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Board effectiveness focus: How boards will drive India Inc's global growth ambitions

Both in India and globally, effective boards will separate winners from stalled aspirants by shaping strategy, calibrating risk, and partnering effectively with management.

India's corporate landscape is changing. Companies are no longer satisfied with domestic leadership, but instead are keen to build regional and global business. Their motivations include diversifying revenue streams, capitalizing on supply chain shifts, and leveraging India's digital infrastructure and English-speaking talent pool.

The numbers reflect this shift. Outward direct investment (ODI) from India rose 67.7% year-on-year to $41.6 billion in the 2024-2025 financial year, according to the Reserve Bank of India.[1] Outbound M&A by Indian corporates reached a record $18.2 billion in 2025 through 162 deals, up 34% year-on-year, driven by transactions above $500 million.[2] Companies are targeting acquisitions that build capacities, unlock new technology, or fuel geographic diversification.

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Their markets of choice have broadened, too, from traditional jurisdictions such as the United States, Singapore, and the Netherlands to Europe, the Middle East, Southeast Asia, and Africa.[3] This reflects a deeper strategic alignment with global value chain reconfiguration, new free trade agreements, and prioritizing markets with tariff and cost advantages.

This combination of ambition and strategic thinking has put many Indian companies firmly on the global map. But that success is not seen across the board. For every company that has successfully scaled internationally, many others have seen their ambitions stall. Increasingly, the differentiator is board effectiveness.

As organizations face artificial intelligence, ESG expectations, geopolitical volatility, and disruptive competitors, boards have evolved from oversight bodies into strategic compasses, playing a critical role in ensuring companies are future-ready and globally competitive.

To explore this issue, we spoke with several board members at leading Indian companies that have achieved sustained, profitable growth. Here, we spotlight how boards can most effectively support and guide their organizations' global growth, what the ideal board-executive relationship looks like for fostering this growth, and what boards should do differently if they want to create the next wave of global success.

The board as a growth driver

Effective boards act as strategic multipliers by helping companies shape their plans and goals and by guiding them in their journey toward scaling. At their best, they challenge assumptions without actively interfering in day-to-day decision making, with the aim of ensuring business sustainability, predictability, and low-risk operations.

SP Shukla, former chairman of several boards within the Mahindra Group, says the board is a friend, philosopher, and guide.

As a friend, the board supports and motivates the management but also cautions and criticizes their moves when needed. As a philosopher, it shapes the management's thinking without getting involved in day-to-day operations. As a guide, it helps the executive team navigate the idiosyncrasies of their industries and bridges the gaps along the company's growth journey, says Shukla.

Underlying these roles are openness, transparency, alignment, and communication between the board and management.

Mahesh Chhabria, former managing director at Kirloskar Industries Ltd and now an independent director on several boards, says there has to be "complete clarity of purpose and objective as to what the company is setting out to do, who's going to do what, what's expected out of each one of the people who are likely to deliver value, and what is expected from the board, which is going to oversee and monitor the value delivery."

1 "India abroad: Navigating the global landscape for overseas investment," EY, August 2025, ey.com.
2 "Annual Dealtracker 2026," Grant Thornton India, January 22, 2026, grantthornton.in.
3 "India abroad: Navigating the global landscape for overseas investment," EY, August 2025, ey.com.

Rajat Jain, former managing director of Xerox India, CEO for Disney India, and currently a member of numerous company boards, adds that the best boards push management teams to do well, aim higher, make strategic choices around what to do and what not to do, and hold them accountable.

"It's about taking that role of stretching, guiding, helping them, and getting things done rather than doing it yourself," says Jain. "[The board] ensures that a good growth plan is in place. That plan is matched with leadership, technology, capital, and the capacity to take risks."

Balancing risks and rewards

Balancing growth potential with risk tolerance is a critical board activity.

Effective boards map all parameters around risk, including macro, enterprise, environmental, people, and geopolitical. They play a key role in capital allocation decisions—including acquisition and cross-border expansion.

Chhabria explains that the standard methodology successful boards adopt is one that evaluates whether the risk-reward profile of businesses can ensure continuity of operations. They also consider competitive dynamics, shareholder protection, and whether a company's risk profile aligns with its global ambitions.

Boards that drive growth do not punish management for taking calculated risks, nor do they allow optimism to override discipline. Rather, they revisit risk appetite regularly, especially during periods of rapid expansion. They distinguish between strategic risk, which is in the hands of the board, and operational risk, which belongs to management. Importantly, they ensure risk conversations are continuous and are not merely quarterly or regulatory rituals.

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Former India CEO, Schneider Electric

Anil Chaudhry, former India CEO of the French energy technology company Schneider Electric who currently serves on numerous boards, has been on both sides of the equation. Chaudhry was instrumental in leading Schneider's roughly $2 billion acquisition of L&T Electrical and Automation—a deal that changed Schneider's positioning in India and was in large part successful thanks to the board's support and conviction that the acquisition would be a game changer.

Chaudhry explains that Schneider had initially set up the advisory board to better understand Indian culture and its nuances. When Chaudhry took the executive hot seat, he was asked whether the board was still necessary.

"I said, 'Yes, because I want to use it as my sounding board. You helped set this pace, and now I have to go to the next gear, so I want this whole engine to still be in place.' We used that board as a sounding board for our strategy and for the initiatives we were taking, because they brought in a lot of outside-in-view—not only the cultural aspect but also the business, marketing, customer, and technology aspects."

Board evolution

As multinationals make further inroads into India, and as Indian companies globalize, the board must evolve simultaneously.

Many Indian companies remain family-owned or promoter-led and often rely on family members or long-tenured directors. While these individuals bring valuable local experience, boards can face capability gaps in areas such as digital transformation, global regulation, cross-cultural leadership, and geopolitical risk.

Effective boards bring in directors with international experience, cross-sector expertise, digital and AI capabilities, and younger voices who understand emerging consumer and workforce trends.

This last trait is a differentiating factor. "We see talent coming from Gen-Z teaching the board on how they are using AI and what use cases they are deploying," says Chaudhry. "Gen-Z is making presentations to the board and sometimes challenging the board, that you need to think and go faster. It's not only the board challenging the CEO and management, but it's also the other way around."

Boards that fail to evolve in this fashion risk reinforcing legacy thinking and missing shifts in technology, customer behavior, and global competition. But even the most forward-thinking board cannot drive impact successfully if it doesn't have a solid partnership with the team running the business.

The executive-board dynamic as a growth determinant

A board's effectiveness is directly linked to its relationship with the CEO and executive team. During periods of global expansion, transparency and communication become especially important.

Shukla says that the board-management dynamic really shows in situations where a company misses out on growth opportunities. "Whether a company chooses to take up a [deal] proposal or not take up a proposal will depend upon whether management feels comfortable bringing a proposal to the board," says Shukla, adding that some proposals, even if they are worth pursuing, may not go to the board at all if the management is uncertain of their response.

A balanced relationship is key for international success, where the board is consistently keen to listen to proposals without being subservient to the CEO on the one hand or overbearing on the other, says Shukla.

To get that dynamic right, it is important for board members to understand the difference between questioning and querying. To ask a query implies seeking more information, while questioning the CEO implies asking them to explain the "whys" behind a decision. Effective boards begin with queries to understand a proposal, then move to questions that test assumptions.

Tone matters in these cases. If the CEO senses negativity early, the conversation becomes defensive.

As an executive, Shukla says he will insist on his voice being heard and will defend his view if he believes it will be good for the company. "But as a board member, I must learn to defer to the management when they have a strong view. You have queried, and after that you have questioned. If they still hold on to their view, respect their view because they would not be defending their path forward unless they had a strong view on it."

From management to the board

That ability to shift perspectives as leaders transition from management roles to non-executive roles is key in the Indian context.

Indian boards have long relied on former CEOs or retired business heads to fill non-executive director roles. This means that when a former CEO crosses over to a non-executive oversight position, they bring insights informed by their previous position.

"The advantage of having done both the roles is that you see what not to do in the board that makes an executive not perform, and what, as an executive, you look for from the board," says Chaudhry.

"The board's task is to supervise, to provide direction to the management, and to support the management, not to define the strategy, but to strengthen it," he adds. "For more day-to-day operations, translating strategy into execution, making sure the results and commitments of that strategy are delivered — that's the CEO."

In many cases, CEOs understand board competencies and are increasingly willing to tap into that knowledge.

Boards, meanwhile, need to draw the line between operational and strategic oversight. For example, on hiring leaders in different geographies, the board can offer their perspectives, but the ultimate decision lies with the CEO.

"The board can provide inputs, but it's [the CEO's] choice," says Chaudhry. "Which markets to enter, what policies to put in place in different markets, those are the CEO's calls. But every quarter, the board should give its outside-in-view: this will make the CEO see things he or she may have overlooked and help make stronger decisions."

How boards can support India Inc's globalization plans

Across the interviews we undertook, several characteristics emerged as signs of ineffective boards: being over-involved or under-involved; a lack of transparency in communication; failure to evolve and being closed-minded to new ideas; inconsistent policies; lack of diversity; and a fear of challenging the management.

Any of these factors can undermine growth ambitions.

What, then, can boards and management teams do differently to be more effective in their pursuit of global success?

Chhabria says if boards are not challenging the management enough, "they aren't doing their duty" to the company. Similarly, board members cannot engage with teams only during or around board meetings. Continuous engagement, and full awareness of events impacting daily business, are essential. "Managing and understanding expectations means that you've got to be aware of the environment in which the business operates, the stakeholder expectations, the risk-reward pertaining to the business, and how to mitigate and manage that risk," he adds.

Jain similarly says that he emphasizes an annual strategy meeting on top of the quarterly financial results meetings. These can be in the form of strategy-focused offsites, customer visits, or product demonstrations, all with the objective of making boardroom conversations richer. Jain also highlights the importance of crisis-management capabilities, long-term thinking, and a "no surprises" approach to communication.

In the case of global multinationals looking to succeed in India, the trick is to create a local model with a local management team rather than importing a global model to India, adds Jain.

"Global boards and global leadership that listen carefully to local management and customers and are willing to localize capital allocation, product, distribution, and design, get more than 1% contribution to global revenues from India," he says.

From the CEO perspective, Chhabria says they should establish board expectations at the outset, including the level of independence, authority, and responsibility the team will have as well as how much time the CEO has to understand the business and craft a global growth strategy.

Ultimately, the companies that succeed globally will be those where boards and executives operate with high trust, clear boundaries, constructive challenge, and shared ambition.

India's next generation of global champions will be built not only through strategy and execution but also through the quality of board governance. Success will depend on the competencies of directors, the clarity of their role, and the maturity of their relationship with management.

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