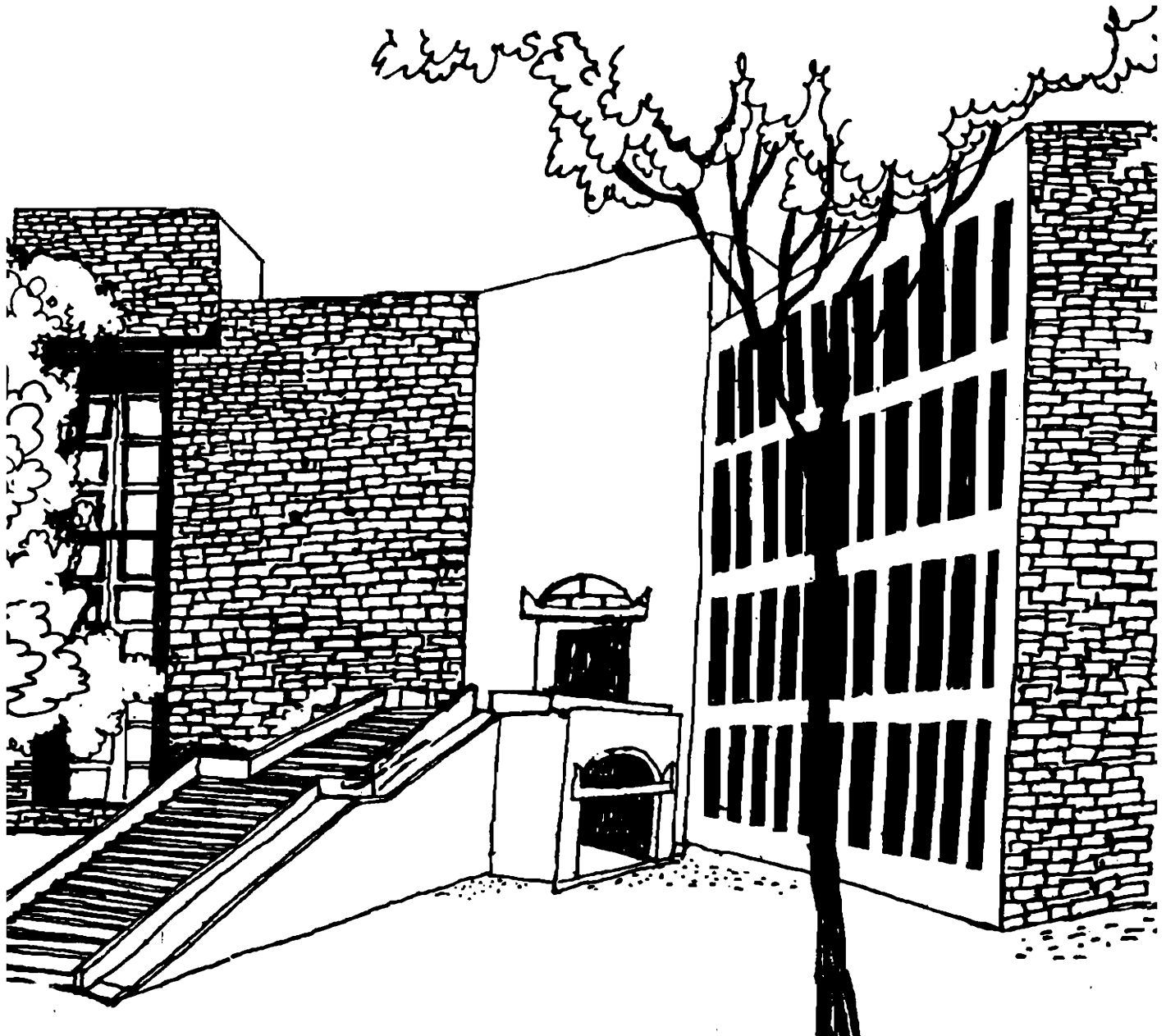




Working Paper



**INSTITUTION BUILDING: INTRAPRENEURSHIP
IN ACADEME**

By

P.S. Thomas
(Research Associate)

WP1171



WP
1994
(1171)

W. P. No.1171
March 1994

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 - 380 015
INDIA

PURCHASED

APPROVAL

GRATIS/EXCHANGE

PRICE

ACC NO.

VIKRAM SARABHAI LIB

I. I. M. AHMEDABAD

Institution Building: Intrapreneurship in Academe

Abstract

Somehow, manufacturing doesn't seem to grow naturally into a potential field of distinction for IIMA as other areas do. Manufacturing requires a deliberate effort, practically an uphill struggle. During the 1980s, the author found himself informally engaged in precisely such an effort. While much has been achieved there is still a long way to go before IIMA becomes synonymous with industrial management. The author's purpose is to look back and recount those incidents from his personal experience as a research associate at IIMA from the mid-70s onwards to which some present day situations vis-a-vis "industrial management" can be traced. Among these are the origins of manufacturing policy and Japanese management, including just-in-time (JIT) manufacturing at IIMA. The visit of Harvard University President Derek C. Bok at the time of IIM's Silver Jubilee celebrations is also touched upon. The author concludes by pointing to a need to change the concept of the Institute and to strike a balance between the teaching of placement friendly courses and those such as manufacturing where management innovations are rife. The challenge is to plant the seeds of a synthesis in PGP so as to reap benefits in MDPs, research and even consulting.

Institution Building: Intrapreneurship in Academe

P.S.Thomas

It seems to me that, somehow, manufacturing doesn't grow naturally into a potential field of distinction for IIMA as other areas like agriculture, marketing and finance do. Manufacturing requires a deliberate effort, practically an uphill struggle. During the 1980s, I found myself informally engaged in precisely such an effort. Judging by the fairly impressive line-up of PGP electives and MDPs now offered by our Production and Quantitative Methods (P & QM) area, a certain amount of satisfaction may be justified. But if IIMA is to become truly synonymous with industrial management, as I believe it can and should, then there is frankly still a very long way to go. My main purpose, however, is not to look ahead but to look back. Specifically, to recount those incidents from my personal experience of the mid-1970s onwards to which some present day situations at IIMA vis-a-vis "industrial management" can be traced.

Intrapreneurial Intent

I was probably the first IIMA alumnus to return to work at the Institute. This was in mid-1971, five years after participating in the first convocation. By 1975 there was a fairly sizeable group of PGP alumni working at IIMA. But I was the only one to choose the research staff category as my base, the others being faculty in one area or another or in transition to the FPM begun here at that time. What is more, I have not only remained at IIMA ever since but continued,

perhaps somewhat quixotically, in the same official position. I think I was having too much fun learning new things to seriously try to move elsewhere. But, as I will try to show, this did have its advantages. In an academic institution like ours it may even be necessary for someone to perform such a role (informally) and to that extent IIMA may be unique in the present day world of management education.

The IIM Context

The mid-70s were the years in which campus construction probably crossed the half-way mark (in current terms). The Main Complex and the last of the dorms had been commissioned, work on staff housing had begun and plans for the MDC had been finalised by Louis Kahn*. As it happened he died soon after while he was en-route from Ahmedabad to Philadelphia in early 1974.

On the academic side, the Institute had emerged from the deep deliberations of its first Committee on Future Directions (CFD). Under a new Director, a new Administrative Officer and the newly established office of Dean (Planning) IIMA was more or less well set to face the brave new petrodollar world of the 1970s.

It was into this receptive milieu that we had the influx of a number of alumni with freshly minted Ph.Ds (or DBAs and even one or two ABDs). However, within just a few years almost all of them had returned to the U.S. drawn inexorably by the boom in management education out there. While others

* Unless specifically indicated, all persons named in this account are/were professors whether at IIMA or elsewhere.

were launching out from IIMA. I wound up rotating through quite a few areas - finance and accounting, business policy and even marketing/CMA, this last, rather cryptic, combination being in relation to the Institute's project under the leadership of Ranjit Gupta to prepare a blue print for a proposed Indian Institute of Forest Management (IIFM) which eventually got underway at Bhopal some five years later.

Fall-out from FPS

The (late) Labdhi Bhandari, John Camillus and C.K. Prahalad were the alumni who joined IIMA in fairly quick succession after I did. J.C. Camillus was co-instructor of the Formal Planning Systems (FPS) course which he had designed while doing his DBA on the subject at Harvard. In the FPS team, my contribution was a paper on environmental analysis which was not only published by Economic and Political Weekly but was the fore-runner of three more articles I wrote on the subject, all for foreign journals, over the next dozen years even though FPS itself had become defunct at IIMA after just a five year run.

J.C. Camillus and I also worked on an MIS project team for the newly bifurcated Telecom Branch of the P & T Department. This kind of MIS soon became the cornerstone of the IIMA work on family planning programmes spearheaded by J.K. Satia in the newly created Public Systems Group at IIMA. Interestingly, to this day, our national family programme is perceived by a section of the media as being "a numbers game"!

Renewal and Innovation at IIMA

When L.R. Bhandari and C.K. Prahalad returned with their doctorates in 1975 they found themselves in the thick of the first PGP Review. Though I too served briefly with the next (1986) PGP Review Committee, I didn't quite figure out what the first one really accomplished except, perhaps, to start a compulsory course on the Indian Social and Political Environment (ISPE). As it happened, this controversial experiment was ended by the second review committee by way of its own main contribution some ten years later. Teaching environmental linkages somehow continues to remain a challenging affair at IIMA.

C.K. Prahalad went on to anchor the launch of the Management Education Program (MEP) in late 1976. He had this idea of marketing the programme by offering participants the moniker of "Sarabhai Fellow" or something similar. But apparently this was unnecessary because, although the idea was dropped, the MEP itself has continued uninterrupted ever since. However, when L.R. Bhandari took charge of the next round of MEP, faculty decided to relegate it from an Institute Programme to an MDP much against his wishes so he promptly gave it up.

C.K. Prahalad had this thing about "turnaround strategy" and we published an article based on some rough and ready case research. This topic which was on the ascendance in the West was elaborated considerably by Pradip N. Khandwalla (our present Director) through the 1980s, culminating in his own idea of "Humane Turnarounds" while I eventually latched on to the idea of Just-in-Time or (JIT) turnarounds. C.K.

Prahalad's aim was apparently to come up with theories which couldn't be tested. After writing the turnaround article he casually told me, "Now nobody will have to bother reading the cases." As far as management wisdom was concerned he preferred to do the telling! Nowadays he is one of the leading proponents of the new management lexicon emanating from the Harvard Business Review (HBR). But after leaving IIMA, he seems to have completely dropped any Harvard-style case development or, at least, he may have kept it strictly sub rosa by folding it into his consulting work for top Western firms.

The American Connection

During the early seventies, I had corresponded with Steven C. Wheelwright who had published an article on corporate planning after getting his Ph.D. from Stanford. At the time he was running his family firm in Western United States. Thus I could not meet him when I briefly visited the Eastern USA in 1974. But I managed to contact Melvyn Copen (who had been on the Harvard team at IIMA in the P&QM area) though he was then at the U.S. Department of Agriculture in Washington, D.C. At IIMA, some time later, there was talk that Rakesh Sarin and C.K. Prahalad wanted to start a manufacturing policy course. Anyway, nothing came of this because both left soon after. But in the meantime, I learned on one of my innumerable visits to the library that Harvard had launched a two week MDP on Manufacturing in the Corporate Strategy - and it featured Steven Wheelwright who had joined the Harvard faculty.

I myself had wandered off into forestry work at IIMA, that too from the marketing standpoint. But after a couple of years of this I felt that intrapreneurial instinct, referred to earlier, taking hold especially in relation to manufacturing. So when P.R. Shukla told me how he planned to give an independent study project by a PGP-II team a manufacturing policy twist I became hooked. We quickly converted the project report into a case and then I got the idea of leveraging that case into a course. P.R. Shukla was hesitant but A.H. Kalro, who was then P&OM area chairman, seemed interested.

At the time, a lot of articles were appearing in HBR etc. on manufacturing, including a prominent one by Steve Wheelwright on Japanese operations strategy. He had shifted to Stanford so I wrote to him there for course outlines and teaching materials. He responded generously and the required internal approvals (at IIMA) came through in short order, initially (in 1982-83) for a seminar course and eventually for a regular one. A.H. Kalro and P.R. Shukla have jointly taught this course ever since to growing numbers of PGPs with registration briefly breaking the 100 barrier in 1989-90. However, at the outset there were some rumours (unfounded) that this course was merely a "repeat" of one launched previously!

PIKRAM SARABHAI LIBRARY
MILAN INSTITUTE OF MANAGEMENT
VASTRAPUR, AHMEDABAD-380009

Face to Face with a Management Phenomenon

In the meantime, I teamed up with M.G. Korgaonkar on his Voltas manufacturing strategy case. Three years later he would launch a new MDP on manufacturing management and policy

in 1985. In the intervening period I got J.K.Satia (a secondary member of our P&QM area) to OK a case I wrote on Matsushita in India. Dealing as it did with Matsushita's famed human resources management practices I registered the case not in P&QM but in the Personnel and Industrial Relations (P&IR) area. V.L. Mote (who years later prided himself on being a "test pilot" of my cases) taught it for the first time in MEP in 1984. So A.H. Kalra introduced a new module on work force issues in Operations Management that year centering on the Matsushita case.

In the P&IR area I was successful in getting Pramod Verma to teach it in MDPs that year. It was also taught by Business Policy faculty to second year students in 1984. Some years later, PGPs came across the case in Operations Management, Organizational Behaviour and Strategy Formulation and Implementation I - all in one year!

On the overseas front, I had sent a copy of the case to Steve Wheelwright at Stanford, which he appreciated, and to (the late) Jack Reynolds (of our HBS team) whom I regard as the "father" of industrial management at IIMA. He wrote that he hoped to try it out at Texas A & M where he was then teaching. I was even surprised to get a request for a copy of it from Wickham C. Skinner, the venerable HBS professor who, for many years in the 1950s and 1970s, was practically the "lone voice" in the U.S. on the side of industrial management. To cap it all, the monthly magazine International Management accepted an abridged version of the case for its "Cases from Academia" feature. During the 18 months it ran this feature, IIMA was represented by only two cases: the Matsushita one and

the Indian Telephone Industries case I wrote for Pramod Verma.

Interlude: IIMA's Silver Jubilee

In 1986 IIMA completed 25 years of its existence, so 1986-87 was designated the Silver Jubilee Year. I was one of those nominated to the Silver Jubilee Committee chaired by the Dean, A.H. Kalro. Among the events planned was the making of a video on IIMA and a series of Silver Jubilee lectures. I was asked to prepare a list of possible speakers. My list included Derek C. Bok, President of Harvard University. Some five years earlier, in the course of a note I had submitted to the CFD under Udai Pareek, I had come across Bok's annual report on the University in which he had focused on HBS. It seemed to me that here was a man whose ideas on management were broadly the same as IIMA's. His thinking on case research was, however, slightly off the mark as explained (indirectly) by the HBS Dean in a classic "rejoinder" that formed part of his own annual report.

We had high level contacts in President Bok's office and I thought, when he visited the U.S., our Director would prevail on Derek Bok to deliver a Silver Jubilee lecture at IIMA. But that didn't happen. However, a couple of months later the Director met Bok in person at a high level conference in Delhi. So he invited the Harvard President and his wife to IIMA. Although I was happy that the visit materialized, I was disappointed that it was not under the auspices of the Silver Jubilee celebration. Be that as it may, the late J.R.D. Tata, (the 'grand old man' of Indian Management) delivered the Silver Jubilee lecture. Besides,

December 11 was celebrated as Institute Day, a practice which has continued annually since then. But it was four or five years before the video on IIMA was made.

The Matsushita Influence Continues

In early 1987, Matsushita's Baroda representative requested the admission of a trainee from Japan at IIMA for two years. The initial response to their enquiries may have been discouraging so they began to think of some alternatives to IIMA. I was anxious that IIMA should not disappoint them so I combed our library for books on Japanese Management, packed them into a suitcase and set off to "sell" IIMA to them. Fortunately, it worked and the Japanese managing director, Mr.H.Ono, accepted the draft letter, addressed to IIMA, that I had taken along with me. I then came back and submitted the formal proposal to A.H. Kalro who duly invited Mr.Ono for talks. Since 2 years in PGP was not possible, the Dean proposed a special one year programme to be divided between the Faculty Development Programme (FDP), whose coordinator was Sasi Misra, and MEP coordinated by V.Venkata Rao, to which the Matsushita executive agreed.

Shortly after that J.K. Satia became Dean and he had to process the application through IIMA and the government in Delhi. The process took two seemingly interminable months and finally the letter of acceptance (drafted by me) went out over the new Dean's signature. The trainee landed in India almost in a flash and joined IIMA at a time when we had a prolonged summer due to failure of the monsoon.

He was supposed to do a project which I assumed would be

on the electronics industry. So I began to bone up on this business myself focusing on the VCR product. In the course of this effort I came to the realisation that Michael E. Porter's famous "five force" framework had to be modified to reflect (longer term) technological conditions rather than shorter term economic ones. Unbeknownst to me, C.K. Prahalad, in the U.S. was on a similar track and two years later he published his now famous HBR article on "core competencies" along with a London Business School faculty based on the Japanese experience.

JIT at IIMA

JIT manufacturing, including product development, is a Japanese innovation which is central to modern industrial management (along with human resources development). It was due to the stimulus provided by the presence of the Matsushita trainee that I realized the significance of JIT in 1987 and made strenuous efforts since then to promote the teaching of this core concept at IIMA.

In fact I was exposed to JIT five years earlier and didn't realize its significance! One of the HBS cases I got from Steve Wheelwright was on Toyo Kogyo (Mazda). Because it was essentially a pre-JIT situation I missed its import. Even in the 1985 MDP on manufacturing, when P.R. Shukla actually taught the case we still didn't get the message. In the meantime J.K. Satia had come across a 1978 article by Toyota executives on JIT - one of the first in English - and he wrote a case on an oil refinery to introduce the topic. But when he and I wrote the Maruti (Suzuki) case in 1986/87 there was

still no enlightenment. However, based on the Mazda case we did ask a question to Maruti on assembly line downtimes to which we didn't get a response! But now it was only a matter of time before the JIT concept sank in.

As I said, it was in 1987 that enlightenment dawned based primarily on one of the books I had carted to Baroda, the one by U.S. management consultants James Abegglen and George Stalk on the Japanese corporation, Kaisha, (published in 1985) and a cover story in Purchasing magazine. It seemed blindingly obvious and I remember thinking, "Why didn't anybody come up with this before!" So I proposed the Mazda case to A.H. Kalro for his module in the late 1987 manufacturing management programme. He agreed but would invariably shake his head and, with a wry smile refer to it as "a lemon". As the case and topic were very well received, M.G. Korgaonkar immediately introduced it in the early 1988 Operations Management II course. Shortly afterwards he went to teach in Bangkok. When he got back he too had become completely sold on JIT, having seen it work in a Toyota plant out there.

But he left again for a longer period. During this time I came across a couple of second year students who wanted to do an independent project in JIT. Through K.Ramachandran of the B.P. area (who had spent time in Japan during his British doctoral work) we lined up a medium sized local engineering company whose chief executive, his friend, had learned about JIT from a consulting seminar. The students studied the unit and made a presentation of their findings and recommendations on JIT to the company management at a long meeting in class room 4. This session was attended by K.R.S. Murthy also as he

had published my JIT article in Vikalpa some months earlier. With these inputs and additional information from the company, K. Ramachandran and I developed a case which Jerome Joseph accepted and published in Vikalpa in late 1990. Previously Sasi Misra had also published our review article on JIT in Vikalpa in early 1990.

Drawing the line

Any account of my "intrapreneurship" at IIMA needs to be balanced by a reference to the calls for help which went unanswered. One of these had to do with IIMA's journal Vikalpa. The idea for launching this publication seems to have been triggered by the impending arrival of K.R.S. Murthy in the mid-70s. I was asked by the Dean if I would join the Vikalpa unit which I declined. As it turned out K.R.S. Murthy too didn't take on the Vikalpa assignment on joining IIMA. It was shouldered first by Udai Pareek and then his successor, C. Rangarajan. After their tenures, however, every editor of Vikalpa including K.R.S. Murthy, made it a point to ask me to help out full time, usually toward the end of their terms when this (hardship) post seemed to require some "sweetening" to attract a successor! I always used to have some article or other in the pipeline so I would politely agree to help - but purely on an informal basis.

And, of course, I was always willing to help as a Vikalpa author because I have maintained that, in terms of production values, the journal was the closest in Indian management circles to international standards. I, for one, never feel apologetic about sending a Vikalpa reprint anywhere in the

world. One way in which Vikalpa is unique - worldwide - is that nowhere else can you publish a fairly full length case on a "frontier" topic and send it to internationally based members of the management community for diagnoses. Because of this I have been able to publish almost all my cases as and when they were written during the past decade.

Recapitulation

I began by saying that intrapreneuring in industrial management at IIMA was quite an uphill struggle. The reasons for this need to be explored briefly. One of the main ones, in my opinion, is the prevailing rhetoric that "we are not a school of business but a school of management." There is really nothing wrong with this. It is fine as far as it goes. The problem is we have not pushed this logic any further. That some of what we are doing at IIMA bears little or no relation to management is not the point. In the pre-liberalization (non-competitive) era almost any kind of management could work in India. Now the time may well have come for us to say "We are no longer just a school of management but a school of world class management." The needs of the Indian village have to be viewed in the light of what's happening in the global village. This may be the only way to retain our distinctiveness in times of great flux. But it will require considerable imagination in our overall academic planning and resource leveraging process.

The powerful impact placement has on student preferences for courses also acts as a major barrier. Marketing and finance are the "in" things as far as they are concerned.

They don't seem to get enough of such courses. The science, engineering and technology students who constitute over half of PGP are often desperately trying to get away from manufacturing due to their sterile pre-conceptions of it. The rest believe from day one that they will never have any meaningful role to play in manufacturing anyway. So most students simply seem to tolerate the required first year course and take just about one manufacturing elective for decorative resume value or for overseas doctoral admission (read immigration) purposes. How this short term, almost vocational and careerist orientation on the part of students can be countered effectively by faculty as a whole is a challenge to which I truly wish answers would be forthcoming. As an institution of applied knowledge we do have a responsibility to strike a balance between the teaching of placement friendly courses and broader management innovations emerging from areas such as manufacturing.

Only a very small percentage of HBS students, too, opt for manufacturing placement, the school's intake of science and engineering graduates being, proportionately, half of ours. And yet HBS still boasts a very vigorous and internationally respected Technology and Operations Management area. Here on the other hand, there were some moves (unsuccessful so far) to reduce the required Operations Management course (of which production was only a part) from two terms to one, while Quantitative Methods continued to run for all three terms in addition to the remedial math course before the start of the academic year.

Besides, recent personnel shifts, leaves of absence etc.

without a counter-balancing intake of faculty, are threatening to undo, inadvertently, all that has been painstakingly done to change manufacturing mind sets in the area over the past decade. When the intellectual balance in our P&QM area shifts massively from quantitative methods to production and design and when other areas/groups seek out production rather than mathematics or computer faculty for their own (often lucrative) projects and programmes, IIMA can say it has "arrived" as far as industrial management is concerned. But the key question is whether any area can master mind change or whether external processes have to come into play.

If we stop to think of it, how meaningful a contribution can we hope to make in our many thrust areas without a fundamental appreciation of the new manufacturing ideas? The solution is, somehow, to increase the interaction between manufacturing and non-manufacturing sectors rather than isolating them as "specialities". The challenge is to plant the seeds of such a synthesis in PGP so as to reap the benefits in MDPs, research and even consulting.

PURCHASED
APPROVAL
GRATIS/EXCHANGE
PRICE
ACC NO.
MUMBAI SARABHAI LIBRARY
MUMBAI