

CONVOCATION ADDRESS
INSTITUTE OF MANAGEMENT DEVELOPMENT AND RESEARCH, PUNE

Dr. S. Sivaram
Director
National Chemical Laboratory
(Council of Scientific and Industrial Research)
Pune 411008 India
Email: s.sivaram@ncl.res.in

13 March 2010

Shri Ajit Patwardhan, Chairman, Council of the Deccan Education Society, Shri Ajay Nagre, Director, IMDR, Faculty and staff of IMDR, Pune, distinguished guests, parents and most importantly the graduates of the class of 2009, it is a great privilege to speak at your graduation ceremonies. My congratulations to the graduating class on completing an important milestone in your life's journey.

I thank the leadership of this institution for the kind invitation.

I am pleased to know that IMDR is a part of the prestigious Deccan Education Society established by some of the greatest sons of India, namely, Bal Ganghadhar Tilak, Gopal Krishna Gokhale and Dhondo Karve. Their desire to promote education was born of a tenet that "Purna Swaraj" was only possible when Indians were educated in a system of values that was deeply rooted in its ancient traditions and wisdom, yet imbibing the best that the western system of education had to offer. In his speech delivered to the British Parliament on February 2, 1835, Lord McCauley said and I quote "*I have traveled across the length and breadth of India and I have not seen one person who is a beggar or thief. Such high wealth I have seen in this country, such high moral values, people of such high caliber, that I do not think we could ever conquer this country, unless we break the very backbone of this nation, which is her spiritual and cultural heritage, and , therefore. I propose that we replace her old and ancient education system and culture. For if the Indians think that all that is foreign and English is good and greater than their own, they will loose their self- esteem, their native self-culture and they will become what we want them, a truly dominated nation*". We were subjugated because our conquerors used education as a weapon. The founding of DES must be seen against this backdrop. The avowed purpose was to fight the battle of the mind, create a truly Indian ethos in education and set it free.

These ideals are true even today. In a globalized and flat world, our cultural identity is under threat. We must, therefore, remember our history lest we may be condemned to repeat it. Education in India must be deeply rooted in its traditions. Our practices and systems must recognize our social norms and culture. This is particularly true of the science of management, which is a body of knowledge that links people to organizations. Principles of management are not like universal laws of Physics. They change from country to country and are culture dependent. Your founding fathers understood this principle one hundred and twenty five years ago. Let us not forget this message today.

I would like to share with you briefly some thoughts on the organizations of the future and the challenges of management that beckon us. Today, all organizations whether service or manufacturing, are to a large extent technology driven. Change and turbulence are endemic to our environment, an essential underpinning of a complex and diverse society.

Frederick Taylor, the father of scientific management described an organization thus; *“Each employee should receive everyday a clear cut definite instructions as to just what he is to do and how he is to do it and these instructions should be exactly carried out, whether they are right or wrong”*. Much of the early principles of management and structure of organizations evolved from such a ‘command and control’ principle with the manager at the top of the organizational pyramid.

Enterprises of the future are not likely to fit this definition. Organizations will be increasingly called upon to develop, apply and create value out of new technologies and practices, using the twin pillars of entrepreneurialism and knowledge. They will be asked to forge value creating linkages between processes, business units and core functions. Management will therefore become the art of converting knowledge, intellectual capital and the power of networks to economic wealth. Innovation and creativity may become the new currency for corporate valuations.

Organizations of the future must be better thought of as living organisms, with a strong sense of purpose and cultural identity. They must be capable of learning, un-learning and re-learning so that they renew themselves constantly. In their book titled “The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations” Brafman and Bckstrom describe future organizations as community of networks, where chaos is tolerated and there is a spirit of sharing. They are akin to fluid networks with many interactive parts, many nodes and no singular leader. The role of the management is to simply connect people with resources and ideas. Leadership will need skills to create partnerships, govern loose networks and lead by influence rather than by command and control.

Traditional organizations were managed through business verticals, segmentation and insular, weakly interacting silos called departments or divisions. Systems and incentives for sharing knowledge and best practices were either non existent or weak. Corporate centers or headquarters assumed disproportionate importance, sometimes epitomized by the impressive tall glass and aluminum structures, dotting the skylines of our major cities and occupied by grey haired men who claimed great wisdom. The recent collapse of the global business economy and the fall of the mighty have made us realize that this model is neither perfect nor sustainable. Future organizations must have a soul, a clear purpose in terms of relevance and contribution to public goods. They must not exist to merely enhance shareholders value or maximize their returns.

Organizations of the future are likely to be highly disaggregated, with many decentralized teams operating in an entrepreneurial manner. Such teams will be self driven and self managed. Decision making authority will be devolved to the operating teams. Hierarchical structures which enforce cooperation will evolve into market forms of organizations with high personal initiative. Historically, firms have been vertically integrated in order to control access to scarce physical resources. Future organizations will be internally and externally disaggregated in the form of alliances, JV’s, franchises, outsourced services and spin offs.

The CEO will be the chief controller of resources and a monitor of performance, an architect who designs an organization to achieve the best trade off between personal initiative and enforced cooperation.

So how can education in management prepare you for the organizations of the future? We need a new breed of professionals who are prepared to face the age of innovation and can question the tyranny of dominant logic. Increasingly they must acquire the ability to manage ambiguity, doubts and skepticism. They must not only learn skills and tools, but acquire domain knowledge and must have a deeper understanding of social sciences. Education must teach us not only what we can do but what we should do. Education must also strive to create a balance between material growth and physical, emotional, intellectual and spiritual growth. Education is not meant to prepare you for your first job; it should ideally prepare you for your last job.

India is in the cusp of an explosive growth. In another decade, India's economy will be close to Rs 100 trillion with 65 % of the population below the age of 35, a consuming class of 850 million and a literacy rate of 85%. Rightly, this decade has been called the Decade of Innovation for India. Countries like India are being looked at as the crucibles of new business models. We should, therefore, not merely imitate but discover new opportunities for building the organizations of the future.

As young men and women you are the true architects of this destiny. In your ideas, courage and dreams India will realize its true potentials.

Let me end by quoting Ralph Waldo Emerson "*to appreciate beauty, to find the best in others, to leave the world a bit better, to know that even one life has breathed easier because you lived, this is to have succeeded*".

I wish you every success in your endeavors.