

An Indian model of management

MANAGEMENT education has come of age in India. We have several institutions of international repute across the country. We probably do now have a critical mass of faculty, research and case studies to enable us to define what may be called an Indian approach to management. Management, like any discipline dealing with people, is more of an art than a science. There is, quite understandably, a difference in approach to management philosophies and practices as developed in the US, Europe and Japan. Perhaps one can even talk of a Chinese model of management. Clearly, there should be an Indian model too. Even as we learn from the west and the east, we must try and evolve our own paradigm of management education based on our own social and cultural attributes.

After all, one of the guiding principles of modern management is – ‘think global, act local’. To be able to ‘act local’ it is necessary to be familiar with the ‘local’. I am sure Indian management institutions will pay greater attention to this aspect as development spreads across the country and firms and managers have to deal with an extremely diverse and rich social, cultural and economic landscape.

The ideas and models that may have been developed to deal with more universal urban management situations will need to be modified when dealing with rural India. The production, financing, marketing, and logistics possibilities of rural India will require new, innovative approaches, new tools of analysis and new solutions. This is the challenge for business schools and researchers. This conference deals with logistics. In a large, diverse nation such as ours, logistics is not just about time or space. Nor is it about the mechanics of movement of goods and people. Logistics is, above all, about managing people. We need to have a logistics model that reaches out to the potential in rural India, a model, which delivers goods and services there in a cost effective manner, a model, which provides cost effective access for rural produce to our urban, industrial markets.

Nowhere in the world does one see a para-

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dox as immense as we have here — where agriculture contributes slightly more than 20% of our GDP but supports nearly 75% of our population. Logistics can play a key role in integrating rural and urban India, contributing to employment creation and income generation. Rural business hubs will receive adequate attention when it comes to launching the 11th Five -Year Plan next year.

Before spreading their wings into rural development, our management institutions should work closely with sociologists and anthropologists to develop an Indian idiom in management. I would caution against adopting a “helicopter” model in taking modern management practices to rural areas. Grassroots experience should inform management concepts, so that new management techniques can transform grassroots practices.

As the global market becomes more open to the Indian farmer, we must be able to take advantage of the new opportunities. Last year, the United States opened its market to Indian

mangoes and so has Japan. We have to ensure that we have the logistics in place to make use of this new market opportunity. Global demand for Indian agricultural produce will be supplemented by rapidly growing domestic demand. This demand will rise in quantity and will also change in composition with rising incomes. The demand for horticulture and marine products has been on the rise. We need investment in rural infrastructure for our farmers to reach new markets.

The change I see coming will accelerate the pace of urbanisation, and we must be prepared for it. However, the coming change must also accelerate the pace of rural development so that we can create new jobs for our people away from cities and closer to their homes and hearths. This is the vision behind Bharat Nirman. Hence, while your conference may well focus on the more immediate challenge of improving rural logistics, infrastructure and connectivity, the greater challenge is to improve due quality of rural life in its totality.

This requires more than logistics, more than infrastructure modernisation and more than improved connectivity. We have to invest in the capabilities of people living in our rural areas. We have to enable an agrarian transformation that will uplift millions and millions of our citizens from subsistence living into the 21st century. This, I recognise, is a heroic challenge facing administrators and managers in India today.

The transformation of Indian agriculture and rural India will, I believe, be the greatest development saga of the next quarter century. We do already have many examples of good effort in agrarian transformation in different parts of the country. Be it the experience of tenancy reforms in Bengal, or of infrastructure development in Baramati; be it the experience of AMUL or of ITC’s e-chaupal. These are all inspiring examples that have to be scaled up so that the entire country can be transformed. We need fresh thinking about the management of energy resources in our rural economy.

(This is an edited version of the prime minister’s speech at the Indian School of Business)



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