

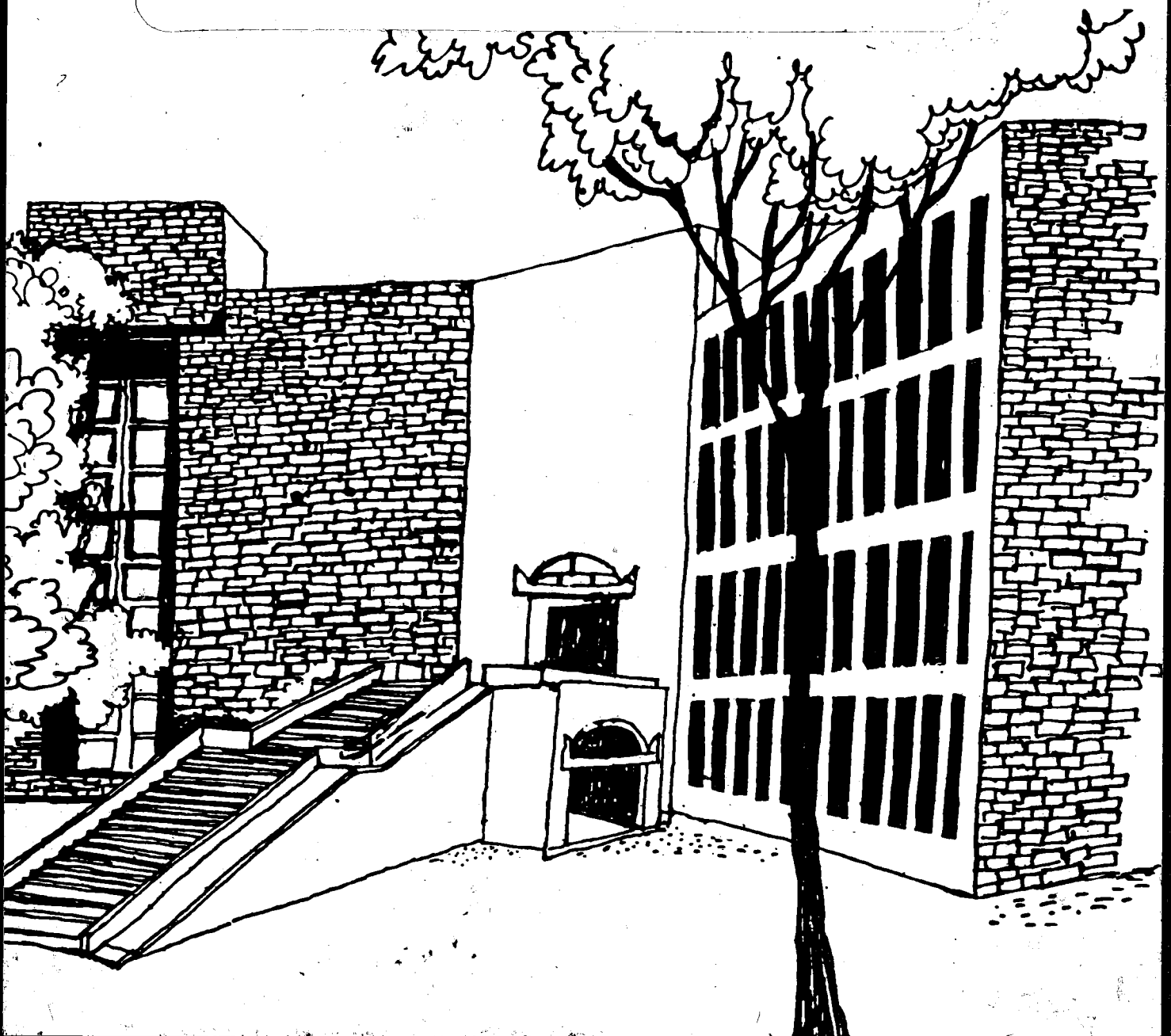


# Working Paper

ROLE OF CULTURE IN INSTITUTION BUILDING  
AND SUSTENANCE: THE CASE OF IIMA

BY

Shashi Kolavalli

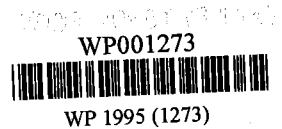


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## Role of Culture in Institution Building and Sustenance: The case of IIMA<sup>1</sup>

Shashi Kolavalli<sup>2</sup>

That there has been a degeneration of whatever enabled this institute to achieve excellence at least in some spheres of management education is widely shared by the current and past members of this organization. It is evident from the contributions to the two volumes of *Institution Building: The IIMA Experience*. A former faculty member in one of his notes to a colleague remarked that the two volumes symbolize the rise and fall of IIMA. Those familiar with what is happening here would agree that the institute works in ways significantly different from the way it did in the past. The essence of this change is that the administration of this institute has become more hierarchical. Whatever harmony existed between the director and the faculty has eroded; there are exchanges between the faculty and the director as to who has the rights to decide on various issues. The administration and faculty are increasingly resorting to legal measures to achieve what in the past would have been done through negotiations. The institute took an unprecedented step of filing a caveat at the high courts wishing to be heard if some of the faculty members sought restraining order against actions to be taken on them. Subsequently, a faculty member was charge-sheeted.

I propose to examine institution building as relevant to our institute, particularly the role of IIMA culture, what it was, how it was developed and the role it played in influencing the behavior of members particularly the faculty. I would like to also challenge a theme that runs through several of the contributions to the second volume; that the cause of the decline in "commitment" of the faculty is the internal values held by the current faculty; that the current faculty are more self-interested compared to the earlier one [Gupta, 1994; Sharan, 1994 and Sheth, 1994]. The new culture which has emerged is characterized as being utilitarian compared to the "normative" culture which existed before [Gupta, 1994]. I will argue that, contrary to what these authors suggest, the declining "commitment" or contributions to the collective by the faculty in recent years is not rooted in values held by individuals but in the decline in institutions which were instrumental in influencing the behavior of members. I

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<sup>1</sup>The culture of IIMA has fascinated me. Soon after coming here I realized there was something special about this place. Culture was often mentioned as the rationale for doing things in ways which appeared peculiar to me. In response to one of my outbursts in a meeting, Prof Ranjit Gupta told me that an understanding of how this institute worked would come to me gradually; just as discovery of India came to Indira Gandhi, letter by letter. During the years I was involved in admissions, I realized how committed people were to institutional processes, and how much pride they took in preserving the integrity of processes. Not much time has passed since then, but it is difficult not to notice the difference, growing cynicism and a sense of alienation. It seemed to be related to vitiation of processes or culture. I also realized that theory of collective action had interesting applications to institutions building. Rich information provided by the two volumes of *Institution Building: The IIMA Experience* somewhat compensated for my lack of first hand knowledge of how this institute worked in the early years. It seemed worthwhile to give priority to work on this paper among all the unfinished things. The change that this institute is going through is disturbing to even someone like me who never planned to retire here.

<sup>2</sup>I am grateful to Jagdeep Chhokar for his comments on earlier drafts of this paper. I have borrowed expressions and opinions of several colleagues to describe the situation at the institute. I would like to acknowledge them all.

will also demonstrate that directors have a critical role to play in creating and maintaining institutions which make excellence<sup>3</sup> feasible.

The IIMA culture is, or was an institution. It is an institution in the sense that it is simply a set of norms or rules-in-use [Ostrom, 1992, p.19]. The rules may not be written down or easily detectable. But they dictate how things are done, what to expect from others, what is an acceptable form of behavior and what is not. They are, therefore, capable of shaping individual behavior. The IIMA culture was instrumental in overcoming some of the managerial problems of an academic organization. We will begin with a discussion of what these problems are.

### The problem of academic organization

#### Organizational objectives

An important measure of performance of an academic institution such as ours is the reputation it enjoys as opposed to profits, market share or revenue in a profit centered organization. Reputation is an assessment of one's capabilities by others. Organizational reputation is an assessment by the external world of the competence with which the primary activities of an organization are conducted. Reputation may be specific to certain dimensions of academic work such as teaching, research or consulting. Both individuals and organizations develop reputations.<sup>4</sup> Working together in an organization, the members create organizational reputation which has characteristics of a public good.<sup>5</sup> Members benefit directly by making use of or "consuming" organizational reputation. The benefits to members is dependent on how they consume organizational reputation and the level of their own reputation in relation to that of the organization.

Organizational reputation is like a club good which a group of people can provide for themselves by excluding others. But it is difficult to control the consumption by members within the group. A faculty member sitting in an airport lounge who intentionally makes known to the public that he is a faculty at a reputable organization is in fact consuming organizational reputation. Some do it more than others. Fortunately, organizational reputation is non-rival; consumption by one does not leave less of it for others. Unfortunately, individual consumption can affect the level of reputation. If the reputation of the individual consumer is significantly different from that of the organization - either more

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<sup>3</sup>Excellence is used to denote high levels of performance.

<sup>4</sup>Individual and organizational reputations are related. The sources of organizational reputation are two: individual reputations of members of the organization and external assessment of the collective goods produced by the members of the organization. Similarly an individual reputation is related to assessment of his or her own capabilities and the reputation of the organization he or she belongs to. Any individual activity influences both individual and organizational reputation, which of them is affected more depends on the nature of activity.

<sup>5</sup>A pure public good is characterized by non-exclusion and non-rivalry. National defence is an useful example.

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or less - individual consumption raises or lowers the organizational reputation accordingly.<sup>6</sup> This would be so unless the external observers have full information regarding individual differences in reputation among the members of the organization.<sup>7</sup>

Non-excludability of organizational reputation creates strong incentives among members of organizations, particularly reputable ones, to offer membership of the organization only to those whose individual reputation is already higher than the organizational reputation or those who have the potential to take theirs' above the organization's within a reasonable period. It provides suitable incentives to enable decentralized recruitment in which members have considerable input into decisions relating to admission of new members. Members would usually add to their group only individuals who will add to organizational reputation.<sup>8</sup> It is for the same reason that the members may have strong desire to exclude poor performers from the group.

Building a reputation for excellence in academic activities, a collective good, may be presumed to be a suitable objective for an academic organization. There may be other objectives such as achieving financial independence and so on which become feasible if an organization were to become reputable. Reputation is relative subject to a frame of reference. Organizations choose a frame of reference for themselves. For example, our organization could seek to be the best in Ahmedabad, Gujarat, western India, India, developing world or the world as a whole. We could be content with merely being better than others in the country; this is not difficult in a country in which organizations decline over time. The frame of reference chosen by an organization critically determines the extent to which it pursues excellence, more global the frame of reference, greater the thrust on excellence. The frame of reference chosen and therefore the performance in terms of excellence of an organizations may be influenced by competition and the threat to survival that an organization faces, pressure from the government, demands from clients and internal competition among components/members [Israel,1991].

### Individual aspirations

We can postulate that the faculty may be motivated to seek 1) satisfaction from being academics - through teaching or extending frontiers of knowledge, 2) fame or recognition, 3)

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<sup>6</sup>We may object to a relatively unknown faculty member soliciting consulting on the strength of being a faculty member here because he/she may bring down organizational reputation. On the other hand, we would welcome Dr. I.G. Patel to let people know that he was director at IIMA before becoming the director at the London School of Economics.

<sup>7</sup>When such information is available, an observer is likely to comment that "so and so is incompetent or very good but he/she is not representative of the faculty."

<sup>8</sup> But what about the allegation that some deserving candidates are rejected at IIMA because those who are already in do not like to bring in anybody who is smarter than themselves? This is quite possible when individuals are no longer interested in building the collective good. Hiring of inferior people does offer some private benefits. Inferior people may be hired in order to look good by comparison and also enhance nepotism. A strong motivation to hire these days is to reduce teaching responsibility of existing members.

financial rewards, and 4) positions of power here or elsewhere particularly through fame and recognition. These objectives are not exhaustive nor are they exclusive; one can be achieved through others. In addition, some faculty may not be driven by any of these aspirations at all or that their motivation levels may be low; they may be content merely drawing salaries at a reputable organization. However, as we will see, there is sufficient evidence to show that motivation levels of most faculty at this institute go beyond merely wanting to be on the payroll.

Academics are generally held in high esteem.<sup>9</sup> It is under the general presumption that academics pursue, develop and impart knowledge all because they derive inherent satisfaction from doing so. Knowledge generation itself can be heady stuff capable of giving deep personal satisfaction. Therefore an academic could get satisfaction even without achieving fame. Personal satisfaction need not be related to recognition by others; the target could be something purely internal. Such desire may drive individuals who strive to publish or devote themselves to teaching without seeking fame.<sup>10</sup> They may publish to gain a sense of accomplishment rather than to achieve fame.

Fame and recognition can be achieved in several arenas with varying frames of reference. One could seek to become famous as a teacher, researcher, consultant or a text book writer. The frame of reference could be students in our post-graduate and management development programs or academics and bureaucrats in the country or the international academic or development community. Excellence is an assured way to become famous. Good teachers are remembered by the students. Research published in well known journals brings recognition from a large audience. There are short cuts to achieving recognition too. 'Academic politicians' who spend as much time peddling their ware among joint secretaries as they do generating knowledge can achieve fame to some extent without excellence. Networking can also lead to recognition more than in proportion to net worth. In sum, there are several arenas fame can be achieved in and there are several ways it can be achieved. There are short cuts to achieving fame and recognition; excellence is not required, clever marketing of oneself can be very helpful.

Personal income can be enhanced primarily through consulting. Consulting involve solving problems specific to an organization, research-based assignments to improve knowledge in the public domain and, in recent years, training programs conducted for the benefit of specific organizations. Those who are adept at problem solving, but may not necessarily be good teachers or researchers, attract consulting assignments.<sup>11</sup> Consulting can also be attracted by those who are recognized to be good researchers or teachers particularly

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<sup>9</sup>This may no longer be true in much of India where teaching is treated merely as a job. This may be the reason for declining respect for teachers and interest among the young in teaching as an occupation.

<sup>10</sup>There have been and still are faculty who put extraordinary effort into preparing for classes or publishing quietly.

<sup>11</sup>Majority of the consulting at this institute begins with a request addressed to the institute rather than any individual. To the extent that these are farmed out to individuals on criteria other than competence, individuals wanting to consult may not be motivated to become competent.

in management development programs. Therefore, consulting need not be inconsistent with excellence in academics; it depends a great deal on the nature of consulting assignments accepted.

Academics are unlikely to be pursuing only one of these objectives. The weights they may attach to different objective may vary among individuals. The external stimuli that individuals may need to make them pursue academic excellence may also be related to the basket of objectives and the weights placed on different objectives. Those who place a high value on being academics are likely to be more self-driven in the pursuit of academic excellence than those who place a high value on increasing their incomes. The academically minded choose for themselves frames of reference which pits them against the best in the world. The choice of frame of reference is the key. As long as those who seek fame also choose a frame of reference in the academic community, they may need little external stimuli. Except for the few who choose global academic community as the frame of reference, aspirations of other faculty need to be directed with suitable incentives so that they are consistent with organizational objectives of achieving excellence. This is required for two reasons: i) individual aspirations may fall short of organizational objectives, and ii) individuals may take short cuts to fulfilling their aspirations.

#### Nature of work at IIMA

We need to recognize some special features of academics in general and the organization of work at this institute before discussing ways to make individual aspirations consistent with the objective of the organization of seeking reputation. Academics is the business of developing and spreading knowledge. The pool of knowledge constantly changes. To be effective, an academic should be continuously engaged in acquiring or updating, building and imparting knowledge. Academic work is not amenable to direction from others; it requires application of mind and has to be self-driven. The quality of work is related to the intensity of effort - application of mind - in addition to the quantum of effort. This has implications for organization of academic work. The quality of work is as important a dimension of work as quantity is and the assessment of quality and quantity of output is superior to monitoring of efforts put forth by individuals to make them achieve high levels of performance.

Much of the academic work at IIMA particularly teaching falls in the collective domain because the responsibilities for many tasks are not assigned to any individuals or areas. These tasks include teaching in PGP and FPM, MEP, 3TP, other MDPs and FDP. All these activities require considerable coordination among individuals. PGP for example, involves admissions, remedials, induction, teaching, evaluation and finally placement. Within PGP, teaching in the first year is more of a collective task than teaching in the second year. The content of first year courses are collectively determined. The teachers have little flexibility to decide what is taught, how it is taught, how students are evaluated and so on.<sup>12</sup> The teaching of second year courses offered as electives by the faculty are likely to be more

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<sup>12</sup>There have been complaints recently of faculty not adhering to collectively determined course outlines and so on.



congruent with individual interests of the faculty although they are subject to approval of the group. This is because faculty groups have tended to provide freedom to individuals and to leave the courses to be judged in the market place of second year electives.<sup>13</sup> The selection of students to the program, a major activity, is completely in the collective domain. Management development programs particularly the so called flagship programs are coordinated and offered entirely by coopting individuals. The major activities of the institute which contribute to the reputation of the institute are all in the collective domain. We will refer to them as collective products.

There is a rationale for placing many of these activities in the collective domain. The potential for achieving excellence is far greater when they are collectively managed. People who are most able can be recruited to lead various activities who in turn have the freedom to recruit a team which can work together effectively. Such organization provides significant room for creativity. The way research is organized in the centre for management of agriculture is a clear example of how collective organization can be superior to negotiation of individual contract despite the difficulties of fulfilling commitments when collectively organized.<sup>14</sup>

#### Congruence between individual and organizational interests

The efforts put forth by members to contribute to the organizational objective are influenced by individual aspirations and the incentives facing the individuals. Two major difficulties arise in bringing about congruence between individual and organizational interests because of the nature of work identified above. Academic work poses an information problem for the principals or those who seek to get the work done. The quality of academic output is strongly related to the intensity of effort or application of mind. But it is only the agents or the academics who have information on the extent to which they are applying their mind to their work. The principals can only monitor, at best, the time devoted by the agents to various tasks but not the intensity of effort.<sup>15</sup> This is similar to what is generally referred to as the agency problem in which the outcomes are not strictly related to efforts and it is

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<sup>13</sup>As a result of this individualistic approach there may be considerable overlapping of material in the second year courses.

<sup>14</sup>Collective organization can provide academic freedom. Academic freedom is not just being able to say what one wants to, but being able get funds to work on what one wants to. As CMA projects need not be individually negotiated with the Ministry, all that the members have to do is to convince their colleagues that what they propose to work on are relevant issues. The donors have continued to grant freedom of choice to the group because the group has collectively succeeded in choosing relevant issues. When academics working in applied areas are free to choose, they will have incentives to work on issues which are relevant - those which bring immediate recognition or lead to consulting opportunities.

<sup>15</sup>The futility of managing academics through measurement of effort alone was evident from the response of a faculty member when we were going through discussion about the units of work we were supposed to do and how the units would be measured. He remarked "just tell me when to come to office and when to leave. You can get me to do whatever you want while I am in my office. The rest of the time belongs to me." Emphasis on input alone reduces work to what is observable. People can be forced to come to office, teach courses, write cases but they cannot be forced to think and to do these things well.

difficult to determine whether the agents have put forth adequate efforts [see Ross, 1973]. This problem can be overcome to some extent by measuring outputs and offering suitable incentives to bring about optimal application of mind. In the absence of evaluation of output particularly its quality and suitable incentives, faculty are likely to put forth sub-optimal levels of effort into their work.

The other difficulty is associated with making individuals contribute to collective products the supply of which contributes to reputation or the collective good that organizations seek to build. Reputation is built by improving the quality of collective products. Individuals contribute to reputation by participating in the supply of these collective products. As organizational reputation is a collective good, the members have incentive to free-ride or not contribute to collective products.<sup>16</sup> So long as there are members who are willing to contribute to collective products and build the collective good, others may be content to sit back and enjoy the benefits or free-ride. Fortunately, free-riding is tolerated a great deal in academic organizations because contributions to the collective good in an academic organization also bring private benefits to those who do contribute. That is, many who do contribute to the collective good will continue to do so regardless of what others do because the benefits they themselves receive may outweigh their costs; they will unilaterally supply the collective good.<sup>17</sup> So long as a critical mass of faculty have such pay-offs, the supply of collective products will not be curtailed.

Much of the work at the institute yield both collective and individual benefits. The work can be categorized into various products on the basis of the extent of coordination with others required in supplying that product and the expected private benefits. Individual products are research projects, second year courses and consulting projects which individuals can undertake with minimal coordination with others. The supply of collective products entails direct provision and coordination. Direct provision refers to teaching of a first year course or a few sessions in an MDP or FDP. Coordination involves participation and leadership. Leadership involves assuming chairmanship/coordinatorship for the provision of collective products. Participation refers to contribution to coordination by attending meetings and so on.

In terms of benefits, at one extreme are individual products the benefits from which go to the individuals entirely. The organization may also benefit through contributions to the reputation but individuals will see that as a spill over. Individual benefits from the direct provision of a collective product is somewhat lower. To the extent that individual aspirations are consistent with these activities, individual benefits may be high. If an individual is interested in case writing and teaching, teaching of a first year course may be very rewarding. Leadership gives direct benefits to individuals including things such as

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<sup>16</sup>Contribution refers to not only participating in its provision but also making efforts to improve quality. Participation can be enforced or coerced but not efforts to improve quality. Some recent postings on our electronic notice board brought out that quality requires commitment.

<sup>17</sup>The group is "privileged" in the sense that possibilities of collective products being supplied by such groups are high. See Olson, 1969.

Table I Nature of work at IIMA

Category of work		Examples	Individual benefit	
I. Individual products		research projects, second year courses and consulting	high	
II. Collective Products	a. direct provision	teaching of first year courses, MDP sessions	low	
	b. coordination	1) leadership	chairmanship/coordinatorship	high/medium
		2) participation	attending meetings, teaching remedials, participating in admission interviews in centres other than one's home town	very low

telephones, status associated with being a coordinator etc. Individuals may take up such tasks quite willingly without wanting to contribute to the collective good. Many faculty do not waste any time printing new business cards after taking on administrative positions but hardly put any effort into coordination. But on the whole, there will be reluctance to take up administrative positions unless one enjoys whatever "authority" or privilege which go with it. Participation in coordination is likely to be least rewarding of all the tasks and therefore most prone to free-riding.

Some collective products which can be provided by small groups or coalitions within the faculty do not initially suffer from free-riding. One or more individuals may find the private benefits from providing these products to be more than the total cost of providing them. The coalitions will make their best effort regardless of the contribution of rest of the faculty. Some of the management development programs may fall into this category. The post-graduate program is likely to suffer first from the breakdown of collective effort because it is not feasible for a coalition to provide this collective product. There may be a few who are likely to unilaterally contribute but the number may not be large enough to maintain quality. In general the temptation will be strong not to put forth more than minimal effort to provide the collective product thereby not contributing to the collective good. In addition the incentives to free-ride become stronger as free-riding becomes more prevalent.

Faculty have a choice of contributing their effort to various tasks. As shown above some bring private benefit, some only collective benefit and some do both. To the extent that individual aspirations are consistent with provision of some collective goods the task of organizing work becomes easy for the organization. The challenge in academic organizations in which the work is organized as it is in ours is to create conditions in which the following may be achieved: i) incentives to excel in individual teaching and research, ii) desire to enhance organizational reputation or the collective good, and iii) voluntary contribution to collective products or the absence of free-riding.

In sum, the pursuit of individual aspirations of the faculty may not lead to achievement of organization objectives in an academic organization such as ours.<sup>18</sup> Organizing work such that individuals seek to enhance organizational reputation poses two difficulties. One, it is not enough to monitor efforts of individuals; there need to be mechanisms to assess outputs and also to offer suitable incentives. Two, contributions to the collective must be ensured and it is essential to bring it about through voluntary contributions.

### IIMA in the early years

#### Sense of belonging

The founders of this institute recognized that the working conditions at this institute should encourage creativity as the concern was application of knowledge and that an atmosphere of freedom would foster creativity [Matthai, 1993b, p. 105].<sup>19</sup> Freedom essentially meant that the faculty collectively could set the standards to be achieved and the discipline required was to be self-imposed and not thrust upon the faculty by a hierarchical authority. Creativity was to be encouraged by placing emphasis on the motivation of people to work, rather than on controlling them with rules and regulation [Matthai, 1977, p. 77]. The objective of this approach was to motivate faculty to be creative and make them volunteer their effort by making them feel that they were playing a part in building the institute and not merely carrying out a job [Matthai, 1977, p. 75]. Prof. Matthai's objective was to create a situation in which the institute could run on its own even without a director [Rao, 1993, p. 154].

Freedom in this context meant a choice over work and not a choice between working and not working. To the extent that individuals decided what they did and how they did it, their own participation was self-imposed and work was voluntary rather than thrust from above. The opportunity to volunteer oneself provided a sense of freedom to individuals. Individuals place a high value on being able to work voluntarily; more satisfaction is derived by performing a task without being asked to than otherwise. A condition in which individuals can volunteer their efforts to various tasks under suitable incentives - where individuals are expected to exhibit competence - can potentially lead to efficient allocation of efforts. Individuals will volunteer into activities they are most capable of performing. The challenge for the organization was to create an incentive structure in which it was in the best interest of individuals to volunteer themselves to institutional tasks.

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<sup>18</sup>There is also the problem of the organization not pursuing the objectives. If the organization itself does not seek to enhance its reputation, individual pursuit of their objectives may be consistent with that of the organization's and both can sink to mutually convenient equilibrium. Leadership can play an important role in raising expectations of the faculty.

<sup>19</sup>Academic freedom was viewed as freedom of the faculty to express their opinions without fear of reprisal, freedom to initiate academic activities within the broad objectives of the institute, freedom of the individual to plan his work to his satisfaction, freedom to innovate according to his creative thinking, freedom of movement to achieve his academic goals, freedom from external pressures, freedom from the pressure of excessive authority [Matthai, 1977, p. 72].

This was done by providing an opportunity for faculty to participate in the management of the institute. An outcome of this strategy was the evolution of an unique culture. Culture or 'how things are done' was characterized by certain processes for making decisions at the institute. The culture at this institute is often referred to as peer culture defined as being equal standing of faculty [Gupta,1994,p.194]. The core of this culture is that decisions are collective. Therefore, there was no awe attached to any administrative office and there was a spirit of camaraderie [Vyas,1994,p.2]. Collective decision making and the lack of concentration of decision-making power lead to a feeling of equality. The culture was characterized by i) lack of administrative hierarchies - decision-making was based on consensus, ii) respect for the judgement of peers - a basis for working together, and iii) an expectation of equal contribution by all.

### Role of leaders

How did this culture develop here and not in other IIMs although the work is organized more or less similarly? It is not something that is associated with management schools or management education. The leaders here played an important role in developing this culture. The directors and the board of governors deliberately gave up their authority to make decisions to involve the faculty in decision making. The faculty in the initial stages had difficulty understanding how participative decision making worked while the final powers rested with the director [Pathak,1994,p.47]. Decision making processes gradually evolved through lengthy discussions. The scope of faculty participation in decision making was also gradually increased. Their input was first sought in PGP related issues while the director retained control over decisions regarding MDPs. As the faculty demonstrated willingness and capability to participate responsibly, the scope of their participation was expanded.

The evolution of this culture can be directly attributed to the efforts of leaders particularly Dr. Sarabhai and Prof. Matthai. They facilitated, supported and provided space for others to grow thereby promoting self confidence, mutual respect, and tolerance [Paul,1993,p.95; Sheth,1994,p.33]. Their collegial style of working, the value they placed on academic freedom and the right to dissent and their concern about performance had a strong influence on faculty [Paul,1993,p.94]. In addition to establishing norms and practices which influenced behavior, they created new values [Paul,1993,p.95].

The leadership of the institute during initial years created a kind of space for the faculty to work freely [Paul,1993,p.92]. In a period when government's tentacles reached wide and the institute depended on the government for all its functioning, the institute was able to provide freedom to faculty to do what they thought was useful. The board and the director pleaded with the government not to damage the climate of creative and innovative education they wanted to create by imposing administrative format of universities [Bhattacharya,1993,p.17]. Subsequent directors also tried to shield the faculty from unwarranted intrusions. Even Dr. Patel chose to ignore some rules when he felt they were unwarranted [Patel,1994,p.29].<sup>20</sup>

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<sup>20</sup>Contrast this with the current situation in which the faculty are being asked to even channel the proposals through the ministry.

A convincing way for a director to demonstrate that he treated faculty as peers was to show no hesitation in being one of them. Therefore, the ease with which Prof. Matthai left the director's position to work as faculty is seen as seeding a new culture, and a singular contribution to institution building [Parikh,1994,p.93; Sheth,1994,p.39]. His relinquishment of the director's position demonstrated the values academics ought to hold: being a faculty is as rewarding as being a director; we should engage in intellectual pursuits rather than pursuit of power.

IIMA's formal rules do not grant any decision-making role to the faculty. Faculty participation was initiated by the early leaders because they thought it was the most appropriate way to manage given the mission of the institute [Paul,1993,p.95]. Though the director and the board had the formal and legal powers to make most decisions, the de facto decision makers were faculty. Recent debates as to whether the director or the faculty committees have the right to decide on some matters are superfluous. The director has. But the culture of this institute is, or was, that these rights are, or were, delegated to the faculty by the director, and voluntarily.

### Benefits

The culture which was established under the leadership of Dr. Sarabhai and Prof. Matthai helped the subsequent directors [Paul,1993,p.100]. There was no need for heavy-handed bureaucracy as the faculty were responsible and accountable [Paul,1993,pp.102-103]. Although participatory processes made extraordinary demands on faculty, they were willing to participate and become responsible for their actions because they were committed to achieve common goals and work collectively [Paul,1993,p.101]. They fought to retain autonomy and showed willingness to be accountable [Paul,1993,p.103]. Faculty themselves set high standards to be achieved [Matthai,1993b,p.104].

A deep sense of belonging to the institution developed among faculty as a result of participation in committees which enjoyed considerable autonomy [Dayal,1993,p.60; Monappa,1994,p.65]. Faculty felt that they were more like important shareholders rather than mere employees [Bhatnagar,1994,p.179]. There were additional benefits. They became more confident of their abilities [Dayal,1993,p.60]. It also influenced the expectation each member had about the behavior of others which is so important in collective endeavors. Mutual trust was developed [Paul,1993,p.101]. Team work was facilitated [Vora,1993,p.86]. Because participation in decision making presented a condition in which work was not thrust on them and it offered possibilities of achieving what was not possibly individually, the faculty did not mind taking on responsibilities which went with participation.

### Essential ingredients

The basis of the institute's internal functioning in the early years, "was to give the faculty the freedom to act, trust them to do their job well, provide facilities for this to be accomplished and to evaluate their performance" [Matthai,1993a,p.1]. Various elements which constituted this basis of functioning are designed to take care of some of the problems of academic administration discussed in the second section.

As the provision of collective products at the institute requires 'commitment' or voluntary contribution of faculty, a sense of ownership needs to be developed. A sense of ownership in a traditional profit oriented firm can be provided through equity which gives ownership rights. But such rights cannot be provided in an educational organization.<sup>21</sup> What can be done in an educational organization is to generate a sense of belonging by permitting faculty to actively participate in management. Participation in decision-making provides a sense of ownership or a sense of belonging. The benefits to participants are not merely psychic; financial rewards may follow from improved reputation. An individual's expectations about how things are done and one's own role in the processes give an individual certain rights over the organization he or she belongs to. These rights essentially provide an opportunity to influence its destiny. It is these rights which generate a sense of ownership. Contributions to something one owns then become voluntary and in that sense ownership generates a sense of freedom and commitment.

Freedom in this institute was effective at two different levels. At the broadest level, the faculty felt they belonged here and contributed voluntarily. There was also freedom at an operational level because the faculty were trusted to do what was right. Faculty judgements were respected and they were free to organize and execute their work. Informal procedures generated a sense of trust.

As work was volunteered under the conditions created, the agency problem was overcome to some extent. The costs arising out of the agency problem are considerably reduced when cooperation can be elicited [Miller, 1992, p.183].<sup>22</sup> Even with cooperation, the collective dilemma or the incentive to free-ride may still persist. One of the ways to ensure adequate contributions to the collective was to demand high performance from individuals through performance evaluations. Individual performance was controlled through overall evaluation rather than controls on activities [Matthai, 1977, p.78]. Performance evaluations helped in further reducing the agency costs and to the extent they gave credit to contributions made to the collective, they reduced free-riding.

Performance evaluations can make limited contribution to solving agency problem if they are not matched with a full range of rewards and punishments. Moreover, there was lack of agreement on evaluation criteria. Therefore a combination of factors helped. Sense of belonging made people volunteer to both individual and collective tasks. Performance evaluations although not matched by incentives motivated faculty to work a little harder because of status in a small group. Free-riding was controlled more effectively then through peer control. Individuals cared about what others thought of them. When there is trust, individual guilt can be an effective mechanism to make people contribute [Casson, 1994]. Small group features and the "technology" of activities also helped. MDPs were offered at

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<sup>21</sup> It is conceivable to have profit oriented research organizations in which the members are owners of firm as in law and consulting firms.

<sup>22</sup>The manager's task will then be more than "defining, monitoring and enforcing pecuniary incentive systems" [Miller, 1992, p.183].

outside locations in which faculty attended each others sessions; peer pressures were stronger than they are now.

The management also appears to have assisted the faculty in ensuring compliance to group norms. It may have used its authority in two ways. There are indications that the management on behalf of the faculty persuaded individuals to contribute to collective tasks. Credit given in performance assessment for contributions to collective tasks also encouraged individuals to submit to group norms.<sup>23</sup>

The incentive structure which was developed at the institute seemed to have both carrots and sticks. Faculty were given an opportunity to develop a sense of belonging and contribute to building the collective good. Contributions to the collective were ensured by the hierarchical authority, which had the legitimacy of the group, through individual performance assessment and assistance in bringing about rule compliance.<sup>24</sup> It is here that the director and the dean in consultation with the faculty enforced the standards the group set for itself, for they are the ones who had, and still have, the authority<sup>25</sup>.

A combination of mechanisms seems to have succeeded in bringing about adequate contribution by the faculty at this institute:

- \* participatory management which provided a sense of ownership to faculty leading to incentives to build common good and volunteer contributions to the provision of collective products;
- \* development of trust which facilitated the faculty to work together in achieving the objective;
- \* norm enforcement by the director and the dean on behalf of the faculty which curtailed free-riding;
- \* cohesiveness of the group which gave them the "small group" characteristics facilitating rule compliance by members;

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<sup>23</sup>An appropriate criteria for performance assessment appears to be excellence in at least one aspect of work, competence in several aspects and contributions to collective products. Rewarding individuals who do not contribute to collective products however excellent they may be in their individual work will create disharmony in the group.

<sup>24</sup>A collective decision making process seemed to have been transplanted on to a legal structure suitable for hierarchy. Hierarchical authority is needed to enforce group norms. But the use of authority undermines participation. Therefore, a delicate balance has to be maintained between promoting participation and exercising hierarchical authority. The authority used should have the legitimacy of the group; hierarchical authority should ideally be merely an enforcer for the group.

<sup>25</sup>These days peer culture is interpreted to mean that individuals, areas and groups enforce norms among themselves. This is quite unrealistic. Individual performance assessment and disciplining on behalf of the group have become weak.



- \* evaluation of both quantity and quality of work which ensured rule compliance and achievement of high levels of performance<sup>26</sup>.

The key to this institute's successful working in the past has been mistaken to be something self-imposed by individuals in that the edifice rests on self-control [Khandwalla, 1994, p.53], self-imposed adherence to accountability matching faculty autonomy [Gupta, 1994, p.185], faculty having a sense of sacrifice [Sheth, 1994, p.43]. Discipline was expected to be self-imposed by the group and not the individual. It was self-imposed by the individuals to the extent that they found it was in their best interest to comply with rules. Self-imposition was not rooted in values, but in institutional processes or the culture which existed then. Institutions determine the rules of the game and condition the choice of individuals under the rules [Miller, 1992, p.9]. By overlooking what has happened to institutions in terms of culture, norms or rules-in-use, we may misdiagnose the problem.

A sense of ownership among the faculty and dreams which the leaders shared with the faculty seemed to have played an important role in the development of this institute. There is little evidence to suggest that excellence was pursued at this institute in response to external forces such as competition or pressures from the government. External pressures to excel are relatively weak in academic institutions which regularly receive funds from the government. Even financial pressures are not adequate for they can lead to adoption of measures which seek to raise revenues or cut costs in the short run without leading to academic excellence. Both post-graduate and management development programs which have given this institute the reputation it has were developed when there was little competition. The board has always been a facilitator of faculty decisions and has not been instrumental in providing any direction as such. The incentive to excel seems to have come largely from within the organization itself.

The early years provided the right set of incentives. The task was challenging; people were excited to be involved in a challenging task and wanted to prove themselves [Bhattacharya, 1993, pp.10&24]. The rewards came from being the pioneers in the country. Creating something new or handling some challenging tasks can lead people to excel [Gupta, 1994, p.187]. They were cohesive because many of them spent a year together at Harvard [Matthai, 1977, p.73]. Unlike IIM, Calcutta, the IIMA hired faculty who were not individually accomplished academics. They were committed to institutional goals because they could benefit a great deal from an improved image of the institute [Vora, 1993, p.86]. The leaders also had dreams which could move people and such dreams were vital to institution building [Sheth, 1994, p.33].

### Decline of culture

The IIMA culture as we know it characterized by processes which generated a sense of belonging, mutual trust, a peer culture ideal for collective endeavors is fast disappearing. The faculty feel that their participation counts for little. Frequent overruling of faculty

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<sup>26</sup>This may have been weak always because of disagreements about the criteria.

decisions and the director's contention that many of these decisions are administrative and not academic and therefore outside the purview of the faculty have given clear message to the faculty that their views do not matter. A recent faculty meeting was completely devoted to discussions about the minutes of the earlier meeting. The processes which enabled collective management have been vitiated to the extent that they no longer serve the purpose.

Leadership style has changed. The director no longer seems to believe that the faculty can be trusted to do what is good for the institute. The director attempted to go further than what would be acceptable even within an university of imposing his views on what people can watch in their homes in a rather patronizing way. He has said in several meetings that he speaks with the authority of the director. All this is in sharp contrast to the culture of this organization.

Mutual respect, collegiality which were part of the culture which existed have also disappeared. The director is not in talking terms with some faculty. So are some faculty members among themselves in some areas. At least two areas are crippled by factions. There is little respect among faculty for each other; we seem to have nothing nice to say about each other. Everyone is seen as belonging to some clique or the other. These are hardly the conditions suitable for collective efforts.

There is a strong perception among the faculty that we are in a hierarchical organization now. There is demand for a grievance procedure and service rules which the administration has gladly accepted to put together. The consequences of hierarchy are beginning to be seen. A sense of belonging which kept many faculty here is beginning to lose its grip. Two faculty houses remain unoccupied, probably unprecedented. No doubt several people have retired recently. Several have also left and many are contemplating move. More damaging is what this has done to those who do remain.

#### Shrinking commitment to the commons

When culture along with other measures which ensured contribution to the collective weakens, the first casualty is the provision of collective products. It will lead to weaker coordination and gradual decline in the quality of collective products. There are indications that the process of decline may have begun. It is difficult to initially recognize reduced commitments. Participation in coordination has definitely come down. Meeting of instructors before each term, PGP meetings held to discuss promotion related issues, FPM thesis seminars all suffer from small attendance. Information such as the number of courses offered are deceptive measures of contributions to the collective products.<sup>27</sup> The number may in fact go up in the initial stages. The faculty who are reluctant to teach first year courses may be more than willing to offer specialized second year courses which offer them the opportunity to pursue their interests and to meet institutional obligations without

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<sup>27</sup>When a large number of faculty themselves complained of decreasing commitment to the PGP program in one of the "informal" meetings held a few years ago, the then PGP chairman said that it cannot be true because several new courses have been offered by the faculty.

contributing to collective products. Same is true of several new management development programs which are offered.

### Why this change?

What are the reasons for the decline in commitment to the collective? Is it because individuals have become more selfish or materialism has become the core of the value system? Prof. Gupta characterizes this change as "normative culture being replaced by utilitarian culture the operating principle of which is maximization of individual gains at institute's cost" (p.195). Do people have more selfish values to begin with or have "normative" institutions which gave us the normative culture dissipated? The evidence which follows would suggest that it is the decline of institutions.

The tendency to free-ride was not uncommon among the pioneers; but free-riding was discouraged through proper institutions. Free riding was rampant throughout particularly by senior faculty who felt that they had done enough research already [Vyas,1994,p.14; Dayal,1993,p.61]. The faculty were reluctant to take on institutional tasks in the early years out of concern that it may not benefit them [Matthai,1977,p.76]. The coordinators of collective products bore the brunt of this free-riding. They found it difficult to fulfil their responsibilities without formal authority to make people contribute [Khandwalla,1994,p.51; Dayal,1993,p.56].

The situation is somewhat worse now. Older faculty are not the only ones who free-ride but their contribution is being questioned increasingly. Collective efforts cannot be maintained when benefits and costs are not shared proportionately. Prof. Gupta feels that peer culture is not suitable because it demands equal work from everyone [p,195]. That "any system which encourages the members to expect or demand the sharing of rewards across the board irrespective of the quality and contribution of work over time cannot but impede the development of a healthy institution" [Gupta,1994,p.195]. How else is a collective effort to be sustained? Peers are not entirely blind to quality. They will accept reduced contributions from older faculty provided these efforts go into activities such as teaching and coordination in which they may be most productive<sup>28</sup>. To sustain collective activities, all members need to be productive regardless of their accumulated contribution. A rubicon of retirement with pay which Prof. Gupta proposes will hamper collective efforts (p.196).<sup>29</sup>

What about careerism or the "rat race" contributing to declining commitment to the collective? [Sheth,1994,p.42; Monappa,1994,p.62]. Personal recognition may have taken precedence over collective efforts because of two reasons. One, as the collective degenerates,

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<sup>28</sup>The tendency has been to leave these to newcomers who are least capable of doing them. In the process, internal reward systems which recognized good teaching, such as only experienced teachers being permitted to teach PGP I courses for example, have been weakened.

<sup>29</sup>Younger faculty are likely to accept de facto retirements a few years before the real retirements of their older colleagues only if they are not overly burdened with work as a result and expect to receive similar benefits.

individuals begin to put more effort into their individual tasks. This may have been facilitated by increasing opportunities for individuals to establish their own reputation through individual tasks. Two, the faculty hired in subsequent years appear to be different from those hired initially; they are educated in basic disciplines. Their motivation and reference groups are varied [Matthai, 1977, p.72]. Moreover, there are more opportunities now to develop professionally through individual efforts. Several faculty have worked for visibility outside instead of making contributions to internal collective activities [Bhatnagar, 1994, p.175].

Free-riding has increased for several reasons, the lack of fair enforcement of rules being one of them. People do not believe anymore that the system is fair. One of the features of IIMA culture is that the rules and procedures are unwritten leaving scope for personal interpretation [Sheth, 1994, p.37]. In early years violation of norms attracted immediate punishment [Bhatnagar, 1994, p.176]. Directors in recent years have taken softer line. One of the reasons may be factions within the faculty. The process of selection of the directors in recent years has created power brokers who demand a share of the rewards and power [Bhatnagar, 1994, p.177]. Only some directors have been even handed.

Promotions have always caused difficulties in this institute because of lack of agreement on the basis for promotions. There have been complaints against decisions and sharp debates in faculty meetings [Paul, 1994, p.96]. Prof Matthai requested the faculty themselves to suggest how they should be evaluated [Pathak, 1994, p.48]. He appointed committees to review the conditions and also stipulated that decisions have to be unanimous [Dayal, 1993, p.60]. He tried to legitimize the role of the committee by appointing those who had been recommended by the faculty [Paul, 1994, p.99]. But the system developed here did not measure up to LSE because both promotions and appointments were too inbred [Patel, 1994, p.26]. Over time, the evaluation process has totally lost credibility. The credibility of people who sit in judgement is openly questioned, sometimes unfairly. One of the major complaints is that individuals, who in the opinion of faculty, make little contribution to institutional tasks are rewarded.<sup>30</sup>

The organization of collective products has been further weakened because the faculty do not have faith in the coordinators appointed by the directors in recent years; they are perceived as being director's stooges. Although responsibility of coordination is formally given by the director, the real authority in the past stemmed from the acceptance of peers [Matthai, 1977, p.72; Rao, 1994, p.143]. The powers of persuasion of coordinators required to elicit cooperation from those who can meaningfully contribute to collective products are rather weak. Faculty also no longer believe that the directors take their views into consideration in appointing individuals to various positions. The appointments are perceived

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<sup>30</sup>In addition to promotions, the director has discretionary powers to grant certain privileges to individuals. These are leave without pay, coordinatorships, consulting assignments, chair professorships and membership in important committees. The fairness with which these are distributed is as important as decisions relating to promotions.

to be rewards handed out to members of one's clique. Therefore faculty do not even bother to send in nomination for appointments [Bhatnagar, 1994, p. 178].<sup>31</sup>

### What now?

A diminished sense of belonging and lack of appropriately rigorous performance evaluation processes have begun to have effect on individuals. The absence of pressures on individuals to excel, which comes through assessment of peers in the academic community, has led individuals to choose their own frames of reference compatible with their perception of themselves. Self perception in the case of an IIMA faculty is invariably one of being god's gift to world. It is not difficult to maintain such frames of reference in India; adulation for us is unlimited. Such individual perceptions do not facilitate collective efforts to excel which may require permitting oneself to be challenged or accepting that there may be deficiencies in what one does. For those who adore themselves, the source of problem is always elsewhere; what someone else is or does. Stronger pressures on academic performance would make students of everyone.<sup>32</sup> However, a large section of the faculty would like higher standards to be maintained, but they also seem to be frustrated by the collective dilemma of how to hold each other accountable in absence of the required processes. Therefore in recent years there is less faith in being able to benefit through the collective.<sup>33</sup>

### Can we change?

Where is the pressure likely to come from to make us change? We have nothing much from the government except for a recent directive that we should become financially independent. The directors themselves are hardly accountable to anyone for what they do. As the chances of being removed during a five year term is remote, they take the liberty to do what they wish. The board cannot be relied upon to salvage this institute in any way. The composition of the board is too narrow and it is without well known academics. A bigger board with broader representation including academics would have been more useful [Patel, 1993, p. 28]. The stature of the chairmen of the board has declined over time. The board does not seem to have been anything more than a facilitator of faculty administration in the past. A sense of purpose and direction appear to have always come from the faculty and the directors. It is unreasonable to expect anything different from the current board.

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<sup>31</sup>The director had to recently request nominations for the second time because very few responded to his initial request.

<sup>32</sup>In a place of learning the word student is considered by some to be derogatory. The faculty do not admit to being students of anything; some even disapprove of students being called students. FPM students are participants. This may suggest an environment in which the teacher does not assume a position of having greater knowledge but participates in an exercise of learning with the students. The real situation is different.

<sup>33</sup>We now ask why not promote X because Y has been promoted not bothering to think for a moment what X's promotion would do to the collective good. Building a collective good no longer appears to be the objective of the majority.

Though faculty have an opportunity to participate and influence policy, there may be less willingness to change because they are shielded from the external pressures.<sup>34</sup> This may be one of the reasons why IIMA was less successful in combining participation with decisiveness [Patel, 1994, p.24]. Over a period of time, subtle, apparently self-generated pressures to excel, to change even when not necessary have diminished. Participation in processes may have become an end in itself.

The IIMA culture, which rooted the faculty to this place and generated commitment faces the danger of being forgotten. Not many newcomers have experienced it. Acculturation to something like the original culture has been weak or nonexistent in recent years. Faculty induction was strong in the past which oriented newcomers to IIMA values and culture [Monappa, 1994, p.61]. Voices which speak for processes are likely to be fewer and fewer. There have always been and still are members of faculty who feel comfortable in a hierarchy. There are area chairpersons who behave as though they are department heads in universities. The tendency to revert to hierarchical relations has been hitherto held back by the majority. The balance is however tilting in the other direction with retirements.

Excellence will also remain out of our reach because of lack of sufficient emphasis on research. The core of excellence now is knowledge generation or research however it is defined. Research is not any more sacred than teaching, but lack of emphasis on research has consequences for teaching.<sup>35</sup> The record of research at the institute backed by publications is weak [Bhatnagar, 1994, p.173; Vyas, 1994, p.5]. "The aim at a marriage of teaching and research, the one enhancing the other, was more of an aspiration than achievement" [Patel, 1994, pp.21&27]. Many did not do research because they felt that they were too busy doing everything else [Dayal, 1993, p.57]. An academic atmosphere did not develop. People did not bother to comment on other's papers or attend faculty seminars. Even the attitude exhibited at seminars has been unhealthy; one-up manship has been evident [Dayal, 1993, p.58]. Whatever research has gone on in the institute, some of which is very significant, was largely due to motivations of individuals concerned and not because of any pressures from the institute.

The reason is that the institute's commitment to research has always been weak [Paul, 1993, p.97]. The leaders failed to establish research agendas and give recognition to good researchers [Vyas, 1994, p.5]. It may have also been because the academic style of IIMA tended to emphasize "how" of knowledge as distinct from "why" of knowledge [Patel, 1994, p.21]. The initial thrust was on developing programs which would be acceptable to the industry. Therefore, there was no immediate need to place a great deal of emphasis on research. What were needed immediately were cases to be used in the PGP and the MDP

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<sup>34</sup>The pressures are not sufficiently strong to make us compete. I believe a committee was set up few years ago to explore the possibility of offering MDPs for participants from other countries. The committee agreed that it was a good idea and also suggested that we should write to the Commonwealth secretariat to sponsor some of the candidates from abroad.

<sup>35</sup>A recent report of a committee to review FPM mentions that the lack of academic environment at the institute is one of the problems in improving the FPM program.

programs. When research was emphasized in early years relatively few expressed a strong desire. Attempts to emphasize research produced conflict between choice of case study and research and it was perceived as a threat by those not research oriented. The faculty were very concerned about the relative weight given to case development and research in evaluations [Matthai, 1977, p.75]. This is not yet clear to faculty. So long as we do not resolve the conflict and give due consideration to research the education that we impart will be more of vocational training because the "why" of knowledge is being left out of classrooms as faculty themselves are often illequipped.<sup>36</sup>

In sum, the pressures on us to change to seek excellence are weak. Many may not even feel that there is any need to change because we seem to be doing very well with what we produce.<sup>37</sup> There is still a great deal of ambiguity about our commitment to research although research is the core of excellence in an academic institution. There is also the question of how do we change. Individuals no longer expect significant benefits from the collective nor do they feel it is possible to build the collective given rampant free-riding. Institutions which enabled rule compliance have fallen by the wayside. The contribution to the commons was ensured in early years by the sense of commitment, the threat of detection and admonition by colleagues.<sup>38</sup> The threat of exclusion is nearly gone. A sense of belonging has been eroded; one belongs here only in a legal sense.

#### Culture is the answer

A hierarchy would be successful only when i) there are accepted norms to measure quality and quantity of output of individuals, ii) contributions to collective products can be specified clearly and ii) there is range of rewards and punishments including extreme ones such as dismissal to modify individual behavior. A rigorous evaluation of output backed by rewards and punishments can overcome the agency problem. But even the criteria for evaluation is still being debated after nearly three decades of existence. The range of rewards and punishments available to influence faculty behavior is small.<sup>39</sup> A hierarchy still leaves

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<sup>36</sup>So long as the emphasis in PGP is on "how" of knowledge, we may not be able to retain our competitive advantage against newer schools which employ those who have a better knowledge of best practices in the industry.

<sup>37</sup>This may no longer be as valid as it was a few years ago. The concern among students about what recruiters had told them was palpable at the end of placement this year. The recruiters had given them the impression that IIMA graduates are not significantly better than the products of other schools.

<sup>38</sup>Peer culture has acquired strange interpretation now. Just as academic freedom has come to mean the choice between working or not working, peer culture has come to mean tolerance of others' dereliction of duties.

<sup>39</sup>What the institute can offer in terms of rewards are, job security, periodic raises (unrelated to performance), fairly good working conditions, and an opportunity to belong to a reputable organization. The salaries offered are not commensurate with international salaries which many faculty perceive to be their opportunity costs. Punishments are non-confirmation at the end of the first year, delays in promotions and expulsion which is nearly impossible when attempted only through bureaucratic means unless the reason for expulsion is fraud. Confirmations generally take place at the end of the first year itself when it is too early to

the problem of contribution to collective activities. Given that the range of rewards and punishments are inadequate to make hierarchy effective and contributions to the collective will come forth only with commitment, a change for the better requires strengthening the institutions which were successful in the past.

A set of critical elements which may enable us to strengthen collective efforts, improve working conditions and our performance appears to be the following:

- \* revival of the spirit of established institutional processes to reinforce the sense of belonging and to improve personal and professional relations among the faculty;
- \* credible performance assessment which call for high levels of performance and contributions to the collective from individuals;
- \* impartial administration of rewards and punishments;
- \* major overhaul of organization of services so that faculty involvement can be reduced, greater opportunity are given to staff for growing and freeing faculty to do what they hopefully are, or should be, good at doing - academic work.<sup>40</sup>

### Leadership

As is evident from the experience of this institute, the director plays an important role in eliciting a sense of commitment from the faculty thereby making it possible for the organization to excel in its collective efforts. The director has to guide the collective efforts and provide the necessary support, all while being part of the team and nudging the group when necessary to expect more from itself. Given the way the institute is set up and its history, its working is extremely sensitive to leadership style. As the faculty's ability to achieve the collective good so critically depends on leadership, a sense of helplessness can prevail among the faculty; faculty cannot do anything but pray that the leader it gets understands his or her role given the limited role that the faculty can play in the selection of

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judge the capability of individuals; the faculty therefore are justifiably given the benefit of doubt. Promotions are only two, which most faculty manage to obtain within six to ten years from the time they join the institute.

<sup>40</sup>A sense of belonging among the staff also has been instrumental in the growth of this institute. The commitment of many staff in critical administrative position is often not matched by rewards. The managements of this institute have been unimaginative in developing a strong support staff. While participation was encouraged among faculty, the staff were subjected to hierarchical controls without suitable incentives. A healthy organization is one in which the workers feel that they are growing and they remain there because they would like to. This institute has done little for the staff to learn and grow and in the process services are barely able to keep up with changing demands.



directors.<sup>41</sup> Some characteristics of an ideal director which can be derived from the above discussion are:

- \* someone who can be a facilitator for others, has self-confidence, is aware of his own strengths and weaknesses and is not threatened by the achievements of others;
- \* someone who does not enjoy the power of the position and is willing to earn the respect of the faculty in order to function as a leader;
- \* someone who is willing to even forgo the perks of office to demonstrate that he is a peer;
- \* someone who functions as a leader being able to influence the behavior of individuals without resorting to power -- a truly participative leader;
- \* someone who has an appreciation for research of high quality, who is truly an academic, is tolerant of others' views and has respect for knowledge;
- \* someone who is capable of inspiring faculty and developing a shared vision for the institute.

This is a tall order. This is precisely the reason that even institutions which have excelled cannot sustain themselves. The director has an unique role to play. He or she as a leader has to foster processes which promote mutual respect. One of the important roles of a leader is to create trust among the followers, not blind faith in one's own judgement [Casson,1991]. All this requires great deal of humility which is often in short supply.

### What now?

Can we get back on the path to being the best through collective efforts? The best has a wider connotation now; it no longer means within India. Or are we doomed to lamenting on the good old days? It is going to be a difficult task for us to revive dormant or nearly extinct processes. The dreams which played an important role in building excellence have been replaced now by plebeian strategies. We may need a reincarnation of Prof. Matthai as one of the colleagues put it. We are now going through, as one of our colleagues described, "universitization" or acquiring of values and processes of an Indian university. Directorship is seen as a position to be sought than a task to be performed [Sharan,1994,p.166]. Some faculty members hang on to coordinatorships of programs. Andre Beteille in a recent

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<sup>41</sup>The current process for the selection of directors in which the nature and the extent of faculty participation is at the discretion of the chairman of the board should be changed. It encourages mischief by some who have taken strong position for or against potential candidates and the candidates themselves. The process should be made much more academic and transparent: the search committee should inform the faculty as to who the short-listed candidates are and it should ask them to present seminars on their vision for the institute and how they propose to achieve it as it is done in several academic institutions. It is important to ensure that the capabilities and the vision of the candidates do not take a backseat to their skills at political shenanigans in the selection.

newspaper article complained of lack of biographies of Indian institutions. We have biographies for ours, but we do not seem to be able to learn from our experience. Or is it that we are all caught up in a collective dilemma?

If raw material and resource availability is any indication, we should have been one of the best in the world - some may believe that we are. But we have come to expect little of ourselves. We take immense pride these days in being rated better than schools taught by part-timers. Look at what people themselves send in to *Alumnus* as being their achievements. Or for that matter what is reported as the achievements of our faculty in the annual reports. Products of some of the best universities in the world settle down here to celebrate mediocrity. We have failed miserably to create and sustain institutions which expect more from us, which push us to the limits.

Another colleague mentioned that he now feels that he belongs to an infrastructure rather than an institute. The description is not far off reality. Current processes do not foster a sense of belonging. New book keeping practices augment this view. Faculty are charged for everything. It is the "Sales India" approach; vendors buy space to peddle their wares. Pay-as-you-go principle can hardly instill a sense of belonging. The faculty are charged even for booking a room at the India International Center through the institute!

It is sad the way we let our organizations crumble while organizations in other countries get better. We treat work here as something to be endured to earn leave to work elsewhere, mostly abroad. Is it not possible to make this institute like the places we would like to work at?

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