

INSTITUTION BUILDING FOR MANAGEMENT
EDUCATION IN INDIA - IIMA EXPERIENCE

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W.P. No.295

Oct. 1979

WP295



WP
1979
(295)

The main objective of the working paper series of the IIMA is to help faculty members to test out their research findings at the pre-publication stage.

INDIAN INSTITUTE OF MANAGEMENT
AHMEDABAD

INSTITUTION BUILDING FOR MANAGEMENT EDUCATION IN INDIA

- IIMA EXPERIENCE*

by

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1. Introduction:

Management Education is relatively a new development in India. Formal management education in a substantial degree started only in the early 1960's. After India attained independence in 1947, industrialisation in the country was making rapid progress. The first two Five Year Plans gave significant emphasis on developing agriculture and heavy industries. As a consequence, the number of industries both in the private and public sectors increased considerably. Most of the industrial establishments and enterprises were quite traditional in their management practices. As the tempo of industrialisation increased, the need for trained managers and professional management also increased. Even as early as 1913, a few commerce colleges were started to impart training in commerce, finance and accounting. The programmes of these colleges were not really aimed at meeting the needs of the industrialists. They were not elitistic in nature and the graduates from these colleges were primarily taking up clerical jobs.

* Paper presented at the Expert Group Meeting organised by the United Nations on Institution Building for Management Development held from 11 to 15 June 1979 in Bangkok.

The first major attempt at the government level to start management education programs in the country was made in 1953. The All India Council of Technical Education in the Ministry of Education, Government of India, set up a permanent Board of Management Studies which commissioned a few studies with the assistance of British experts. Naturally, the British model of Management Education was recommended. Four universities situated in the major metropolitan centres and a few technical institutes started evening courses in Management during 1953-57. These part-time courses separated into Business Administration Courses and Industrial Administration Courses were meant for junior executives working in business and industry. Business Management Courses were started in Arts and Commerce Departments of Universities e.g. Economics Department of the Bombay University, and the Industrial Administration Courses in technical institutes like the Indian Institute of Science at Bangalore and Victoria Jubilee Technical Institute, Bombay.

It was then realised that these types of courses would not be adequate for the growing needs of the industry and the economy. In 1957, the Government of India set up the Administrative Staff College of India in Hyderabad based on the Henly-on-Thames model. This was a non-profit organisation meant to train executives in the Government and the private sectors. The so-called syndicate method of teaching in the Henly-on-Thames model was also used here.

The Government of India was still trying to find a suitable model for starting management education in a big way. Many successful business administration departments of US Universities like Harvard School of Business; MIT (Sloane School of Management); University of California, Los Angeles; Carnegie Institute of Technology, Pittsburgh etc., offered alternative models in the area of Management Education. This was also a time when the four institutes of Technology were set up with foreign collaboration. All this helped Government of India to consider seriously the setting up of Management Education Departments/Institutes with the collaboration of a few American Universities. The Ford Foundation also expressed interest in the idea. Consequently, a few American Professors visited India and gave reports on developing Management Education curriculum in the Bombay University. In 1959 George Robbins of the University of California, Los Angeles, was invited by the Government of India and the Ford Foundation to suggest a scheme for starting Management Education in India based on an American model. George Robbins submitted his report recommending the setting up of a full-time, full-fledged and autonomous Management Institute independent of any university affiliation. At that time the University system was more traditional in nature than today with well structured rules and regulations. It was felt that an autonomous Institute would provide better scope for experimentation, innovation and flexibility. As mentioned earlier, the impressive growth and development of a few autonomous institutions outside the University system e.g. the Institutes of Technology, Indian Statistical Institute, Tata Institute of

Fundamental research etc. guided the planners in their decision to establish an autonomous Institute for management education. The general understanding at that time was that this pilot project would be located in Bombay.

Extensive discussions between the Government of India and the Ford Foundation led to the decision to set up two institutes of management, one in Calcutta and the other one, as earlier mentioned, in Bombay. The decision to locate the institute at Calcutta was taken in a very short time. This was inspite of the fact that there were no discernible attempts to locate the project there. However, there was considerable amount of industrial activity in Calcutta at that time. For the other institute, the location was changed from Bombay to Ahmedabad. This was because of the unusual and quick interest shown by some prominent people and industrialists in Ahmedabad. It appears that Bombay University did not act quickly on the locational decisions, partly because of the decision taken to make the proposed institute an autonomous one, unconnected with Bombay University. Ahmedabad however had several locational disadvantages at that time. There was only one type of industry in Ahmedabad, viz. cotton textile industry. The climate and other physical factors were not very conducive to attract faculty to that place. The only positive factor which decided the issue and perhaps led to the growth of this institute was the keen interest and generous support shown by the industrialists and prominent people in Ahmedabad. While it is difficult to estimate the opportunity cost of the institute having been not established in Bombay, the supposed

locational disadvantage of Ahmedabad did not seem to matter when one looks at the growth of institute over the past few years. The institute at Ahmedabad was set up with the collaboration of Harvard Business School and the one at Calcutta with the collaboration of Sloane School of Management of MIT, USA. Both were set up almost at the same time in 1961-62.

Subsequently, these two institutes became leading centres of management education in the country and served as catalysts for the growth of Management Education movement in the country. A number of universities have since then started MBA programmes through their newly set up management departments. In 1965, the Jammalal Bajaj Institute of Management was set up as a department within Bombay University. Both full-time and part-time programmes are currently being conducted by various universities. About 30-40 university departments have since started offering MBA type of programmes. The setting up of the two institutes of management also witnessed the expansion of the Administrative Staff College and its entrance into a number of new areas. Encouraged by the performance of these two institutes and the growth in demand for their graduates, the Government of India set up another institute of management in 1973 at Bangalore. The intention was that **this** institute would cater specially to the needs of public enterprises. This institute did not have any formal collaboration with any foreign university. This was not seen necessary for this institute partly because some experience was already available in the country to administer the institutes of management. In recent years, a number of professional and non-professional institutes of management have

come up in the country. Some of these professional institutes deal with specialised subjects, for example, the National Institute of Bank Management in Bombay, the Staff Training Colleges of the Nationalised Banks, the Management Development Institute of the Industrial Finance Corporation, the Financial Management Institute in Madras, V.L. Mehta Institute of Co-operative Management etc. In addition, executive development programmes are being conducted by several management Associations, Productivity councils and Associations dealing with related areas.

The three institutes of Management have since made a major impact on the management scene in India. These institutes enjoy considerable autonomy and are not connected with the university system. The university departments are largely traditional in nature and in them the decision making processes are sometimes slow and rigid. At the time of setting up of these institutes it was generally believed that in the Indian University system, innovations and implementation of new ideas would be extremely difficult. This was the primary reason why these institutes were set up as autonomous units. These institutes have valued the autonomy more than the formal recognition of the degree granting status and related privileges. Consequently, they have not made any serious attempts to get such recognition. They also felt that a considerable part of the autonomy, flexibility and innovative power would be lost if degree granting status is obtained. Therefore, even today these institutes do not give degrees, but offer only a post-graduate diploma in Management at the end of the two-year programme.

2. Conceptual Framework of Institution Building Process:

The Inter-University Research Programme in Institution Building has been engaged in developing the concepts and the processes of institution building. Milton Esman and H.C. Blaise have developed some guiding concepts for institution building research and these have been accepted well by number of researchers in this area. This section is a short summary of the important features of their work. They define institution building as the planning, structuring and guidance of new or reconstituted organizations which

- a. embody changes in values, functions, physical and/or social technologies;
- b. establish, foster and protect normative relationship and action patterns; and
- c. attain support and complementarity in the environment.

They identify as the key elements for the analysis of the Institution Building Process, (a) Leadership, (b) Doctrine, (c) the Organisation and (d) the Environment.

Leadership refers to all those persons who are actively engaged in the formulation of the doctrine and programme of the institution and who direct its operation and relationships with the environment.

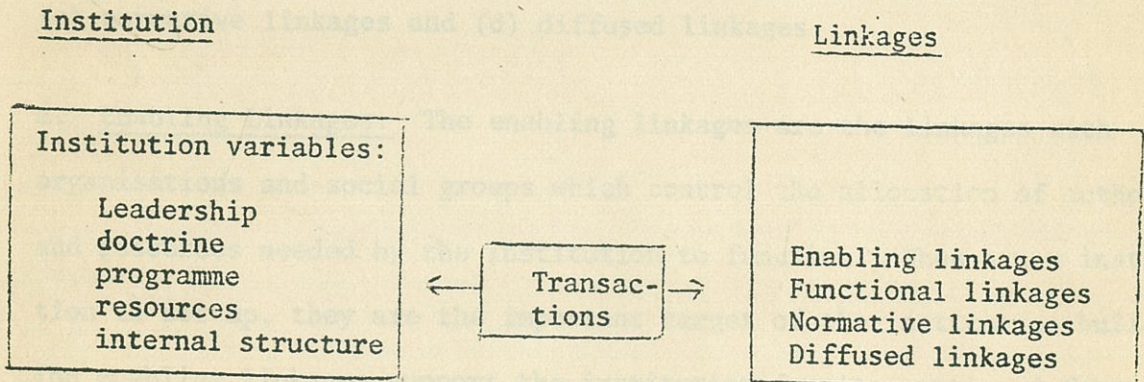
Doctrine refers to the specification of the values, objectives, and operating methods of the institution.

Organisation: The new or reconstituted *organisation* is the vehicle of change, in which and through which the leadership embodies, fosters and protects the new values, norms and technologies.

Environment: The *environment* refers to the set of organisations and individuals in the society with which the subject institution is inter-dependent in performing its functions and services.

The points of interaction with the environment have been termed *institutional linkages*. The following figure shows the three categories of institution building, viz. institution, transactions and linkages.

THE INSTITUTION BUILDING UNIVERSE



Leadership and *doctrine* have already been defined. The *programme* is defined as those actions which are related to the performance of functions and services constituting the output of the institution. *Resources* refer to physical, human and technological inputs of the institution. *Internal structure* is the structure and process established for the operation of the institution and for its maintenance. The distribution of functions and authority, the process of communication and decision-making and other relationships and the action patterns are given under this category.

The *linkage category* emphasizes the interdependence which exists between an institution and other relevant parts of the society. Within this class of institutional linkages, Esman and Blaise distinguish four categories: (a) enabling linkages, (b) functional linkages, (c) normative linkages and (d) diffused linkages.

a. Enabling Linkages: The enabling linkages are the linkages with organisations and social groups which control the allocation of authority and resources needed by the institution to function. When a new institution is set up, they are the important target of the institution builders. The enabling linkages support the institution for its continued function.

b. Functional Linkages: The functional linkages are linkages with those organisations which supply the inputs and which use the outputs of the

institution. Within this class of linkages, the organisations which perform similar functions and services and which constitute the real or potential competition, are also included.

c. Normative Linkages: The normative linkages are linkages with institutions which incorporate norms and values which are relevant to the doctrine and programme of the institution.

d. Diffused Linkages: Diffused linkages are the linkages encountered in its immediate environment and in the larger society. For example, they refer to public opinion and relations with the public as expressed in press media and other channels.

Transactions:

The institution conducts certain transactions with the social organisations with which it has linkages. Transactions are defined as the exchange of goods and services and the exchange of power and influence.

The above conceptual framework outlined by Esman and Blaise will be used to indicate the features of the Indian Institute of Management, Ahmedabad and its growth from the time of its inception.

3. Growth and Experiences of Indian Institute of Management, Ahmedabad (IIMA):

As mentioned earlier, the Indian Institute of Management,

Ahmedabad (IIMA), was established in 1961-62. The Government of India agreed to provide the annual revenue expenditure. The State Government of Gujarat donated 65 acres of land. Industrialists interested in the project promised support for building programmes. The Ford Foundation generously offered the foreign exchange part of the resources for developing faculty, library and other faculty facilities. The collaborative arrangements with the Harvard School of Business were based on mutual understanding in the creation, development and building of the institute. Co-operative effort and mutual understanding of goals and means were the primary basis of collaboration.

Initially, IIMA concentrated its efforts on the development of the two-year Post-Graduate Programme (PGP) in Management. The collaborators assisted the institute in developing the broad ideas of the programme, in setting up the library and in training some of the initially recruited faculty in the "International Teachers Programme" and similar training programmes. Along with the PGP, the institute also offered short-term management development programmes. Substantial amount of the faculty time was spent in the development of case studies and other teaching material that would form part of these programmes. In the initial years, the institute was concentrating mainly on enterprises management. The client system was primarily the manufacturing and services industry, both in the private and public sectors. Quite early, the institute started work in the major sector of the country, viz., agriculture. The group, which was called the Agricultural Co-operatives Group, was concerned with doing research and

consulting in Agricultural Management, conducting Management Development Programmes in Agriculture. Later a one-year programme in agriculture management similar to the two-year Post-Graduate Programme in Management was started. Keeping in view of the needs of the country and the environment, the institute moved into new programmes, research and consulting in the areas of rural development, co-operatives, public systems and sectors like Health, Population, Energy, Education and Transportation. In 1971, the institute started a "Fellow Programme in Management", which is similar to the doctoral programme in management. The objective of starting this programme was to train teachers and researchers in Management. Several university teachers programme were conducted to improve the quality of teachers of management and other related areas. The institute has been doing applied research and is actively pursuing the consulting activity. Recently the institute has started Institution Building activities both in India and in some Asian and African countries.

In July 1979, a new programme called Programme for Development of Management Faculty will be initiated. This will be a one-year-programme with the objective of strengthening the Departments of Management by enabling the faculty members of these institutions to spend a year interacting with the institute system. Exhibit I shows the growth of the institute in all these activities.

With the support of the Government and industry, the institute has grown considerably over the years and has been well-accepted in India.

It has now about 75 faculty members and a staff of 500. It has a campus of its own with good facilities both academic and physical.

In what follows, the growth of the institute and its features are explained in terms of the concepts of Esman and Blaise model of institution building:

Doctrine and Objectives: The broad objectives of the institute are:

1. To provide educational facilities for training young men and women for careers in management and related fields in any form of organisation.
2. To improve the decision-making skills and administrative competence of practising managers.
3. To develop teachers and researchers in different management fields.
4. To create knowledge through research, both applied and conceptual, relevant to management and its underlying disciplines, and to disseminate such knowledge through publications.
5. To assist organisations in solving their management problems by providing consulting services.
6. To collaborate with other institutions in India and abroad to further its objectives, and, if necessary, to assist in institution building.

These objectives were laid down at the time of the creation of the institute. They were clearly stated and the doctrine stressing action, relevance and definiteness in academic design was well established. Almost all the initially recruited faculty were sent to the International Teachers Programme in Harvard School of Business and this helped to create in this group of faculty a good degree of cohesiveness in understanding the objectives and doctrine of the institution. The objectives and the doctrine were followed closely all these years and a number of programmes and the internal structure needed to carry out such programmes were developed over a period of time. The last objective, viz., collaboration with other institutes in India and abroad, has not been fulfilled in a great measure and it is only recently that efforts are directed towards this objective. As mentioned earlier, the new programme of development of management of faculty is a step in this direction. A chart showing the objectives of this institute and the programmes and the internal structure designed to meet these objectives are shown in Exhibit II.

THE TWO-YEAR POST-GRADUATE PROGRAMME IN MANAGEMENT:

The primary objective of the institute at the time of creation was to train young men and women for careers in Management. The two-year Post-Graduate Programme in Management is the programme through which this objective is realised. This is still the major activity of the institute. This programme has been well-accepted by the industry and government.

The primary doctrine of this programme is education rather than mere training. It was emphasized that teaching should be practical and action oriented so that the student develops the competence to apply the concepts and techniques to actual management situations. It was also realised that teaching should facilitate active student participation in the academic process rather than encourage mere passive assimilation. The broad aims of the curriculum have been to enable the student to:-

1. internalize the relevance of the concepts, tools and techniques necessary to analyse and resolve management problems;
2. familiarize himself with a broad range of management problems and practices;
3. sharpen his ability to diagnose problems, identify alternative courses of action, formulate criteria for evaluating these alternatives and determine the course of action to ensure successful implementation; and
4. develop effective communication skills.

The teaching is done through cases prepared by the faculty based on their actual experiences in the real world. The pedagogy mix is quite diverse though the case method of teaching is still widely used. Initially, teaching materials were taken from the collection of cases from Harvard Business School supplemented by cases from the Indian context. Subsequently,

the faculty prepared a number of cases on **Indian** situations and now a very substantial portion of the materials are in the Indian context. Some of the reasons for the wide acceptance of the two year Post-Graduate Programme by the country are summarized below:

1. This programme was one of the first such programmes to be offered in the country. The institute thought about the programme well even before the programme was launched. They were assisted by the collaborators for developing a rigorous and relevant programme.
2. Even from the commencement of the programme, the calibre of the students enrolled in the programme was of a very high degree. Owing to the popularity of this programme and good prospects for employment and lucrative careers in industry, the programme attracted ambitious young and intelligent students. For example, the institute received 7500 eligible applications this year and the number of seats to be filled were about 180. The institute had established a fair and unbiased admission system which gave credibility in the minds of prospective students and the community.
3. Considerable amount of initial work was done before the programme was launched. The institute was set up in 1962 and it started admitting students for this programme only from 1964. In these two years, a small group of faculty assisted by the collaborators took pains to see that the programme was relevant and they worked closely

with the industry to develop cases for the programme. Consulting activities and the short-term Management Development Programmes also helped to identify good sources of case materials which enriched the programme and the faculty.

4. For the first time in the country, the concept of Placement Service was introduced. The Placement function was done vigorously and contacts with the client system was well set up. The industry was also eager to absorb these young men and women in the management positions of their organisations. They were guided primarily by the quality of both the students and the training programme of the institute. A Placement Committee of faculty members was set up at the Institute which adopted several measures to achieve this purpose and established various norms in consultation with the students themselves. One of the most successful of its strategies has been to persuade the prospective employers to visit the campus during the closing months of each academic year and interview students seeking jobs. The success in the Institute's Placement strategies is measured by the fact that all the graduating classes are usually placed immediately after the students complete their academic studies.
5. The institute constantly reviewed the programme both for its relevance and the changing needs of the society. Course packages were examined closely and they were seen as an integrated whole rather than as an assortment of courses. Once in five years a faculty committee deliberated on the future direction in which the Institute should grow and

the programme is modified in accordance with the ideas suggested by the Committee.

6. The programme is residential with students' dormitories and related facilities. The programme is national in character as students come from different regions of the country.
7. The Institute took considerable interest in its Alumni and their continued education. IIMA Alumni Association was therefore established in 1967 with a central executive committee and chapters in important cities, even abroad, with viable clusters of Alumni. Alumni Conferences are held periodically to enable the Alumni to keep in close contact with the activities of the institute. The association also brings out a journal called "Alumnus".

SPECIALISATION IN AGRICULTURE:

From the beginning the Institute had started doing research and consulting in the area of agriculture management. As a part of the activities, the Centre for Management in Agriculture started a new One Year Programme of Management of Agriculture in 1970. The objective of the programme was to give training in Management to young men and women whose basic education was in Agricultural Sciences and related subjects to take up careers in agricultural management.

Initially, this programme was open to persons who had completed their Master's degree in Agriculture and related subjects. It was realised from

the experience of the institute and discussions with the prospective employers that it would be preferable to have a two-year programme and admit bachelor's degree holders. Thus, the Institute decided to merge this programme with the already existing two year programme in Management with the understanding that candidates with agricultural background, after completing their required First-Year Package with the rest of the PGP students, would take up a specialised package in Agriculture Management in the Second Year. Currently, the Institute trains about 30 students per year under this programme.

PROGRAMMES FOR PRACTISING MANAGERS:

When the Institute was established, it was concerned with the two year PGP in Management and concurrently, it also started a number of short-term Management Development Programmes for practising managers. Though the Institute was set up with the primary objective of initiating a Post-Graduate Education Programme in Management, it is interesting to note that in the Institute's experience, the Management Development Programmes preceded the starting of the PGP programme. This unique phenomenon was not accidental and the decision was a deliberate one. At the time of creation of this Institute, there was no formal management educational institution in India and yet a number of industries and companies were managing their activities without specially trained professional managers on their staff. Thus, the concept that education could produce managers was yet to be accepted in India. For the success of the contemplated two-

year PGP in Management as well as for the growth of the institute, it was necessary to secure the support and co-operation of the industry. It was thought that this could be done through the efficacy of the Management Development Programmes and it was hoped that this would generate the necessary credibility. It was also believed that these programmes would bring the faculty into live contact with the world of practice, which would strengthen faculty competence and awareness and improve their effectiveness.

The focus of the early management development programmes was on general management. At a later stage after the institute had gained experience and confidence through its general management programmes, the institute started organising programmes in functional areas and in certain sectors as well. Subsequently the Institute also conducted a number of Management Development Programmes for administrators and managers of government sector enterprises.

The first major general management development programme was held in 1964 and it marked the beginning of the Institute's educational programmes. It was called "3-Tier Programme for Management Development". This was a unique concept in the sense that the thrust of this programme was towards developing organisations rather than individuals. It derived its name from the idea of participation of executives from three different levels in organisation, i.e., middle, senior and top management.

Subsequently, a programme for medium and small enterprises was also started. Quite recently, the thrust of the Institute has been to organise fairly long term duration programmes for practising managers. A six-month Management Education Programme for practising managers aspiring for General Management Careers was initiated and it is proving quite successful. At the request of the Electronics Commission of Govt. of India, a three-month programme on computer based information systems design has also been started. In the earlier years, most of the management development programmes were enterprise based. Subsequently, a number of programmes for the Government sector, banking sector, agricultural sector and trade unions were started. A few examples of this activity are the programmes conducted for the civil service probationers, administrators of the North Eastern Council, trade unions etc. In 1979-80 the institute would be offering a three-month programme on project identification and financial analysis for government officers of the State Planning Cells.

PROGRAMMES FOR THE DEVELOPMENT OF TEACHERS AND RESEARCHERS:

The first programme of this kind was organised as early as 1965-66 for the university teachers in managerial economics. The accent on the university teachers programme was on developing teachers in the universities in specific subjects as well as in General Management. A number of university teachers programme were organised in different subjects.

Encouraged by the success of the University teachers programme and strengthened by its experiences in various sectors, the Institute established an educational programme to generate continued flow of teachers and researchers in Management. This programme is undergoing constant changes and revisions to make it more effective and rigorous. Owing to the specialised nature of this programme, its growth has not been so impressive as of the two year PGP. The Programme can be classified more like the DBA Programme of USA Schools than the Ph. D. type of programmes. The lack of formal recognition to award doctorate degrees is perhaps one reason that this programme does not attract many participants who wish to become teachers in management. The employment opportunities for graduates of this programme are essentially the universities and institutes of Management. The personnel policies adopted by the universities need to be changed so that the graduates would be accepted by the university system at the appropriate starting levels.

RESEARCH AND CONSULTING

Research of the Institute has been classified broadly into two groups:

1. Extension to knowledge by improving concepts, techniques and applications relevant to management.
2. Studies which result in the development of cases and teaching materials.

The initial emphasis of the faculty was on developing teaching materials for the two year PGP and the management development programmes. In view of this, project research was delayed in the beginning. It was only about five years after the setting up of the Institute that it paid adequate attention to this type of research. The primary criterion guiding the Institute's research programme has been relevance rather than the dichotomy between 'applied' and 'theoretical' research. With the establishment and development of research in agricultural sector and public systems, the project research was stepped up considerably.

The Consulting activities of the institute were started to provide faculty an opportunity to get into contact with problems of the real world of practice. The faculty came from diverse background some with no prior exposure to management studies. It was felt that all of them should be acquainted with and be sensitive to real managerial problems. Consulting, it was hoped, would also contribute to the professional development of the faculty.

All consulting projects are undertaken in the name of the institute although individuals or group of faculty are made responsible for planning and execution of the project. Lest this activity make inroads into other institutional activities, limits have been set on the extent of faculty time that can be spent on consulting activity. Currently, a faculty member is allowed to spend one day per week in consulting activity and as mentioned before consulting is an institutional activity in contrast to individual activity that is prevalent in some countries.

Apart from the research carried out by individual faculty members, a major thrust to the research activity was provided by the setting up of the Centre for Management in Agriculture and later the Public Systems Group. Research in Agriculture Management started almost at the beginning of the Institute. This was the first Institute in India to embark on research and training in agricultural management. This activity originally started with the establishment of an Agricultural Co-operative Group (AGCO group). The establishment in 1970 of the One Year Programme of Management in Agriculture added a new dimension to the activities of the group. It was around this time that this group was renamed Centre for Management of Agriculture. Research at the centre has been sponsored by the Government of India, State Governments, World Bank, FAO, UNICEF, Ford Foundation, ILO and Financial Institutions in India. The Centre also organizes Management Programme in Agriculture. Over the years, the Centre has entered into new areas e.g. Rural Development, Forestry, Fisheries, and Co-operatives.

A Public Systems Group was set up to give focus on problems of Public Management in 1975. It is a focal point in research, training and organisational work on the management of various Public Systems. Some of the areas and centres on which research has been started by this group are Health, Population, Education, Energy, Transport and Urban Systems.

The Centre for Regional Management Studies was set up at the Institute in 1973. The centre sponsors Management Development Programmes for

executives in commercial and non-profit organisations and small and medium scale industries in Gujarat. It also sponsors research and management programmes with special emphasis on Gujarat region.

The Institute's Quarterly Journal, 'VIKALPA - the Journal for decision makers', publishes original and stimulating articles based on research on management problems, organizational work and consulting experience. This journal is designed for the use of professional managers, and students of management.

COLLABORATION WITH OTHER INSTITUTIONS AND INSTITUTION BUILDING:

The objective of University Teachers Programme was to develop individual teachers. While it is an important activity, it was realised that developing clusters of management departments was equally important. The Institute therefore decided to collaborate with selected University departments of management and other institutions of management learning. Initially, two or three such departments were identified and the institute collaborated with them. Also a few attempts were made and some contacts were established with management development institutes in some African countries. It should however be mentioned that no sustained and concerted efforts were made to fulfil this objective. The Institute was passing through a phase of growth and consolidation and it was felt rather premature to commit substantial amount of its resources to this kind of activity. Only recently, there was a relook at this objective resulting in

a decision to promote this activity in the next few years. As a consequence, a new programme on development of management faculty will be initiated commencing from July 1, 1979. It is hoped to have 10 to 15 teachers in Management from India and abroad who will be sponsored by their organisations for a year in the institute. This programme will have close links with the existing Fellow Programme in Management and will have additional courses and seminars and the participants will be working very closely with the faculty members.

At the request of the Government of India, the Institute has agreed to assist in the establishment of a national institute of forest management. The Institute will help the setting up of this institute and thus work closely with the Government of India and Forestry Departments.

LEADERSHIP:

One of the most important elements in the institution building process is the leadership provided by the institution and other persons connected with decision making, planning and policy formulation. When the Institute was set up, an honorary director was appointed who was one of the most important persons responsible for the location of the institute in Ahmedabad. He was himself a great scientist and responsible for the creation and development of many institutions in India. After three years, a permanent Director was identified. During his seven years of directorship, the institute set up its own traditions and grew in stature.

It enjoyed stable leadership and emerged as a pocket of excellence in the field of management education in India. A healthy tradition was set up by the first permanent director when he voluntarily relinquished his office after seven years of leadership and stepped down to become a member of the faculty. This step was intended to drive home the point that change in leadership at an appropriate phase was important for new directions and ideas. The Directors of the institute enjoyed support from Government and industry in a great measure. The Government of India gave adequate financial support without infringing on the autonomy of the institute. The Ministry of Food and Agriculture gave whole-hearted support for the establishment of the Centre for Management in Agriculture. The Board of Governors who were primarily responsible for the institute's policy and administration, gave excellent cooperation to the Directors in the conduct of the Institute's activities. Indian business and industry have consistently supported the institute in its various activities and the institute's building programmes. The Ford Foundation was very helpful even before the start of the institute and the continued grants have helped the institute greatly to develop facilities like faculty, library, computer and physical structures. During the first five years of collaboration, Harvard Business School was instrumental in developing the academic infrastructure.

FACULTY DEVELOPMENT

~~Management Development~~ was relatively new field in India and one of the concerns expressed at the time of the creation of the institute was the availability of appropriate faculty. The institute decided to develop its own faculty in a variety of ways. The institute's faculty were drawn from three major streams.

1. Practitioners of Management with interest in and potential for academic pursuits.
2. Academic persons with management background.
3. Persons trained in basic disciplines relevant to management.

In the beginning, the institute sponsored its newly appointed faculty to the International Teachers Programme of the Harvard Business School. These persons underwent common educational experience and this gave certain cohesiveness for the development of tasks at the institute. A few outstanding graduates of the Institute's two-year PGP were also sent to international institutions and universities for doctoral programmes and the institute sponsored them and provided financial and other support. Most of the faculty though Indian were recruited from USA and other European universities and this facilitated an understanding of the model that was used at the Institute. The Fellow Programme in Management of the Institute's of management also provided some faculty to the institute.

INTERNAL STRUCTURE

In the first three or four years, the Internal structure of the Institute was just adequate for the accomplishment of primary tasks. These primary tasks were essentially the conduct of the PGP, a few management development programmes, consulting activities and applied research, case research and academic administration. For the internal structure no rigid forms were set up. It was felt that development of attitudes and right traditions were far more important than formal mechanisms. It was only nine years after the institute was set up that a need for re-organisation of the internal structure was felt and a committee was set up for this task. The administrative systems and structures prevailing in most of the Indian Institutions of higher learning would hardly induce the experimentation needed to develop management education. The general philosophy of the internal functioning was the belief that academic freedom assisted by appropriate system of evaluation would create a sense of responsibility and discipline and guide the individual's performance of tasks. The institute's Society and Board of Governors were responsible for the policies and the conduct of the institute. However, the Director, as the Chief Executive was vested with the actual authority. He exercised authority with the consent of the Board of Governors and with consensus of the faculty. Various tasks and activities are accomplished through committees. The committees consisted

of faculty members who were responsible for performing a group of activities or fulfilling a need. As far as possible, the need for hierarchical structure for academic decision-making was avoided. The management of academic tasks was entrusted to the group most competent to understand these tasks.

To facilitate the planning of curriculum and academic activities the faculty was divided into groups known as academic 'areas'. These areas represented basic disciplines and functional aspects of management. Currently the areas are: Finance and Accounting, Production and Quantitative Methods, Marketing, Economics, Organizational Behaviour, Personnel and Industrial Relations and Business Policy. The faculty member was permitted to be a member of two academic areas simultaneously. These areas were conceived as sentient groups aimed at facilitating the academic interaction among faculty of similar expertise and interest. The activities and the academic areas were headed by faculty members and they were given responsibility for this in a decentralised way. To ensure that their individuality and free expression would not be circumscribed, the Chairman and the activity heads were given responsibility of the activity without de jure hierarchical authority. Most of the faculty members were trained in USA and other countries and were accustomed to these types of structure and the process of acceptance

of the same was therefore easy. Since no formal authority was given to the chairman and activity heads, the system worked in a participative way rather than in a hierarchical way. These positions were on a tenure basis and they lasted usually two years. No extra facilities or additional remuneration were given to these activity heads and chairmen. Academic freedom was within the purview of institute's total objectives and activities and creative ideas fulfilling the needs of the client system were encouraged. Client system generally meant the Government, the industry, social organizations, and the trade unions. A few of the major problems that had to be tackled in the early years were the external pressures of parochial, political, financial and various other vested interests. Traditions were set up at the institute to tackle these in an objective way and a culture got established which should have sufficient strength to take care of these external pressures.

Along with a committed faculty, there was a group which gave excellent administrative support. The support of administration was centralised under the Administrative Officer who was responsible to the Director. However, to provide a link between the academic and supportive administration, the administrative officer was given faculty status so that he and his staff could remain sensitive to the needs and concerns of the institute, faculty, the basic programmes and activities.

The educational administrative facilities were gradually built up

to provide good support. Plans were initiated quite early to build a campus. The dormitories for students and housing for the faculty were first to be built even before the office complex, library and other administrative offices. This strategic sequencing of construction activity helped a great deal. Dormitories were necessary because the PGP was meant to be residential; since most faculty came from abroad and they belonged to various parts of the country, housing on the campus for them was an attraction. The office complex, the library and the computer centre were built later.

4. Future Outlook:

During the first decade of IIMA, the institute devoted its major effort to 'enterprise management. The post-graduate programme and the management development programmes laid emphasis predominantly on this area of management. The teaching materials and in particular the cases, were mainly drawn from enterprises in private and public sector. The institute developed sufficient expertise in the field of general management and functional areas. The thrust was also given to develop degree-type academic programmes. Concurrently agricultural management was also given importance and the general concept of sectoral growth was evolved by the faculty.

The growth of public sector, public management and public ownership brought in new demands on the institute's activities and this called

for new programmes and research areas. Agricultural management was broadened to include, for example, rural development, cooperatives, and rural based industries. The public systems group through its constituent sectors started working on challenging problems in this area.

IIMA would continue to strengthen itself in the effective execution of the objectives it has laid down. The degree type programmes e.g. Two-Year Post-Graduate Programme, Fellow Programme and the long-duration Management Development Programmes will have to be expanded to meet the growing needs of the country. Managerial inputs for rural, agricultural and related development will grow both in magnitude and quality. The new areas of study would include international business, technology transfer, infra-structure planning, implementation of plans, and social and economic programmes. One of the institute's major thrust would be in the area of public systems and public management. It is also envisaged that research on policy issues will be stepped up in the near future. The institution building and collaboration with other educational institutions both in India and other developing countries have taken shape in the last two years. This is envisaged to take deeper roots in the next few years.

The institute had challenging opportunities in pioneering many new areas in management education and training. One of the major challenges it will have to face in the next decade will be the choice

of the appropriate mix of activities that are socially relevant and the development of managerial capacity for the economic and social uplift of the poor and exploited of the country who constitute the bulk of the population. The effectiveness of the institute will depend on how well the institute adapts itself and be sensitive to this important objective.

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EXHIBIT I

Growth of IIMA : 1966-67 to 1978-79

Activity	Year			
	1966-67	1971-72	1976-77	1978-79
Post-Graduate Programme - Size of graduating class	48	142	160	151
Management Development Programme (No. of participants)	293	511	746	872
Cases (Cumulative number)	500	906	1409	1750
Faculty size (including Visiting Faculty)	49	82	84	87
Staff Size	149	231	400	422
Library books (Cumulative)	27000	55000	83480	92138
Research Projects Completed (Cumulative)	16	71	161	196