

## **“HOW CAN INDIAN INSTITUTE OF MANAGEMENT, INDORE BE A PATHFINDER IN THE DEVELOPMENT OF MADHYA PRADESH?”**

• **By Dr. M.N. Buch**

Indore is fortunate in being the only city in India to have both the Indian Institute of Management and the Indian Institute of Technology located there. Between themselves these two institutions can develop a synergy which can give the lead to Madhya Pradesh in technological advancement and in creating new management practices. Two other institutions, the Indian Institute of Information Technology and Management, Gwalior and the Indian Institute of Science Education and Research at Bhopal can also be roped in for task. The Director of IIM Indore has prepared a prospective plan for 2009-2013 in which he has specifically mentioned IIM (I) is potential to contribute to the development agenda of Madhya Pradesh and create a model which may be replicable in other similarly placed States. There is obviously a commitment to socially relevant management education and in this behalf I have certain suggestions to make: -

In the perspective plan of 2009-13 IIM (I) has, of course, prepared the blueprint of growth for the IIM Indore. In particular I like the mention of the potential of IIM (I) to contribute to the development agenda of Madhya Pradesh and replicability of the model in other backward states. In this behalf I have the following suggestions to make:

1. One major difference between our economy and that of the more developed countries is that whereas in the West the unorganised sector is small and shrinking and remains more as a fashion statement rather than as a major contributor to the economy, in India the informal sector employs more than 85 percent of the entire labour force. In terms of contribution to GDP it may be relatively unimportant, but as the largest employer it not only cannot be ignored but should not be ignored. Its contribution to GDP should be enhanced through:
  - (a) Developing a synergy between the organised sector and the unorganised sector so that growth in the former is directly reflected through growth in the latter.
  - (b) The inefficiencies of the informal sector should be offset by management, investment, design, equipment and marketing inputs which enable the labour intensive informal sector to become productive in those areas where labour can substitute for capital.
  - (c) Increasing ancillarisation of the informal sector so that it operates as a component manufacturer for the formal sector.
2. The IIM (I) should design a special programme to achieve the above objectives so that a parallel model of development evolves which can be replicated in other developing economies. In fact the effort should be that even the developed economies should draw a lesson from the new model whereby the largely monolithic business organisations of these economies develop into hierarchical organisations in which even the small player has a role.
3. The administrative model that this country inherited is intrinsically very strong, but this has been eroded by the twin factors of political decision making based on populism rather than ideology and programmes, combined with a bureaucratic resistance to change in a world where technology is making many old practices obsolete. Administration is a wider concept than management because the number of variables is larger and there are many more imponderables. Having said that the fact remains that the ability to take decisions is a management skill and, therefore, it would be appropriate if IIM (I) thinks of setting up a school of governance within its

own system. We are not talking here of corporate governance but rather of public administration. The National Academy of Administration at Mussorie is worth a detailed study because whereas it is the training ground for new entrants to the IAS and also an institute for refresher courses, we need governance inputs at various stages of an officer's career in which a business perception of administration is injected. Here IIM (I) can play a significant role.

4. The strongest point of the Indian Institutes of Management is the quality of the students that these institutes attract. You have just about the brightest students in India. Unfortunately these bright young minds enter the IISM mainly with a view to commanding an attractive salary package on graduation, with the result that these institutes have now begun to measure their success on the basis of placement alone. The IISIT, IISIT and IISM were established to provide a system of education whose standard is well above the average and its objective was to create a research environment in which there is innovation, invention and discovery. I shall be blunt enough to say that the IISM have not lived upto their research potential, with the result that in the imparting of knowledge and in developing the learning process they are now fast approaching a stereotype. IIM (I) must break out of this mood and create on the campus a research environment in which the faculty and student body enter into a partnership in which there is unorthodox thinking, even eccentric thinking which develops completely new management models.

The corporate world is looking for students who can help it to improve its profitability. IIM (I) should be deeply involved in evolving completely new business models which revolutionise the corporate world. This could encompass production and product marketing, financial management and customer relations in which traditional demand and supply forces are themselves revolutionised and even made irrelevant. Imagine a world in which consumer preference can not only be predicted but it can be formed and, in turn, consumer preference can reform industry itself. Imagine a situation in which there is equilibrium, but it is a dynamic equilibrium which improves the economy and drives it upwards. Imagine all this taking place within completely new environment standards in which exploitative growth is totally eliminated and every business action forms part of environmental sustainability. All this requires a new co-relationship between the human psyche, technology and production methodology and business practices which completely eliminate anything which adversely impacts on the ecological system, the environment and earth's resources and instead conserves, recycles and restores. Imagine what research possibilities are thrown open to IIM(I) if the above becomes the objective. But this can only happen in an institute where acquisition of knowledge is paramount and finding a job is incidental, where pedagogy and syllabus constantly evolve and where one is prepared to venture boldly without fearing to break new ground. Is IIM (I) prepared to face this challenge?

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