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Corporate Governance and Ethical Leadership: A Comparative Study of Tata Group and Infosys Ltd.

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ABSTRACT :

This research explores the company governance and moral frameworks of two of India's most iconic corporations—Tata Group and Infosys Ltd. Both groups have verified particular processes to governance, transparency, and ethical management. The examine focuses on inner leadership crises inside both firms—Tata's removal of Cyrus Mistry and Infosys's resignation of Vishal Sikka—highlighting tensions among promoters and expert managers. By comparing the governance structures, leadership styles, and board dynamics of the 2 firms, the paper provides insights into the strengths and vulnerabilities of Indian corporate governance practices.

Keywords: Corporate Governance, Ethical Leadership, Tata Group, Infosys Ltd., Board Independence, Promoter Influence, Transparency, Leadership Crisis

Introduction

Corporate governance and ethical leadership are important for organizational sustainability, in particular in rising markets like India. This examine examines how Tata Group and Infosys—both considered governance pioneers—confronted inner demanding situations that tested their moral and governance frameworks. These cases shed mild on broader troubles consisting of board independence, promoter have an impact on, and stakeholder believe.

Objectives of the Study

1. To examine the contrasting management patterns at Tata Group and Infosys.
2. To examine how corporate governance mechanisms functioned or failed at some point of leadership transitions.
3. To check the impact of promoter/founder involvement on board autonomy and govt management.
- Four. To derive insights from governance failures and discover enhancements publish-crisis.

Scope and Limitations

- Timeframe: The observe specializes in the duration from 2016 to 2018.
- Focus Companies: Tata Group and Infosys Ltd.
- Limitations: Based solely on secondary data; no primary facts collection became performed.

Literature Review

The evaluate examines governance theories which include:

- Agency Theory
- Stewardship Theory
- Stakeholder Theory

It also considers Indian regulatory frameworks like SEBI Clause forty nine and Companies Act 2013.

Research Methodology

This qualitative observe uses a case observe method, drawing on:

- Annual reviews
- News articles
- Public interviews
- Academic journals

Focuses at the management crises at Tata (2016) and Infosys (2017).

Case Analysis: Leadership Crisis at Tata Group

In 2016, Cyrus Mistry turned into removed as Chairman of Tata Sons. Key causes included strategic disagreements, loss of board independence, and robust trustee impact.

Case Analysis: Leadership Crisis at Infosys

In 2017, CEO Vishal Sikka resigned amid variations with founder N.R. Narayana Murthy. Despite formal governance mechanisms, casual founder affect remained robust.

Comparative Insights

Tata Group: Trustee-managed governance, legacy-driven.

Infosys Ltd.: Professionally controlled, but stimulated by way of founders.

Both faced governance stress from inner leadership dynamics and promoter involvement.

Key Findings

- Tata: Philanthropy-based ownership, stakeholder-centered, trustee dominance.

- Infosys: Professional governance, tech-led CSR, ethics through design.

Both corporations excel in governance but face specific challenges because of structure and legacy.

Conclusion

Tata and Infosys showcase complementary governance models in India. Their leadership crises underline the importance of balancing subculture with professional autonomy. Strong moral practices, unbiased boards, and obvious management transitions are critical for sustained believe.