Eventually, the manufacture of iron and steel, together with the assistance of science and technology education and the provision of affordable energy, would become the harbingers of the Tata Empire.

Continuing from the 19<sup>th</sup> century, descendants of the family have consistently focused on national identity, employment and education opportunities, and scientific advancement by not shutting the world out, but rather by learning from other countries' best practices. Throughout the course of its growth and diversification, the emphasis on philanthropy was never negated, but rather embraced fully.

Over the years, members of the Tata family have notably invested their personal fortunes and liquidated personal assets to propel its businesses forward, even when negatively impacted by dramatic post-WW II economic changes, trends, and necessary transitions. It was these instances of personal dedication which avoided financial destruction and avoided the non-payment of workers' wages.

## **Guiding Principles**

It is important to note not just the sequential milestones of the Tata Group's development, but the indelible and tenacious commitment of this group – denoted collectively as the largest private sector employer in India – to leadership principles and ethical codes of conduct as personified by its family members, managerial staff, and employees over the decades. The author points out that throughout the decades, Tata's growth has been guided by its consciousness of human needs and societal shortfalls. It has not shied away from risk and its decisions were often tempered by its desire to propagate national pride shaped by geographic identity. This has been exemplified by capitalizing such local products as tea, cotton, and the raw sources required to manufacture steel.

## ***Philanthropy***

Tata has catered to the entire societal pyramid, neglecting no socioeconomic strata in the process. While it may appear that as a general rule, the larger the corporation, the more impersonal it is with the divide between management and labor growing precipitously, Shah points out otherwise. It was refreshing to read about the company's undying commitment to the welfare not only of its employees, but of all its stakeholders as well. Tata has always been at the forefront of studying the root causes of poverty and participating in its alleviation wherever possible.

## ***Relationship-building***

Tata has repeatedly won the confidence of both Management and Labor. And in both the national and global markets, it has sought joint ventures and collaborations wherever possible. This was evidenced by the acquisition from Ford of Jaguar Land Rover in 2008 – for an all cash transaction of 2.3 billion – and previously with its association and eventual friendly buy-out of Tetley Tea in 1992. Regardless of its vast dealings around the world, it continues to highlight local products while concomitantly championing cultural integration. These

examples of acquisitions have arisen from mutually-beneficial associations demarcating a continuous journey of Tata in its advancement in evolving as a truly global phenomenon.

Employees have been greatly valued and made an integral part of the decision-making process of Tata, showing the collective nature and depth of the group's ethical commitment throughout the decades. Its relationship-building strategies and practices have been founded on mutual respect, passion, and genuine affection which have been the touted cornerstones of Tata's successes.

### ***Globalization***

The Tata Group has rarely, if ever, shied away from either the globalization of products or services, but has rather welcomed the emergence and proliferation of unobstructed trade. Frequently, the business empire has not hesitated to seize upon a potential competitive advantage, evidencing a history of embracing risk-taking grounded in unconventional customer centricity. This point has been exemplified by the establishment of Tata Consultancy Services (TCS) – now a multinational business operating in 46 different countries.

### ***Innovation and Quality***

Tata has established a prolific record of addressing challenges of different markets and innovating and providing quality products and services for the entire consumer pyramid. Shah frequently emphasizes throughout the book how the group views innovation: it is sourced by the customers themselves. Thus, there is, and has been, a common thread in Tata's operations: the business conglomerate appears to continuously address the challenges posed by different markets and attempts to provide the products and services to all consumer bases, answering a plethora of real or discerned needs. This dedication has arisen from Tata's fervent desire to innovate according to the wants and expectations of the customers themselves.

According to numerous sources, Tata has been transforming the supply chain and making it more technologically efficient. And as the issues of the modern world dictate, Shah notes that Tata has been responding in equal measure – especially in areas of infrastructure, mass transportation, and energy.

### ***Celebrating Success and Learning from Failure***

Shah points out that any expected sense of humiliation or despondency which would naturally emanate from a company's failure is not the usual end point for Tata. Instead, Tata looks for intrinsic lessons to be learned from past mistakes and creates ways to proceed wisely in future endeavors.

Shah aptly points out that opportunities were not squandered by the growing Tata empire. For example, even though India had missed out on both the Industrial Revolution – primarily as a result of British Rule – as well as the Electronics Revolution – primarily as a result of Socialist-oriented legislation passed by the post-independent Indian government, Tata sprang into action with the IT Revolution, ultimately leading it to the development of high-end chip design, creation, and testing.

### **Hallmarks of Leadership**

The Tata Group has emphasized its commitment to a particular set of values over the course of its evolution which include:

- Transparent behavior;
- Open communication;
- Wealth creation with a difference;
- Looking beyond the needs of its shareholders to the interests of all stakeholders; and
- Corporate social responsibility – as reflected by Tata’s charitable trusts.

The author describes the overall business performance by Tata has having been enhanced by the creation and implementation of codes of conduct and the demonstration of societal goodwill; leadership devoid of corruption and indicative of a strict adherence to ethics have been hallmarks of the group. Its ethos has been largely built upon particular core values specifically identified by the author as integrity, understanding, excellence, unity, and responsibility. All employees are expected to abide by and follow these corporate codes of conduct.

## Conclusion

The author has presented a roadmap of a unique story of national and industrial success formed largely by members of one family who are described in exquisite detail. Shah supplies the reader with a collection of individual biographies and successfully brings these historical figures and current leaders to life, injecting them with supreme humanity and purpose.

In conclusion, Shah has provided an incredible and exceptionally well-researched, historical narrative. He does not submit to a pie-in-the-sky evaluation, but notes that even with its failed industries, Tata has striven to learn from its mistakes and continues to be respected for its working principles of transparency, accountability, desire for diversity in its workforces, and fashioning working partnerships with its stakeholders.

## About the Book’s Author



Dr. Shashank J. Shah is a stakeholder management strategist, researcher, and published business author. He has developed strategic perspectives and operational frameworks on leading multinational and Indian public and private sector firms, including Fortune 500 companies. His research and publications focus on the pivotal role of corporations in economic and social value creation through visionary leadership, stakeholder-centric decision-making, and inclusive business strategies.

Dr. Shah has co-authored over 100 research-based papers, case studies, articles, and technical notes in the areas of Corporate Stakeholder Management

Strategy, Private Sector Development, Corporate Responsibility and Sustainability,

Governance, and Leadership. These have been published by eminent publishers including Harvard Business School, Penguin Random House, Springer, Sage, Emerald, and Macmillan. He has presented research papers in international conferences at Harvard University (USA), INSEAD (France), and Indian Institutes of Management and has also been invited to present his research at institutions in Brazil, Italy, Japan, Malaysia, and Turkey.

A recipient of the President of India and Governor's Gold Medals for excellence in the MBA and Master of Philosophy programmes at Sri Sathya Sai Institute of Higher Learning, he was awarded the AIMS International Outstanding Doctoral Management Student Award at the Indian Institute of Management Ahmedabad. He has been a Visiting Scholar at the Harvard Business School, USA and the Copenhagen Business School, Denmark. He has also been a Fellow and Project Director at the Harvard University South Asia Institute, USA and a Fellow at the European SPES Institute, Belgium. He was Invited Expert Faculty in Corporate Responsibility at Executive Development Programmes by Harvard University, the World Bank, and the Government of India as well as the School of Management, IIT Bombay. A Consulting Editor with The Business India Group, he is a columnist for *Business World*, and reviewer for Taylor & Francis, Sage, Palgrave Macmillan, and Emerald Publications.

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