

INDIAN INSTITUTE OF MANAGEMENT
AHMEDABAD

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ADDRESS

BY
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DR. KARAN SINGH'S ADDRESS

Shri Prakash Tandon, Professor Matthai, graduates of the year
and friends,

Change is the key-note of the age in which we live. Certainly change has been a characteristic of human history ever since the dawn of civilization. But in the last two or three decades the impact of science and technology has speeded up the rate of change tremendously, and today we find that the world is being transformed before our very eyes. Old values are collapsing; the new is still struggling to be born, and our generation finds itself precariously poised between the past and the future.

In this context, the problems of a developing nation like India's are specially important, because we have a staggering task in front of us - a task of modernizing a nation containing fully one-seventh of the human race; a task of bringing India into the twentieth century in the twentieth century; a task of trying to build a new social and economic order while retaining democratic procedures. This is a task that has never before been attempted, far less accomplished, because we must remember that very often where we have tried to build socialism, absolutism has also come with it. But what we are trying to do in India today is something unique. We are attempting an economic breakthrough; we are attempting a social transformation and we are trying to do this while retaining democratic methods.

We are today on the threshold of the Fourth Five-Year Plan. There have been many painful adjustments that we have had to make; there were those two terrible years of drought and famine, but now despite all the difficulties things are beginning to look up. We have the agricultural revolution that has already begun to create a healthy situation in many parts of the country, and the Fourth Five-Year Plan is now finally going to be finalized at the meeting of the National Development Council later this week.

The Plan itself, we must always remember, is not merely a question of statistics. The Plan embodies, as it were, the hopes and aspirations of the vast millions of this country, particularly those who still live below the standard necessary for a civilized human existence. We must remember today that the country is still an extremely poor one, and the pockets of affluence that we may see here and there are merely islands in a vast ocean of poverty. And we have, therefore, in the course of the Fourth Plan to try and fulfil at least partially the expectations and the aspirations of the vast masses of people in this country.

It is in this whole context that the importance of management becomes so crucial in the India of today. There has been great talk about the green revolution, which is extremely important and valuable, but I would submit that even more important than the green revolution is the managerial revolution, because it is the managerial

revolution that alone will help us to achieve a breakthrough not only in agriculture, but in industry; not only in the private sector, but in the public sector; not only in trade and commerce, but in every other aspect of national endeavour.

The old concepts of management have got to change. In the private sector we have got to move away from the proprietorial or the hereditary theory of management, and in the public sector we have got to move away from the seniority theory of management. Both these sectors have got to change and we have got to develop a new technocracy - using the word 'technocracy' in its better sense - we have got to develop a new expertise, we have got to develop a new generation of managers who can build this country using modern methods, using modern processes, and modern ideas, because without such a generation of managers all our plans and all our hopes and aspirations for the future will lie shattered in the dust.

I would like particularly to say something about the public sector because I am involved at present in Government and in the last two years I have had some first-hand experience of how the public sector functions. There are three public sector corporations in my Ministry and it has been a very valuable education to me personally to see how the problems of the public sector are really very similar to those in the private sector; in fact, it seems to me that

this polarization between the two sectors that is very often attempted is both unnecessary and unfortunate. Because, if the private sector is important, so is the public sector; the difference is this: that the public sector should be looked upon as public limited companies in which every citizen of India is a share-holder. And it is in that attitude that we must build the public sector; we must make the very large investments that have been put into the public sector in the last twenty years begin giving us returns, and we have got to make them profit-oriented. It is a happy coincidence that all the three corporations in my own Ministry are in fact going to make a profit - have made a profit - in the year ending 31st March 1969.

But the point I wish to make here is this, that the key to economic development in Government lies very largely in the concept of the public sector and in the public sector we have got to try and develop a viable balance, as it were, between parliamentary control and genuine autonomy. On the one hand the public sector - after all it is public money and Parliament is the custodian of the public interest, and therefore certainly Parliament should be able to have requisite authority and requisite control over the public sector undertakings. But at the same time if this control becomes bureaucratic or rigid, it completely cripples the ability of the public sector to make any progress and to become economically viable. And it seems to me that all our professions of socialism will collapse unless we are able to make our public sector far more result-oriented, far more dynamic in its structure and in its functioning than it is at present.

Now the public sector of which I have spoken, and indeed the private sector also, requires trained managers and therefore the crucial importance of this whole problem of training. As I said earlier, it is no longer enough for somebody to be born in an industrial family in order to become a manager. What is required is the most careful training, the introduction of new techniques in many different spheres. It would be presumptuous for me, addressing as I am the graduates of this very fine management institution, to enter into any details of the various new measures and new ideas in the field of management that we must accept. I think it will be enough to say that there are a whole variety of very exciting new avenues that have opened.

There are questions of labour relations and personnel policy; there is this whole question of project planning and materials management; then there is the question of accountability and evaluation of programmes which, to my mind, has been one of our weakest links so far in the chain of administration; then there is this whole new field of sample surveys and statistical studies in the field which would strengthen the purely theoretical aspects of management and give the managers a much closer feel of the actual problem in the field; then there is this whole question of marketing problems and advertising which, to my mind, is one of the most stimulating fields in India today.

I have just mentioned at random a spectrum of these new problems that have arisen as the result of the development of economies in advanced countries and I would like to stress the fact that unless we are able to take advantage of these new techniques and these new ideas, we will lag still further behind. Already the gap between the developed nations and the developing nations is widening and I would venture to say that we in India really must become the link between the two because we do have the basic infrastructure in industry, in commerce, in technology, in science, which would enable us, given an adequate concentration of resources, to achieve a managerial breakthrough within the next decade or so.

I would like, on this occasion, to make a few general remarks with regard to management training. Firstly, that training is important both ab initio and from time to time in the career of a manager. Ab initio training is certainly important - I think it is as important as training is to become a doctor or to become an engineer. You would not dream of allowing anybody to practise medicine unless he has been to a proper medical college and has got the requisite degree. Why is it that we agree to place projects worth crores of rupees in the hands of people who have never had any training whatsoever for the job? I think we have got to appreciate that ab initio training for management is no longer a luxury, it is an absolute necessity. But in addition to the ab initio training, there have got to be a series of refresher courses throughout the career of a manager. Because as I said right

in the beginning, the world is changing very rapidly and even if you have received your degrees in 1969, it does not mean that your knowledge will still be up-to-date in 1979. In fact, unless opportunities are given to you to renew your contacts with such institutions or with the new managerial techniques, the ab initio training itself will rapidly get out-dated.

The second point I would like to make is that training is important at all levels - not merely at the very highest levels but even at the second and third rank of management, because it is no use merely having the head of an organization or undertaking trained and giving him below that a whole army of untrained people. Training has got to become part of the general approach to administration and therefore it must be given at appropriate levels all the time.

Thirdly, training must also become increasingly specialized. You remember the old theory of the Indian Civil Servant - the Periclean theory of happy versatility in which a man who had been through Civil Service was supposed to have so developed his aptitudes and his intelligence that it was possible for him to deal with almost any problem that came up - well, perhaps that may have been true fifty years ago. It is no longer true today. That fact is that howsoever intelligent and brilliant a person may be, unless he has a certain specialized training he will not really be able to deal with the problems that face his organization and that face his country. Therefore, the old

theory of the general practitioner has got to give way to a new theory of the specialized manager. And when I talk of specialization, I do not mean narrowing of vision, I do not mean a constriction of imagination. What I do mean is a certain special interest in the field in which that man is going to function. I think it is extremely important and this leads me to another point that I wish to make and that is the development of consultancy services.

There is a great shortage in this country of proper consultancy in various levels. I deal, for example, with tourism. Now many people come to me and say, "We want to build a hotel; is there any specialized consultancy developed in this country which can really tell us what sort of a hotel we should build, what should be the optimum size of the hotel?" and so on. Of course, I refer such requests to my distinguished friend Professor Matthai, and this Institute certainly rises to the occasion, but the fact remains that unless we do develop specialized consultancies for the field of tourism, the field of engineering and so on, it will not be possible for us to meet the requirements of the modern age.

And the fifth point that I want to make is that howsoever technical or specialized management may become, it can never afford to forget the human factor. As I said about the Plan, management is not merely manipulation; it is transformation. What we need in this country today is not only a clever reorganization of our various structures; we need a basic transformation. We must remember that we are

fighting today against time. We are already very far behind in the race for progress, and one-seventh of the human race that lives in India can no longer afford to crawl along at the speed at which it is going. We are going to have a breakthrough, we are going to have a new dynamism and this brings me to the final point that I would like to make this morning, and that is that managers, while they must be intellectually trained and must become professionally competent in their spheres of specialization, must also have a deeper psychological motivation.

Today, the post-Independence generation to which I also have the privilege of belonging, is on trial. There was one generation that struggled and suffered so that India may become free. Today it is our generation that has taken up the burden of completing this freedom, because mere political freedom has very little relevance if it is not accompanied by economic transformation and social emancipation. And therefore, the managers, while certainly they must look to their personal interests and their personal advancement, have got to have a deeper commitment to certain socio-economic goals that we have accepted. The manager must burn - if I may use that expression - he must burn with an inner fire and dedication to build this new India; he must consider himself a pioneer in the field of nation-building; he must have before his eyes a vision of the new India that we are trying to create - an India that is politically integrated, that is

economically prosperous, that is socially emancipated, and that is spiritually dynamic. This is the type of India that you and I together have got to build and, therefore, while congratulating this very fine institution upon its achievement so far in the field of management, and while congratulating the graduates of the year, I would end by hoping that the Indian Institute of Management will pour forth into society a steady stream of managers not only intellectually and technically equipped to deal with the problems of building a new India, but also with a deep inner dedication towards the vision of the new India we are hoping to build.

Thank you.

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