

12 FINANCIAL EXPRESS

WWW.FINANCIALEXPRESS.COM

Education

MONDAY, AUGUST 28, 2017



TWITTERATI

World Economic Forum

@wef

Which countries provide their citizens with the best higher #education?



Prof Ramendra Singh

● THE INDIAN INSTITUTES OF MANAGEMENT BILL, 2017

IIMs at the crossroads

Even after decades of their functioning, IIMs have not fared very highly when it comes to making an impact on Indian management. The impact of business schools from the US is still evident in the classrooms

LAST MONTH, THE IIM Bill was passed in the Lok Sabha. Soon, with its passage in the Rajya Sabha followed by the President's nod, it would open a new chapter for the Indian Institutes of Management to grow exponentially. By its own admission, the ministry of human resource development (MHRD) agrees that the Bill intends to grant more autonomy to IIMs by restricting the interference of the government and giving more statutory powers to IIMs to decide their functioning, including appointment of directors and faculty members.

In the shadow of this apparent transition for IIMs, it's worth taking a look at the historic development of these institutes and how well the system has fared.

Although there are 20 IIMs today in India, the earliest IIMs were opened in Calcutta and Ahmedabad in 1961, with the objective of making management education open to the Indian masses, through management programmes. The Harvard Business School and MIT Sloan School of Management helped set up IIM Ahmedabad and IIM Calcutta, respectively. Subsequently, IIM Bangalore was established in 1973, followed by several other IIMs in the later decades.

However, IIMs have not fared very highly when it comes to making an impact on Indian management. The impact of business schools from the US is still evident in the classrooms, as most textbooks, case studies and other teaching resources being used are that which were developed in the western nations. Here, the institutional voids inside IIMs become apparent. Lack of top quality management research at IIMs has become their Achilles heel. Ever since IIMs have been set up, these institutions focused more and more on management education by producing MBAs (the degree at IIMs is called PGP, or Post-Graduate Programme in Management), rather than focusing on management research. Today, after several decades of producing management talent for the industry, IIMs are struggling to catch up in the international rankings by realigning incentives, structures and processes to motivate research productivity among faculty members.

The possible causes of this overempha-



sis on management teaching can be easily traced back to increasing government interference and control over IIMs. In initial years, government support for land provisioning and funding the campus develop-

ment have helped IIMs to stand on their own feet. However, unlike a good mother/father, the government did not free the fledgling institution when it was matured enough to fly. Today, we have a 50-year-old institution learning to fly when it could have learnt the same many decades ago. Too

much dependence on government funding, and the consequent loss of autonomy, resulted in overemphasis on management teaching since MBA programmes are still the biggest source of revenues for IIMs (other than government funding). Even to-

Initially, govt support for land and campus development helped IIMs stand on their feet. But the govt did not free the fledgling institutions when they were matured enough to fly. Today, we have a 50-year-old IIM learning to fly when it could have done so decades ago. Dependence on funding resulted in overemphasis on teaching, rather than research, since MBA programmes are still the biggest source of revenues for IIMs

day, the PGP continues to be the flagship programme of IIMs. Even though the Fellow Programme in Management (FPM)—the doctoral programme—is also decades old, it does not garner sufficient attention and resources that it should. As a result, doctoral programmes suffer.

The emphasis on management teaching to drive revenues for the institution has led to disproportionate resources being deployed in MBA (read PGP) programme. With increasing pressures to expand the revenue streams, the one-year PGPEX (Post Graduate Programme for Executives) has also started in the last decade. While the product portfolio of MBA programmes has expanded, the research productivity has suffered. Till recently, there was neither a proactive research culture, nor research incentives in most IIMs that could act as a magnet for research—productive and/or younger faculty to do good quality research. Teaching was equated as the only institutional priority that drove peer-respect, while research was relegated into something that was the individual pursuit of the faculty member him/herself. IIMs assumed that teaching is the institutional priority, even if it comes at the cost of research. The institutions failed

to realise that there cannot be good teaching without good research, and that these two are hardly separable. To make matters worse, most IIMs were dependent on government for funding, and were therefore also constrained on matters of salary and compensation. So, innovation and innovative thinking became the last priority. Institutions were happy to keep running the teaching machinery, with little or no competition from other management institutions in India or abroad. The Indian School of Business started as non-government funded management institution in 2001, and in less than 15 years, it has shown better results in teaching and research (as well as infrastructure) than what IIMs have not been able to show in 50 or more years.

The resource crunch felt by IIMs led to poor future planning and huge leadership vacuum at the top. IIMs were so engrossed in their own small world that they failed to develop the global outlook. As a consequence, most IIMs have almost no permanent international faculty members even today, because there is little financial or non-financial gains for international faculty to join as faculty member at IIMs, especially when the government did not allow IIMs to pay higher to get high quality faculty from abroad.

The lack of heterogeneity and low internationalisation is also visible among students. To add to the flavour of homogeneity, 90% of the MBA batch, year after year, consists of engineers, who bring in linear thinking in the classrooms. A lot more heterogeneity can be added to the MBA batch, by attracting artists, actors, writers, doctors, army officers, among others.

Finally, the board composition has to change as well. Rama Bijapurkar, a strategy consultant and also a board member of IIM Ahmedabad, has remarked that corporate executives who sit on IIM boards are directly or indirectly dependent on the government for their main business and thus their emphasis is less on building great academic institutions and more on enhancing their business interest. Often, the board decisions are taken on the kind of steps that are likely to make ministers or bureaucrats happy. Such conflicts of interests must end, and the 'real autonomy' of IIMs would be when their boards consists of more academicians with closer understanding of academic affairs and a higher stake in building a great institution.

The author is associate professor, IIM Calcutta. Views are personal