

1971

CONVOCATION ADDRESS

by the  
GOVERNOR OF MYSORE

I deem it an honour and privilege to be invited to deliver the Convocation Address of this premier Institute, and to participate in this pleasant function. I am thankful to the authorities of the Institute for the warm welcome accorded to me, and for providing me this opportunity of meeting you all. It is a matter of great pleasure to me to be in the midst of the members of the younger generation, who are to be the captains of our industry and commerce. Let me at the outset offer my warm felicitations to all the recipients of the awards and certificates. I also take this opportunity to express my deep appreciation of the valuable service the Institute has rendered in imparting knowledge to students in the field of Management Training.

As you are all aware, with the attainment of political freedom from foreign domination, our country has embarked upon complex and novel programmes of economic development on a large scale, requiring management skills and experience. It is needless to say that unless adequate steps are taken to tackle this important question of creating a wide consciousness of the need for good management and the application of sound principles in management practice, it may result in colossal waste and even defeat the several ambitious programmes which we have embarked upon. This is a compelling reason for giving urgent and special attention to the development of managerial science and expertise in a country like ours.



Adequate skill for management is one of the pre-requisites for a rapid and balanced growth of a developing country. Technology, industrialisation, improved agricultural methods, public health programmes--all these require for their success a high degree of skill on the part of those who are responsible for administering and managing them. In fact, human capital in the form of well-trained managers and administrators is the very pivot on which any development, industrial or otherwise has to be accelerated. In a developing economy, management has a great role to play. It must however be admitted that our country is still facing a shortage of highly skilled managers. But, it is a matter for gratification that in recent years, there has been a greater awareness of the need for imparting sound knowledge of management, and that our government, universities, and other institutes are interesting themselves in this important work. If this problem is not adequately and effectively solved, the process of economic and industrial growth in the country will be retarded. For a long time, there was the old belief that any industry or undertaking could be run by untrained people almost like their personal Zamindaris, and the practice of management descending from father to son without regard to qualification and capacity was the characteristic feature of many of our industries. Today, these antiquated ideas are giving way to modern methods of thinking. The idea that managerial skill cannot be acquired through education and training, and that it is something inherent only in certain individuals has been proved to be a myth.

With our Government heavily committed to and deeply involved in the establishment and running of enterprises of various kinds, it has become

inevitable that it should be more concerned about the management of public sector undertakings. These undertakings represent large investment of public funds for the production of goods and services vitally affecting the economic and social life of the community. Very often, the nature of a state undertaking is such that it affects every citizen, and every home, more or less directly. Therefore, it has become a matter of great importance that the government must give particular attention to management as a scientific discipline, and evolve and establish sound principles of management. Management is increasingly becoming a distinct profession, and is no more looked upon as something incidental to ownership. For a long time, economists and even businessmen used to think and talk only about capital and labour, and their rights and obligations. It is only during the last two decades that there has been an increasing tendency to talk about management and its relation to labour.

During these two decades, great progress has been achieved in our country in the sphere of industry and agriculture. Barren and desolate areas are now full of life and activity. Mighty dams and industrial and power projects have sprung up throughout the country changing the face of our land. All these achievements are no doubt significant, and demonstrate the determination of the people to improve their standard of living and the per capita income. But we are still far from our goal which is the realisation of the cherished objective of a socialist pattern of society. The governments both at the Centre and in the States



have been giving careful thought to the economic problems facing the country. The nation has now set for itself, the goal of establishment of a social order where justice and equality of opportunity will be secured to the people. The bridging of the gap between the have's and havenot's is the most important means of achieving this objective. Economic justice and equality to all in a vast country like India with its teeming millions cannot be an established fact unless determined efforts are made in a composite manner to overcome the many hurdles in our way. Merely making the rich poor, will not make the poor, rich. Our immediate objective should be to provide educational facilities and other social services on a much wider scale, and to promote a rapid rise in the standard of living of the people by exploiting all the resources of the country for increasing production and for offering opportunities to all for employment in the service of the community.

The set-up of any modern undertaking industrial or otherwise, has become very complex, and calls for the services of experts devoting themselves to particular and specialised aspects of the working of that undertaking, such as Production, Sales, Maintenance, Budgeting, Planning, Research, Control and Coordination, Personnel Management and last but not the least, Public Relations. In all these spheres, there is great need today for specialists to run the undertaking efficiently. The subject of industrial management has therefore acquired considerable



importance, and many new problems of management are emerging as a result of scientific advancement and technological innovations in industry.

For the proper and efficient running of an industrial undertaking there are three major managerial areas where efficient management at lower, middle and top levels is absolutely essential. These are: financial management for the undertaking, management of resources like men, material and machine and thirdly excellent worker-employer relationship.

As regards financial management, soundness in finance of the industry is a corner stone for the stability and progress of the undertaking. In these days when the management is squeezed by rising costs, they must decide the proper allocation of funds for various services in the undertaking. This boils down to revolution of scientific methods in drawing up the budget of the undertaking and the modern trend is that all activities and priorities are looked afresh every year to enable the top management to create a better set of allocation for the incoming budget year, commensurate with the likely profitability anticipated from these packaged programmes. For the maximum utilization of management resources, you have learnt the use of latest management techniques which are just like tools to the workman. In the field of administration, these techniques relate to deciding overall company strategy, evaluating capital expenditure proposals, improving the flow of information needed to control an organization, assisting in launching new project. In areas of marketing and sales these techniques assist



to forecast demands and generate new product ideas, determine the profitability of product or productline and improve product design. In the sphere of production these techniques assist you to remove factory bottlenecks. These techniques, which you have learnt, for the above purposes should be applied intelligently. There cannot be a back-answer to every situation in a dynamic organization and it, therefore, depends upon your originality as to how best you apply the tools you have learnt on various problems, most profitably in varying situations.

When you reach the middle management level in your career, in an industrial undertaking one major area is the general conflict between the management group and the technical group, arising from the variance in your perspectives and the perspectives of the technical groups in the undertaking. The technical group would emphasise creativity and contribution to mass knowledge whereas the management group would naturally emphasise financial profitability and soundness of growth in the business volume and maximum return on investments. How best this conflict of objectives can be resolved depends on your own ingenuity in the identification of the problem and its solution, but essentially the problem is one of communication between the technical and managerial groups. Effective communication at all levels, both lateral and vertical, would help narrow down these conflicts and provide optimum results while bad communication would create conflicts which will be detrimental



to the overall efficiency and profitability of the undertaking. This aspect of communication brings to my mind the present concept of integrated management in modern industry.

The unified approach is a philosophy of management where the maximum number of decisions are taken on the overall company profit basis. This has been possible because of the development of computers and related data processing systems which can handle vast quantities of information rapidly and consider various things centrally that could be handled previously only on a decentralised basis. This ability of centralisation makes it possible to the general management to increase its span of control and improve its process information system. This unified approach will, in my opinion, if introduced in our undertakings, would provide better and faster decisions guided by profit optimisation data and would result in management by exception and reduction in conferences. Also, it would provide better yard-stick for executives and enable decisions to be taken rapidly with considerable saving in clerical effort. Here again I would like to sound a note of warning. Computers are merely to be treated as tools in the hands of management and not as masters. No computer can be substituted for human intuition and ingenuity.

Another aspect which I would like to bring to your consideration is the paramount importance of time in any discipline of human endeavour. Broadly, time management refers to two distinct spheres; one relating to



the time of the executive and the other aspect is the importance of time in the planning and the implementation of the task itself. I am certain that if science and technology, in India, is to receive the impetus that is vital now for bridging the widening technological gaps between the developing countries and the more advanced countries, it is absolutely imperative that we make most use of the efficient management of the time available and above all the co-relation of various facets of tasks which will assist in the compression of time. If time compression involves purchase of techniques and patents it must be done in time to bridge the technological gap.

Another aspect I would like to touch briefly is that the organizational set-up in an undertaking is an important factor for the success and profitability of the undertaking. It is essential that there should be organisational harmony with objectives.

I have seen the work of our young scientists in various Research and Development and Production units in the country, and if what I have seen is a statistically significant cross-section, I am convinced that our boys, as far as brainpower is concerned, are in no way inferior to the scientists and technologists and managers in any other parts of the world. However, I have noticed that while individualism is perhaps a good quality for scientists in pure and fundamental research, in modern undertakings what is more important is the team work and the ability to get on with colleagues. In fact, I would like more discipline in scientists and technologists for optimising their overall effectiveness in teams. I will consider you a good leader of men if you can motivate five juniors



for striving unitedly towards the fulfilment of a well defined objective and they in turn could be motivated to do the same. Thus, the output of such a team would be definitely greater than in a similarly placed team where such motivation is missing and the personnel are working out of pace with each and therefore the resultant effort is very much reduced.

The third aspect I would like to highlight is the human approach to the worker-employer problems.

For the proper and efficient running of an industrial undertaking, there should be a human approach to the worker-employer problems. Management should realise that workers have an interest and responsibility in safeguarding their legitimate interests. At the same time, there must be an equal appreciation of the responsibilities on the part of workers. The important thing is to achieve an integrated improvement in productivity and quality by efficient and proper utilisation of all the factors of production, and thus raise the productivity of the undertaking, leading to accelerated growth in the Gross National Product and consequently help to raise the standard of living of the people.

Today, the role of managers is not merely confined to the responsibility of ensuring a greater degree of progress and profitability in their respective industries, but also to bring about a better understanding and endeavour a spirit of co-operative between the management and the workers. They must have a sense of social responsibility. They are servants of both the industrialist and the society, and will have to satisfy both parties.



They have to consider themselves as agents of society, and should realise their responsibility towards it as a whole. In the changed social set-up, they cannot be mere idle spectators, but have to lend a helping hand in facilitating and smoothening the process of social change. In fact, they should have a sense of commitment and involvement in the task of finding solutions to the various problems facing the country. They must be able to make the most productive use of the resources available to them.

In recent years, we have been witnessing a phenomenal increase in the incidence of strikes, picketing, gheraos etc., which are adversely affecting industrial peace in the country. In the last ten years, the loss to the country through these unfortunate occurrences was of the order of nearly a hundred million man days. In the last year alone, seventeen million man days were lost involving a loss of about a hundred crores of rupees in production. As if this economic loss was not enough, there has been a growing sense of bitterness and frustration. Can we really afford this? Can we remain complacent any longer? It is in this context that Personnel Management, which is of recent origin in our country, and is gradually developing as a definite scientific discipline, has to play a vital role in helping the maintenance of industrial peace. No doubt, there was a time when employers adopted a ruthless policy of 'hiring and firing', and little attention was paid to the welfare of the workers. Even when Labour Welfare Officers were appointed in many undertakings, during the twenties and the thirties, the employers considered these officers as nothing more than their subordinates to carry out their orders and commands,



irrespective of whether they were just or reasonable from the point of view of labour interests. But, today, the situation is entirely different. There has been a perceptible change in the attitude of employers who have begun to rightly appreciate that a happy and contented labour force is a 'must' for an undertaking. Workers have also realised their rights and privileges and put forth their demands through their organisations and individually, that they should be treated as partners in industry and afforded facilities to lead better and fuller lives. The various legal enactments passed by the government from time to time in the interest of labour ever since Independence have also largely contributed to this change. More than these, after the attainment of political freedom, the setting forth of the objective of a 'Socialist Pattern of Society,' as our goal, there has been a perceptible change in the attitude of the employers towards their workers. Thus, the social, economic and political forces have all brought about a rethinking of the place of workers in society, and in the industrial set-up. The importance of maintaining good industrial relations needs no special emphasis, and the role of Personnel Managers in this direction has become significant, since it can greatly contribute towards the propagation of right ideas among our captains of industry and also in emphasising the human values in industry.

It is of utmost importance that in the selection of workers on the basis of intelligence and aptitudes necessary for the jobs which they are to perform, managers should realise the need for payment of adequate remuneration to them. The wages or salary that a worker receives for his



work, acts as a great incentive to him, because his very existence as well as the standard of living of himself and of his family depends on them. If wages are adequate, and the time and method of payments are satisfactory, there will be better and more cordial employer-employee relations. In the absence of a satisfactory wage system, no amount of welfare activities will make the employees contented and efficient. Job satisfaction is another important aspect for the successful working of any undertaking, and in this context, managers have an important task in making a job analysis which determines the component of a job, tools, equipment and materials used, the special training, skills, aptitudes and judgements required, the speed and hazards involved and the conditions under which the work is carried out. Unless the worker evinces a keen interest in the work that he does any amount of persuasion or supervision would not be helpful.

During the sixties, a new orientation was given to the practice of management, and, today, there is a greater awareness than ever before of the growing complexity of an increasing need for specialisation in business and industrial management. State intervention in economic activities has become a characteristic feature of the 20th century. The reasons for these are many, but it may be said that the major factor that has contributed towards producing this change has admittedly been the increasing pace of industrialisation and the need for higher productivity. Today, the government from being merely a passive observer of the economic process, has emerged as an active participant, taking upon itself the



role of protector, controller, guardian of the citizen and also as an entrepreneur. In fact, there is hardly any sphere of human activity today which is not in some way or the other controlled and regulated by the all-powerful machine, which today is the State. Today, the Government is directly engaged in setting up and management of many economic and industrial enterprises. But, unfortunately, there appears to be a certain amount of distrust and lack of understanding between the government and the private sector industries which has resulted in friction hampering the smooth and rapid growth of industrialisation.

Another important aspect that I would like to lay stress on is that we hear complaints very often that our young people who have attained technical competence in various fields, such as engineering, accounting etc. feel that after taking a few courses in a management institute, they are immediately and eminently qualified to hold very senior management posts. Experience has shown that many of them are not so good and there have been frequent criticisms about their performance. The fact of the matter is that mere technical or scientific knowledge does not carry with it the ability to manage in all cases. The ability to manage has to be learnt over a period of years. What these people should demand is an opportunity to learn these abilities by gradual stages in an organised set-up. To be an effective manager, requires a great deal of ability to communicate, to get along with his superiors, colleagues and subordinates, and above all to acquire a working knowledge of many aspects of the business. The acquisition



of all that experience necessarily takes time and it would not be of interest either of the enterprise or of the young manager to be in undue hurry. In this connection, I should say that organisation and management of scientific research also falls squarely in the area of professional management. Of course, there is a certain amount of difference between managing a scientific laboratory and managing a private or public limited enterprise. Normally, a good scientist who is devoted to his work has no inclination to get involved in management activities. But, in our country, with a plethora of national laboratories and research organizations, some of our scientists and technologists consider themselves competent not only to manage their own laboratories but also stake their claims for managing new technical developments in manufacturing operations. I think this is not in the interest of successful management of these organizations. It would be a great pity indeed if we lose a good scientist to have a bad or indifferent manager.

After the intensive training that you have had in this great institution, no doubt you would be occupying responsible and key positions in the administration of various industrial and other undertakings. It is of utmost importance that in discharging this great task, you should have qualities of leadership and a sense of dedication. These characteristics are essential to efficient management whether in the industrial, agricultural or any other sector, and these are the qualities that will



no doubt infuse a new vigour and breathe a new life into our economy and enable it to develop fast and grow stronger. Particularly, in an industrial undertaking, the standard of leadership of the management has a great bearing on the morale of the workers. All these tasks are to be undertaken in a spirit of challenge and determination. It is an adventure not meant for the timid and half-hearted. It is nation-building work demanding the utmost that we can give by way of sincerity, hard work and understanding co-operation. You have to be conscious that hereafter you will not merely be managers of enterprises but will be engaged in the holy task of building a new social order. Your endeavours will set the tone for the future development of our country along healthy and progressive lines. I am an optimist by nature. I have immense confidence in our young men and women and in their capacity and mental calibre. It is they that will have to rescue this country from its present travails and tribulations.

I wish you all success in the great tasks that you will be undertaking in the industrial and economic development of our country.

Thank you,

JAI HIND