

**Yogoda Satsanga Mahavidyalaya**  
**Department of Commerce**  
**M.Com Semester II**

**Paper Name: Strategic Management**  
**Paper Code: CCCOM202**  
**Topic: Role of Board of Directors and Top Management**

The Board of Directors and Top Management play crucial roles in the success and direction of a company.

The following is an account of their strategic roles with examples from the Indian context:

**Board of Directors:**

**Governance and Oversight:** The board is like the company's boss. They make important decisions and ensure the company follows laws and ethical standards. For instance, when Infosys, one of India's largest IT companies, had a governance crisis in 2017, the board stepped in to investigate and fix the situation.

**Strategic Planning:** The board helps set the company's long-term goals and strategies. Tata Motors, an Indian automobile company, appointed a new board in 2016 to revitalize the business and improve its strategic direction.

**Risk Management:** They identify and manage risks. When the banking sector faced a crisis in India, the Reserve Bank of India (RBI) formed a board to oversee the restructuring of troubled banks to protect the financial system.

**Stakeholder Relations:** The board represents the interests of shareholders (people who own the company's stock) and other stakeholders like employees and customers. For example, when there were concerns about Air India's privatization, the board had to balance the interests of the government, employees, and potential buyers.

**Top Management:**

**Operational Leadership:** These are the executives who run the day-to-day operations. The CEO (Chief Executive Officer) is like the captain of the ship. Mukesh Ambani, the CEO of Reliance Industries, oversees various business segments like telecom, retail, and petrochemicals.

**Execution of Strategy:** They are responsible for turning the board's strategies into reality. For instance, Aditya Puri, the former CEO of HDFC Bank, executed a customer-centric strategy that made the bank one of India's most successful.

**Resource Allocation:** They decide where to invest money and allocate resources to different projects. For example, the management team at Maruti Suzuki decided to invest in hybrid and electric vehicles to stay competitive in the changing automobile market.

**Talent Management:** They hire and manage the company's employees. N. R. Narayana Murthy, the co-founder of Infosys, played a critical role in building a strong workforce and company culture.

In simple terms, the board sets the big-picture goals and ensures the company behaves ethically, while top management makes sure these goals happen daily. Both are essential for a company's success and growth, and they work together to steer the company in the right direction.