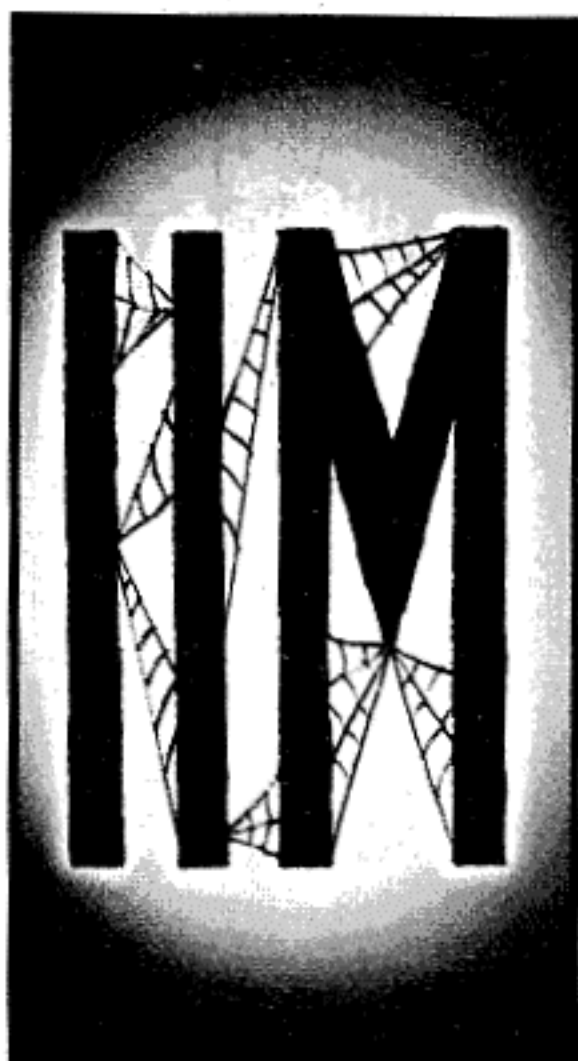


Money and autonomy

India's management institutes should learn how to manage themselves



Union HRD minister Kapil Sibal may these days have his hands full with his additional charge, telecom. But he does find the time occasionally to talk about HRD. And create a controversy there too. His latest comments have been in relation to the Indian Institutes of Management (IIMs). Sibal wants them to have greater autonomy. This is in line with the recommendations made by three committees – the R.C. Bhargava Committee on a new governance structure, the Ajit Balakrishnan Committee on faculty and research, and the Hari S. Bhatia Committee on fund raising. These recommendations were discussed by Sibal and the chairpersons and directors of the IIMs in October last year.

But, despite all the groundwork, the faculty at the IIMs have found reason to take exception to the proposals. While there has been protest at all the IIMs, IIM C has gone one step further and posted a rebuttal on its Website.

The brouhaha was to some extent expected. The Bhargava panel pointed out several problems with the IIMs. Among them:

- ♦ The IIMs have not been able to expand their admission capacity for the MBA Programme.
- ♦ The quality and quantity of research papers from the IIMs have not been commensurate with the status of the IIMs and have not enabled the IIMs to become thought leaders.
- ♦ IIMs have not been able to attract enough faculty, especially in the functional areas, where there is demand from other sectors.

All this is well-known and widely accepted by the outside world. If the IIMs have acquired a reputation, it is because of the quality of their alumni. And the quality of their alumni owes much more to the quality of the students entering – the entrance exam for the IIMs is the toughest in the world and only the very talented get through – than the quality of the teaching. In fact, the IIMs get dragged down in all international surveys because of faculty inadequacies and a near-total absence of published research.

To the academics in their ivory towers this is of course unacceptable. So the fact that the government is asking them and the institutes to pull up their socks – to be more accountable – has been converted into a debate on

privatisation. Actually, it should be one on autonomy accompanied by accountability.

Look at the nitty-gritty. First, the IIM C faculty is concerned that it wasn't included in the discussions. Second, it says that the Bhargava Committee doesn't know what it is talking about. Third, it contends that there is no need for disciplinary control or performance measurement of the faculty.

But the real grouse is against privatising IIMs, though there is no proposal on that. "We believe that, in the name of enlightened ownership, the committee is recommending changes which may lead to privatisation of a public institution," say the IIM C dons. "We also believe, based on the experiences of several academic institutions across the world, that privatisation and a movement towards 'executive-based governance' can curb academic freedom and influence scholarship."

But whatever the debate on 'enlightened ownership', autonomy eventually depends on a few issues. First, who chooses the director? Second, who chooses the board members? Third, if the government nominees on the board have to give their seal of approval for any financial decision, autonomy is only on paper.

The recent Union Budget gave IIM C a ₹20 crore grant – even after 50 years of its existence. There was no noise about refusing that. Yet the academics see no contradiction in constantly going hat in hand to the government while clamouring about the need for autonomy.

Earlier this year, when a group of alumni approached the institute with a donation for any important project, they were told that several committees would have to review the proposal. The bureaucracy that is now resisting all change to the system of governance.

The reputation of the IIMs is anyway being diluted by setting up several more. At the same time, private institutes like the Indian School of Business and Great Lakes are establishing themselves thanks to foreign tie-ups, visiting faculty and a sense of purpose. Presidency College (now a university) in Kolkata is a shadow of its former self. It is only too easy for IIM C to join it in its decline and decay. It would be then be an apposite case study in the new-generation B-schools.