

Compassionate leader, ethical businessperson

How Ratan Tata became a lodestar for the nation and future generations

Writing anything about Ratan Naval Tata can be both easy and daunting. It is easy because if you list out the qualities that a good man should possess, most likely, you would find all of them in him. Difficult it would be because there are very different layers of personality traits in the man that are tough to segregate. But their aggregate makes him unique, for his persona housed characteristics of opposing polarities that integrated seamlessly: For instance, compassion and aggression (in business).

Perhaps, Winston Churchill's description of the erstwhile USSR — "a riddle wrapped in a mystery inside an enigma" — may be appropriate to describe the titan, though not in the pejorative sense it was used by the British statesman.

The impression of being an imperceptible personality stuck to him as unlike other leaders, political or industrial, Ratan Tata was a very reticent man. It both worked to his disadvantage and advantage. His detractors dismissed him as an unknown entity because he was not as boastful as leaders generally are. But most criticisms against him withered away in the overwhelming exuberance of loyalty and admiration he earned, not commanded.

The CEO of a company whose family has been running a dealership of Jaguar and Land Rover in New York since 1938 shared

with me his interesting perception of Tata. In his telling, the Indian business leaders was often dismissed as a shy individual. He was different from the typical heads of multinationals who are "hard-charging go-getters, fast-paced and a kind of removed, cold guys." But Ratan Tata was far from being "removed" or "cold". He was more effective and successful than his contemporaries, he added.

Ratan Tata was empathetic, compassionate, polite and kind; particularly so with employees. His concern was not, however, fettered by geographical considerations.

His universal concern surprised many as it did after the Tata Group acquired the US-based General Chemical Industrial Products for \$1.01 billion in 2008. When he was asked how he would leverage the business opportunities the recession-hit US offered Indian industrialists, Ratan Tata's reply was unmistakable for its import. He said that the policy should "not be aggressive and alien to the kind of pain" that the US was experiencing and that it should be used "to the benefit of US companies without in fact taking jobs away from them".

At home in India, his deep concern for the welfare of the employees of the group made him a leader for whom they would make any sacrifice. He did not have to demand their dedication — it came naturally to them. A Tata veteran spoke to me about the demands made on the employees in the 1990s to revive Tisco (now Tata Steel) and how they collectively rose to the occasion. The "most touching thing" was that "everyone was working for RNT". They

were driven by the overwhelming thought: "We can't let him down." He added that "Ratan did not have to demand it, the goodness of his personality won him unflinching loyalty." "We did things for him. It was personal loyalty," he added.

The deep concern for the welfare of the employees was in several ways deeper than what the founder of the group, Jamsetji Tata, had famously demonstrated. Not many would be aware that even when he had not grown much in stature in the group, in the 1980s, he fought against the shutting down of the Empress Mills at Nagpur, the first enterprise established by Jamsetji. He did so, as it threatened to render over 5,000 employees jobless. He opposed the stalwarts of the Tata Group, including JRD, his mentor, in his effort to find ways to rehabilitate the affected workers.

When he failed, he told an interviewer: "I was so disgusted by that decision (to shut down the company) that when I got my annual bonus from the Tatas, I gave it to the officers of the company... These were perfectly blameless people who now had lost their jobs through no fault of theirs because of a bad corporate decision. They had homes to run and children to educate."

Ratan Tata's philosophy, both personal and business, rested on his conviction that societal goals cannot be sacrificed at the altar of commercial interests. The Nano car project (undertaken to provide safe transport for middle-class families), the Save the Whale Shark campaign (this fish, caught in large numbers along the Gujarat coast, was declared an endangered species in 2001),



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the coal liquefaction project to be taken up in collaboration with Sasol of South Africa (as a means to find cheaper oil), and the Mundra power project (an ultra-mega project, he thought, was necessary to achieve India's targeted growth rate and the need to the group to demonstrate leadership), are a few examples. He told the managing directors (MD) of several Tata companies: "We need to do this (take up projects for the social cause) because the country requires it." Extending the trusteeship principle, under the aegis of Tata Trusts, he steered projects that were less glamorous but benefited society.

He collaborated with the Massachusetts Institute of Technology (MIT) to introduce low-cost MRI machines to make diagnosis affordable to the larger population of the

country. He worked with the University of San Diego to modify the mosquito DNA to prevent them from carrying pathogens. The list is long and very impressive.

As an adjunct, fighting corruption and cronyism became a priority of his. It mattered little to him that in the process he was missing business opportunities. He said: "If we had compromised, we could have done much better, grown much faster, and perhaps been regarded as much more successful in the pure business sense. But we would have lost the one differentiation that this group has against others in the country. We would have been just another venal business house."

When Tisco was confronted with a demand to pay ₹4 crore to get approvals for certain mines, Ratan Tata refused and

lost minerals worth nearly ₹1,000 crore. But "that is Ratan Tata", said the MD of the company. The loss of the mines did not worry him. His dream was to create an egalitarian society free of crony capitalism and prejudices. He said: "I'd say my greatest desire as an Indian is to be proud of my country because it is an equal opportunity nation."

Through his philosophy and actions, he demonstrated that it is possible to be successful even while being socially conscious and unflinchingly adhering to ethical standards. It has made him a lodestar for the nation and future generations.

Thomas Mathew is a retired civil servant and author of *Ratan Tata: A Life*. The views expressed are personal