

# **Dr. V. Krishnamurthy**

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**Chairman of IIM Ahmedabad**

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**Source: IIMA Archives**

## MARTEC

### Seminar on Managerial Response to Emerging Technologies

# MARTEC : Seminar on Managerial Response to Emerging Technologies

The Bombay Chapter of the IIM Alumni Association joined hands with the Institute to organise a one-day seminar on managerial response to emerging technologies, entitled MARTEC at the Taj Mahal hotel, Bombay on March 12, 1988. Distinguished experts in the major areas of new technology - robotics & artificial intelligence, electronics & information technology, plastics & petrochemicals and biotechnology - from India and abroad participated in the seminar.

The objective of the seminar was not so much to discuss the technical or scientific aspects in these fast moving fields, but to anticipate the practical applications that will become available as a result, thereof, and their impact on the professional manager in terms of possible changes in his work place, the altered business environment in terms of new market opportunities, new products and competition, changes in social structure, etc.

The Seminar also addressed itself to what kind of responses would be necessary from the professional manager for mooting these changes and what requires to be done to equip him to cope with the emerging technologies.

Welcoming the participants to the seminar, Prof. N. R. Sheth explained: "The alumni of the Bombay chapter of the IIMA Alumni Association, are the torch bearers for the idea of the present seminar - its design as well as its implementation. A few months ago, a group of these alumni told us that they would like to organise a programme to expose young professional managers to the coming technological revolution



in some vital sectors of our social and economic organisation, and the implications of this revolution for management practice.

"My colleagues and I did not need much persuasion to recognise the value of such a programme, from the point of view of the Institute's mission. We also realised that such a programme would become an important landmark in our own effort to celebrate our silver jubilee in a meaningful way. So we became the co-conspirators with the Bombay chapter, and our collusion with them has culminated in this meeting.

"We have provided the necessary support for this seminar, but most of the burden for the entire effort from the beginning to right now has been borne, I must say, by the Bombay chapter and the local members of the Silver Jubilee Committee".

Besides appreciating the fine work done by the Bombay alumni, Prof. Sheth also expressed his gratitude to ICICI, Citibank, India Seamless Metal tubes and HCL Limited for their sub-

stantial financial support by sponsoring of the seminar. He said that some other organisations have also given help in terms of photopages and other tangible/intangible financial support.

Prof. Sheth thanked the speakers and the panelists — Mr. V. Krishnamurthy, Dr. P. M. Bhargava, Mr. P. S. Deodhar, Mr. Ajit Haksar, Prof. V. L. Mote, Mr. P.S. Patwardhan, Mr. V. Rajadhyaksha, Dr. Raj Reddy and Mr. V. Vaghul for having spared time and helped in making the seminar successful. He hoped that all those present would find the exercise personally enriching and socially useful.

Delivering the keynote address, Mr. V. Krishnamurthy, Chairman, Steel Authority of India, and Technology Information Forecasting & Assessment Council of the Government of India emphasized that success depended not so much on the capital or hardware equipment but on the technology we possessed. "The holder of technology is going to be the leader of the world". This has been adequately demonstrated by the emergence of the new economic powers like Japan, Korea and Taiwan, based largely on their technological strengths.

For countries like India, the major issue in coping with the rapid technological changes is to correct the uncompetitive industrial structure and obsolete technology. The government in accordance with this need is in the process of revising some of its policies directed at easing controls, encouraging technological upgradation and modernisation, he said.

"A clear message to the industry is that it has to be competitive and viable. Even if technology imports are neces-



sary in the short term, this would form a part of the long term interest of the industry. Foreign collaborations, international investments, non residents are being invited and welcomed to participate in the country's technological renaissance."

Talking about the technological options available, Mr. Krishnamurthy said, "The first relates to the extent of technological change. Should one go for a total revamp or for an upgrading of the existing technology? This debate is on. One section argues that in a highly capital scarce economy, we must develop the ability to use our existing resources effectively to be competitive with the latest technology available elsewhere. The other argument is that we make a total break from current technologies and this would have a very salutary effect in refreshing organisational systems and work attitudes. Technologies are invariably linked to the way we work. I do not think there is a universal solution possible. You have to find the best alternative on a case-to-case basis."

He wondered if the market could absorb a sudden spurt of technological advancement. "Can we move from the primitive stage at which we are in many of the industries to one that is very complex and advanced? Some argue that phased technological change with a phased upgradation of our human resources is a most effective solution. Far too often, human skills and basic infrastructure have determined the success of a technological update."

Defining the term technology, Mr. Krishnamurthy explained that it is not buying a set of designs or a set of drawings, but technology is a host of other managerial activities behind converting an idea into useful goods and services meant for the people. He, however, regretted that for too long in this country, we have been imagining that we have bought technology, once we have bought the formula, once we have bought a set of drawings. This being

the position, not many things have happened in this country to believe that we are yet ready for these technological changes that are taking place elsewhere.

Mr. Krishnamurthy pointed out that recently there has been a great concern shown by the government with regard to technological improvement. In order to give technology and related matters a greater thrust in the national policy, the Technology Information Forecasting & Assessment Council has been formed. "However the existing state of art is not all that good, he said. "we have gone a long



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way, but there is compared to what is happening else where in the world, I feel, a gap today. Between the technological strengths of the countries which used to compare with us 20 years ago, the gap today stands much wider than what it was 20-25 years ago. It is the tendency in this country to leave everything to the government. I am one of those who advocates less of govern-

ment in these matters. Many of the issues which in other countries are dealt with by large corporate parties, like General Electric, IBM, etc. have been left to the government in our country. He suggested that it would be better if these jobs are tackled by the corporate sector, particularly, the large organisations rather than leaving it to the government.

While discussing the managerial response to the changing situations, he stated, "Technological change is a complex process. It has a linkage with a number of dimensions within the country, within the company. It is of utmost necessity that the strategy, structure, and culture of an organisation be oriented to cope with the emerging technologies. In my experience, I have found technology to be not only an important component of corporate strategy but many a times, it has helped to shape the strategy itself.

"In all the Bharat Heavy Electricals's diversification programmes, I used the technology itself to shape the strategy of the company. All the technology adopted in Maruti is directly linked to the strategy of providing a low cost transportation of a high productive manufacturing establishment. That was the overall objective and the technology is suited to achieve those objectives.

"In the whole process, the market research has to get a special emphasis and flexible and versatile technologies would be necessary to respond quickly to the changing market needs and particularly, to the usage habits in India. And a closer linkage between our own developmental effort and marketing would have to be forced."

Depending upon what is the focus on the technological scene, Mr. Krishnamurthy observed that quality improvement is very necessary. "I think we have in the whole process of industrialisation of this country, somewhere, left the quality behind and the quality of all our operations requires a

greater emphasis in whatever technology that we choose."

A major hurdle to technological innovations comes from the peoples culture. The removal of this hurdle would mean that "the entire work environment will have to be made more conducive to innovation and excellence. More specifically, this would mean orienting performance incentives and encouraging technical competence at all levels through better reward systems," he said.

In managing the technological changes, Mr. Krishnamurthy drew the attention of the managers to the need for training - training of the people, retraining of the existing employees. He suggested that because of the enormous amount of work involved in the training and in the introduction of a new culture it would be better to concentrate on a fewer areas - strive to attain excellence in a select number of areas.

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# "The Alumni can be a very effective link between the Institute and the outside world"

- Dr. V. Krishnamurthy

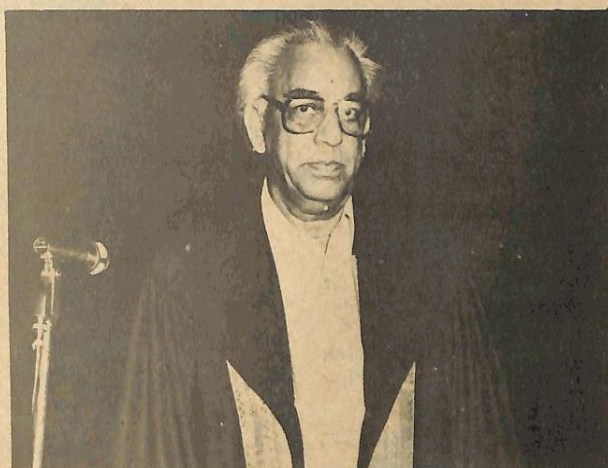
## **"The Alumni can be a very effective link between the Institute and the outside world": Mr. Krishnamurthy.**

*Following is a report of our interview with Mr. V. Krishnamurthy, Chairman of the IIMA Board of Governors.*

**Alumnus :** What is the importance of management education and its contribution to the society ?

**V. Krishnamurthy :** If one looks at the basic objectives behind setting up the various management education institutions in India, the theme of social relevance comes out quite clearly. Starting in the early 60s, the concept of management as a scientific discipline began to be increasingly recognised. The need for setting up national institutions to build up managerial skills relevant to the growth of the Indian economy was felt. By and large, the key sectors of the economy, including the infrastructure sector, were undermanaged. They required trained people with the perspective and the ability to harness the tremendous amount of resources — human, material and capital — that were being invested in these sectors. A systems approach to the challenges that faced the economy, to see individual issues in an overall, systemic context began to be perceived as crucial to an integrated development of the economy.

It was with such a vision and objective that premier management institutions like the IIMs were set up. While good efforts have been made to fulfil these objectives, especially, by the Bangalore and Ahmedabad institutions where sectoral specialisation and closer interaction with the economy are seen, there remains a lot to be done to intensify the societal commitment in our educational efforts, in



the attitudes of young graduates and in organisational philosophies. To that extent, the responsibility rests equally on our management schools, the graduates themselves and on the industry as well.

**Alumnus :** Many organisations are hiring MBAs. How does the organisation absorb and utilise these professionally trained graduates ?

**V. Krishnamurthy :** There is a frequent complaint about the MBAs, their tendency to shift from one job to another without settling down or contributing substantively in any one job. One reason often quoted is that of the financial benefits that accrue with such shifts. This could be true, but only to a limited extent. I would say that an important reason for such instability lies with the organisation itself and how it understands and handles the new

recruits. Quite often, neither the organisation's conception of the specific skills imparted by a management school nor the new entrant's perception of organisational expectations is too clear. Induction, training, placement and career planning which follow selection are also, as a result, not well-directed. Closer interaction between the academic world and the organisation becomes essential so that relevant skills are provided at educational institutions. Proper orientation and training is the next step. In the various organisations I have been associated with and in a number of other undertakings as well, these aspects are now getting greater attention and I am sure this will lead to a more effective utilisation of young managerial talents.

**Alumnus :** What do you see the young MBAs doing to facilitate and



ensure their contribution to the organisation?

**V. Krishnamurthy :** Young MBA graduates who join an organisation after acquiring the skills and techniques of management at their schools, often have a problem in adjusting to a situation in real-life where management is more of an art than a science. Techniques and methods for managing money, materials and machines can easily be learnt at a business school, but managing men — the human resource which I consider as very important — has to be learnt by first-hand experience and from people who have excelled in this field. Ultimately, what makes the difference between a good and an indifferent manager is how he handles the people with whom he works and through whom he has to achieve results. This is the art of management which our MBA graduates have to learn from the organisation. I have personally worked with some of the fresh MBAs and I must say, that they are full of ideas and willing to contribute to the organisation they belong to. However, I have always emphasised a certain willingness to learn from people who have been good managers in real-life situations. Management education, in a way, really begins after you pass out of an IIM and join an organisation.

**Alumnus :** We have a large body of alumni (participants from full time and part time Programmes-nearly 16000). What do you think they could collectively do to further the cause of professional management education to society?

**V. Krishnamurthy :** Professional management education through the IIMs has been here for nearly two-and-a half decades but in terms of its direct contribution to the Indian society, the impact has been less than what was expected. The shortcomings have been on all

sides - the gaps between academic curricula and societal needs and expectations, between the expectations of a management graduate and the organisational realities he is faced with, and those between organisational goals and social obligations. In all these three, it is the alumnus group which has a key role to play - in reorienting the curriculum towards social goals, in redefining his own role as a professional in an organisation and in influencing organisational culture to serve a higher social obligation more effectively. Very few of the MBA graduates, for example, are aware of the social relevance of the enterprise they work in; be it the need for contributing to national growth through profits or a need for serving a customer better. I am glad that there is now a significant change at all levels - in the Government's policies, in industry's utilisation of professional skills and in organisational cultures. In fact, the new emphasis on professionalism gives our alumni a good opportunity to apply their skills and knowledge for socially productive ends. As a collective, they have the responsibility and the ability to do this.

**Alumnus :** Similarly, what expectations should the Institute have from its alumni for its continued growth?

**V. Krishnamurthy :** The alumni group - specially one as large as yours with a strength of about 16000 - can be a very effective link between the Institute and the outside world. Through constant feedback from its alumni groups and associations, most educational institutions have an opportunity of renewing themselves and redirecting their efforts towards changing expectations and situations in industry. The common complaint is that academic institutes and educational organisations like the IIMs have little awareness of real-life issues. Mostly, this complaint

comes from students who have graduated from these institutions — the alumni — and who find working life realities quite different from class-room theory. It is in this context that the alumni of IIMA can play a constructive role — of bridging the gap between academics and industrial reality. They have a duty to their Institute - to improve its image and its curricula and to make it socially and economically relevant. Either through inviting its alumni for faculty positions or for colloquia sessions, through informal get-togethers and active alumni associations, the Institute would benefit greatly from such interactions. It would even be a good idea to have a distinguished alumni head the educational institutions like IIMs - people who could combine the rigours of academic excellence with their professional experience to give a new direction to the organisation.

**Alumnus :** As chairman, is there any particular vision/scenario you have for the Institute, both, in the short and long term?

**V. Krishnamurthy :** Thanks to the excellent pioneering efforts in the past by stalwarts like Vikram Sarabhai and Ravi Matthai, this Institute enjoys the distinction of being one of the best management institutions in the world and certainly the best in this country. I am proud to be associated with this Institute and would like to see its position consolidated further in future - maintain its image of excellence and strengthen its relevance to the economic development of the country. There is a new emphasis now on professional management, not only at the individual organisational level but also at a national level within the Government. IIMA would have to take the lead, as it has done in the past, in playing a crucial role in this movement.

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