



Managing their image

A B-school is more than the campus, classrooms and curricula

A quarter century ago, when some dozen of us landed up a day late at the Joka campus of the Indian Institute of Management Calcutta (IIM-C), we were packed off to the sickbay. It wasn't what the doctor (the medical variety) ordered; none of us was in any way indisposed, though the mosquitoes on campus were big enough to carry you off. It was what the doctor (the academic variety) ordered; director Ramu Iyer told us the new building wasn't ready and we would have to choose between the common room and the sickbay. It wasn't much of a choice. If we had opted to doss down in the common room, we may have ended up in the sickbay anyway; it throbbed with loud music well past midnight, with incipient insomniacs, mainly the ladies unleashed from traditional homes for the first time, listening to the latest buzz.

"Our mosquitoes were bigger than your mosquitoes," says Subroto Roy, a *Business India* colleague from IIM-C's eighth batch, who is based in Kolkata. He is talking about a different campus: Emerald Bowers on the Barrackpore Trunk Road, where IIM-C first set up shop. It was a garden house belonging to a branch of the Tagore family and came along with a stagnant pond and army-type barracks. The classrooms were for rearing managers; the pond was for breeding mosquitoes. Both were designed as bloodsuckers, as the Marxist-minded staff in Left-ruled West Bengal was wont to say. Incidentally, the Joka campus has five lakes. The IIM Ahmedabad campus has no stagnant water – literally and metaphorically, the students would have us believe – though the artificially-created Vastrapur Lake is just a kilometre away.

But what are lakes and living arrangements, mosquitoes and memories doing in an article on B-school rankings? Why are there so many people on the Cover and in the following pages, when they would normally have been graced by different figures? The answer: it is a sign that B-schools have come of age in India.

"The ranking – the image – of B-schools doesn't depend on libraries and classrooms, though they are certainly factors," says Pradeep Mukerjee, founder-director of the Mumbai-based Confluence Coaching & Consulting (CC&C). Mukerjee, who has recruited several MBAs in his

earlier avatar as HR head for Citigroup's different businesses in India, Sri Lanka and Bangladesh, says that the crucial contributor to excellence is the people. "There are three critical constituencies – the faculty, the students and the alumni," he explains. "Your reputation depends on all three."

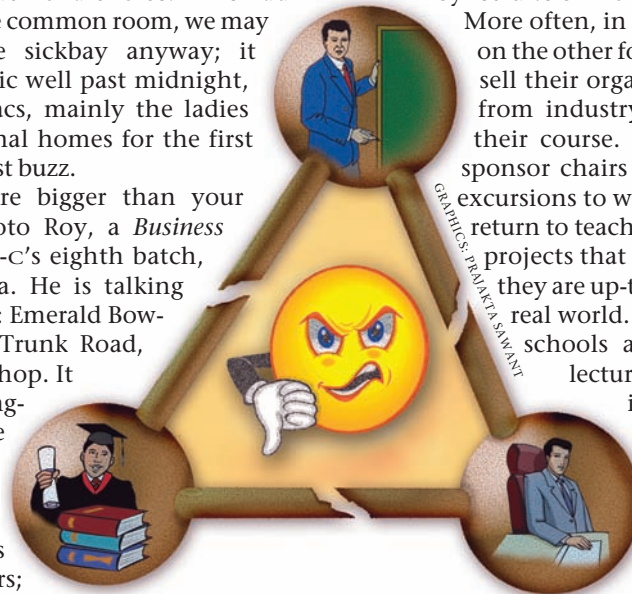
In the West – the US in particular – this triad is a well-oiled, functioning machine. There is an enormous amount of cross-pollination. Students graduate and are picked up (though nobody will admit to any favouritism) by recruiters who are alumni from their own institutes.

More often, in the pre-slowdown era, the boot was on the other foot: alumni came on campus to hard-sell their organisation. The students get mentors from industry even while they are completing their course. Large companies headed by MBAs sponsor chairs at their alma mater. Faculty make excursions to work in industry for a while and then return to teaching. They are constantly working on projects that take them out of their ivory towers; they are up-to-date with what's happening in the real world. CEOs conduct regular courses at the schools and not just the occasional guest lecture. "There is a symbiotic relationship in a 100 different ways," says N. Eswaran, lead architect at NIIT Technologies (who has been with the same company for 24 years) and an alumnus of IIM-A.

"The most important part is that the alumni who have made it big fund the school," says Mukerjee of CC&C. "B-schools in the US thrive on such donations and give-backs."

There is a school of thought that says the IIMs would have done much better had they not depended on the government for grants. The Hyderabad-based Indian School of Business (ISB), where the first classes started in July 2001, is No 15 in the *Financial Times* Global MBA rankings. IIM-A and IIM-C, which are both close to 50 years old, don't figure in the Top 100. ISB is a privately-funded institution whose activities are entirely supported by individuals, corporations and foundations; the IIMs survive on government doles and argue about autonomy and poor salaries.

"Frankly, we have done nothing different to get a higher ranking," says ISB dean Ajit Rangnekar (*see interview on page 128*). "We have focussed on doing what we are committed to do as per our vision – providing high-class education, finding excellent careers for our students,



GRAPHIC: PANKAJ SAWANT



encouraging research and building a strong team.”

The two older IIMs (Bangalore was founded some 15 years later) should have been rubbing shoulders with the Whartons and the Harvards. *The Economist* has rated the IIM entrance exam the most difficult in the world. The alumni occupy high places in the corporate world both in India and abroad. PepsiCo CEO Indra Nooyi is not the only IIM alumnus supping at the high table. Amit Banati is president (Pacific) of Cadbury (another Fortune 500 company). M.S. (‘Vindi’) Banga is Unilever president, foods, home and personal care. In another arena, Marti Subrahmanyam, Krishna Palepu, Mohanbir Sawhney and many others have become gurus to the world.

If the alumni are recognised, why aren’t the IIMs themselves? One reason: they have become fat and complacent. Every year, we have the quaint spectacle of students wanting to participate in B-school surveys, while the authorities do not. Their charges are at the top. The best they can do is to remain there. The incumbent director doesn’t want the institute to slip in the rankings during his watch. They are only too willing to participate in foreign B-school surveys, however. Given their current bottom-of-the-barrel status, the only direction they can go is up. “Indian B-schools need to face the realities of life,” says Eswaran of NIFT.

The more important reason is that Indian B-schools – the IIMs in particular – don’t practice what they teach: they don’t market themselves. It’s a part of Indian culture; here, only politicians and admen are loud. A Delhi-based B-school, a Johnny-come-lately, has discovered to its dismay that aggressive marketing can backfire. It has been ostracised by the establishment. It has finally bought its way into the top ranks of some surveys. Your vintage matters in education. Dons wearing wigs are acceptable, though archaic. Deans wearing ponytails are not.

One ISB making it to the top league doesn’t change the situation on the ground. ISB has links with Wharton, Kellogg, Thunderbird, Fletcher, London Business School, China Europe International Business School in Shanghai, Fuqua School of Business at Duke, HEC School of Management in Paris, and Melbourne Business School in Australia. (Many of these are student exchange programmes that other Indian B-schools also enjoy.) They give ISB a higher profile internationally. It has also been very aggressive in marketing and positioning itself, though in an understated fashion.

In India, IIM-A and IIM-C will stay on top for some time to come. Perception matters; and it is a key component of the *Business India* B-school rankings. The fact that so many Indian CEOs have an IIM lineage makes for a halo effect. The numbers are rather surprising. According to EMA Partners International, a leading global executive search firm, some 33 per cent of professional CEOs or strategic business

leaders in Corporate India are from the IIMs. The study involved the top 200 companies based on market cap, market leadership and other allied factors.

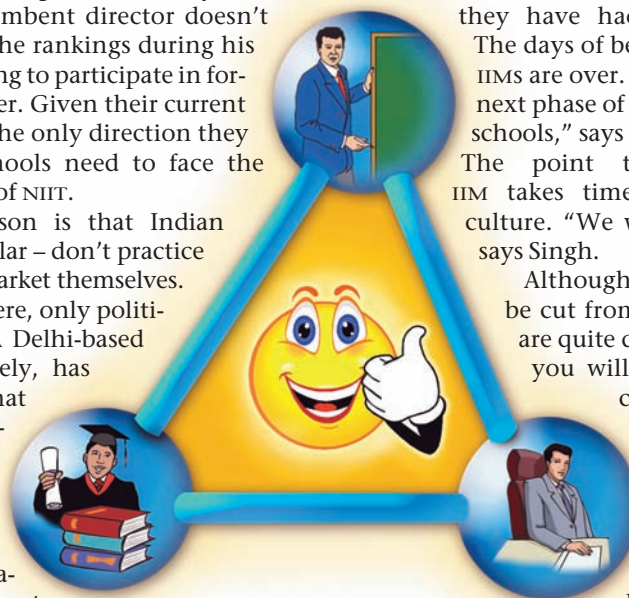
“The IITs and IIMs have made a huge impact,” says EMA Partners India managing partner K. Sudarshan. “We found that IIT or IIM alumni accounted for 50 per cent of the professional CEOs. Of this, only IIM (non-IIT) was 50 per cent. Only IIT was 35 per cent. And the potent IIT-IIM combination was 15 per cent.” IIM-A accounted for the biggest chunk (62 per cent) of the universe of IIM-qualified CEOs. IIM-C produced 27 per cent. And IIM Bangalore and IIM Lucknow chipped in with 7 per cent and 4 per cent, respectively. “They – IIM-B and IIM-L – have had a lower impact on the management echelons in the country,” says Sudarshan.

It has been a difficult 25 years, says Devi Singh, director of IIM-L, which celebrates its silver jubilee this year. But the institute’s alumni are now reaching senior rungs; they have had only a couple of decades. The days of being a poor cousin to the senior IIMs are over. “We are now all set to go to the next phase of becoming one of the best global schools,” says Singh (see interview on page 108). The point to note is that even an IIM takes time to build a reputation and culture. “We want to make IIM-L different,” says Singh.

Although IIM-A and IIM-C would seem to be cut from the same cloth, they actually are quite different. In the following pages, you will find a story on MBA-friendly companies (see page 87). There is a case for further subdivision. There are IIM-A-friendly companies. Former CEO K.V. Kamath is an alumnus and he himself used to head the recruitment drive there during placement season. There are IIM-C-friendly companies like Asian Paints, once looked upon as a slice of IIM Calcutta.

These preferences are a matter of culture. For us, there is an example closer home – *Business India* itself. From the beginning, we have attracted IIM-C grads. Given the size of the organisation, the number has been disproportionate. In the early days of the magazine, there was Rafiq Dossani, now director, Centre for South Asia, at Stanford University. He is from the 11th batch, the Class of 1976. Subroto Roy (quoted earlier) is from the eighth batch. I am from the 20th. There have been others of more recent vintage like Vikram Doctor from the 26th batch.

“IIM-C has always been less about learning strategies for corporate profits and more about understanding how economic and social changes affect competition and business strategy,” says Dossani. “Western B-schools focus on the former, and it is the model for most IIMs in India. MIT (Massachusetts Institute of Technology) is closer to our approach, not surprising given the parentage of IIM-C. (It





was set up with MIT's Alfred P. Sloan School.) So, journalism is a natural fit. Why *Business India*? Perhaps, because *Business India*, more than its competition, has the same approach."

"IIM-C always had a humanist approach," says Roy. "At IIM-A, they taught you how to make a success of your career. At IIM-C, they taught you how to make a success of your life." But times are changing. Over the past few years, IIM-A has produced more alumni interested in social causes and entrepreneurship. IIM-C has turned to talking about the high salaries its students get. In the 20th batch, the highest salary was offered by Tata Steel, a handsome Rs4,500 a month. But the package included Rs2,000 as house rent allowance, which would be deducted as the initial posting was in Jamshedpur as executive assistant to chairman Russi Modi, and the company had a bungalow on offer. Modi was well known for his 24-egg omelettes and other appetites. The concerned person didn't join.

In 2008-09, IIM-C's placement report boasted a highest domestic package of Rs60 lakh. "The move by the placement cell to extend the number of days for placement shifted bargaining power back to the students," said the report. Salaries dropped because of the economic slowdown. But the explanation for the 23 per cent decline must be bewildering the finance majors. Says the report: "The firms that visited campus last year did not lower their packages this year. The intake per company had come down, resulting in the fall in package." (Incidentally, the IIM-C director did not find the time to talk to *Business India* – while all his peers have – even after more than a month of trying.) The IIMs have finally agreed to stop this one-upmanship over salaries.

D. Shivakumar, an alumnus of IIM-C and CEO of Nokia

India, points out one more aspect of the institute. "Students were treated as adults and nothing was mandatory, be it attendance or class participation," he says. Compare this with IIM-A: Attendance is mandatory; your name-card is fixed in big bold letters at your regular place in the classroom. The professors know at a glance who is missing. "If a student were absent for two or three days, the professor would land up in his room to find out what was wrong," says Eswaran. But he sees this as a sign of a caring faculty. His view of IIM-C is that it has a marked preference for IITians. "We looked at Joka as a slice of IIT Kharagpur," he says.

The students of all B-schools have a loyalty factor. The key is to keep this going after they metamorphose into alumni. "An institution's reputation and standing mainly rests on the graduates it produces," says IIM-A director Samir K. Barua (see interview on page 90).

The third leg of the triad is possibly the one that is making the most noise today; the one people problem that all B-schools are aware of is the faculty. From the institute's point of view, they are the key stakeholders. The students come in for two years and are out before you can say Philip Kotler. The alumni, in the absence of any effort by the institute, soon lose touch. Freshly-minted MBAs see an alumni get-together as a networking opportunity with their seniors. So, they are enthusiastic about these occasions. But the drive fizzles out soon. Batches come and batches go, but the permanent faculty carries on.

"There are more than 2,000 B-schools in the country," says IIM-A's Barua. "It is said that, in some cities, there is a B-school at every street corner. Of these, only about 200 impart good training and education. There is an acute shortage of management teachers and instructors. As a result, one finds what are disparagingly called butterfly faculty members, who hop from one B-school to another to deliver the same lecture four or five times a day."

But the faculty – particularly at the IIMs, where the government holds the purse strings – are underpaid. Ramu Iyer, who had directed us to the sickbay in 1983, was himself on a sickbed in 1987 when Ajit Balakrishnan, the founder of rediff.com, met him in Hyderabad. He was dying of cancer. "Ramu Iyer taught computer science at IIM Calcutta in 1969... many of his students are multi-millionaires, board members and CEOs of world-scale companies," reminisced Balakrishnan later in an article titled, *The last days of an IIM professor*. "The way we have organised Indian society (is) that its teachers live a life of penury, while their students prosper." Ramu Iyer died soon after, writing the words of a lecture that no one will hear.

It is time to listen. Management education in India is being converted into a giant moneymaking racket. The sizzle is replacing the steak. Libraries and loos are hygiene factors, some more literally so than others. But bricks and stones don't make a good B-school. It's the people who are its lifeblood. It's the alumni, the faculty and the students – and intangibles like lakes and mosquitoes – that are the source of its reputation.