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The IIMs: a time for soul searching

NOW THAT some of the IIMs have decided to revert back to the old fee structure and the new government set to withdraw the order reducing the fee, an entirely avoidable controversy seems to have subsided. But this is a good time for introspection on the part of the academic community in general and the IIM faculty in particular. Given their autonomy for the past several years, have the IIMs over the years met their objectives?

The faculty at the Indian Institute of Management, Ahmedabad (IIMA), have recently come up with a position paper titled 'Sustaining academic excellence.' Based on two different sets of cost calculations, the paper shows that an IIMA student, in 2002-03, on an average, received an annual subsidy of Rs.113,440 or Rs.280,121. The paper would have us believe that the second calculation is closer to the truth. Any reduction in fee will seriously undermine IIMA's financial autonomy.

The professors of IIMA have correctly pointed out that financial and academic autonomy are intertwined. For example, launching a new course or a new programme would involve considerable expenses. Money is also needed to conduct research, which involves field visits, attending seminars and subscribing to various journals and databases. Today there is an acute shortage of good faculty. So the IIMs would also like to pay more to attract and retain good faculty.

The contention of the IIMA faculty that financial autonomy is necessary to launch new programmes, conduct research and attract good faculty, is well taken. But it is also pertinent to ask how well the IIMs have used the autonomy given to them over the years.

Take research. By the faculty's own admission, the research output is inadequate. Even after five decades of the first management institute opening in India, management is still primarily taught in India through American textbooks. Very few Indian cases are available. Who is to be blamed for this state of affairs, the faculty or the government?

Merely complaining about low faculty pay is not enough. The world over, academicians get paid less than their counterparts in the industry. They do research, not for money but out of sheer love and the craving for recognition. Even the Nobel Prize, the ultimate recognition for any researcher, does not fetch a fraction of a senior corporate executive's annual salary in the U.S.

Similarly, research is not dependent only on the resources invested. There are many entrepreneurial professors who make use of the limited resources available to them to do high quality research. Some of the best research in the area of finance has been done several years back by people like Harry M Markowitz, Franco Modigliani and Eugene Fama, with little or no access to the kind of sophisticated electronic databases and computer software available today. While there have been some outstanding individual contributions, the collective research output of the IIMs has certainly not been in keeping with the amount of resources invested.

Accountability

More than resources, the need of the hour is individual accountability. In the U.S., academicians work hard to receive and retain their tenureship. The policy is publish or perish. That is how the leading U.S. universities have become centres of excellence. In India, unfortunately, academics is a laid back profession. Once in, a person is well entrenched. That is why there is a surprisingly large number of non-performers along with a few outstanding faculty even in our best B-Schools. In other words, the basic principle of management that autonomy and accountability go together has been conveniently forgotten.

The point to emphasise here is that if the IIMs had been doing world class research, they would have attained a different kind of stature. And the government would have found it incredibly difficult to touch them. Recall the Janata Party government trying to nationalise Tata Steel in the early 1970s and how George Fernandes was rebuffed by the Tata Workers' Union.

Even at an organisational level, the IIMs certainly did not use their autonomy when they had a great opportunity. They did not expand fast enough when the demand for management education swiftly rose in the late Eighties and the early Nineties, after the opening up of the Indian economy. Had they done so, they would not only have emerged financially more independent but also prevented the mushrooming of fly-by-night operators. Instead, the IIMs decided to maintain their elitist image. Some IIM professors have argued that a sudden expansion of the student intake without an expansion in the faculty strength would bring about a drastic reduction in the quality of instruction. This is an argument of convenience. People who have studied and taught at the IIMs would agree that the current work load of a typical faculty is still minimal. Moreover, to repeat the same courses for a larger number of students is not all that much of an additional load as it is made out.

To conclude, there is much that can be done to improve the governance of IIMs. Some of the blame rests with the government. At the same time, there is a lot that the faculty can do. Merely demanding autonomy is not enough. Autonomy has to be exercised. And that calls for purposeful action, not intellectual rhetoric.

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