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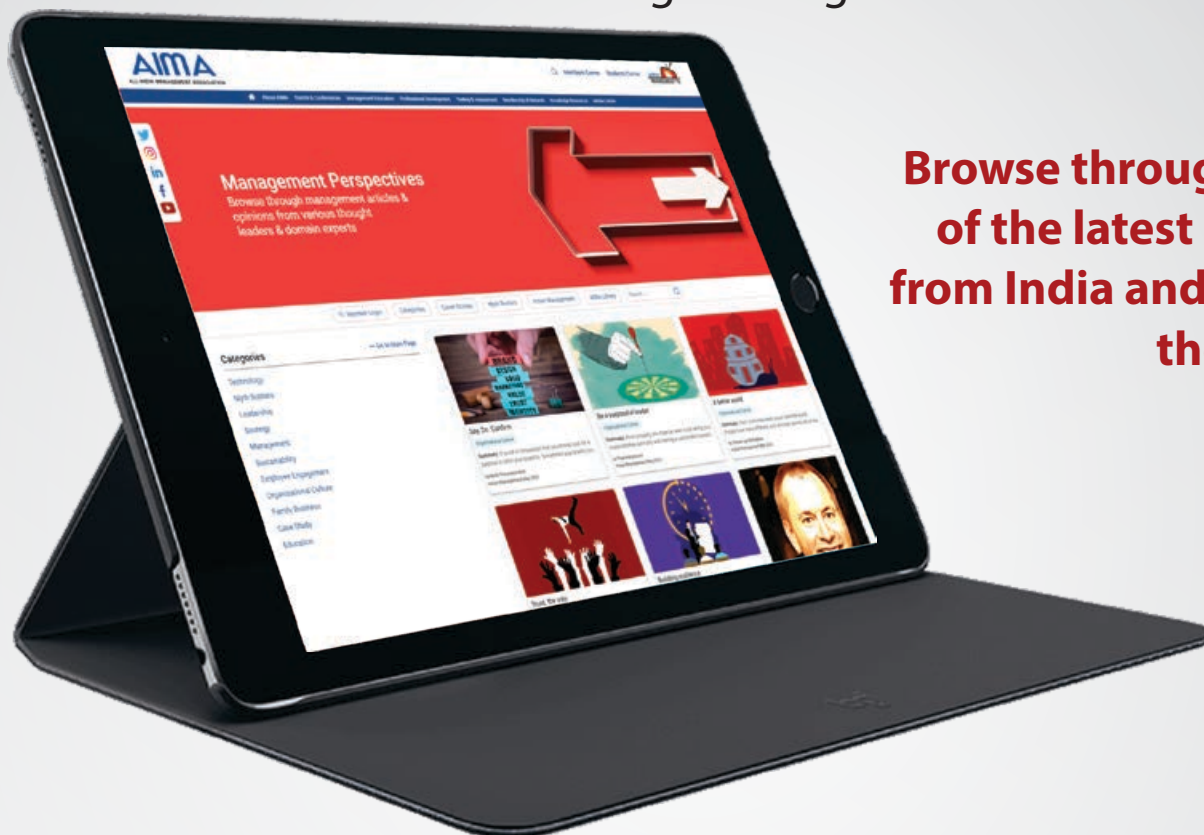
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Human-Centred Resilience: A Strategic Imperative

By T.V. Narendran, CEO & MD, Tata Steel and President, All India Management Association (AIMA)

The business world today looks very different from what it did even a few years ago. Change no longer arrives gradually—it often shows up as sudden, unpredictable shocks that are hard to plan for and even harder to fully understand. Organisations are increasingly having to deal with fragile situations, heightened uncertainty, and outcomes that don't follow a straight, predictable path.

In this environment, resilience means much more than simply recovering after a setback. It's about staying clear-headed under pressure, working through fragile situations without losing direction, and continuously adapting as circumstances change. Ultimately, resilience determines whether organisations merely endure a crisis—or use it as an opportunity to transform how they operate.

Resilience begins with people

At its core, resilience is human. Only when individuals are able to sustain their physical, mental, and emotional well-being can they contribute effectively. This underpins human-centred resilience—the ability to remain steady under pressure, maintain clarity in complexity, and renew energy over time. Increasingly, organisational performance during disruption reflects workforce strength, adaptability, and engagement.

When developed intentionally, human-centered resilience becomes a strategic

advantage—enabling organisations to outperform not just in stability, but also in disruption.

Beyond systems: A fundamental shift

Traditionally, resilience strategies focused on operational and financial safeguards such as contingency planning and risk mitigation. While critical, these approaches are incomplete. A human-centred lens expands resilience to include a workforce that is adaptable, healthy, continuously learning, empowered, and aligned to purpose.

This reflects a fundamental shift: resilience does not reside in systems alone—it is expressed through people, their judgment, and their ability to respond effectively under pressure.

Building organisational resilience by design

Realising this shift requires deliberate action. Leadership must model empathy, transparency, and empowerment, while fostering psychological safety so employees can speak up, challenge ideas, and learn from failure.

Well-being must be embedded into business strategy through manageable workloads and strong mental and physical health support. At the same time, organisations must invest in continuous learning—reskilling, cross-skilling, and building learning agility—to keep pace with change.

Empowering frontline decision-making enhances responsiveness and accountability, while a shared sense of purpose sustains motivation. Inclusion and collaboration further strengthen adaptability by bringing diverse perspectives into problem-solving.

Resilience in Action: Turning crisis into opportunity

Tata Steel's response during the COVID-19 pandemic offers a powerful example of human-centred resilience in action. Faced with unprecedented disruption, the organisation not only ensured business continuity and employee well-being but also used the crisis as a catalyst to rethink how work was done.

Recognising the evolving needs of its workforce, Tata Steel accelerated the adoption of more flexible ways of working. This led to the introduction of a structured flexible workplace policy—enabling employees to balance productivity with well-being in a rapidly changing environment. Importantly, this was not a temporary adjustment; it became an enduring shift, sustained even beyond the pandemic.

This experience reinforces a critical insight: resilience is not just about recovery—it is about renewal. Organisations that view crises as opportunities can fundamentally transform their operating models, making them more agile, inclusive, and future-ready.

Embedding and measuring resilience

For resilience to endure, it must be embedded into organisational DNA and measured rigorously. Indicators such as engagement, well-being, learning agility, and performance under pressure provide meaningful insights into resilience capacity.

The benefits are clear: enhanced agility, sustained productivity, stronger innovation, improved talent retention, and better customer outcomes. These outcomes directly reflect organisations that prioritise people as a strategic asset.

From endurance to growth

In a world defined by constant disruption, resilience is no longer about endurance alone—it is about growth through adversity. Organisations that invest in their people build not only resilience, but a workforce capable of shaping the future. 

The opinion expressed is personal.

EDITOR'S NOTE

Dear Readers,

Resilience has long been viewed through the lens of operational continuity—strong supply chains, financial safeguards, robust technology, and risk management frameworks. While these remain essential, today's rapidly evolving business landscape demands a broader perspective. The true strength of an organisation lies not only in the systems it builds but also in the people who bring those systems to life.

As organisations navigate unprecedented uncertainty, accelerating technological disruption, and the transformative impact of artificial intelligence, human-centred resilience has emerged as a defining strategic capability. It is no longer enough for businesses to merely withstand disruption; they must cultivate the ability to adapt, learn, and grow stronger through it. This shift calls for resilience to be recognised not as an innate trait but as a measurable skill embedded in everyday behaviours, leadership practices, and organisational culture.

Companies that invest in human-centred resilience are better equipped to embrace innovation, respond to uncertainty, and sustain long-term performance. Ultimately, resilient organisations are built by resilient people—and in an era where change is the only constant, nurturing that resilience may well become the greatest competitive advantage of all.

Do write in with your views to imeditorial@spentamultimedia.com

Maneck Davar
Maneck Davar

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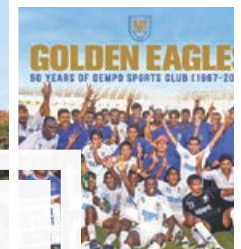
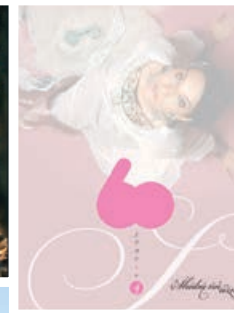
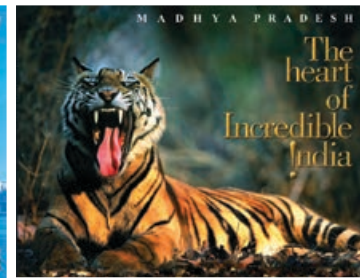
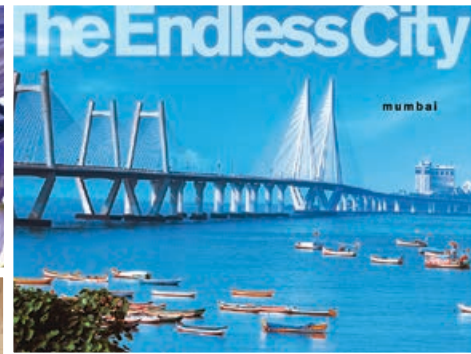
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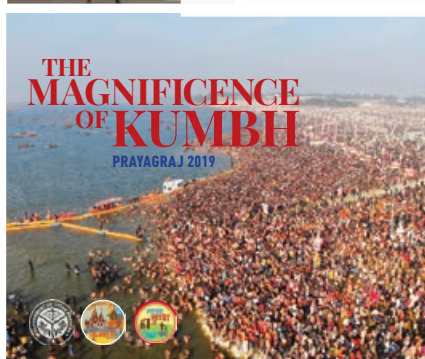
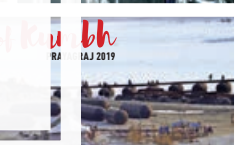
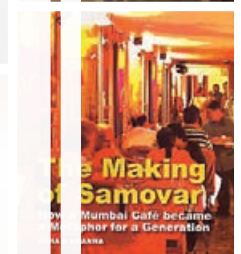
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PEOPLE-FIRST LEADERSHIP





Amaen Hoyoy

The resilience imperative

Human resilience is emerging as a critical business capability, yet most organisations remain underprepared to develop it at scale.

♦ LIANE STEPHAN AND CHRIS TAMDJIDI, AWARIS



In the 2025 World Economic Forum Future of Jobs Report—covering 1,043 employers and 14.1 million employees across 55 countries—resilience, flexibility and agility rank as the second most important future work skill—up from ninth in 2020, the biggest rise of any skill.

Yet a WEF/McKinsey survey reveals a striking readiness gap: while 25 per cent of organisations feel well prepared for financial resilience and 19 per cent for digital resilience, only 9 per cent feel well prepared for organisational and people resilience.

This is the resilience paradox: the skill most needed is the one least built by organisations. As overlapping crises and the AI adaptation drive record stress—with 44 per cent of employees experiencing it daily, according to Gallup—always-on culture only intensifies the strain.

Global uncertainty will only increase. Companies that build human resilience at scale will have a decisive advantage—the question now is how

Human resilience as a business advantage

Resilience drives hard business outcomes. McKinsey found resilient companies generated 10 percentage points more shareholder return during 2020–22—whilst Accenture shows they grow revenues six points faster with margins eight points higher.

At a team level, our Awaris research shows resilient teams are five times more likely to be psychologically safe and twice as likely to be high-performing. At individual level, McKinsey found high-resilience employees are four times more likely to report high innovation.

Resilience also protects employee wellbeing: McQuilibrium found burnout at 47.7 per cent among the least resilient versus just 6.2 per cent among the most resilient—nearly an eightfold difference.

Resilience is not a feel-good initiative. It is a performance multiplier, a retention tool, an innovation driver, and a buffer against the human costs of continuous disruption. The question is no longer whether to invest in it, but how to do it well and at scale.

Where current approaches fall short

While many companies have invested in resilience at the level of supply chains, financial buffers, and IT systems, most have fallen significantly short in their understanding of human resilience and its potential.

Three persistent misunderstandings have held companies back.

The problem that many face in growth is because of their ‘more-of-the-same’ approach. Duplication is in the comfort of habits and culture of the organisations

Misunderstanding

1: Resilience is a short-term crisis response. We now live in continually overlapping crises—supply chain disruptions, for example, causing CEO confidence to swing wildly. There is nothing discrete about today’s challenges. Resilience needs to become a sustained capability, not a crisis response.

Misunderstanding 2: Resilience is an operational issue. Companies invest in systems and continuity plans—but without human adaptability, they fail. Resilient workforces, by contrast, can improvise when systems break. This is now recognised at the highest levels—ISO 22316 explicitly emphasises the attitudes and behaviours that underpin resilience.

Misunderstanding 3: Resilience is a cost to be managed. Resilience has long been treated

like insurance—a safeguard against things going wrong. But when built as a human skill, it doesn’t just prevent issues—it actively improves outcomes: driving innovation, strengthening psychological safety, and enabling better performance under pressure. Resilience isn’t a costly necessity. It’s a business advantage.

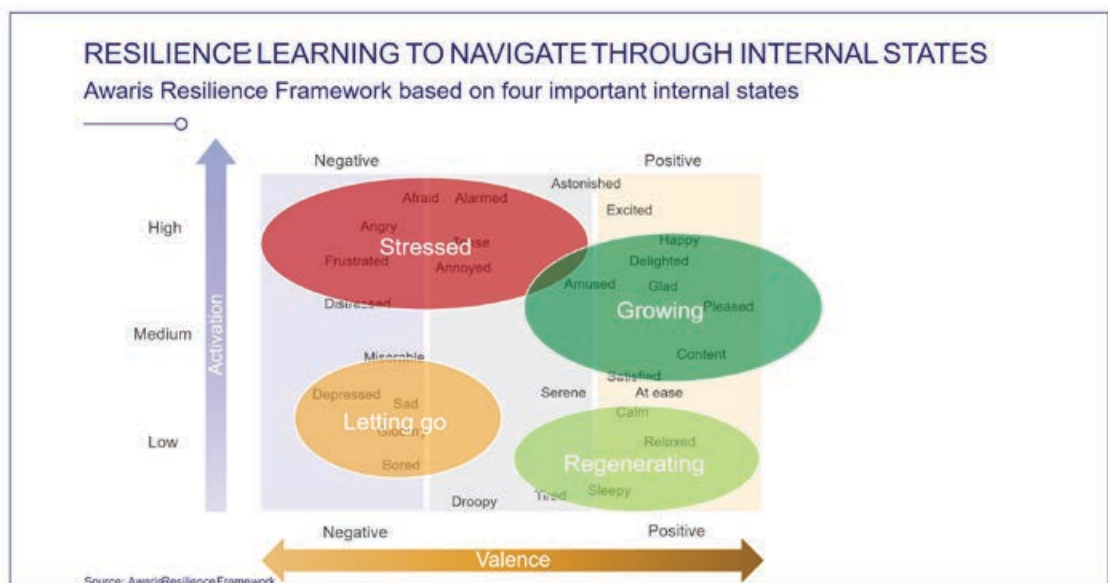
Four innovations for human-centric resilience at scale

To move from recognising human resilience to building it at scale, four shifts are needed: a new model, skills, measurement and cultural integration.

1. A new model: From “bounce back” to dynamic resilience

Resilience is often poorly understood. We default to "bounce back" models from materials science—but humans are not materials. We're biological organisms that together, form living cultures, not inert structures.

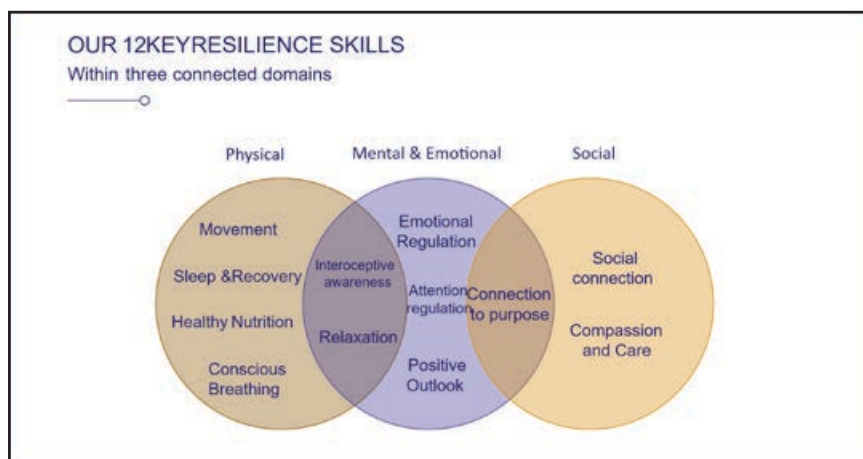
A biological view starts with neurophysiology. Performance, decision-making and collaboration are state-



dependent—as shown in the Circumplex Model, which maps experience across activation and valence (whether an experience is positive or negative). This reveals the range of states we move through daily: from stress and frustration, to engagement, to calm and recovery. These two axes correspond to energy consumption in each moment and expected energy gain. States with high energy cost and low expected reward are experienced negatively; states with low energy cost and high expected reward are experienced positively. From this we can identify four distinct zones, each with different implications for how we work:

Zone	Description	Impact on Performance	Impact on Learning	Impact on Collaborating	Impact on Wellbeing
Stressed	High nervous system activation, low reward	High but narrow, focused, short-term	Survival and short-term focused	Low collaboration – Silo thinking	Chronic stress harms health and wellbeing. Short term can be positive
Growing	Moderate activation, high reward	High, broad range of skills, sustained	Longer-term, higher neuroplasticity	High — shared insight and learning	Improved sense of purpose and efficacy.
Regenerating	Low activation, high reward	Low performance	Reflective learning, integration of experience	Good but low-energy	High recovery values.
Letting Go	Low activation, low reward	Low performance	Deep, sometimes painful learning. Important unlearning of old patterns	Low — withdrawal from others	Low to mid recovery. Low wellbeing

A resilient organisation doesn't endure—it adapts, shifting across states of performance, learning, regeneration and letting go of tasks better done by AI.





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Resilience is not about endurance—it is navigation. Those organisations stuck in the ‘stressed’ zone may deliver short-term results, but they’re consuming human capital, not building it.

2. Resilience as a skill: 12 trainable capabilities

With resilience understood as dynamic navigation between states, the question becomes: what enables people to adapt and shift between zones? The crucial answer is skills.

Drawing on extensive scientific literature, we’ve identified 12 resilience skills across three domains — specific, measurable, trainable capabilities:

Three things matter about this list. First, these skills directly impact physiology, wellbeing, and performance. Second, they are what enable us to move between zones — from stress to growth, depletion to regeneration. Third, and most importantly for organisations, they’re measurable, trainable, and actionable.

This is what turns resilience from an abstract concept into a practical, scalable performance capability.

3. Measuring, diagnosing, and scaling

Once resilience is understood as a set of key skills, measurement at population level becomes possible—enabling diagnosis, prioritisation and scaling.

Our Resilience Screening tool maps resilience at both individual and population level—showing where people are equipped or likely to struggle, plus population-level distribution across an organisation.

Our data shows there’s a ‘Goldilocks Zone’ where stress is manageable and skills work — and a ‘Toxic Zone’ where pressure is so high that even the most capable struggle. At that point, the system—not the individual—must change.

Delivered through focused learning journeys and short habit sprints, our approach drives measurable impact — including a 33 per cent drop in perceived stress in a recent



ABOUT THE AUTHOR

Liane Stephan is co-founder and CEO, Awaris.

1,200-person programme that we conducted, alongside clear gains in confidence, outlook and stability.

4. Anchoring resilience in organisational culture

Resilience should anchor into organisational processes like financial management or safety—through measurement, shared rituals, and ongoing development.

For customer service teams carrying high emotional load, regular check-ins make a real difference—reducing burnout risk and strengthening cohesion. Yet most teams still avoid these conversations.

For engineering teams under sustained pressure, combining individual focus skills with shared habits—like protected focus time and fewer distractions—makes performance sustainable.

This is the I – We – Us framework: Individual resilience builds self-mastery. Team resilience strengthens psychological safety, belonging and collective capacity to process stress. Organisational resilience embeds shared habits and builds a leadership culture that sustains performance under pressure.

Why this matters now: resilience and the AI transition

The urgency of building human resilience is amplified by the current wave of AI adoption. 50–60 per cent of workers expect significant skill shifts, and human skills like adaptability and resilience are growing fastest—up 50 per cent on LinkedIn since 2018 versus 14 per cent for technical skills.

Resilience directly enables successful AI adoption: MeQuilibrium's data shows that resilient employees are half as likely to fear AI threatening their jobs and more likely to see it as productive. Leaders with high resilience also drive far higher employee engagement during AI implementation (82 per cent vs 54 per cent).

The four-zone model makes this intuitive. AI adoption requires all four zones—performance, growth, regeneration, and letting go of obsolete processes. Organisations building this capacity will navigate AI far more effectively.

Building a resilient culture

A genuinely resilient organisation requires four shifts: redefining resilience through a human, neurophysiological lens; treating it as a measurable, developable skillset; using diagnostics to assess and prioritise at scale; and anchoring it into everyday habits and culture at the individual, team, and organisational level.

This moves organisations beyond fragmented wellbeing efforts to a company-wide resilience capability – human, evidence-based, and built into how work actually happens. In an increasingly uncertain world, it may be one of the most important investments an organisation can make. 

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Leadership myths persist because they offer simple answers to complex challenges. Unfortunately, leadership is rarely about simple answers, writes Ryan A. Cherry, Colonel, USMC (Ret.), and author of *READBACk: A Marine Aviator's Manual For Navigating Life's Hardest Lessons*.

**MYTH
BUSTER**

The leadership reset

Leadership is filled with advice that sounds good on paper but often falls apart in practice. Over twenty-five years as a United States Marine aviator and leader, I served alongside exceptional people in combat, training environments, and some of the most complex organisations in the world. Along the way, I discovered that many of the lessons commonly accepted as leadership truths are actually myths.

These myths are attractive because they simplify leadership. The problem is that leadership is rarely simple. It requires humility, accountability, adaptability, and the willingness to challenge assumptions—including our own.

Here are five leadership myths that deserve to be retired.

MYTH 1: LEADERS DON'T MAKE MISTAKES.

Many people assume that successful leaders possess a near-perfect record of decision-making. They imagine that the people at the top somehow avoid the mistakes that plague everyone else.

Nothing could be further from the truth.

The best leaders I know made plenty of mistakes. In fact, some made spectacular ones. What separated them from everyone else was not their ability to avoid mistakes, but their ability to respond to them.

Early in my career, I came to realise that every mistake presents three opportunities: identify what

happened, ensure it doesn't happen again, and take ownership of it. The first two steps are relatively easy. The third is where many people struggle.

When something goes wrong, human nature encourages us to look for external factors, bad luck, or someone else to blame. Effective leaders do the opposite. They accept responsibility, even when it is uncomfortable. By doing so, they create trust within their organisations and establish a culture where learning is more important than finger-pointing.

Organisations do not become stronger because leaders are perfect. They become stronger because leaders create environments where mistakes become lessons rather than recurring problems.

The goal is not perfection. The goal is continuous improvement.

MYTH 2: THE HIGHER YOUR POSITION, THE MORE ANSWERS YOU SHOULD HAVE

Many professionals believe leadership is about having the answers. As people advance in their careers, they often feel increasing pressure to project certainty and expertise.

This creates an unrealistic expectation for leaders and an unhealthy dependence among followers.

One of the most important lessons I learned was that nobody has all the answers. Not your

boss. Not your CEO. Not the most senior executive in your company. Every leader, regardless of experience or title, faces problems they have never seen before. The most effective leaders understand that their role is not to be the smartest person in the room. Their role is to surround themselves with the most talented people they can find and create an environment where the smartest ideas can emerge.

In military organisations, complex challenges are rarely solved by a single individual. They are solved by teams of people with different perspectives and expertise. The same principle applies in business. Leaders who believe they must personally solve every problem often become bottlenecks. Leaders who leverage the knowledge of their teams create agility, innovation, and better outcomes.

Confidence is valuable. But humility is equally important. The strongest leaders are comfortable admitting when they do not know something and are confident enough to look to their team to solve a difficult problem.

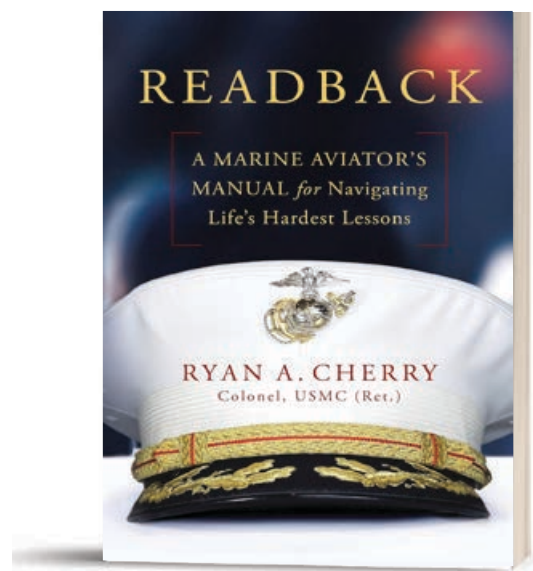
MYTH 3: YOUR WAY IS THE ONLY WAY TO SUCCEED.

One of the most dangerous traps for successful leaders is believing that their success validates every aspect of their leadership style. After all, if your approach helped you achieve results, why wouldn't everyone else follow the same path?

Because people are different.

As leaders, we naturally develop systems, habits, and approaches that work for us. Those methods may be highly effective. However, problems arise when we assume our way is the only way.

Throughout my career, I worked with leaders whose personalities, communication styles, and decision-making approaches differed significantly from my own. Many were highly successful despite leading in ways I never would



have chosen. The lesson was simple: leadership is about outcomes, not personal preferences.

A leader's responsibility is to establish standards, communicate intent, and define the desired end state. How individuals achieve that outcome may vary. Some team members thrive with structure. Others perform best with greater autonomy. Some are naturally analytical. Others rely more heavily on intuition and experience.

Leaders who insist on cloning themselves limit the potential of their teams. Leaders who allow people to succeed in their own way create stronger, more adaptable organisations. Sometimes leadership requires becoming uncomfortable with methods that are different from our own. That discomfort is often where growth begins.

MYTH 4: TRUST MEANS LETTING GO COMPLETELY

Trust is one of the most important ingredients in leadership. Without trust, organisations become slow, dysfunctional, and burdened by excessive oversight.

Yet many leaders misunderstand trust.

They assume trust means stepping back entirely and allowing others to operate without supervision. Unfortunately, this approach can create unacceptable risks.

A better approach is captured in a simple phrase: trust, but verify.

Trusting your people demonstrates confidence in their abilities and builds ownership. Verification ensures that expectations are being met and problems are identified before they become crises.

Verification is not micromanagement. It is responsible leadership.

Some leaders avoid verification because they fear appearing intrusive or because they assume competent employees do not need oversight. In reality, even high-performing teams benefit from clear expectations, routine communication, and periodic checks.

Verification also helps leaders identify opportunities for coaching and development. It provides visibility into challenges employees may be facing and creates opportunities to provide support before performance suffers.

Trust and accountability are not competing priorities. They are complementary responsibilities. The strongest organisations embrace both.

MYTH 5: CHARACTER IS REVEALED ONLY DURING MAJOR CRISES

When people think about leadership, they often imagine dramatic moments: corporate crises, difficult decisions, or high-pressure situations that test character.

Those moments matter.

But they are not where character is built.

Character is built through hundreds of small decisions made every day.

People are always watching. Employees watch leaders. Leaders watch employees. Customers

observe organisations. Family members observe one another. Whether we realise it or not, our actions constantly communicate our values.

The simple choices often matter more than the dramatic ones.

- Do you keep your commitments?
- Do you treat people with respect when there is nothing to gain?
- Do you take responsibility when things go wrong?
- Do you do the right thing when nobody is watching?

These daily actions shape reputations long before major challenges arise. When a crisis eventually arrives, people do not suddenly decide whether they trust a leader. They rely on years of accumulated observations.

Leadership credibility is not earned in a single moment. It is built over time through consistency.

The leaders who inspire others are rarely defined by one heroic act. They are defined by the habits and behaviours they demonstrate every day.

The bottom line

Leadership myths persist because they offer simple answers to complex challenges. Unfortunately, leadership is rarely about simple answers.

Great leaders make mistakes and learn from them. They seek input rather than pretending to know everything. They allow others to succeed in their own ways. They balance trust with accountability. And they understand that character is demonstrated daily, not just during moments of crisis.

The sooner we let go of these myths, the sooner we can focus on the realities of leadership—and the realities are where meaningful growth begins. ■



More than an efficiency tool Total Lean is a powerful, enterprise-wide strategy that creates lasting competitive advantage through continuous improvement, innovation, and customer value.

♦ SANJEEV BAITMANGALKAR, STRATMANN CONSULTING

STRATEGY

The ‘Lean’ edge

A defining moment in Toyota’s decision to enter the Indian market came when they studied our transformation journey at The Mysore Kirloskar Ltd. In the early 1990s, I took a sabbatical from my family and spent a couple of relentless years working fourteen plus hours every day to convert a conventional business into a fully Just-in-Time, Total Lean Enterprise. The results were not incremental—they were dramatic. We reduced costs by sixty percent. We were like a machine in motion. Teams solved problems every day. Motivation reflected in enthusiasm as workmen stayed beyond regular hours to solve problems without overtime pay. Enterprise value went up more than twelve hundred times. Confident in the strength of our transformation, I shared half of that gain directly with our customers via product price revision and retained the rest to strengthen the business.

What followed was revealing. Chieftains from competing firms approached me with concern: “Sanjeev, you can’t sustain such drastic price cuts just to win orders.” It was recession times, and they assumed I was discounting out of desperation. They had no idea what we had done. What they saw as price cutting was,

in fact, the outcome of a deeply embedded Lean transformation. We weren’t eroding margins—we were redefining them. Even after reducing prices significantly, our profitability dramatically improved. Total Lean had become our ‘differentiation strategy’. It allowed us to outperform competitors not by fighting harder in the same game, but by changing the rules altogether. In doing so, we didn’t just compete—we made the competition irrelevant.

In an increasingly competitive and globalised marketplace, organisations are under relentless pressure to distinguish themselves in ways that are difficult to replicate. Traditional competitive advantages—cost leadership, product features, or geographic reach—are often short-lived. Sustainable differentiation demands a deeper, systemic capability. This is where Total Lean emerges not merely as an operational philosophy, but as a powerful differentiation strategy.

Drawing from the foundational ideas of Michael Porter, the innovation-focused development of competence thinking of Prahalad and Hamel, and the enduring practices of the Toyota Production System (TPS), attaining ‘Total Lean’ represents an integrated approach to building organisations that are simultaneously efficient, adaptive, innovative, customer-centric and profitable.

Beyond cost: Reframing Total Lean as competitive strategy

Lean is often misunderstood as a cost-cutting tool—a way to eliminate waste, reduce inventory, and improve efficiency. While these deliver some benefits, viewing Lean purely through a cost lens diminishes its strategic potential. Porter argued that competitive advantage arises from either cost leadership, focus or differentiation. However, he also emphasised that the most robust strategies are those that create unique value for customers. Total Lean transcends the cost-differentiation dichotomy by enabling organisations to deliver superior value built at lower cost, thereby redefining the competitive frontier.

Total Lean achieves this by systematically eliminating non-value-adding activities while enhancing the value-creating ones. The result is not just cheaper products, but better products delivered faster, more reliably, and often tailored to customers' exact needs.

Total Lean stands out as the most effective strategy because it goes far beyond cost reduction or efficiency tools—it transforms the entire organisation into a continuously learning, waste-eliminating machine driven by purpose and people. Unlike traditional approaches that focus on isolated improvements, Total Lean integrates daily work with ongoing kaizen, ensuring that every employee is both executing and improving processes simultaneously. This creates a culture where problems are surfaced, solved at root cause, and prevented from recurring, leading to sustained performance rather than short-term gains. By aligning strategy, operations, and human development, Total Lean builds capabilities that competitors cannot easily replicate. The result is not just operational excellence, but a deeply embedded competitive advantage—one that continuously adapts, innovates, and delivers superior value to customers over the long term.

Total Lean: An enterprise-wide philosophy

The keyword here is Total. Lean cannot remain confined to the shop floor or operations department if it is to serve as a differentiation strategy. Total Lean extends across the entire enterprise: marketing, product development, supply chain management, product manufacture, customer service, finance and administrative processes, leadership and culture. Lean is not a set of tools but a way of thinking, doing and behaving — what Toyota calls Toyota Production System or The Toyota Way (described in Dr. Jeffery Liker's book). It integrates principles such as continuous improvement (kaizen), respect for people, and long-term thinking. This systemic integration makes Lean difficult to imitate. Competitors can always copy tools like Kanban, TPM, VSM or 5S etc., but without embedding the underlying philosophy, and practicing the principles they fail to achieve exceptional results.

Total Lean, when embraced as an enterprise philosophy rather than a set of tools, fundamentally reshapes how an organisation thinks, acts, and improves. It aligns every function—customer interface, strategy, operations, and people development—around the relentless elimination of waste and the creation of customer value. When implemented correctly, it builds a culture where abnormalities are immediately visible, problems are solved at their root, and learning becomes continuous. This leads to tangible gains such as higher productivity, superior quality, shorter lead times, and lower costs, but more importantly, it creates intangible strengths — engaged employees, stronger leadership at all levels, and an organisation capable of adapting quickly to change. Over time, these capabilities compound, delivering not just operational excellence but a resilient, self-renewing competitive advantage that is extremely difficult for competitors to replicate.



Total Lean mindset as the differentiation strategy

A defining differentiator of Lean is its insistence on deep, structured thinking—well beyond surface-level problem solving. At its core, Lean compels organisations to anticipate failure rather than react to it, embedding correctness, quality, and robustness into the very design of products and processes. This is where Poka-Yoke (failure proofing) thinking becomes powerful: instead of relying on inspection or correction, it drives teams to design out the possibility of errors altogether. By rigorously analysing how a process can fail—human errors, variations in processes, variable actions, misalignment, misuse etc.—Lean thinking enables engineers and operators to build safeguards that make mistakes either impossible or immediately detectable. The result is profound: 80–90 per cent of potential problems are eliminated at the design stage itself, drastically reducing downstream firefighting, rework, and cost. This depth of thinking transforms quality from a control activity into a design outcome, creating

processes that are inherently stable, reliable, and efficient. In this way, Total Lean is not just a methodology—it is a mindset that differentiates organisations by shifting effort from correction to prevention, unlocking superior performance and consistency.

Speed, flexibility, and responsiveness

One of the most powerful differentiators enabled by Total Lean is responsiveness. In traditional systems, long lead times, large batch sizes, and rigid processes make organisations slow to react. Total Lean, by contrast, emphasises flow, small lot sizes, and pull systems. This dramatically reduces lead times and increases flexibility. Customers increasingly value speed—not just in delivery, but in innovation and problem resolution too. A Lean organisation can introduce new products faster, respond quickly to changes in demand, and customise offerings without significant cost implications. This agility becomes a defining competitive advantage, especially in volatile markets.

Built in quality as a differentiator

Another cornerstone of Lean is built-in quality. Rather than inspecting defects out at the end, Lean systems focus on preventing them at the source. In Toyota Production System (TPS), practices like Jidoka ensure that problems are identified and addressed immediately. Workers are empowered to stop the production line if a defect is detected—a radical idea in many traditional organisations.

The result is not just fewer defects, but a culture of accountability and continuous improvement. Over time, this leads to superior product quality, which becomes a key differentiator in the marketplace. Customers may not always see the internal processes, but they experience the outcomes—reliability, consistency, safety and trust.

In Total Lean, quality is not a fixed target but a constantly advancing frontier, driven by the fifth principle articulated by James P. Womack and Daniel T. Jones in *Lean Thinking—the pursuit of perfection*. This principle compels organisations to view every process as improvable and every outcome as capable of being made better, embedding continuous improvement into the fabric of daily work. Over time, this relentless pursuit eliminates waste layer by layer, reduces variability, and strengthens process capability, leading to consistently higher levels of quality, reliability, and customer satisfaction. The long-term gains are substantial: fewer defects, lower costs of poor quality, faster response times, and a workforce deeply engaged in problem solving and innovation. More importantly, the organisation develops a self-renewing system where improvement is not episodic but habitual, creating a dynamic competitive advantage that evolves faster than competitors can imitate.

Innovation through discipline

At first glance, Lean may appear to prioritise efficiency over innovation. However, thinkers like Prahalad and Hamel challenge this notion.

They argue that management of innovation—the ability to rethink how organisations are run—is itself a powerful source of competitive advantage. Total Lean fosters innovation in several ways:

- **Structured problem solving-** Lean encourages root cause analysis and scientific thinking. This disciplined approach leads to deeper insights and more robust solutions.
- **Employee engagement-** By involving employees at all levels in continuous improvement, Lean taps into a vast reservoir of ideas. Innovation is no longer confined to few or centralised, it is widely distributed across the organisation.
- **Rapid experimentation-** Lean encourages small, incremental changes rather than large, risky bets. This enables faster learning and adaptation.
- **Customer focus-** By relentlessly focusing on value from the customer's perspective, Lean ensures that innovation is aligned with real needs. Lean does not stifle creativity—it channels it into productive, value-creating directions.

Culture as competitive advantage

Perhaps the hardest element of Total Lean to replicate is its cultural core. In TPS, respect for people is as fundamental as efficiency. Employees are not treated as resources, but as partners in improvement. Leaders act as coaches, not controllers. The result is a culture defined by continuous learning, openness to change, accountability, ownership, and seamless cross-functional collaboration. Such a culture is inherently adaptive and resilient. It allows organisations to absorb shocks, respond to change, and sustain performance over time. As Porter observed, enduring advantage stems from activities deeply embedded within the organisation. Culture is the most deeply embedded of them all—and therefore the least imitable. Competitive advantage, however, is never obsolete; Total Lean can keep you moving

as fast as your business needs. What becomes obsolete are the ways organisations pursue it. In that reality, culture is not just a source of advantage—it is the engine that continually renews it. Organisations that get this right do not chase advantage; they regenerate it, again and again.

Total Lean can itself be seen as a profound innovation pioneered by Toyota through the Toyota Production System—one that aligns closely with the “doing more for less” paradigm described by Clayton M. Christensen in his theory of innovation. Unlike conventional innovations that focus on new products or technologies, Total Lean redefines how value is created by listening to customers, systematically eliminating waste, simplifying processes, and maximising the use of human creativity. It is an innovation in thinking and management that enables organisations to deliver more value—higher quality, better reliability, faster response, improved safety and service—while using fewer resources, less time, and lower cost. By embedding principles such as flow, pull, built-in quality, and respect for people, the philosophy creates a self-reinforcing system of continuous improvement. Over time, this ensures that performance is not static but progressively advancing, allowing organisations to consistently elevate value delivery across every dimension, making Total Lean not just an operational model but a sustained engine of innovation and competitive advantage.

The strategic fit of total lean

Strategy is about fit—the alignment and mutual reinforcement of activities. Total Lean exemplifies this principle. Process efficiency supports faster delivery. Faster delivery enhances customer satisfaction. Customer satisfaction drives demand and share. Increased demand justifies expansion. Each element reinforces the others, creating a virtuous

cycle. Moreover, Lean aligns internal processes with external value. It ensures that every activity contributes meaningfully to customer satisfaction, eliminating the disconnect that often exists in traditional organisations.

Total Lean is a strategic fit across virtually all business processes because it is not tied to a specific industry or technology—it is built on universal principles of value creation, waste elimination, flow, and respect for people. Every enterprise, whether in manufacturing or services, operates through processes that convert inputs into outputs for a customer. Total Lean focuses on making these processes visible, stable, and continuously improvable, regardless of context. This universality is why the philosophy pioneered by Toyota through the Toyota Production System translates so effectively across sectors.

In manufacturing domains such as automobiles, auto components, aerospace, defence, electronics, two-wheelers, jewelry, and process industries, Total Lean drives synchronised flow, reduces inventory, builds quality at source, and shortens lead times. It transforms complex supply chains into responsive systems while improving productivity and capital efficiency.

In industries like pharmaceuticals and chemicals, where compliance and precision are critical, Lean strengthens process discipline, traceability, and error-proofing, ensuring both quality and regulatory adherence.

In services—IT, retail, hospitality, and healthcare—the same principles apply, though the “product” is intangible. Lean streamlines information flow, reduces waiting time, eliminates rework, and enhances customer experience. In healthcare, it can mean fewer errors and faster patient care; in IT, faster deployment cycles and reduced defects; in retail and hospitality, better service consistency and responsiveness. Across all these sectors, Lean replaces firefighting with structured

problem solving and embeds continuous improvement into daily work.

What makes Total Lean strategically powerful is its ability to align every function—operations, support processes, and leadership—toward a common goal: delivering maximum value with minimum waste. When implemented as an enterprise philosophy, it creates organisations that are not only efficient but adaptive, resilient, and relentlessly improving. This makes Total Lean less of a ‘method’ and more of a universal operating system for sustained competitive advantage, applicable anywhere value is created.

From operational excellence to strategic differentiation

Many organisations do well in operational distinction but fail to translate it into strategic differentiation. They become efficient but not distinctive. Total Lean bridges this gap by linking operational practices to strategic outcomes. It ensures that efficiency gains are not merely cost savings but enablers of superior value. For example:

- Reduced lead times enable faster market entry
- Improved quality enhances brand reputation
- Flexible processes allow for customisation
- Engaged employees drive continuous innovation

These are not isolated benefits—they are strategic capabilities that define how the organisation competes.

Challenges and blunders

While the potential of Total Lean is significant, its implementation is not without challenges.

Common pitfalls include:

- Treating Lean as a toolkit rather than a philosophy and a way of thinking.
- Focusing solely on cost reduction.
- Ignoring the cultural dimension.
- Implementing Lean in silos rather than enterprise-wide (customer interface to last vendor).

Such approaches lead to superficial results and eventual disillusionment. True differentiation requires commitment at the highest levels of leadership and a willingness to rethink fundamental assumptions about how the organisation operates.

Secret of Total Lean success: What is your daily ‘job’?

In lean manufacturing, a ‘job’ is not merely the execution of assigned tasks—it is a disciplined combination of daily work and continuous improvement (kaizen). This dual responsibility ensures that performance is both stable in the present and progressively better in the future.

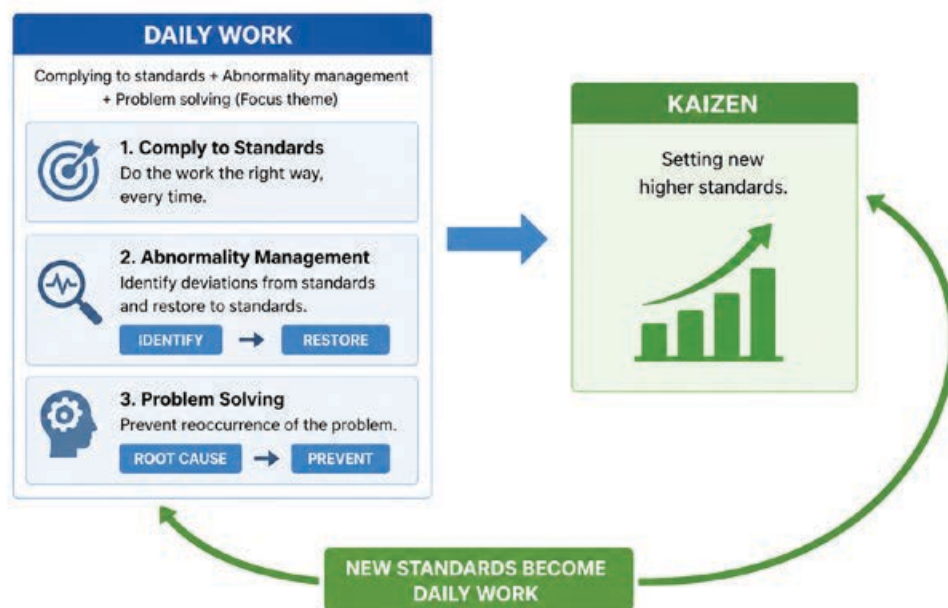
Daily work forms the foundation. It begins with strict compliance to standards, which represent the best-known way to perform a task. Without adherence, consistency and quality cannot be sustained. However, lean recognises that deviations are inevitable. This is where abnormality management becomes critical: identifying deviations from standards as they occur and restoring conditions back to normal quickly. The aim is not to tolerate variation but to make it visible and correct it immediately.

Equally important is problem solving, the central focus of daily work. While abnormality management restores the status quo, problem solving goes deeper—it seeks to eliminate root causes so that the same issue does not recur. This shifts the organisation from reactive firefighting to proactive learning.

Overlaying daily work is kaizen, the continuous pursuit of improvement. Kaizen is not an occasional activity but an integral part of every job. It involves setting new, higher standards once current ones are stabilised. Each improvement becomes the new baseline, creating a cycle of ongoing progress.

Thus, in lean manufacturing, a job is a dynamic construct: maintain standards today, solve problems to secure tomorrow, and

JOB = DAILY WORK + KAIZEN



continuously raise the bar for the future.

JOB = DAILY WORK + KAIZEN.

DAILY WORK = Complying to standards + Abnormality management + Problem solving.

KAIZEN is setting new higher standards in customer satisfaction, value delivery, systems, process, flow velocity, space utilisation, problem solving, training, learning, workplace organisation, cost reduction etc.

Conclusion: Lean as a way of competing

Total Lean is not just about doing things better—it is about doing better things, in better ways, consistently. By integrating the proven practices of the Toyota Production System and the strategic insights of Porter, the innovation mindset of Prahalad and Hamel, organisations can transform to becoming Total Lean from an operational tool into a powerful differentiation strategy. In a world where competitors can quickly copy tools, products and technologies, the ability to continuously improve, innovate, and deliver superior value becomes the ultimate advantage. Total Lean provides exactly that—a

system that not only enhances performance but reshapes how organisations compete, evolve, and succeed.

Ultimately, Total Lean gives the greatest Competitive Advantage because it is not a tactic, but a deeply embedded capability that competitors cannot easily replicate, and embedded in its fifth principle of improvisation from learning that can make it almost perpetual. Rooted in the principles of the Toyota Production System and aligned with Michael Porter's concept of strategic fit, it integrates people, processes, and purpose into a self-reinforcing system of continuous improvement. At the same time, it reflects the belief of Prahalad and Hamel that innovation must be organisation-wide, not isolated. Because Total Lean builds a culture where everyone improves, innovates, and responds to change every day, it creates an advantage that is dynamic, compounding, and enduring—one that not only outperforms competitors, but steadily makes them irrelevant. ■



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RAZE ENRICH GROW

Resilience defends the model that is being replaced; regeneration designs the next one. Discipline starts with the board and the executive reading the same systems stage of the organisation.

♦ STUART J GREEN, AUTHOR, *THE REGENERATE LEAP*

STRATEGY

The board's blind spot

In a boardroom in London two years ago, I watched a board spend ninety minutes reviewing programme performance against a strategy the executive had privately abandoned six months earlier. The board did not know. The executive had not found a way to say so. The gap between what the board was governing and what the organisation was actually doing had been open, unnamed, for two quarters. It was not a communication failure. It was a governance failure of a specific and diagnosable kind: the board and the executive were reading the same organisation from different stages of its own cycle.

That dynamic is now the governing condition for a significant share of Indian boards. Conglomerates restructuring across digital and physical lines, financial services firms absorbing artificial intelligence into core processes, family-controlled groups professionalising governance: each is navigating the same compressed question. The legacy commitments are real and visible: branch networks built for analogue distribution, manual workflows scaled by headcount rather than architecture, decision structures designed for hierarchical control, cost models tuned to an earlier industrial logic. The instinct under pressure is to extract more

from the prior model. The systems response is to enter a different phase before the conditions force it.

The misalignment between boards and executives during structural change is widely framed as a communication problem. The systems frame names something more specific. Boards and executives drift apart because they are governing the same organisation across different stages of a regenerative cycle. In a stable system, the drift is harmless. Under compound pressure, it freezes the organisation in the most exposed posture available: the board defends the model that the conditions are already replacing, and the executive carries the redesign privately because it has nowhere to be authorised. The result is governance over an organisation that is no longer the one in the room.

The conditions inside which most large organisations now operate are not a sequence of discrete shocks. Climate instability, artificial intelligence acceleration, supply-chain volatility, talent fatigue and geopolitical fragmentation are interacting. The interaction produces a permanent pressure environment rather than a recoverable disturbance. Each force on its own is a known governance category. Together, they remove the baseline that conventional

governance assumes is still available as a destination. Bain reports that 88 per cent of large transformation programmes fall short of their original ambitions. Boston Consulting Group's review of more than 850 firms records digital transformation hitting target outcomes in only 35 per cent of cases. The strategies were approved. The plans executed. The numbers reported. The model under transformation kept being defended.

The systems logic

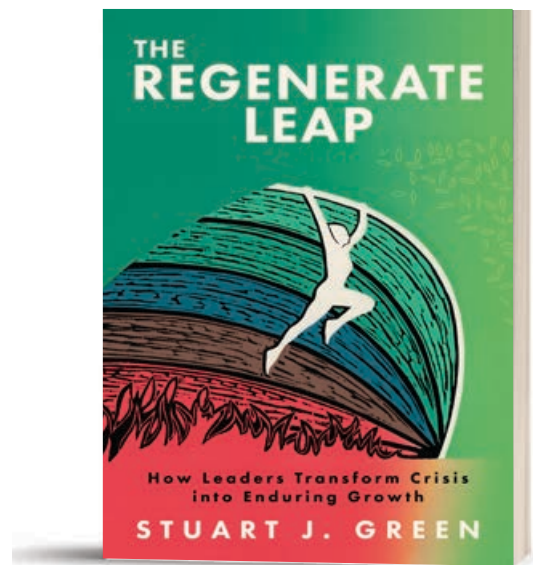
Ecological systems have stress-tested an alternative pattern over 3.8 billion years. Living systems do not absorb compound pressure indefinitely. They change state. Fire in serotinous pine ecosystems is the release mechanism that opens the cones, clears the obsolete substrate and makes the next succession possible. The heat carries information about which structures have outlived the conditions they were designed for and must be retired before the next state can take.

The same logic governs institutional regeneration. Stress functions as signal. The pressure is the data, not the damage.

Three phases follow. RAZE retires the structures, programmes and assumptions that no longer fit the conditions. ENRICH rebuilds the substrate: the capability, capital and relationships the next model requires. GROW designs and resources the new operating model. The phases operate as disciplines, not stages. Each requires the executive and the board to be reading the same stage of the cycle.

Why synchronisation fails at each phase

■ **RAZE is where most transformations fail.** The executive can see which programmes and assumptions have outlived the conditions they were designed for. The board protects what it does not know is structurally obsolete. Without synchronised authorisation, RAZE does not happen. The



organisation continues to fund commitments the executive has already privately diagnosed as liabilities, and the cost of carrying them compounds until they trigger the failure rather than avert it. In the Indian context, this is the legacy commitment problem: branch infrastructure, headcount-dependent workflows and multi-generational business lines that carry internal sponsors and external histories. Retiring them requires a board paper, a quarterly explanation and a reputational adjustment. Carrying them costs nothing on the current statement. The full cost arrives in the cycle when the model is replaced rather than redesigned.

■ **ENRICH is where most transformations are starved.** The executive is investing in capability that does not yet produce revenue. The board, governing against current returns and prior programme performance, withdraws the investment before the substrate is ready to support what comes next. The new model never receives the foundation it needs. In India, this is the professionalisation

The boards that read their organisation through the regeneration window will enter RAZE deliberately, ENRICH structurally and GROW into a model fitted to the conditions in which it now has to work



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investment: the data infrastructure, the digital talent pipeline and the governance architecture that conglomerates and family-controlled groups have been deferring in favour of near-term returns. The deferral is rational quarter by quarter. It is structurally costly across cycles.

■ **GROW is where most transformations design the wrong thing.**

The executive is sketching a new operating model. The board is governing the prior one. Strategy reviews amend the model being replaced and miss the model being built. By the time the gap surfaces in the financial reserves,

the redesign window has narrowed to a fraction of what it was. For Indian conglomerates, this is the platform question: whether the next operating model is built on the digital-physical infrastructure being assembled now, or on an amended version of the industrial model it is replacing. The board that is still governing the industrial model cannot authorise the answer.

Asynchrony delivers the same outcome at every phase. The organisation runs the prior model further into structural misfit while believing it is governing transformation. Synchronisation, in practice, is a scored shared diagnosis. Both parties read the same picture of operating model fitness: how fast decisions move, how disciplined the organisation is at retiring what no longer fits, how much capability is being built for the next model, how wide the speed gap between internal change and external change is opening. The board pack carries forward, but a structural fitness reading sits alongside programme performance.

Decommissioning runs as a standing item with a named owner.

Three questions for Indian boards

1. Which programmes or commitments are we funding that the executive has already privately diagnosed as structural liabilities?
2. Are we governing the organisation we have today, or the organisation we built the strategy for three years ago?
3. What would we stop in the next ninety days if we treated the redesign window as closing in eighteen months?

The work governance was built for

The boards that read their organisation through the regeneration window will enter RAZE deliberately, ENRICH structurally and GROW into a model fitted to the conditions in which it now has to work. The boards that govern the prior model through the regeneration window will arrive at the same end state through collapse rather than design. Both routes produce regeneration. Only one preserves the option to govern through it. The diagnosis is the precondition for synchronisation. The synchronisation is the work governance was built for. 

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Business schools worldwide are racing to embed AI into their curricula as students, employers and industry demand graduates ready for an AI-driven future.
Mylavaram Chandra Shekar, Institute of Public Enterprise

TECHNOLOGY

♦ RAMESH KOTNANA, INDIAN SCHOOL OF BUSINESS, HYDERABAD AND DR MYLAVARAM CHANDRA SHEKAR, INSTITUTE OF PUBLIC ENTERPRISE

AI goes to B-school

Driven by ChatGPT's release in late 2022, the rise of generative AI prompted many business schools to adopt it quickly; they have been responding to future students, who are rapidly evaluating the role of AI in their educational experiences, as well as to potential employers who anticipate an increasing demand for AI qualifications. A GMAC 2024 survey of 4,000 business school aspirants found that 40 per cent of respondents believed AI was essential to their ideal business school curriculum. Another GMAC 2024 survey of 1,000 corporate recruiters, including several Fortune 500 Companies, showed that employers, though not overly concerned about business school graduates' knowledge of AI just yet, anticipated its importance growing immensely over the next five years.

Businesses are under pressure to develop their own AI solutions because AI offers significant benefits. This has led to a global demand for AI programmes. Business schools worldwide are now incorporating AI into their MBA and executive education programs, with a focus on its ethical use.

The adoption of artificial intelligence by business colleges is increasing rapidly as its use in the classroom has become normalised. In 2025, fewer business schools (only 16 per cent) report not using AI at all in their studies than in the previous year (22 per cent). About half of all business programs have incorporated AI as an integral part of their curriculum for decision-making, business strategy and social impact, and most provide students with a variety of hands-on experiences through this use.

A GMAC survey revealed that AI skills are set to be key for business graduates. According to the GMAC Corporate Recruiters Survey 2025, nearly 33 per cent of global recruiters indicated that AI tools would play an increasingly key role in hiring decisions for business graduates. This marks a five-percentage-point rise compared to last year's findings. Almost two-thirds of employers say business school skills are more important as companies adopt new technologies. The most important skills for business graduates in 2025 are problem-solving (54 per cent), communication (51 per cent), and strategic thinking (51 per cent). IT and AI skills are becoming increasingly important, but employers want graduates to use AI wisely and communicate effectively, not just possess technical skills. In five

years, using AI tools is expected to be the top skill, indicating that decision-making with AI will be key for managers.

Many schools around the world are rapidly incorporating AI into their courses. Since ChatGPT's launch in 2022, students, teachers, and staff have extensively utilised AI on campus. A 2024 survey found that 78 per cent of schools use AI in their classes. AI is taught for its use in business, decision-making, data analysis, finance, strategy, and ethics. Another survey revealed that most school leaders and teachers support the use of AI, but teachers are slightly less optimistic than deans. Business schools are now focusing on teaching students both AI skills and how to use their own judgment, ethics, and empathy, not just technology.

At the end of 2022, ChatGPT made its debut in the B-School classroom, leaving many in graduate business education uneasy or fearful about the impact of AI on their profession. But by 2026, a growing number of top-tier graduate business schools worldwide will continue to adopt AI for a variety of functions, including teaching, research, and administration, to improve productivity while retaining a focus on people.

Business schools worldwide are now figuring out how to effectively, ethically and at scale bring AI into their programs. The timeframe for developing new ways to integrate AI has been drastically reduced from years to just a few months due to many factors, including curriculum redesigns, rethought pedagogy, faculty development, and changed institutional strategies.

A Framework for Artificial Intelligence in Business Education by Inspire Higher Education, AACSB, and GMAC captures a pivotal moment for global business schools, drawing on the experiences of 48 AACSB-accredited and aspiring schools to show that AI integration is no longer experimental—it is essential, scalable, and within reach for all. The report reveals a unifying insight: meaningful AI adoption is driven not by

technological sophistication, but by clarity of purpose and institutional commitment. Anchored in eight critical themes, the framework offers a powerful, practical roadmap for embedding AI into curricula, pedagogy, and strategy—empowering business schools to move beyond pilots and transform how Business Schools deliver education in an AI-enabled world.

Students' changing expectations influence these actions. Research by GMAC from the 2025 Prospective Students Survey indicates that half of prospective students identified learning AI in their coursework as a very important factor in their college or university decision, up from 29 per cent in 2022. In addition, research from AACSB indicates that 47 per cent of business schools have developed AI generative policies, and 95 per cent of institutions include student ethical use of AI in those same policies.

As both perspectives demonstrate, institutions are rapidly implementing changes to their current structures; however, student expectations are exceeding the timelines for business schools to provide programming and embed AI.

Global era of AI-integrated business education

Top business schools are utilising AI in innovative ways to enhance learning. For example, IMD developed its own AI system to provide students with personalised support, starting with executive programs and now used in MBA and EMBA courses. This follows strict privacy and ethical rules. MIT Sloan established an AI Hub for teachers to share ideas and learn how to use AI in the classroom. Gies College of Business allows teachers to use specialised AI tools tailored to their class materials. Nanyang Business School has modified its assignments to enable students to collaborate with AI and think more critically. IE University uses AITutor, which leverages various AI programs to provide students with a more personalised learning experience.

At HEC Paris, leaders from Sanofi utilise AI

coaching tools on real-world projects. ESCP ensures that all students learn to use AI across all subjects, not just as an additional class, because employers seek leaders who are proficient in utilising AI. INSEAD utilises AI and virtual reality for training in real-life scenarios, such as negotiations and crisis management, enabling students to learn when to trust AI and when to exercise their own judgment. Many schools also teach students about using AI ethically and consider its impact on society. For example, HEC Lausanne uses machine learning and digital ethics in real projects.

100 universities use Toronto Rotman's teaching assistant chatbot

Rotman School of Management developed the All Day TA tool, an AI assistant trained on university lectures to assist students with their questions. It helped answer over 12,000 questions in one semester and is now used at about 100 universities. All-Day TA is an example of AI's expanding role in online education, and feedback on it has been overwhelmingly positive. Schools also use AI to provide feedback, grade assignments, and set new skill expectations for students. Some teachers view AI as a means to help students learn and be creative, while others worry that it may lead students to rely too heavily on it, thereby hindering their ability to think critically.

AI at the Indian business schools

Indian business schools are rapidly incorporating AI into their teaching, making learning more practical and focused on real-world problems. The Indian School of Business combines AI with virtual reality to enable students to learn through simulations and case studies. A few faculty members at ISB have been using AI extensively in their teaching and have improved their outputs. For example, Prof Sanjay Kallapur, at ISB, created a custom AI tutoring application that integrates

Anthropic's Claude 2 and ChatGPT via APIs for use in his MBA Ethics class. The application provides students with tailored questions that generate feedback from the course material and enables grading at scale across more than 1,000 assignments completed through this tool. Through this success, AI is shown to improve the level of engagement among students while showing promise in addressing academic dishonesty, demonstrating effective use of AI to enhance teaching of complex skills associated with humanity, such as ethical reasoning, while still providing the necessary human connection between students and instructors.

IIM Ahmedabad offers courses in Business Analytics, AI, Fintech, and global supply chains to prepare students for tech-focused careers. IIM Calcutta and IIM Lucknow have new graduate programs in AI, data analytics, and digital transformation.

IIM Indore offers a special diploma in AI and machine learning, as well as courses on AI ethics and emotional intelligence. IIM Ranchi now uses AI projects rather than traditional exams, asking students to solve real business problems.

At the Narsee Monjee Institute of Management Studies, AI is integrated into all teaching and research, and faculty utilise it in case studies for programs in finance, strategy, marketing, and analytics, helping both students and faculty build new skills.

At SP Jain School of Global Management, an AI tutor called AI-ELT helps both students and teachers. After each class, teachers get instant feedback from the AI about how well students understood the lesson and how engaged they were. This is significantly faster and more objective than the traditional methods of evaluating student performance.

Great Lakes Institute of Management now offers an AI course for all teachers, enabling them to learn about generative AI and prompt engineering, and ultimately utilise these tools in



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their teaching. Many universities utilise platforms like Coursera to enable teachers to acquire new AI and tech skills while continuing to teach students. Edtech companies like LEAD Group and TagHive are also helping with this AI trend. Thanks to AI, the classroom experience in higher education is undergoing rapid change.

AI adoption in the country

India is adopting AI faster than many other countries. More jobs in India now mention AI, rising from 8 per cent to 12 per cent in a year. Automation is changing how people work, but it is not taking away all jobs. Most skills are unlikely to be replaced by machines. In the future, people and machines will work together, not compete against each other. Bain predicts that India's AI sector will create 2.3 million jobs by 2027, but only 1.2 million qualified people will be available. Over 1 million workers will need retraining for these new jobs. The biggest shortages of AI talent are expected to occur in developed countries such as the U.S., U.K., Australia, and Germany. If India trains more young people in AI skills, it can become a major source of global talent.

Over 6 million people work in technology and AI in India. The tech sector is expected to generate more than \$280 billion in 2025, and AI is projected to contribute approximately \$1.7 trillion to India's economy by 2035. India has 180,000 startups, and almost 9 out of 10 new startups since 2024 have incorporated AI into their products or services. Approximately 87 per cent of Indian businesses utilise or are in the process of adopting AI, and more than a quarter are already highly advanced in AI.

India ranks third in the world for AI competitiveness, just after the US and China. The country has become a global hub for AI, with major companies developing solutions in India that are utilised worldwide. Tech giants like Amazon, Microsoft, Google, and TCS are investing billions in India's AI infrastructure. AI

companies like OpenAI, Google, and Perplexity are also giving free access to their tools in India, hoping to bring even more people onto the AI wave.

India produces approximately 1.5 million engineering graduates and many thousands of business graduates annually, making it a significant source of technical and business talent. But more than half of engineering graduates don't have the skills needed for jobs, even though they have a degree. A report found that 83 per cent of engineering graduates and 46 per cent of business graduates didn't get internships or jobs because they lacked the right skills. Most recruiters (73 per cent) prefer to hire people with the right skills and experience rather than just look at which college they attended.

Companies are eager to hire specialists but struggle to find candidates ready for real-world challenges. India has the raw talent to lead globally, but closing the gap will require coordinated action from educators, AI experts, policy makers, industry, and workers themselves. Business schools can capitalise on the growing demand for upskilling, micro credentials, and lifelong learning in today's rapidly evolving job market.

As more businesses begin to utilise AI in their daily operations, it is time for all kinds of institutions to offer courses focusing on AI technology. From the highest-ranking Business Schools to those in the second and third tiers, they must prepare their graduates to enter the workforce with AI skills by offering relevant AI programmes in the business school curriculum. Future business managers must receive training in three key areas: AI literacy, applied analytics, and the practical use of generative tools so that they can make informed decisions in the future business environment. With no AI, no business will move forward. So, it is the responsibility of any business school to prepare its graduates who can compete with AI in their jobs. ■



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Creativity meets code

‘A stitch in time saves nine’, but in economics, moments of transformation do not merely save, they redefine.

The global orange economy today stands at such a juncture. What was once a domain of artistic expression and cultural production is rapidly evolving into a sophisticated, technology-mediated ecosystem where creativity, computation, and consumer experience converge. The implications are profound. This is not a marginal shift at the edges of the economy, it is a structural reordering of how value is created, distributed, and consumed.

The ascendance of the Orange Economy

In the global economic platform, the orange economy has emerged as a formidable one. At present, estimated contribution of this economy in global GDP lies between 3 per cent and 6 per cent, while broader assessments suggest that its value may exceed \$4.3 trillion annually (India's World, 2025). It supports approximately 30 million jobs worldwide,

with a disproportionately high share of youth employment, underscoring its centrality to the future of work (Chakraborty, 2026).

Under favourable conditions, the creative economy is projected to contribute nearly 10 per cent of global GDP by 2030 (Buchoud et al., 2021), placing it on par with traditional sectors such as manufacturing and finance. Global trade in creative goods has already exceeded \$500 billion, with developing economies increasing their share from 25 per cent to almost 45 per cent, indicating a significant shift in both cultural and economic influence (Datta & Hatayama, 2020). In this evolving landscape, creativity is no longer a cultural artefact; it is an economic asset, a strategic resource, and a potential source of global soft power.

India's position within this transformation is particularly noteworthy. The country's orange economy, currently valued at over \$30 billion, it is anticipated to surpass \$100 billion over the next decade (IAS Score, 2025), while employing nearly 8% of the national workforce and contributing more than \$11 billion annually in creative exports (IAS Score, 2025).

At the core of this transformation is the

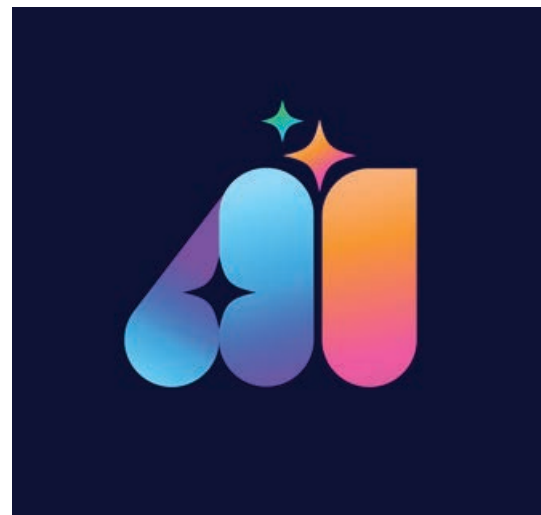
rapid emergence of India's digital creator economy, widely regarded as its most dynamic and scalable segment. With a creator base exceeding 4 million and a market expected to grow from USD 976 million in 2023 to nearly USD 3.93 billion by 2030, the sector has recorded an impressive 322 per cent increase in creators since 2020 (Singh & Bhansali, 2025). This growth is driven by extensive digital penetration, with over 954 million internet users and average daily online engagement surpassing five hours, fostering a vast and highly responsive consumer ecosystem (Singh & Bhansali, 2025).

Platformisation: The first structural shift

The first major inflection point in the orange economy was driven by the rise of digital platforms (Rastogi, 2026). These platforms fundamentally altered the architecture of creative production by collapsing traditional value chains. Where once the flow of value was linear, creator to producer to distributor to consumer, it is now networked, instantaneous, and global. Platforms such as YouTube, Instagram, and Netflix have reconfigured the ecosystem into a platform-mediated model where creators engage directly with audiences.

This transformation has catalysed the rise of the creator economy, shifting the locus of production from institutions to individuals (Rastogi, 2026). Barriers to entry have fallen dramatically, enabling creators from smaller towns and diverse socio-economic backgrounds to access global markets. What has emerged is a democratisation of cultural production, where creativity is decentralised and participation is widespread.

At a macroeconomic level, this shift has redefined value itself. The orange economy is increasingly driven by intangible assets such as attention, engagement, and data, marking a transition from an ownership-based paradigm



to an attention economy, where value accrues to those who can capture and sustain user engagement at scale.

Artificial Intelligence (AI): The second wave of transformation

If platforms scaled creativity, AI is now transforming its very logic. AI functions simultaneously as an enabler and a disruptor. It dramatically reduces the cost and complexity of content creation, enabling individuals and firms to produce high-quality creative outputs with unprecedented efficiency. Tasks that once required specialised expertise; editing, composing, designing, scripting are increasingly automated or augmented by AI systems.

This has ushered in an era of hyper-efficient creative production, where the marginal cost of content creation is rapidly declining. Output is expanding, barriers are shrinking, and the creative process itself is being reimaged. Yet, this expansion introduces a fundamental paradox. As content becomes abundant, its scarcity and therefore its perceived value diminishes. This creative dilution paradox raises critical questions about authenticity, originality, and quality in an age of algorithmic production.

Immersive experiences enhance emotional engagement, reduce perceived risk, particularly through features such as virtual try-ons, and strengthen brand attachment. The result is a more engaged, informed, and experience-driven consumer

Moreover, AI is reshaping labour dynamics within the creative economy. While it enhances productivity, it also threatens traditional creative roles, blurring the boundary between human and machine-generated work. Questions of authorship, intellectual property, and ownership are becoming increasingly complex, with existing regulatory frameworks struggling to keep pace.

The result is a hybrid creative economy, one in which human ingenuity

is increasingly intertwined with algorithmic intelligence.

From attention to immersion: The AR/VR inflection

The third, and perhaps most transformative, phase of this evolution is being driven by immersive technologies such as augmented reality (AR) and virtual reality (VR). While platforms changed distribution and AI transformed production, AR and VR are redefining consumption itself. The shift is from passive engagement to active participation, from consuming content to inhabiting experiences. Films become immersive environments, concerts transform into virtual gatherings, and retail evolves into interactive, personalised journeys.

This marks the emergence of what may be termed the experience economy within the orange economy or more precisely, its experientialisation. Crucially, AR/VR is not merely augmenting existing industries; it is creating entirely new ones. Virtual events, immersive tourism, metaverse fashion, and

spatial storytelling are rapidly emerging as distinct economic domains. This transformation also redefines creativity itself. The creative act is no longer limited to producing content, it now encompasses designing experiences. Creators are evolving into experience architects, crafting environments that engage users across sensory, emotional, and cognitive dimensions.

From an economic standpoint, this signals a transition beyond the attention economy towards what may be described as a presence economy, where value is derived not just from engagement, but from the depth and intensity of immersion.

Rewiring consumer behaviour

These technological shifts are fundamentally reshaping consumer behaviour. Digital platforms have already enabled personalised, on-demand consumption. AI has deepened this through hyper-personalisation, tailoring content to individual preferences with increasing precision. AR and VR take this further by altering the psychological foundations of consumption itself.

Immersive experiences enhance emotional engagement, reduce perceived risk, particularly through features such as virtual try-ons, and strengthen brand attachment. The result is a more engaged, informed, and experience-driven consumer.

Perhaps most significantly, immersive technologies amplify behavioural phenomena such as the Fear of Missing Out (FOMO). In a digitally mediated world where experiences are shared in real time, absence becomes more conspicuous. This gives rise to experiential FOMO, a powerful driver of engagement and consumption in the immersive economy.

Fault lines: Power, precarity, and policy

Notwithstanding its promise, the evolving orange economy is characterised by emerging



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fault lines. The growing dominance of digital platforms has led to concerns around market concentration and algorithmic gatekeeping, with platforms exerting significant control over visibility, monetisation, and data flows. This creates asymmetries in value distribution between creators and intermediaries.

Simultaneously, the creator economy is marked by labour precarity. While participation has expanded, income stability remains uncertain, and social protections are limited. This mirrors broader trends in the gig economy, raising questions around labour rights and welfare. AI further complicates the landscape by introducing challenges related to intellectual property, ownership, and accountability. Meanwhile, AR and VR face issues of accessibility and digital inequality, with high costs potentially limiting widespread adoption. These challenges underscore the need for forward-looking policy frameworks that balance innovation with inclusion and efficiency with equity.

India's strategic opportunity

For India, the convergence of platforms, AI, and immersive technologies presents a historic opportunity. The country's demographic advantage, digital infrastructure, and cultural diversity position it uniquely to lead in this space. India can leverage its large creator base to build globally competitive content ecosystems, particularly in regional languages. It can also emerge as a hub for AI-driven creative production, combining its strengths in technology and services.

Equally important is the potential for innovation in immersive technologies across sectors such as education, tourism, retail, and entertainment. By integrating these developments with its digital public infrastructure, India can create scalable, inclusive models of growth. Perhaps most critically, India has the opportunity to shape global norms and frameworks around digital governance,

addressing issues of competition, data, intellectual property, and digital labour.

Conclusion: From creativity to experience

The orange economy is no longer confined to the realm of culture, it is becoming a cornerstone of the modern knowledge economy. Digital platforms have scaled creativity. AI is reshaping its production. Immersive technologies are redefining its consumption. Together, they are giving rise to an immersive, intelligent creative economy, one in which value is created not merely through ideas, but through experiences, interactions, and algorithmic systems. For policymakers, businesses, and creators, the challenge lies in navigating this transformation with foresight and balance. For India, the moment is particularly consequential.

The question is no longer whether the orange economy will evolve, it already has.

The real question is whether India will simply participate in this transformation, or emerge as one of its principal architects. ■

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