

# Airline veteran Walsh lands in India as a rare foreign CEO

Spotlight

## Willie Walsh

Incoming chief executive,  
IndiGo

Management talent is one of India's biggest exports but when Willie Walsh takes over at IndiGo, the country's biggest airline, he will become the rare chief executive to go in the other direction.

Sundar Pichai at Alphabet, Satya Nadella at Microsoft, Arvind Krishna at IBM, Leena Nair at Chanel and Ajay Banga at the World Bank are prominent cases of Indian talent running the world's biggest companies.

There are few examples of the opposite move, with just 39 foreigners among the 3,114 chief executives and managing directors at companies listed on the National Stock Exchange, according to Prime Database.

Management experts said Walsh's appointment made sense given the state of India's aviation market — a duopoly that is still heavily influenced by government regulation.

"It's not a question of being able to attract global talent, but one of need," said Navnit Singh, India chair of Korn Ferry, the headhunter.

Financial services, consumer goods and technology are all mature industries in India and have enough local talent to lead them. However, in sectors such as semiconductors, which are new in India, or aviation, which lacks a wide pool of competitors, the domestic expertise "does not exist", said Singh.

Walsh, the former boss of British Airways, will replace Pieter Elbers, a Dutch national who had previously led his country's flag carrier KLM, by August. Elbers resigned from the IndiGo job in March, three months after personnel planning issues at the airline led to the cancellation of thousands of domestic flights.

IndiGo controls two-thirds of India's domestic air traffic.

Another 25 per cent is handled by Air India, which also has a foreign CEO: the New Zealand national Campbell Wilson, who came from Singapore Airlines. That is in contrast to other



**An IndiGo flight prepares to land in Mumbai. New chief executive Willie Walsh, below, will have to deal with a highly regulated market** — Francis Mascarenhas/Reuters

industries, where foreign leaders rarely make sense for Indian companies.

"India is a very complex and unique market. It is very difficult to just bring a person who has headed a company in developed markets earlier," said Pranav Haldea, managing director of Prime Database.

The price points in India, the dynamism of the market, the diversity across Indian states and the different mindset of consumers make it challenging for an outsider.

"Companies mostly prefer homegrown talent which has been through the grind," Haldea said.

Talent that rises to the top in India, on the other hand, can be highly competitive in global markets.

Sougata Ray, professor of strategy and business at the Indian School of Business, said the country had a "hyper-competitive education system" that selected the best talent — people fluent in English — who went to "primarily those countries where meritocracy is highly prevalent". One factor a foreign leader such as

Walsh will need to handle is the role of the government.

"The Indian market is very regulated, very dependent on the government. This makes boundary management and relationship management with all the stakeholders, including the authorities, tougher,

**'Walsh believes that India has that ability to move to the next level in aviation'**

Kapil Kaul, CAPA India

which foreign talent will find difficult," said Ray.

Walsh, who oversaw the merger of British Airways and Iberia to form International Airlines Group in 2011, is known for his blunt, direct style.

One person in the industry said that his candour would be helpful within the airline but could "become a problem" with India's conservative officials.

Walsh will also have to adapt to a very different working culture compared with his experience in the west. Preety Kumar, managing partner of Amrop India, a headhunter, said that there would be "surprises" for expat leaders such as Walsh.

You can empower staff and delegate work in India, she said, "but not delegate responsibility". Walsh will need to review subordinates' work, which is tough in an "operationally driven heavy-duty leadership role, like running an airline".

Kapil Kaul, the head of industry research firm CAPA India, said that IndiGo had made a good appointment. Walsh's willingness to join, he said, showed that "he believes in what IndiGo is doing and [that] it can become much bigger. And he also believes that India has that ability to move to the next level in aviation."

Markets reacted enthusiastically to the appointment, with shares in InterGlobe Aviation, IndiGo's parent company, rising by 6 per cent.

Over the past three years IndiGo and Air India have placed orders for more than 1,000 aircraft. As IndiGo grows from a 400-aircraft carrier to a fleet of 900-1,000 over the next decade, Walsh will need to manage the increased complexity of its operations.

His appointment shows the ambition of the company — and of corporate India. "IndiGo is not attempting to be number one just in India," Kaul said. "It is trying to be at the top globally, in size and scale."

Krishn Kaushik

