

Address by Shri C. Subramaniam,  
Union Minister for Planning, Science and Technology,  
at the  
Seventh Annual Convocation  
April 15, 1972

Prof. Ravi Matthal, Distinguished Members of the Staff and  
my young friends:

1. It gives me great pleasure to be present here this evening to address the Annual Convocation of your Institute. Over the decade, this Institute has grown into one of the pioneering organizations in the field of management education and training in the country. I have had the good fortune to have some association with this institution from its inception. It has grown in its range of activities and in the expertise of its staff. Already a happy situation seems to be coming about where, I am told, the graduates of this Institute are in great demand in various industrial and commercial houses for filling management positions. I would like to pay my compliments to all those who have contributed to the development of this Institute as a centre of excellence. In particular, I would like to extend my greetings to Prof. Ravi Matthal, my friend of many years' standing, who, I understand is due to relinquish his charge as Director and become a member of the faculty. In this he is setting a healthy example for others to follow. It is always considered that once a

Director, one cannot function in the same institution under another Director. I hope this precedent started by Ravi will be adopted in many other academic and scientific institutions.

2. In a sense, the changes that have occurred in the structure and the subjects selected for study and teaching at this Institute exemplify changes in the scope and needs of management training in general in the country. Classical management systems and education have been developed largely in the Western context, to meet the requirements of business and commercial enterprises in the more industrialised societies. It was not surprising, therefore, that when this Institute began its work, it laid considerable emphasis on the study of Business Administration derived from the Western pattern. Business Administration is no doubt a major area for study in management schools but each country has to analyse the problems of such administration with reference to its own conditions and needs and accordingly evolve its own system of education and training. Our industrial structure is getting more broad-based and diversified. When we began our planning process in the early fifties, we had only about five major industries to speak of, namely, iron and steel, jute, cement, sugar and cotton textiles. Today we have built up industrial enterprises in a wide range of activities that include heavy engineering, heavy electricals, machine tools, chemicals, automobiles, shipping and transport.

Furthermore, foundations for the newer and more sophisticated industries connected with electronics, petro-chemicals, space and atomic energy are also being firmly and rapidly laid. Resources on a large scale have been committed for the development of these enterprises both in the private and in the public sector. An important component of our development strategy has to be the scientific and efficient management of these investments so that we can get the maximum returns from them. Only under such a policy can we generate adequate resources for current consumption and for further investments. The professional manager has thus a crucial role to play - whether it be in the private sector or in the public sector - in ensuring proper management of the resources that society has entrusted to his care.

3. I may, in this connection, quote from a report which I had submitted to the All India Congress Committee in April 1969 drawing attention to the need for developing a professional managerial cadre as an indispensable element in the programme of developing our skills to meet the manifold requirement of economic growth:

"We have failed to develop an efficient and independent managerial cadre. Both in the private and public sectors, many difficulties arise from a lack of professionalism in Management. In private firms hereditary managers, and in public sector undertakings Civil Servants, who have no commercial or business experience and who owe their position to seniority or family connection, dominate the industry. Immediately, therefore,

it is necessary to train a cadre of professional managers, who will be available in both areas - the public and private sectors. Suitable legal forms must be worked out which would eliminate the hereditary managers in the private sector and provide for only men of proved managerial talent to occupy the highest executive positions. The establishments of Regional Councils composed of top-rank executives, whose approval is necessary for appointment to the higher executive posts, may be investigated. This Council may also be given the responsibility of processing nominations to top executives by private sector as well as public sector organizations. This is the only way of putting an end to the out-dated practice of Capital providing management."

4. While we have not so far made much progress in the establishment of such an institutional framework to facilitate a professional approach in the selection of our executives, we have made a beginning by undertaking a critical scrutiny of the managerial performance in some major public sector undertakings. We have been naturally concerned at the unsatisfactory performance of many of our industrial units and we are determined to bring about an improvement by an upgrading of technology and managerial skills, as quickly as possible. A high-powered Action Group under one of the Members of the Planning Commission has been at work for the past three months, visiting leading public sector units and holding extensive discussions with the authorities and the labour leaders on the spot, to ascertain and assess what could be done to improve the working results in these undertakings. This process has been completed in respect of half a

dozen establishments already. The work is in progress and the results of the exercise will, we hope, become to be felt before long.

5. We appreciate, however, that the overall managerial performance - whether it be in the public sector or in the private sector - cannot be improved by such ad hoc intervention by an outside group in respect of a few selected industrial units. What the situation calls for is a general upgrading of the professional skills of those to whom we entrust our industrial and commercial enterprises. It is in this context that institutions such as yours have an important role to fulfil in ensuring a steady flow of trained managers, conversant with modern management tools and with the ability to adapt those tools to suit the local environment. It is indeed a matter of satisfaction that post-graduate courses in business and industrial administration are now being offered in no less than a dozen reputed institutions in the country. Degree courses in business administration at the bachelors' level and at the masters' level have also been started in the Andhra, Allahabad, Bombay, Osmania and the Delhi Universities. The movement in favour of professionalism in management is thus gaining ground, with the increase in the number of management education-and-training centres and in-house training facilities establishment by the larger organizations for the benefit of their

own employees. Government are committed to the further strengthening of this movement. The time may not be far off when we may have to consider insisting by law that for industrial establishments above a certain size, managers should necessarily have certain minimum qualifications in professional education and training.

6. The point that is worth stressing on this occasion is that the curriculum of studies and the methods of training followed in Institutes of Management should have relevance to our peculiar needs and circumstances. Glancing through some of the publications on management available in the country, I am sometimes not very sure whether the writers have made any attempt to develop techniques and methods of analysis that can stand this test of suitability to our requirements. I would like to appeal to all those in charge of such training establishments to constantly ask themselves this question of whether what they are saying in the classrooms and in the learned journals have relevance to say, at least 8 out of 10 managers that one may be able to pick up at random in any major town in the country.

7. Good management, of course, starts not after a project comes into being but when the project is first conceived and planned in its detail. We in the Planning Commission thus attach very high

priority to the evolution of an effective system of ex ante approval of various types of development schemes that are approved for implementation. Similarly, once a project has been cleared for execution after proper appraisal, there has to be close monitoring of its progress in both the physical and the financial aspects. We also believe that scientific management of plan programmes, particularly as they relate to rural development programmes, will not be possible unless the whole planning process is sufficiently decentralised.

8. We have just begun preliminary work in terms of basic objectives and essential strategy for the Fifth Five Year Plan. For our country, planning for economic development has to be an unremitting effort and a continuous process. The five year compartmentalisation is, as such artificial, but has been created for administrative convenience only as a convenient time-frame for matching resources available with programme requirements. I have been privileged to be associated in one capacity or the other with the preparation of almost every Five Year Plan from the first Plan. But I personally attach special importance to the Fifth Plan, inasmuch as it gets to be drawn up in the wake of the pledge given to the people to tackle the problem of mass poverty through a time-bound programme.

9. A commentary that is often made on our planning experience is that the plans are good in themselves, but are implemented indifferently. This is at best an over-simplification, but the statement does throw up a major weakness of administration and management in the implementation of our development schemes that has been a common feature from one five year plan to another. I would appreciate Institutes of Management making a specialized study of this aspect of our Planning process and coming up with suggestions for alternative methods of plan formulation, implementation, review and evaluation.

10. It is in this context that I would like to refer briefly to some of the critical areas in which the need for competent management is getting itself increasingly felt. I have already made a reference to the role of professional management in the efficient running of our industrial and commercial units. I would now like to draw attention to some of the new areas in which this is becoming an important requirement and a real constraint.

11. First is in exploiting the new opportunities that are emerging in our developing agriculture. Under the auspices of this Institute, a seminar on this subject was held only last month at Delhi which I had the privilege of inaugurating. On that occasion I had dwelt at some length on the momentum for generating

growth and additional employment that can come about only by an upsurge in agriculture. I had also touched upon the potential of the new technology for increasing production and intensifying agricultural operations and the importance of developing a whole range of input-supplying agencies, extension services and post-harvest operations connected with storage, processing and marketing of the output. Some of the old illusions about Indian agriculture and the Indian agriculturists are now fast going out of currency. Selection of crops from season to season and of the relative areas planted under different varieties has been found to be sensitive to changes in procurement policies and prices. In other words, it is possible to discern a distinct commercial approach to the management of agriculture by the very ryots who are largely illiterate, without any formal education. The techniques they employ in assessing a given situation may not be very sophisticated. They are also probably ignorant of the jargon that has so overwhelmingly permeated writings on management science. The fact, however, remains that there is a careful balancing of alternatives, of costs and returns in the minds of the cultivators before they choose their crops and decide on the intensity of cultivation.

12. To what extent, one may ask, is this new situation matched by an efficient system for timely supply of inputs and services to the cultivators on the part of different agencies, including Government, there are in the field today? I am afraid

that the picture is rather mixed. We have some impressive gains to count on the side of achievement. The cooperatives have, notwithstanding all their faults and failures, made a significant contribution in the matter of supply of credit in kind and cash, and also in organizing marketing on behalf of numerous farmers. But a look at the progress or lack of it, of the rural development schemes that have been launched in recent years in order to improve the economic prospects of the small cultivators, the marginal cultivators and the landless labourers, shows that we are far from developing a method of administration and management that can cater to the new and complex needs of our rural areas. It is with reference to this basic weakness that we have to largely explain the halting progress of these schemes, and our inability to expand even the limited outlays that have been provided for these schemes. We are anxious that we should identify the lacunae and initiate remedial measures - organisational, technical and procedural - for achieving better results in the years to come.

13. The momentum for such rural development schemes cannot be built up unless we are able to break out of the many organizational and managerial constraints that have so far stood in the way of a more vigorous and fruitful implementation of the schemes on the field. We wish to review the scope and programme content of these schemes in some detail so as to minimise these difficulties. We

attach great priority to a proper execution of these projects for without this thrust there can be no real dent on the problem of rural poverty and therefore of Indian poverty. It is in this context that the types of studies that have been initiated on this Institute on management of modern agriculture have proved of great worth to us in charge of planning. I hope you will be able to undertake more such studies, analysing the situation objectively and pointing out the pitfalls in our existing approach. May I also express the hope, on this occasion, that some at least of the young graduates assembled today will find the challenge of modern agriculture compelling enough to try their hand in that field, rather than seek conventional outlets for their talents in industry and commerce in the urban areas.

14. An important policy requirement for successful planning is maintenance of price stability. Without reasonable price stability, there can be neither growth nor social justice. Our attempt will be not to control the prices of all commodities and all services but to select a few essential items of mass consumption and regulate their prices and distribution. We are thinking in terms of evolving a distribution system, under public auspices, that can provide a proper link-up between the producers and the consumers and ensure that at least minimum supplies of these essential articles are made available to the weaker sections of the community, within

pre-determined price ranges. We recognise that this will pose a major organizational and managerial challenge to the governmental agencies involved. We have some experience in running the Food Corporation of India and, of late, the Cotton Corporation. But the problems will get more complex as we add to the list of commodities to be brought within the scope of such a distribution classes. I would be thankful for the considered views of management specialists as to the manner in which we should go about organizing such a distribution and regulatory system for the benefit of the masses.

15. The third major area where professional skills are increasingly called for is in the management of our financial institutions. The Life Insurance Corporation and the nationalised commercial banks, not to mention the whole set of specialised industrial and agricultural financing institutions, make demands on the Government for the supply of competent executives which, I think, we are ill-fitted and largely unable to meet. The managerial class that we have inherited from the private sector in such institutions, while it contains some individuals of great promise and talent, suffers from this defect that it has a predominantly urban bias, and has but limited understanding of the temper and the needs of the rural areas. The Banking Commission has also endorsed this need while examining the personnel needs of

these institutions and in any attempt to utilise them as effective tools of economic regeneration of our rural areas. We have, no doubt, made a beginning in the selection and training of personnel suited to these new requirements, but very much more remains to be done. This is yet another area where Institutes such as yours can help the Government in devising suitable systems of recruitment and training of staff to be put in charge of these expanding institutions.

16. The other category of activities where increasingly the need is felt for professional management is in regard to our scientific effort. Research and development work in a wide range of disciplines has been going on in this country for a fairly long time now. We have also achieved some notable successes from some of our research institutes and laboratories. We can also be justly proud of the quality and competence of our scientists and technologists. But science administration has itself become such a specialised field that the ordinary run of administrators are unable to do justice to this task. Clearcut identification of research goals, appreciation of the various types of inputs needed in terms of equipment, buildings, staff support and inter-institutional collaboration for reaching those goals, all require specialised knowledge and skill. We are now critically short of this class of professional managers of scientific institutions. We are committed to the full development among our young men and women

of scientific skills so that our technological capabilities can improve constantly and so that we can get the maximum out of the resources available to us. This process will be considerably facilitated if we are able to develop a cadre of professional managers, tailored to meet the requirements of institutions devoted to scientific research and development. Research work should proceed without hitch when once the priorities have been agreed to and the purpose of individual projects have been clearly spelt out and dovetailed with the overall socio-economic development objectives. I hope all of you interested in management training and education will pay special attention to the creation of such a specialised class of managers.

17. To the new graduates, this is a day of special significance, when one phase of life comes to an end and another is about to begin. The learning process is, however, a continuous one to anyone, and all the more so to those who seek to attain professional excellence. I would like to extend my greetings and offer my congratulations to all the new graduates on the distinction that is being conferred on them. I express the hope that they would quickly find opportunities for work which would be meaningful to them individually, and to the society at large.

18. Thank you for inviting me to address you on this occasion.