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The Indore Management Journal is published by the Indian Institute of Management Indore, in the belief that management scholars and social scientists should integrate disciplines in an attempt to understand the complexities of contemporary management challenges.

We believe that both researchers and practitioners can contribute by translating understanding into action, by linking theory and practice. These would enhance the relevance and thought in various related fields taking us a little outside traditional fields of management, such as sustainable development. We would like to draw special attention to our openness to such thinking as well as approaches.

This could entail working within one's area or crossing disciplinary boundaries. As an academic journal, we also invite manuscripts from a range of authors. We welcome proposals for special issues from potential guest editors. These could include how the topic or theme fits in with the Indore Management Journal's objectives. The descriptions of manuscripts (or the manuscripts themselves), along with author details should be submitted with the proposal.

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Editorial

We are pleased to release the third issue of Volume 4 of Indore Management Journal (IMJ). As in the past, this issue contains a mix of viewpoints, scholarly articles, management case, perspectives and book reviews.

Drawing from his learning on leadership, APJ Abdul Kalam argues that the essence of good governance is leadership. Through the example of national programs, he illustrates the characteristics of leadership. In another viewpoint NR Narayana Murthy discusses the issue of CEO compensation. According to him, CEO compensation should be based on fairness and accountability.

This issue carries two scholarly articles. The first article is about the role of cooperative banks in financial inclusion. The second article is on Save the Girl Child Initiative from a social marketing perspective.

The management case delves into the Madras Management Association and narrates its accomplishments over the years. It brings out the challenges it might face in future. The case subtly raises the challenge of aligning the current performance to its core objectives. The commentaries on this case analyze the case from multiple standpoints.

The perspective section carries a set of articles written by M N Buch in the backdrop of the Nirbhaya incident in December 2012. These articles deal with crime against women through different themes such as crime and punishment in this country, government inefficiency, failure at systemic or at organic level, propriety and appropriateness as well as the role of police. These perspectives are followed by a reflection section by our PhD students who organize these thoughts in a framework.

As in the past, the present issue carries a rich selection of book reviews. Diverse topics such as breakout nations, the problem with banks, the story of HDFC bank, mastering the skills of disruptive innovation and how to move ideas to execution are included.

We are sure that you will find this issue relevant and enjoyable to read. We seek your suggestions to improve it further and invite you to contribute to IMJ.

Editorial Team
Indore Management Journal (IMJ)

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*Creative Leadership: Essence of Good Governance*¹

APJ Abdul Kalam

**Before you do anything, stop and recall the face of
the poorest most helpless destitute person
you have seen and ask yourself,
"Is what I am about to do going to help him?"**

.....Mahatma Gandhi

Problem cannot be our master - We Japanese will become the master of the problems.

On the night of 29 November, 2012, I was returning from Seoul, the Republic of Korea to Delhi on a non-stop seven and half hours flight after attending the Eminent Persons Group (EPG) meeting organized by the President of the Republic of South Korea prior to 2012 Seoul Nuclear Security Summit. The meet was attended by top experts in the nuclear field from different countries. The mission of EPG is to establish safety and security guidelines for 539 nuclear power plants spread all over the world. I am not going to talk about the details of that meet, but I would like to share one incident which was narrated by Prof. Shinichi Kitaoka, a Professor of Faculty of Law, University of Tokyo, to me and other EPG members. The professor explained the whole scene, the combination of highest intensity earthquake and the tsunami which affected the 40-year-old Fukushima nuclear power plant. According to him, the world has gone through three major nuclear power plant accidents. One in USA, one in former USSR and the latest one in Japan. These three accidents, definitely have and will have positive effect on the high quality and reliability of world nuclear power plants. According to him, in the Japan accident, even though the Fukushima plant experienced a major natural havoc, leading to a major accident of the nuclear power plant, there was no single radiation induced casualty and there was no radiation leakage. Of course, it has generated, within Japan and also many parts of the world, a fear about the type of safety in the present and future shore-based nuclear

power stations situated in various parts of the world. The most profound statement of Prof Kitaoka, was "Two cities of Japan were attacked by nuclear weapons in 1940s. It was a painful tragedy, but Japanese citizens withstood boldly, challenged the problem and within three decades, Japan got transformed into the most industrialized nation in the world. Now, Fukushima nuclear power plant problem is in front of us. We the Japanese will not allow this problem to become our master. With international cooperation, we the Japanese will become the master of the problem, defeat the problem and succeed, and the world will see clean-green nuclear energy flourishing all over the place."

Leadership is the Essence of Good Governance

How can we make the governance system of the country most effective and ensure development of the nation which will make and sustain the nation as an economically developed, prosperous, happy and peaceful society in the world? For that what you need is to have creative leadership at all segments of the governance of the nation.

Friends, I have seen three dreams which have taken shape as vision, mission and realization: ISRO (Indian Space Research Organization), AGNI programme of DRDO (Defence Research and Development Organization) and PURA (Providing Urban Amenities in Rural Areas) becoming the National Mission. Of course, these three programmes succeeded in the midst of many challenges and problems. I have worked in all these three areas. I would like to convey to you what I have learnt on leadership from these three programmes:

¹ Address delivered at IIM Indore during interaction with the students of IIM Indore on June 12, 2013.

- a. Leader must have a vision.
- b. Leader must have passion to realize the vision.
- c. Leader must be able to travel on an unexplored path.
- d. Leader must know how to manage success and failure.
- e. Leader must have courage to take decisions.
- f. Leader should have nobility in management.
- g. Leader should be transparent in every action.
- h. Leader becomes the master of the problem, defeats the problem and succeeds.
- j. Leader must work with integrity and succeed with integrity.

Let me illustrate these characteristics through our national programmes.

Vision for Self-sufficiency in Food

The vision for the First Green Revolution emanated during the 1970s, from the political leadership of Shri C. Subramaniam. Along with the visionary leadership of Shri C. Subramaniam, the team had the scientific leadership of Nobel Laureate Dr. Norman Borlaugh and Dr. M.S. Swaminathan. With the active support of Shri B. Sivaraman, Secretary, Agriculture, Dr. M.S. Swaminathan, in partnership with agricultural scientists and farmers, liberated India from the situation of what was called "ship to mouth existence". Through an effort of historical magnitude, India attained near self-sufficiency in food through "Seed to Grain" mission. As a result of this first green revolution, the country is able to produce over 236 million tonnes of food grains per year now. Of course, farmers played a pivotal role in working with agricultural scientists on the farm itself.

The political leadership and the scientific leadership have been able to build the capacity among our scientists, researchers and farmers to take up the mission of a "second green revolution" which is indeed a knowledge graduation from characterization of soil to the matching of the seed with the composition of the fertilizer, water management and evolving pre-harvesting techniques for such conditions. The domain of a farmer's work would enlarge from grain production to food processing and marketing.

India has now embarked upon the Second Green Revolution which will enable it to further increase productivity in the agricultural sector. By 2020 India would need to produce over 340 million tonnes in view of population growth and increased purchasing power. The increase in production would surmount many impeding factors such as shortage of water and reduced availability of agricultural workforce. Our agricultural scientists and technologists, in partnership with farmers, have to work for increasing the average productivity per hectare. This has to be increased three times compared to present productivity. The type of technologies needed would be in the areas of development of seeds that would ensure high yield varieties even under constraints of water and land.

Passion to Realize the Vision

Now let me describe to you an example of how passion to realize the vision has facilitated the successful and on-time implementation of a two billion dollar metro-rail project by the Managing Director of a public sector organization.

The Delhi Metro Rail Project has given to the nation the potential of executing a fast transportation system using high technology with reliability, through a time bound mission mode operation. Delhi, the Capital of the country with over 20 million population, has the distinction of having a world class metro rail with frontline technologies. The work on the metro rail commenced on 1st October 1998 and the first phase with three lines covering 66 kms had been completed by December 2005. Today overall route length created by Delhi Metro is around 190 Kms. Every day, the metro handles a minimum movement of 2 million passengers.

Delhi Metro Rail Corporation has brought to the country, for the first time, the most advanced rail technologies. Here is a leader who has passion and passion for excellence. The notable gains to the country are, light weight stainless steel, sleek, modern trains with pneumatic springs, regenerative braking, public information display, wide vestibules and automatic doors. The sophisticated coach technology which was not available in the country so far, has been transferred to M/s. Bharat Earth Movers Ltd. (BENL), Bangalore, which is now assembling these trains with progressive

indigenization. BEML is now in a position to supply train sets needed for Phase-II of Delhi Metro Rail Project and meet the requirement for Metros coming up in other cities of the country.

Mr. E. M. Sreedharan, the Managing Director of Delhi Metro Rail Corporation has ensured through his programme management skills that all the scheduled sections were completed by their target date or even before, and within their respective budgets. The dedicated and transparent leadership backed up with professional competence of Mr. Sreedharan has given to the nation, one of the best transportation systems of the world at the most economic cost. He is a recipient of many national and international awards. Also, he is in demand for undertaking the development of metro systems in different countries of the world which he has politely declined due to pre-occupation with committed Indian programmes.

Now I would like to talk about a leader who ventured to travel on an unexplored path.

Traveling In Unexplored Path

I was fortunate to work with Prof. Vikram Sarabhai for seven years and while closely working with him, I saw the dawn of the vision for the space programme in a one page statement. Witnessing the evolution of this one page by a cosmic ray physicist, a great scientific mind and being a part of the team which worked ceaselessly for many years on the vision, have been really great learning for me. Also I am thrilled to see the fruition of the famous vision statement of Prof. Vikram Sarabhai, made in the year 1970, which states, "India with her mighty scientific knowledge and power house of young, should build her own huge rocket systems (satellite launch vehicles) and also build her own communication, remote sensing and meteorological spacecraft and launch from her own soil to enrich the Indian life in satellite communication, remote sensing and meteorology. The projects selected in space programme, are designed to meet the societal needs". Now a total 150 transponders are present in the geo-synchronous orbit for providing connectivity to the nation. If I look at this vision statement today, I am overwhelmed to see the results of this statement. Today

India can build any type of satellite launch vehicle, any type of spacecraft and launch them from Indian soil. India also has launched Chandrayaan and has successfully placed the satellite in Lunar Orbit and now it is preparing for manned missions to other planets. India has proved that through space science and technology, we can provide effective communication, resource mapping, disaster predication and disaster management systems.

Now, I would like to give an incident which demonstrates the characteristics of Dr. Vikram Sarabhai for traveling on an unexplored path.

Purpose of Life

It was during the early 1960's, the founder of Indian Space Research Programme Prof. Vikram Sarabhai with his team, had located a place technically most suited for space research after considering many alternatives. The place called Thumba in Kerala, was selected for space research as it was near the magnetic equator, ideally suited for ionospheric and electrojet research in upper atmosphere.

The major challenge for Prof Vikram Sarabhai was to get the place in a specific area. As usual, Prof. Vikram Sarabhai approached the Kerala Government administrators first. After seeing the profile of the land and the sea coast, the view expressed was that, thousands of fishing folk lived there; the place had an ancient St Mary Magdalene Church, Bishop's House and a school. Hence it would be very difficult to give this land and they were willing to provide land in an alternative area. Similarly the political system also opined that it would be a difficult situation due to the existence of important institutions and the concern for people who were to be relocated. However there was a suggestion to approach the only person who could advise and help. That was "Rev. Father Peter Bernard Pereira" who was a Bishop of the region. Prof. Vikram Sarabhai approached the Bishop on a Saturday evening, I still remember. The meeting between the two turned out to be historical. Many of us witnessed the event. Rev. Father exclaimed, "Oh Vikram, you are asking my children's abode, my abode and God's abode. How is it possible?" However, both had a unique quality that they could smile even

in difficult situations. Rev. Father Peter Bernard Pereira asked Prof. Vikram Sarabhai to come to church on Sunday morning at 9.00 AM. Prof. Vikram Sarabhai went to the church with his team again on Sunday. At that time the prayer was progressing with the recitation of Bible by Father Pereira. After the prayer was over, the Bishop invited Prof. Vikram Sarabhai to come to the dais. The Rev. Father introduced Prof Vikram Sarabhai to the people, "Dear children, here is a scientist, Prof. Vikram Sarabhai. What do sciences do? All of us experience, including this church, light from electricity. I am able to talk to you through the mike which is made possible by technology. The diagnosis and treatment of patients by doctors comes from medical sciences. Science through technology enhances the comfort and quality of human life. What do I do, as a preacher? I pray for you, for your well being, for your peace. In short, what Vikram is doing and what I am doing are the same - both science and spirituality seek the Almighty's blessings for human prosperity in body and mind. Dear children, Prof. Vikram says that within a year he will build alternative facilities for us near the sea-coast. Now dear children, can we give your abode, can we give my abode, can we give God's abode, for a great scientific mission?" There was total silence, a pin drop silence. Then all of them got up and said 'Amen' which made the whole church reverberate.

That was the church where we had our design centre, where we started rocket assembly and the Bishop's house was our scientists' working place. Later the Thumba Equatorial Rocket Launching Station (TERLS) led to the establishment of Vikram Sarabhai Space Centre (VSSC) and the space activities transformed into multiple space centers throughout the country. Now this church has become an important centre of learning, where thousands of people learn about the dynamic history of the space programme of India and the great minds of a scientist and spiritual leader. Of course, the Thumba citizens got well equipped facilities, worshiping place and educational centre in an alternate place at the right time.

When I think of this event, I can see how enlightened spiritual and scientific leaders can converge towards giving reverence to human life. Of course the birth of

TERLS and then VSSC gave the country the capability for launch vehicles, spacecrafts and space applications that have accelerated social and economic development in India to unprecedented levels. Today, Prof Vikram Sarabhai is not here among us, Rev Peter Bernard Pereira is not here either. Those who are responsible for the creation and making flowers blossom are themselves be a different kind of flower as described in the Bhagwat Gita: "See the flower, how generously it distributes perfume and honey. It gives to all, gives freely of its love. When its work is done, it falls away quietly. Try to be like the flower, unassuming, despite all its qualities". What a beautiful message to humanity, on the purpose of life reflecting the spiritual component!

Managing Success and Failure

Three decades ago while I was working at ISRO, I had the best of education which cannot come from any university. I will narrate that incident. I was given a task by Prof. Satish Dhawan, the then Chairman, ISRO, to develop the first satellite launch vehicle SLV-3 to put ROHINI Satellite in orbit. This was one of the largest high technology space programmes undertaken in 1973. The whole space technology community, men and women, were geared up for this task. Thousands of scientists, engineers and technicians worked together, resulting in the realization of the first SLV-3 launch on 10th August 1979. SLV-3 took off in the early hours and the first stage worked beautifully. Even though all stage rockets and systems worked, the mission could not achieve its objectives, as the control system in second stage malfunctioned. Instead of being placed in the orbit, the Rohini satellite went into Bay of Bengal. The mission was a failure. After the event there was a press conference at Sriharikota. Prof. Dhawan took me to the press conference. And there he took the responsibility for not achieving the mission, even though I was the project director and the mission director. When we launched SLV-3 on 18th July 1980, successfully injecting the Rohini Satellite in to the orbit, again there was a press conference and Prof. Dhawan put me in the front to share the success story with the press. What we learn from this event is that a leader gives the credit for success to those who worked for it, and absorbs and owns responsibility for any failure. This is true

leadership. The scientific community in India had the fortune to work with such leaders, which resulted in many accomplishments. This success generated great happiness among all my team members. This is an important lesson for all youth who are aspiring to be tomorrow's leaders. The great lesson we learn: the leader in any field - political, administrative, scientific, education, industry, judiciary, or any other human activity - should have creative leadership capacity and the courage to absorb failure and give the success to his or her team members.

Leader Has the Courage to Take Decisions

Friends, I still remember a scene during May 1996. It was 9 O'clock at night. I got a call from the then Prime Minister's House that I should meet the Prime Minister Shri PV Narasimha Rao immediately. I met him just two days before the announcement of the results of General Elections. He told me "Kalam, be ready with your team for the N-Test. I am going to Tirupati. You wait for my authorization to go ahead with the test. DRDO-DAE teams must be ready for action." Of course, the election result was quite different from what he anticipated. I was busy in Chandipur missile range. I got a call saying that I must immediately meet the Prime Minister designate Shri Atal Bihari Vajpayeeji with Shri Narasimha Raoji. I witnessed a unique situation. Shri Narasimha Raoji, the outgoing Prime Minister, asked me to brief the details of the N-programme to Shri Vajpayeeji, the incoming Prime Minister, so that a smooth take over of such a very important programme can take place. This incident reveals the maturity and professional excellence of a patriotic statesman who believed that the nation is bigger than the political system. Of course after taking over as Prime Minister in 1998, the first task given by Shri Vajpayeeji to me was to conduct the nuclear test at the earliest. Both these leaders had the courage to take difficult decisions boldly, even though the consequences of such a decision have great national and international significance.

Nobility in Management

Friends, the next leader I would like to discuss is Prof. Brahm Prakash. When I was the Project Director of SLV3 programme, Prof. Brahm Prakash, a great scientific

leader with nobility, was the Director of Vikram Sarabhai Space Centre (VSSC), which integrated multiple institutions based on the advice of Prof. Kamala Chowdhuri, a management guru from IIM. Prof Brahm Prakash took hundreds of decisions for the growth of space science and technology. One important decision which I will always cherish was that once a programme such as SLV3 was sanctioned, the multiple laboratories of Vikram Sarabhai Space Centre and also the multiple centres of ISRO including the Space Department, had to work to realize the stated goals of the programme as a team. Particularly during 1973 - 1980, there was a tremendous financial crunch and competing requirement from many small projects. He converged all scientific and technological work to be focused towards SLV3 and its satellite. When I say that Prof. Brahm Prakash is famous for the evolution of management with nobility, I would like to give a few instances. He enabled for the first time evolution of a comprehensive management plan for SLV-3 programme towards the mission of putting the Rohini satellite in orbit. After my task team prepared the SLV3 management plan, in a period of 3 months time, he arranged nearly fifteen brainstorming meetings of the Space Scientific Committee (SSC). After discussion and approval, this management plan was signed by Prof. Brahm Prakash and became the guiding spirit and working document for the whole organization. This was also the beginning of converting the national vision into mission mode programmes. During the evolution of the management plan, I could see how multiple views emerged and how many people were afraid of losing individuality due to the main mission, displaying anger in the meetings. I could also see how Prof. Brahm Prakash radiated with smile in the midst of continuous smoke coming from the cigarettes, continuously being lit one after the other. The anger, fear and prejudice have all disappeared in the presence of his nobility in thinking. Today, the space programme, launch vehicle, spacecraft, scientific experiments and launch missions all are taking place in the centres of Indian Space Research Organization in a cohesive and cooperative manner. I learnt the hard way from this great mighty soul "before starting any programme, it is essential to have the project management plan with the details of how to

steer the project during different phases of the project and foresee the possible critical paths and possible solutions, keeping time, performance and schedule as key factors." I thank this great mighty soul who evolved the concept of management with nobility and was a very famous professor in metallurgy at the Indian Institute of Science. He was also a pioneer for giving the country nuclear material by establishing the Nuclear Fuel Complex (NFC).

Work with Integrity and Succeed with Integrity

Dear friends, in 2010, I visited Mussoorie and interacted with the 85th foundation batch of newly inducted members of Civil Services and also addressed the Mid-Career Civil Services Officers Trainees (18 years service). I talked to the Civil Service officers about creative and innovative leadership and evolution of a better world. After the session, some unique questions were raised by the participants which highlight the opportunities and challenges in governance faced by the nations' highest level of bureaucracy. I thought of sharing them with you and get your views on them.

I asked the young officers to find how they could be creative leaders who can pioneer great missions in life. After the lecture, one young lady officer got up and asked, "Dr Kalam, the bureaucracy is trained and known for maintaining status quo. In this context, how can I be creative and innovative?" Another young officer said, "Dear Sir, right now, at the start of our service, we are all ethically upright and resolute for integrity. We all want to work hard and make a change. But in a decade's time, in spite of our surroundings, how do I still maintain the same values with enthusiasm?" To these questions, I replied that the young officers entering into the governance have to determine a long term goal for which they will be remembered. This goal will inspire them at all times during their career and help them overcome all problems. I told them that the young bureaucrats of the nation have to remember that when they take difficult missions, there will be problem. Problem should not become our captain, we have to defeat the problem and succeed.

Then I told the young officers that they can definitely establish a brand of integrity for themselves which will be called circle of your brand to keep away all those who want to make them compromise. Of course, this may mean facing some problems in individual growth. Finally the best in human being will succeed in life.

Friends, so far I have discussed with you nine unique dimensions of creative leadership for governance. Here, let me recall a profound saintly message to all of us by Maharishi Patanjali, 2500 years ago.

"When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bounds. Your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great and wonderful world. Dormant forces, faculties and talents come alive, and you discover yourself to be a greater person by far than you ever dreamt yourself to be."

Conclusion

Since I am in the midst of management community and interested members, I would like to put-forth a thought: What would you like to be remembered for? You have to evolve yourself and shape your life. You should write it on a page. That page may be a very important page in the book of human history. And you will be remembered for creating that one page in the history of the nation - whether that page is the page of evolution of a new policy, the page of innovation in a way of working, or the page of creating action oriented missions for the people or the page of fighting injustice or the page of contributing towards inclusive growth of the nation in a time bound manner.

APJ Abdul Kalam is a renowned scientist and engineer. He was the President of India from 2002 to 2007. He has been honored with India's highest civilian awards Padma Bhushan, Padma Vibhushan and Bharat Ratna.

CEO Package: How Much is Too Much?¹

N R Narayana Murthy

I have often been asked whether the CEO pay in India is too much or too little. Let me first get to the question whether it is too little. There are many reasons to argue that our CEOs could do with decent compensation. First, most of these people have global competencies, global opportunities and therefore, deserve globally-competitive compensation. Second, there are several corporations in India that have brought in CEOs from developed nations and given them globally-competitive salaries. Hence, to give lower compensation to an Indian CEO for the same responsibility and performance seems like racial discrimination. Third, many of our corporations have appointed independent directors with a global mindset from developed economies and their expectation of CEO performance is in turn, the global best. Therefore, compensation committees of these corporations which consist of only independent directors have no problem in awarding globally-competitive compensation.

Now, let me get to the other side of the argument. Let me first offer a philosophical basis for my contention as to why corporate leaders should receive moderate compensation. Over 800 million people in India live on less than \$ 2 (Rs. 100) a day. Most of them do not have access to basic education, shelter, nutrition and healthcare. In such an environment, leaders from every walk of life have to conduct themselves properly, shunning profligacy and ostentatiousness. The only way we can solve the problem of stark poverty in India is through creation of decent income jobs leveraging the power of entrepreneurship.

Compassionate capitalism is the most-suited philosophy to encourage entrepreneurship. Capitalism is new in India. The evangelists of capitalism have a heavy responsibility to make it acceptable to our society - politicians, bureaucrats and the people at large. We have to communicate to these people through our actions that there is good in capitalism. We have to work hard

to make capitalism part of the DNA of our economic philosophy. To do so, we have to embrace compassionate capitalism which is capitalism with fairness, justice and liberalism. So, we have to communicate to the vast majority of the poor that we are partners in this journey of economic emancipation of the country. The best way to put this across is to lead by example. So, economic sacrifice and simple living becomes very important. Taking huge global-level compensation in the midst of poverty does not seem right in this context. There is another important reason why our corporate leaders should lead a simple life until such time that stark poverty in India is removed. If we do not, we may raise the anger of the poor, there may be violence, and the rich may become victims of this anger. When I hear about the vulgar display of wealth in cities like Delhi and Mumbai, I get worried whether we are heading to a cataclysmic display of violence by the poor who have lost hope. This is not an outcome that any of us would wish for this country since corporate leaders have an important role in solving the problem of poverty. We would do well to remember the words of John Kennedy that a society that cannot help many who are poor cannot save the few who are rich.

Now let me come to the economic rationale for deciding CEO salaries. I believe that these salaries must be decided on three important parameters - fairness, transparency, and accountability. No leader can succeed in a vacuum. (S)he needs the hard work, dedication and sacrifice of thousands of people to succeed. Leadership is about making others succeed. It is about raising the aspiration, confidence, hope and commitment of one's colleagues to achieve a plausibly impossible dream. Therefore, giving huge salaries to just the CEOs does not make sense. In many corporations where the CEOs are being given exorbitantly high compensation, I find it odd that the compensation of even the second most important official is but a small fraction of the CEO's payment. I have often suggested a ratio of 20 to 25 between the

¹ This viewpoint was published in Times of India on December 28, 2012.
Note : IMJ is thankful to the author for his consent to publish his work.

salary of the lowest level professional in a corporation and the highest compensation paid in the corporation. Such fairness raises the confidence and enthusiasm of everybody in the corporation. It engenders trust in corporate leaders.

Second, we have to embrace transparency in the process of fixing compensation and in disclosing the items of CEO compensation to shareholders and employees. The biggest challenge for a corporate leader today is to build trust, else (s)he will not be able to get the sacrifice, enthusiasm and commitment of his or her people. Making sure that every item of compensation paid to the CEO is disclosed in the annual report, that a climate of concurrence is built with principal institutional investors and employees, and that it is voted by the majority of the shareholders have to become mandatory.

Finally, the compensation has to be based on accountability and performance. A large part of the compensation has to be variable and linked to performance over a sustained period like five to seven years. It should also contain a claw-back clause that will help the corporation recover any compensation paid should the person be responsible for any ethical and legal violation. A just society is a happy society. We must work hard to create a just society. The days when the rich live isolated from the reality of India - residing in gated communities surrounded by guards and moving about in posh cars with tinted glasses - should come to an end. The first step in achieving this is a CEO compensation based on fairness and accountability.

N. R. Narayana Murthy is the Founder of Infosys Limited, a global software consulting company headquartered in Bangalore, India. He founded Infosys in 1981, served as the CEO during 1981-2002, as the Chairman and Chief Mentor during 1981-2011 and as Chairman Emeritus of Infosys during August 2011- May 2013. Under his leadership, Infosys was listed on NASDAQ in 1999.

Mr. Murthy articulated, designed and implemented the Global Delivery Model which has become the foundation for the huge success in IT services outsourcing from India. He has led key corporate governance initiatives in India. He is an IT advisor to several Asian countries. He serves on the boards of many companies as well as business schools. The Economist ranked Narayana Murthy among the ten most-admired global business leaders in 2005. He topped the Economic Times list of India's most powerful CEO's for three consecutive years, 2004 to 2006.

He has been awarded the Padma Vibhushan by the Government of India, the Legion d'honneur by the Government of France, and the CBE by the British government.

He is the first Indian winner of Ernst and Young's World Entrepreneur of the year award and the Max Schmidheiny Liberty prize, and has appeared in the rankings of businessmen and innovators published by India Today, Business Standard, Forbes, BusinessWeek, Time, CNN, Fortune and Financial Times. He is a Fellow of the Indian National Academy of Engineering and a foreign member of the US National Academy of Engineering. He has about 25 honorary doctorates from universities in India and abroad.

Financial Inclusion through Cooperative Banks: A Feasible Option for Inclusive Growth

Ranjan Kumar Nayak

Abstract

The objective of the paper is to understand how financial inclusion through cooperative banks can be a viable option for inclusive growth in India. The present study is based on secondary data. The report of trend and progress of banking in India by RBI, annual report of NABARD (National Bank for Agriculture and Rural Development), Report of the Task Force to Study the Cooperative Credit System and Suggest Measures for its strengthening by RBI have been used as the data base. Compound growth rate, percentage change with graphical and tabular representation have been used for the analysis. The study covers the period from 1981-2011. It is clear that Indian growth is not inclusive because it is seen that the real GDP percent change per annum and the growth of real GDP per head per annum follow an increasing trend whereas consumption inequality in India is increasing rapidly after 2004-05. Also, though poverty or the number of poor is decreasing over the years, the trend is not substantial. By being local in nature and intricately interwoven with the local community, cooperative banks have a clear advantage over commercial banks for financial inclusion. Labour costs of cooperative banks are considerably less than that of commercial banks and generally operating costs are also minimal. It is evident that cooperative banks have feasible options for inclusive growth through rural development, creating opportunities for employment, income generation.

1. Introduction

The importance of cooperative banks has soared in recent years with the emergence of financial inclusion as a key thrust of public policy in India. Financial inclusion is generally defined as the availability of banking services at an affordable cost to disadvantaged and low-income groups. According to the Rangarajan Committee (2008), "Financial inclusion may be defined

as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost". In India the basic tool of financial inclusion is having a saving or current account with a bank. The scope of financial inclusion includes services like opening of bank accounts, immediate credit facilities, insurance facilities, financial advisory services etc.

Financial inclusion is a strategy of inclusive growth, but inclusive growth itself is a subset of a larger set of Inclusive development. Inclusive development means that the benefits reach all the poor in the region, particularly women and children, minority groups, the extremely poor in the rural areas, and those pushed below the poverty line by natural and human-made disasters.¹

Financial Inclusion can be termed as a quasi-public good² because there is a meek doubt that financial inclusion meets the two criteria such as non-rival and non-excludability to a large measure; to that extent, it is a quasi-public good and further the degree of 'publicans' in 'financial inclusion' maybe different from the stand point of a typical public good like road or light house. Government has to implement it with the help of other agencies such as cooperative banks and other financial institutions.

In general there are two sides of financial inclusion: Demand side and Supply side³. The demand side of financial inclusion are education (which includes skill development) and health, irrigation, power, roads, transport, marketing arrangement etc. Supply side of financial inclusion includes availability of timely finance at affordable rate of interest.

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- 1 Ganesh Rauniyar and Ravi Kanbur, 2009, Inclusive Growth and Inclusive Development: A Review and Synthesis of Asian Development Bank Literature, Page. no.2
 - 2 Vijay Kelkar, 2010, Financial Inclusion for Inclusive Growth
 - 3 Greg Fischer, 2010

The importance of this study lies in the fact that India being a socialist, democratic republic, it is imperative on the policies of the government to ensure equitable growth of all sections of the economy. Priority sectors such as cooperative banks lending in a socialistic economy is very significant as this directly affects the economic status of the poor. It is unanimously opined that the poor need financial support at reasonable costs and that also at uninterrupted rate. Nevertheless, the economic liberalization policies have always tempted the financial institutions to look for more greener pastures of business, ignoring the weaker sections of the society. It is crucial for any economy to aspire for inclusive growth connecting each and every citizen in the economic development succession. It is in this background that a study has to be made to understand the importance of priority sectors such as cooperative banks' lending in ensuring inclusive growth in the Indian context.

With only 34 percent of population engaged in formal banking, India has 135 million financially excluded households, the second highest number after China.⁴ Further, the real rate of financial inclusion in India is also very low and about 40 percent of the bank account holders do not use their accounts even once a month. The rationale behind choosing cooperative banks for the study is that the percentage change of cooperative bank credit for the year 2009-10 is 38.14% which is higher than regional rural banks (31.58%) (Table 2) which is higher than commercial banks. The percentage of rural credit by cooperative banks occupies second position i.e. 16% (Graph 4) after commercial banks. This figure shows the potential of cooperative banks for financial inclusion.

2. Data Base and Methodology

The present study is based on secondary data. I will be using the report trend and progress of banking in India by RBI, annual report by NABARD (National Bank for Agriculture and Rural Development), Economic Intelligence Unit, (EIU), and India stat, Report of the

Task Force to Study the Cooperative Credit System and Suggest Measures for its Strengthening by RBI. Compound growth rate and percentage change with graphical and tabular representation are used for the analysis. The study covers the period from 1981-2011. Basically the paper is confirmatory in nature because the above techniques are used to prove whether India's growth is inclusive or not.

The main objective of the paper is to understand how financial inclusion through cooperative banks can be a viable option for inclusive growth in India.

The following hypothesis can be derived on the basis of the stated objectives:

Hypothesis 1: India's growth rate is inclusive.

Hypothesis 2: Financial inclusion through cooperative banks can be a feasible option for inclusive growth.

The paper is divided into six sections. In the introduction section, we discussed the concept of financial inclusion, importance of the study, the data base, objectives and hypothesis. In the second section we shall deal with literature review, which will enable us to find out the research gap. In the third section we shall discuss how inclusive our growth is. In the fourth section we shall describe financial inclusion through cooperative banking. The role of cooperative bank for rural development and as an instrument of inclusive growth will be discussed in the fifth section. In the sixth section we conclude by discussing the results of the study.

3. Literature Review

According to Dr. Chakrabarty, Deputy Governor, Reserve Bank of India, "Economic growth in India has not been inclusive; unemployment and poverty remain high and a vast majority of the population remains excluded from health and education facilities." The financial literacy agenda has no effect on the likelihood of opening a bank savings account, but has modest efforts for uneducated and financially illiterate households. In contrast, small subsidy payments have a large effect on the possibility of opening a savings account. These payments are more than two times more cost-effective than the financial literacy training.⁵

4. Barhate G. H. and Karir M. A, Dec 2011

5. Cole et al, 2009

Growing propagation of mobile services and ATMs in rural areas of India has created a new chance to achieve financial inclusion and is a valuable tool to provide financial services to the un-banked areas, with reduced overheads for providing access to banking services in isolated rural destinations of India.⁶ D. Subbarao, Governor, Reserve Bank of India highlighted the significance of cooperatives as models of inclusive growth. The growth of cooperatives in India has been remarkable and covers a wide array of activities including credit & banking, fertilizer, sugar, dairy, marketing, consumer goods, handloom, handicraft, fisheries and housing. The Indian cooperative movement, comprising around six hundred thousand cooperatives, is arguably the largest cooperative movement in the world, providing self-employment to millions of poor people.

Urban Co-operative Banks have a duty to upscale to meet these aspirations, convert the perceived weakness into exciting opportunities and facilitate inclusive growth.⁷ We can achieve our goal of inclusive growth if all the available resources including technology and expertise available with the banks, support of the government, optimum utilization of the Micro Finance Institutions (MFIs), NGOs and Self Help Groups are geared towards including more and more people under the banking net. Initially it may appear that taking banking to the sections constituting "the bottom of the pyramid" may not be profitable but various studies reveal that even the relatively low margins on high volumes can be a profitable proposition. Banks therefore need to work out their appropriate business delivery models and financial products to cater to the needs of the people. Reserve Bank's endeavour has been to strengthen the urban cooperative banks so that they run on sound principles without posing any systemic problems.⁸

To boost micro financing initiatives and financial inclusion programs, banks are deploying Biometric ATM

solutions to its rural customers, helping illiterate or barely literate folks to become part of the banking user community⁹.

Cooperative banks can play a bigger role than scheduled commercial banks in achieving financial inclusion. Role of cooperative banks is very important in the real last-mile financial inclusion. Co-operative banks need to use advanced technology and recruit more efficient people to compete with commercial banks.¹⁰

SHG, MFI, MFI-NBFC and bank- post office linkage models have been discussed and new models like rural students banking model, RBI-Education institute linkage models etc. were proposed. A new approach to banks is to reach wider population in rural areas by establishing mobile-banks/ representatives/agents, who operate on commercial basis rather than just through self-help groups. These agents/representatives work on commission basis and hence are self-motivated and cost effective in assisting banks in service provision/deposit mobilization.¹¹ The Post Office Saving Bank (POSB) can be used to cater the financial needs of rural India where Microfinance Institutions (MFIs) have very little presence in the total demand of finance.

4. Research Gap

The above review of literature proves beneficial in identifying research issues and research gaps, which are mainly the edifices on which the objectives of the present study is based on. It is found that most of the papers highlight small subsidy payments, merger role of RRBs, Post Office Saving Bank (POSB), Bank-SHG, bank-MFI, MFI-NBFC, for financial inclusion. Very few papers have cited the role of cooperative bank for financial inclusion. In this regard this study is an attempt to fill the gap by explaining the role cooperative banks play for financial inclusion.

5. How inclusive is our growth?

From an annual average growth rate of 3.5 percent during 1950 to 1980, the growth rate of the Indian economy accelerated to around 6.0 percent in the 1980s

6. Gupta and Gupta, 2008.

7. Anand Sinha, 2012

8. K C Chakrabarty (2009)

9. Biswas, 2010

10. Uma Shankar (2010)

11. Reddy, 2010

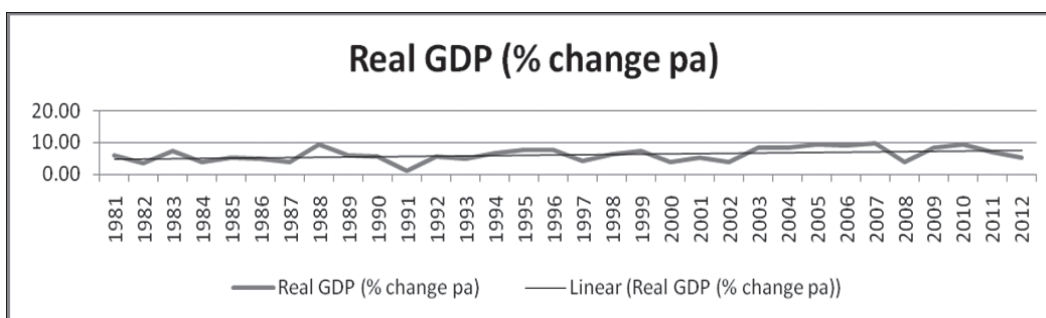
and 1990s. In the last four years (2003-04 to 2006-07), Indian economy grew by 8.8 percent. In 2005-06 and 2006-07, Indian economy grew at a higher rate of 9.4 and 9.6 percent, respectively (Graph 1). Reflecting the high economic growth and a moderation in population growth rate, the per capita income of the country also increased substantially in the recent years. Despite the impressive numbers, growth has failed to be sufficiently inclusive, particularly after the mid-1990s. Agricultural sector, which provides employment to around 60 percent of the population, lost its growth momentum from that point, though there has been a reversal of this trend since 2005-06.¹² The percentage of India's population

below poverty line has declined from 36 percent in 1993-94 to 26 percent in 1999-2000.¹³ While India has witnessed unprecedented economic growth in the recent past, its development has been lopsided with the country trailing on essential social and environmental parameters of development. The approach paper to the Eleventh Plan indicated the absolute number of poor to be approximately 300 million in 2004-05. Accordingly, the 11th Five Year Plan has adopted "faster and more inclusive growth" as the key development paradigm.

Real GDP percentage change per annum, growth of real GDP per head, trends in consumption inequality and trends in poverty (%) in India are discussed as follows:

5.1 Real GDP % Change per Annum:

Graph 1: Real GDP % Change per Annum



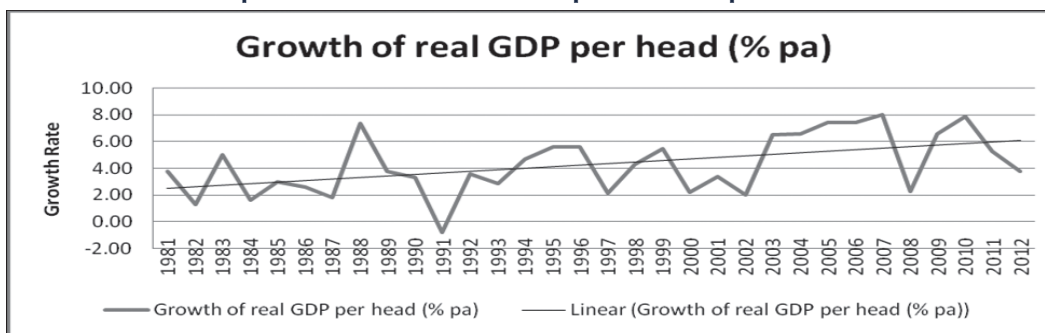
Source: Compiled From Economic Intelligence Unit Data Base

The above graph shows that the real GDP percent change per annum shows an increasing trend from 1981 to 2012. There is a sudden decline in the years 1991 and 2008.

Let us see the growth of real GDP per head to know the trend from 1981 -2012.

5.2 Growth of Real GDP per Head % per Annum:

Graph 2: Growth of Real GDP per Head % per Annum:



Source: Compiled From Economic Intelligence Unit Data Base

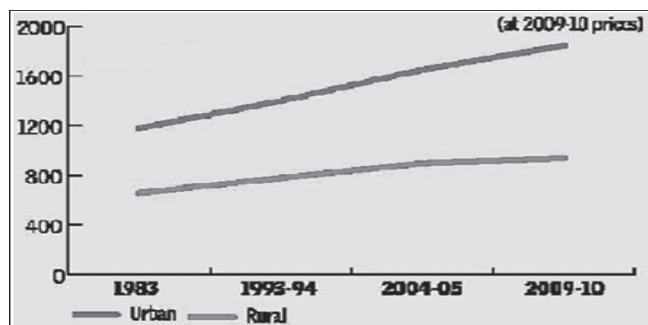
12 Indian Economic Survey,2007-08

13 Report of the Expert Group to Review the methodology for Estimation of Poverty,2009

The above graph shows the growth of real GDP per head per annum. The trend is also increasing in nature similar to the growth of real GDP percent change per annum.

5.3 Trends in Consumption Inequality in India:

Graph 3: Average Percapita Consumption (Monthly) in Rupees:



Source: Source: Compiled from Different NSS Round up to 66th Round (July 2009 - June 2010)

Graph 3 shows that average urban consumption (at constant 2009-10 prices) has been increasing much faster than rural consumption, and the latter, in fact, narrowed off in the most recent five-year period. The ratio of urban to rural consumption rose from 1.79 in 1983 to 1.96 in 2009-10, with the most rapid widening of the gap coming after 2004-05.

But even within locations, there were significant differences between the upper and lower ends of the consumption spectrum in the matter of time trends.

5.4 Table 1: Trends in Poverty (%) in India

Year	Rural	Urban	Total	Number of Poor in Million
1973-74	56	49	55	321
1983-84	46	41	45	323
1993-94	37	32	36	320
2004-05	28	26	28	302

Source:Indiastat

From the above table it is clear that poverty declined from 55 percent in the early 1970s to 28 percent in 2004-05. Although there has been progress in decline, still more than 300 million continue below the poverty line.

From the above discussion it is clear that the Indian growth is not an inclusive growth because the Real GDP percent change per annum, growth of real GDP per head per annum show an increasing trend but the consumption inequality in India is increasing rapidly after 2004-05. Again, though poverty or the number of poor has decreased over the years, the trend is not spectacular. Though there are other criteria to measure inclusive growth considering income, asset of people etc., for the analysis we have taken per capita real GDP, consumption inequality and poverty to understand the nature of inequality.

6. Financial Inclusion Through Cooperative Banks (CBs)

By their very nature, Urban Cooperative banks in India can play a vital role in financial inclusion. The distance - relational as much as physical - of commercial banks from their clientele has arguably been a key reason for the low penetration of banking services among the financially excluded groups. This is where the cooperative banks have a clear advantage, being local in nature and being intricately interwoven with the local community.¹⁴ It is much easier for the cooperative banks to crack the psychological barrier that proves unaffordable in the 'last mile' of financial inclusion, create trust for the bank among its target community and fetch customers within its fold. These days when big commercial banks work hard to set up branches and make use of technology to reach out to hither to untapped regions of the country, it is time for the cooperative banks to step into the game that is naturally theirs to triumph.

In spite of their advantage of being rooted in the local community, cooperative banks have to get their own house in order to make a meaningful incursion in financial inclusion. They have been burdened with numerous problems in current years which need to be addressed before consequences can be expected in the financial inclusion space.

A large section of the financially excluded population inhabits rural areas; financial exclusion is widespread

¹⁴ Rajesh Chakrabarti,2011, <http://forbesindia.com/article>

in urban and semi-urban areas as well. Financial inclusion problem in these areas can be solved by urban cooperative banks, who are part of the cooperative banking sector in India. Normally farmers, small vendors, agricultural and industrial labourers, people engaged in unorganised sectors, unemployed, women, older and physically challenged people are the most commonly excluded segments. These sections are best addressed by the Coperative Banks (CBs). The key advantage that CBs enjoy above commercial banks originates from their cost structure. The labour costs of CBs are significantly less than that of commercial banks and generally the operating costs are also less. Likewise the local nature and resultant informational advantages of the CBs are also essential. Being an vital part of the community, CBs have an advantage over their commercial competitors in terms of having information, both about forthcoming business opportunities as well as borrower quality, which national-level banks have a hard time gathering. Finally, the advantages of the local nature of the CBs also manifest themselves in the flexibility that these banks can provide to their local clientele. Unlike their commercial counterparts, who require to hold on to nationwide and global policies to alter their practices, CBs can be far more responsive to the needs of the local community and the changes there. Once again, that provides a massive competitive advantage. Recently the CBs have increasingly started adopting the three-pronged financial inclusion strategies

used by commercial banks - Banking Correspondents (BC), "no-frill" accounts and promoting microfinance activities. Once again, their local nature provides them an advantage over their national opponents in executing these moves better. CBs enjoy an indisputable edge in the area of relationship banking¹⁵.

7. Role of Cooperative Banks for Rural Development: An Instrument of Inclusive Growth

Before a discussion of the role of cooperative banks as an instrument of inclusive growth for rural development, let us see the position of cooperative banks in agency-wise ground level credit flow and cooperative banks' share percentage of rural credit.

Agency-wise Ground Level Credit Flow (Table 2)

It is clear from the above table that the amount of cooperative credit in India has increased from 2006-07 to 2008 and suddenly decreased by 2,292 crores in the next year and again increased up to 70,105 crores in the year 2010-11. On the other hand there is a continuous increase in credit in Regional Rural Banks and Commercial Banks. The compound growth rate of credit for cooperative banks from the year 2006-2010 is 15.66 percent and for Regional Rural Banks and Commercial Banks is 20.4 and 20.01 respectively. The percentage change of cooperative bank credit for the year 2009-10 is 38.14 percent which is higher than regional rural banks (31.58 percent), and commercial banks (24.83

Table 2: Agency-wise Ground Level Credit Flow

Agency	2006-07	2007-08	2008-09	2009-10	2010-11	Growth Rate (%)		
						2006-10#	2009-10*	2010-11*
Cooperative Banks	42480	48258	45966	63497	70105	15.66	38.14	10.41
Regional Rural banks	20435	25312	26765	35217	43968	20.4	31.58	24.85
Commercial Banks	166485	181088	228951	285800	332706	20.01	24.83	16.41
Total	229400	254658	301908	384514	446779	18.97	27.36	16.19

:Compound Annual Growth Rate,*:Percentage change over previous year

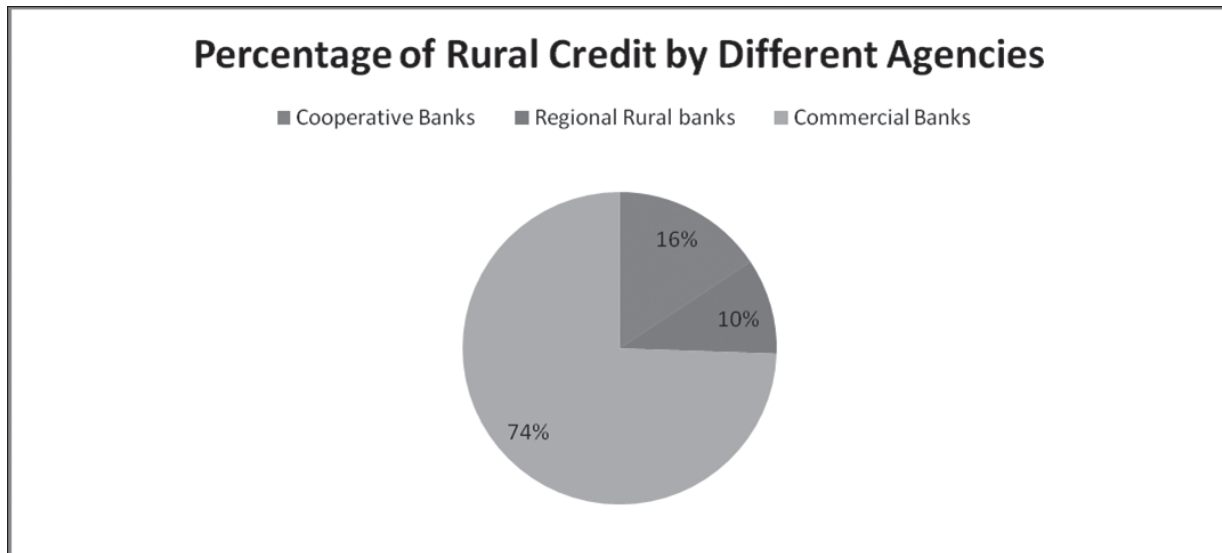
Source: Compiled from NABARD, 2010 report

15 Relationship banking: A strategy used by banks to enhance their profitability. They accomplish this by cross-selling financial products and services to strengthen their relationships with customers and increase customer loyalty.

percent). Again the percentage change in credit of all the banks has declined for the year 2010-2011, whereas the percentage change of credit for cooperative banks is very massive in comparison to other banks for the

current years. It may be due to the stringent licensing policy and entry point norm regulation of Reserve Bank of India.

Graph 4: Percentage of Rural Credit by Different Agencies



Source: Compiled from NABARD, 2010 report

The above chart depicts the percentage of rural credit by cooperative occupies in second position i.e. 16 percent. Commercial banks contribute the highest i.e.74 percent and regional cooperative banks the least i.e. 10 percent. So, we conclude that cooperative banks play a significant role in providing rural credit facilities.

7.1. Cooperative Banks and Rural Development

The above arguments asserts that cooperative banks play a vital role for rural development in India. The following are arguments, on how these banks play this crucial role. Cooperative banks create opportunities for employment and income generation in the rural areas. They increase accessibility of goods and services, all of which also contribute to economic growth.They encourage performance and competitiveness, as their members are also the beneficiaries. This also applies to deprived groups such as indigenous populations and disabled persons. They tend to choose sustainable development options because of their member-driven nature, a key approach for rural areas whose population depends on the resilience of natural resources such as

land, water and soil quality.¹⁶ They promote modernization by facilitating the dissemination of new technologies and processes. Cooperative banks are firmly rooted in their community, and are hence more likely to influence it positively. They are directed by a set of underlying values and beliefs and are schools of social dialogue and democracy. These are based on the values of self-help, democracy, equality, self-responsibility, equity and solidarity, as well as ethical values of honesty, openness, social responsibility and caring for others. They can alter survival-type activities into legally protected and productive work. They mobilize self-help and motivate people to make better use of their self-help potential.

Cooperative banks also balance the need for profitability with the broader economic and social development needs of their members and the larger community, because members are both producers and beneficiaries. They are often the only provider of services in rural communities,

¹⁶ Hagen Henry and Constanze Schimmel,2011, Cooperatives for People-Centred Rural Development

given that other types of enterprises often find it too costly to invest in these areas or anticipate low levels of economic return. This is the case for electricity, water resources, financial services, and consumer supplies. In India, for instance, the consumer needs of 67 percent of rural households are covered by cooperatives.¹⁷ It helps address many social and economic concerns such as community identity, and strengthen the social fabric, particularly important in post-crisis contexts. It offers an economic future for youth in rural areas, and thus prevents rural depopulation.

7.2 Failure and Necessary Steps to Restructure Cooperative Banks

It has been seen that the cooperative banking sector is unorganized in the present day due to scams or corruption. RBI found 25 urban co-operative banks across Gujarat, Maharashtra and West Bengal to be in violation of RBI norms. In all, these banks are suspected to have run up losses of around Rs. 500 crores.¹⁸ As more than one co-operative bank is involved, it is feared that this could be only the tip of the iceberg, due to which RBI has not given licenses after year 2001.

The above failure can be mitigated if the shortfalls in management, governance i.e. the dual control by both RBI and state government, human resource management, customer service, investment policy, computerisation and upgraded technology, transparency in corporate governance and social corporate governance etc. are removed in due course of time. This will help the cooperative banks to focus more on the important aspect such as financial inclusion and that might lead to inclusive growth.

8. Conclusion

From the above discussion it is clear that Indian growth is not an inclusive growth because the real GDP per cent change per annum, growth of real GDP per head per annum are increasing whereas consumption inequality in India is increasing rapidly after 2004-05. Though

poverty or the number of poor is decreasing over the years the trend is not spectacular. By being local in nature and intricately interwoven with the local community, cooperative banks have a clear advantage over commercial banks for financial inclusion. The labour costs of cooperative banks are considerably less than that of commercial banks and generally the operating costs are also minimal. Cooperative banks are a feasible option for inclusive growth through rural development by creating opportunity for employment and income generation. The shortfalls of cooperative banks should be mitigated and this will lead to inclusive growth in our country.

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¹⁷ Katar Singh and RS Pundir, August 2000, Co-operatives and Rural Development in India

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Save the Girl Child Initiatives in India - A Social Marketing Perspective

Ashish Sadh and Payal S. Kapoor

Introduction

According to the 'The Social Marketing Institute', Social marketing is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society (Social Marketing, Social Marketing Institute). Similar to commercial marketing the programs are designed to induce certain behavior within the customers. One can compare that the behavior is a function of awareness and attitude both in case of commercial as well as social marketing. For example in commercial marketing a marketer may expect a customer to behave in one of the following ways: To try his product, to buy more of his products, to switch over to his product from the competitor product or to pay higher price for its current products. The consumer behavior here is a function of awareness and attitude of the customers towards the products of the marketer. Similarly in social marketing a marketer expects customers to behave in certain fashion. In the given case, which will be discussed in length, the expected change in behavior could be to make people register births and deaths in the family with the government or to avoid and discontinue the practices of female foeticide or infanticide.

There are several institutions (Government and non-government) that are attempting to bring in changes in the practices related with the discrimination against the Girl Child in India. Discrimination against the Girl Child is a very serious social problem prevailing in India. The social problem as well the marketing aspects of it are discussed in following sections.

The social-economic-cultural thinking in India promotes preference for male child. Breaking law and indulging in illegal activities is also an acceptable practise for fulfilling that desire for male child amongst the Indian families.

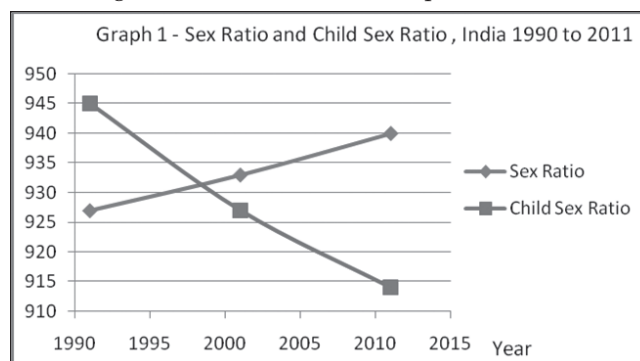
Census of India, (2011: Provisional Data) has revealed the worst child sex ratio (0-6 years) since independence. The sex ratio is defined as the ratio of males to females in a population, and is generally expressed per 100 females. In India sex ratio is expressed as number of female per 1000 male. Biologically normal child sex ratio ranges from 102 to 106 male per 100 female, converting the same in Indian terms it is 943-980 females per 1000 males (World Health Organisation, 2011). The current sex-ratio as per the census figures as shown in Table 1. (Provisional Population Totals, 2011)

Table - 1

Sex Ratio and Child Sex Ratio		
Year	Sex Ratio	Child Sex Ratio
1991	927	945
2001	933	927
2011	940	914

Source: Census of India (2011)

Clearly the gap is quite large between the desired biological child sex ratio and the prevalent sex ratio. Though the government may feel triumphant over the overall sex ratio, which has increased by many points, the constant drop in child sex ratio is a disturbing figure. Table-2 reveals the top five and bottom five states according to child sex ratio: (Graph 1)



Source: Census of India, 2011

Table - 2
Top 5 States/UT

Sr. No.	State / UT	Child Sex Ratio
1	Mizoram	971
2	Meghalaya	970
3	Andaman & Nicobar Islands	966
4	Puducherry	965
5	Chhattisgarh	964
Bottom 5 States/UT		
1	Haryana	830
2	Punjab	846
3	Jammu & Kashmir	859
4	NCT of Delhi	866
5	Chandigarh	867

Source: Census of India 2011

The eight socio economically backward states - Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttaranchal and Uttar Pradesh, referred to as the Empowered Action Group (EAG) states- have all shown definite drop in the child sex ratio (Table - 3):

Table- 3

SI. No.	EAG state	Child Sex Ratio	
		2001	2011
1	India	927	914
2	Chhattisgarh	975	964
3	Jharkhand	965	943
4	Odisha	953	934
5	Bihar	942	933
6	Madhya Pradesh	932	912
7	Uttar Pradesh	916	899
8	Uttarakhand	908	886
9	Rajasthan	909	883

Source: Census of India (2011)

Punjab and Haryana, being some of the most problematic states (as per census 2001), have seen an increasing

trend in sex-ratio in census; though still remain amongst the lowest. Haryana's Jhajjar and Mahendragarh districts, having child sex ration of 774 and 778 respectively, are the lowest. Other states that have seen an increasing trend are Himachal Pradesh, Gujarat, Tamil Nadu, Mizoram and Andaman and Nicobar Islands. Lahul and Spiti district of Himachal Pradesh are having the highest child sex ratio of 1,013. Rest of all the states across the nation have seen a drop in child sex-ratio as per the Census report 2001. All states and union territories data can be viewed from Appendix-1. These figures are not only alarming but also a matter of grave concern, as mentioned by the Census Commissioner of India Shri C. Chandramauli (Census of India, 2011).

Discrimination against a girl child begins in the mother's womb, when she is deprived of her right to live. Census data suggests that the necessity for a male child, a deep-rooted cultural need, has not only lived through the years but has also increased by many points. Clearly a case of erroneous diffusion of innovations, simple techniques allow easy determination of sex of the foetus. The practice of female foeticide is widespread despite it being an illegal activity. Modernisation, growth and education were expected to create a safe and healthy environment for the girl child, but the country is witnessing the opposite. Actions have been taken in the form of laws, schemes and awareness campaigns by both the government and the independent bodies. However one needs to look into the effectiveness of all such initiatives and parameters that could be used to measure the same.

Female Foeticide and Infanticide

Female foeticide is an act of destruction that causes death of a fetus. This is not a natural act but a deliberate one. This is called as sex-selective abortion, as the sex of an unborn baby is determined through medical techniques and the same is aborted if the sex turns out to be a female one.

Female infanticide has been against the law even before the country acquired its independence. But the law has not been enforced well even after the Indian Penal Code (1860) added provisions against forced miscarriage. It

is feared that close to 8 million fetuses have been killed in India since the census in 2001. (India's unwanted girls, 2011). Indian economist, Amartya Sen in 1990 supposed that about 100 million girl children have been either aborted before birth, killed after birth or neglected to death (Gendercide, 2010).

The practise of female foeticide and infanticide spans centuries in the rural India. However the practise over the decades has spread to the educated urban India as well. Despite of rising income, education and standard of living, preference for male child exists. Sex determination techniques have made it possible for families to fulfil their deep-rooted traditional desire for male child. A mix of deep rooted traditional practises, beliefs and rampant technology advancement along with poor governance are causing this menace to sustain.

Traditional Dowry System

Multiple reasons are cited for this gruesome crime in a country where the girl child is also called a version of Goddess Laxmi on birth. Traditional dowry system has been made illegal since 1961 (The Dowry Prohibition Act, 1961). Despite that it appears to be one of the prime reasons for female foeticide. Birth of a female child brings along with her worries of all the expenses of her marriage. She is perceived as a high maintenance liability right from her birth. Investing on her for her upbringing, education is equated to a zero return on investment as she will take away all that to another family once she is married. Male child on the other hand will bring all of this once he is married. A country obsessed with marriages kills the female fetus for the very same reason (Ghansham, 2002).

Patriarchal Set up

Families set up in India continues to be a patriarchal where status of male members is higher to the female members. And a mother on giving birth to a male child automatically rises in status. Traditionally only a male heir can carry forward the family's name. In the absence of a male heir it is perceived that the family name is lost forever, hence preference for a male child is deeply rooted.

Efforts of Family Planning

Interestingly, it is observed not only in India but also in a few other countries that the efforts of family planning and desire for smaller families by the educated mass leading to rise in female foeticide. In earlier times a

minimum of 4 to 5 children were born and probability of eventually giving birth to a male child was high. There was no government restriction or desire for smaller family hence lesser female foeticide.

Erroneous Diffusion of Innovation

Finally the last nail on the block is the ever increasing and easy availability of technology. There are more than 42190 registered ultrasound clinics across the country and many more are not even registered (MCI asked to check selective abortions, 2011). Sex determination technique has penetrated fast into the country as it allows information much in sync with the traditional values of Indian families. Even if the traditional values are slowly moving away from the preference to a son in modern cities of the country, technology is now allowing it to manifest. For example in Mumbai, there were 200 sex determination centres in 1988 and more than half of the abortions conducted in Maharashtra were a result of sex determination (Luthra, 1994). Despite being illegal some of these centers allow pre-natal gender determination and some even promise pre-conception sex selection. Law allows abortion up till 12th (and on exceptional cases up to 20th week) of pregnancy and technology enables determination of sex by the 14th week. On finding out the sex, the foetus is aborted if it is a female one. Ultra sound centres have found innovative ways of executing the illegal act. Jhajjar, a district of Haryana has one of the lowest child sex ratio (774). This small district has more than 6 ultrasound centres and a very fine well-knit network of touts who assist the whole sex determination racket. On conducting the illegal test if the sex of the foetus is male it is called Ladoo, symbolizing a sweet often distributed in the village when a family is blessed with a baby boy. If the foetus happens to be a girl it is termed as Jalebi and subsequent action is taken (Deswal, 2011). A term coined by renowned demographer Ashish Bose, DEMARU, says it all. DEMARU stands for Daughter Eliminating Male Aspiring Rage for Ultrasound (Wadia, 2011).

The Joint family Setup

In India, family is the most important institution. Many families, even in urban cities, are joint, comprising of grandparents, uncles, aunts and children. Family system comprise of members who care for each other, who help in building a secured and healthy environment. One of the core values of the Indian culture is respect for elder members of the family and all vital decisions are not

taken without their consent. Growth through procreation is a vital purpose of a family even then often-family members only are a threat to the girl child. Women are forced into abortion by relatives, elders of the family sometimes even husband.

The Act of Abortion and the Inaction of Laws

Under the Medical Termination of Pregnancy Act (1971) abortions have been made legal in India since 1971. The act allows termination of pregnancy by authorised/registered medical professionals possessing recognised medical qualifications as mentioned in the Indian Medical Council Act, 1956. The Act does not allow pregnancy to be terminated beyond 12 weeks or a maximum of 20 weeks. It can be done only on medical and legal grounds and a second opinion from another medical doctor is mandatory. Medical reason may be grave injury to the physical or mental health of the mother during pregnancy or due to substantial risk to the health of child. Legal reason may be pregnancy as a result of failed birth control mechanism and is unwanted to the family with the objective of family planning. The act clearly mentions consent of the mother is most important (The Medical Termination of Pregnancy Act, n, d).

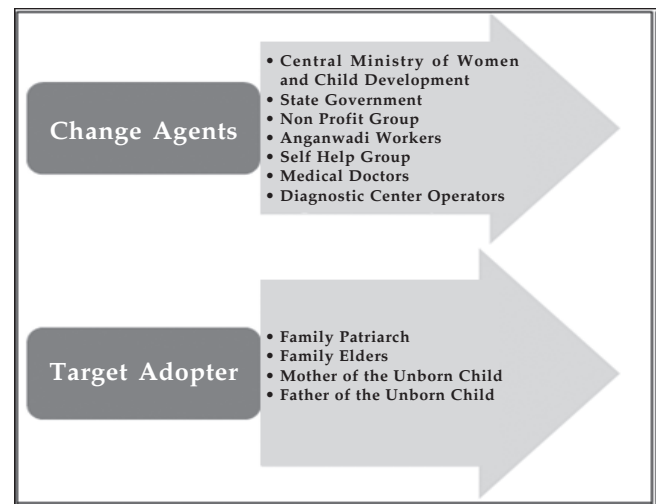
Despite the clear checks and mechanisms provided under the Medical Termination of Pregnancy Act, illegal aborting in India is very high. It is estimated that maternal death due to abortion is as high as 12-18% mainly attributed to illegal abortions (National Institute of Research in Reproductive Health, 2008). Ironically number of legal and reported abortions over the years have been reducing. According to a data in 1999 legal reported abortions were 7,39,975 whereas the same data for 2005 was 1,63,205 (Johnston, 2012). Many cases of corrupt practices by medical doctors are revealed by media. With the support of medical doctors from small as well as big cities execution of illegal abortion is rampant (Female foeticide crackdown, 2012). On determination of the sex of the foetus they pocket a heavy sum of money. The act is performed quite cautiously, the patient is deliberately made not to fill any registration form and very swiftly the act is done (Yashwantrao, 2011).

Social Marketing Perspective

According to Philip Kotler - Social Marketing is "the design, implementation, and control of programs seeking to increase the acceptability of a social idea or practise

in a target group".

As discussed earlier female foeticide and infanticide is the outcome of deep rooted beliefs and practises of people which has further fuelled by the advancement and spread of technology. There is an urgent need to promote desired behaviour of gender equality and elimination of son preference amongst the Indian population (the Target adapters). Change agents (the Marketer), over the years, have put in efforts and allocated resources to different strategies to eradicate the deep rooted bias. Few strategies have been direct while others have been indirect. By trying to improve the status of females in the family and society in general, change agents hope to bring about the necessary changes indirectly.



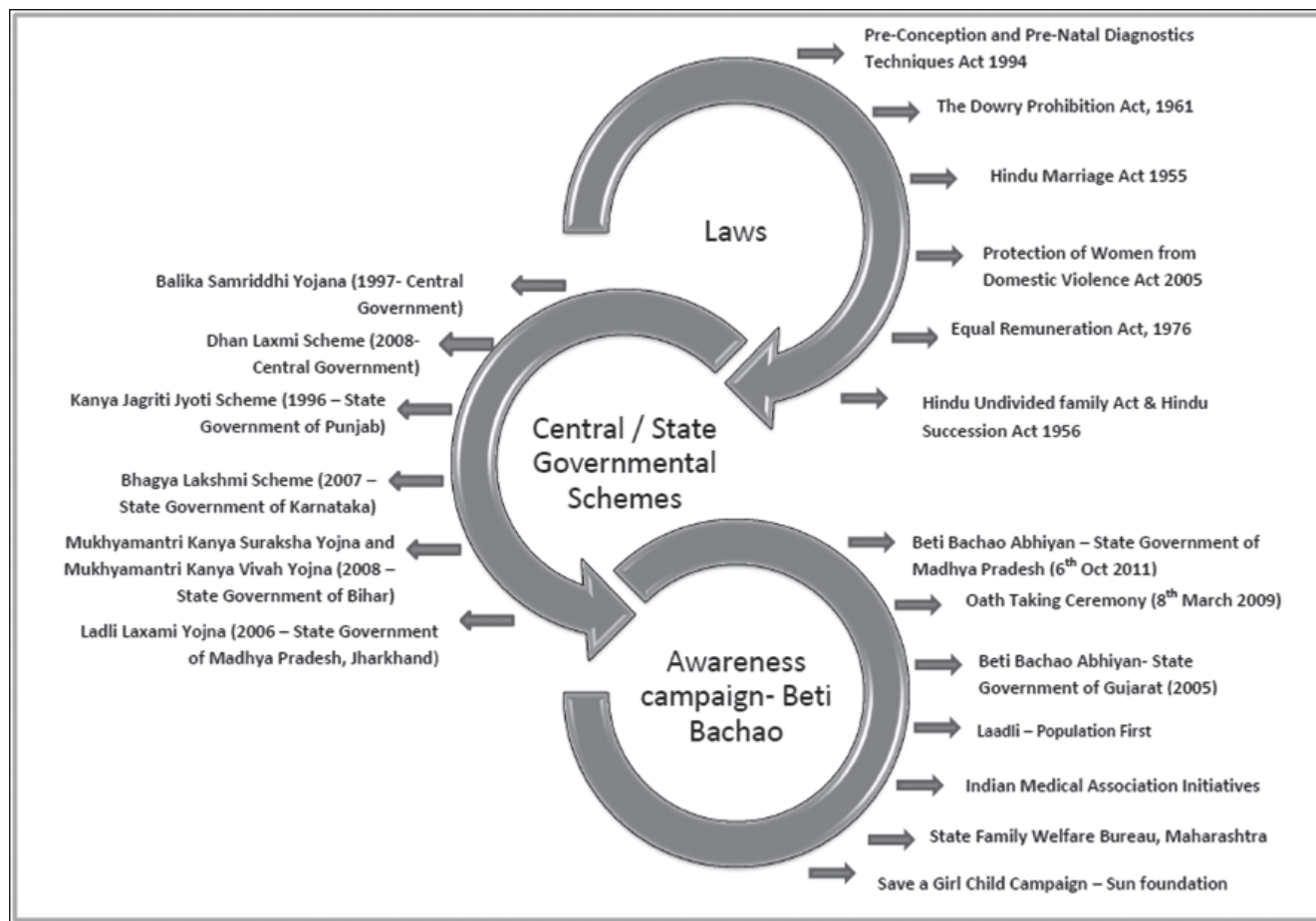
Below is a diagrammatic representation of some of the initiatives by the change agents:

The Laws

It is said Indian government was one of the first few that woke up to the need of saving the girl child. Over the past few decades the Government has established laws for prevention of female foeticide, it has incorporated special schemes that encourage families to have girl child and it has also sporadically undertaken campaign called Save the Girl Child.

Direct law preventing female foeticide

Pre-Conception and Pre-Natal Diagnostics Techniques Act 1994 - India pioneered in legalisation of abortion through the Medical Termination of Pregnancy Act of 1971. Abortions were permitted by law and women could terminate their pregnancies on health and legal grounds. In 1970s All India Institute of Medical Sciences,



one of the most prestigious hospitals in the country claimed that Indians no longer need to go through many pregnancies to fulfil their desire for a male child. They introduced pre-natal sex determination technology and claimed it to be advantageous for the over populated country. Ultrasounds for sex determination followed by abortions were rampant by 1980s. To curb this government announced Pre-Conception and Pre-Natal Diagnostics Act (PC &PNDT Act) in 1994 which was later amended in 2003. According to the act "Act to provide for the prohibition of sex selection, before or after conception, and for regulation of prenatal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and for the prevention of their misuse for sex determination leading to female foeticide; and, for matters connected therewith or incidental thereto". This essentially prohibits all types of sex determination techniques unless prescribed by the doctor on medical grounds. Following this act all

persons associated with ultrasound centres or clinics indulging in such act can face imprisonment or fine. The act also says that in the absence of any evidence, if a pregnant woman has undergone sex determination with no prior medical reason, it would be considered offensive and the guilty would be duly punished. All offences under this act will be cognizable, non-bailable and non-compoundable (Ministry of Health and Family Welfare, 2006).

The act essentially attempts to restrict the supply side of the whole problem. If people do not have any access to easy sex determination, the menace of female foeticide is expected to reduce. The amendment in the act was done in 2003 to strongly prevent this supply side. The amendment was done to cover several practical gaps that did not allow smooth implementation of the Act. Also, with the advancement of technology, it came to the government's notice that the option of preconception selection of the sex of the child was also possible and was being used by affluent families. Despite all, sex determination and subsequent abortion has become a

Rs. 1,000 Crore industry (Gupta, 2007). On the basis of data, till May 2006, not a single case has been reported violating the act in 22 states of the country. However recently as per a progress report close to 42,190 medical units have been registered, 298 machines have been sealed and seized for and 843 court cases have been filed out of which 55 people have been convicted under the act (MCI asked to check selective abortions, 2011). A Judgement passed by Mumbai High Court announced that pre-natal sex determination act would be treated at par with female foeticide. Pre-conception sex determination violated the constitution as it did not allow life itself to a girl child (Gupta, 2007).

Indirect laws leading to prevention of female foeticide

Empowerment of women in India has been a dream of our first Prime Minister, Pandit Jawaharlal Nehru. Under his guidance some critical steps were initiated. Some of the laws listed below endeavours to provide due respect, position and power to women members at par with their male counterparts. It is expected that women can gather equal status to men in the society which may indirectly reduce the menace of female foeticide and infanticide.

The Dowry Prohibition Act (1961): This act tries to address the problem at the root itself. It prevents giving and taking of any kind of dowry. On doing so it will be considered as a punishable offence leading to imprisonment.

Hindu Marriage Act (1955): It regulates married lives among Hindus and defines its conditions for validity, conditions for in-validity, and applicability. It acts to prevent the interest of valid marriages for both men and women.

Protection of Women from Domestic Violence Act (2005): This act has been passed to protect women lives in marriages or in relationships.

Equal Remuneration Act (1976): The act stands to provide equal remuneration to both men and women and prevent all instances of gender discrimination at work places

Hindu Undivided family Act: The concept of karta, manager, in joint Hindu business has traditionally been bestowed on only male members. Over the past few years courts have allowed senior most female members of the joint family to become the karta in the absence of a senior male member.

Hindu Succession Act (1956): This act was amended in 2005 and it gives equal rights to daughters to inherit property as much as sons.

Save the Girl Child - Schemes and Policies

Schemes and policies by both central and state government have been developed specially to encourage families to have girls and to bring them up well. Some of the key objectives of these schemes are provided below:

- Stricter implementation of PC & PNDT Act
- Directly reduce instances of female foeticide by increasing preference for girl child
- Increase the status of girl child in the family
- Protect the future of girl child and improve the quality of her life
- Educating and spreading awareness to change beliefs and attitude
- Extending support to the weak and manipulated

Table 3 summarizes the schemes and initiatives and the programs undertaken by the central and state Governments from the point of view of social marketing.

Conclusion

Although efforts and resources have been invested by different change agents and little awareness has been generated about the social evil, a lot is still to be done. First of all, there is a lack of a nationalised awareness campaign that can bring about sustained behavioural change. Sporadic awareness campaigns have been undertaken but they are disconnected. There is a burning need for a systematic social change campaign. A social change campaign can help modify and abandon attitudes, beliefs and practises of preference for a son at the time of birth. For a focused approach it is important to identify all bodies involved as the change agents and target adopters.

Effectiveness and appropriateness is a major concern regarding all central and state government schemes. Most of these schemes are targeted towards the rural and the urban population. Urban middle and rich classes stand to gain little from these schemes and therefore they fail to address the objective. Effectiveness of the scheme with respect to the benefit of the scheme reaching the targeted population is an issue. Taking example of the two central schemes, Balika Samriddhi Yojana and Dhan Laxmi Scheme, data reveals that the utilisation

Table -3 :Social Marketing Dimensions of Government Schemes and Programs

No.	Program*	Target Audience	Determinants of Behavior	Product	Place	Price	Promotion
1	Balika Samriddhi Yojana (1997- Central Government)	People below poverty line across India	Negative attitude towards girl child. Worries about the marriage and dowry.	To encourage girls to gather education and increase the marriageable age of girls.	Rural and urban regions across India	Psychological, Emotional costs	To impart employment generating skills to women. Financial grants on birth of girl child followed by annual scholarship for her education.
2	Dhan Laxmi Scheme (2008- Central Government)	More educationally backward states- Andhra Pradesh, Chhattisgarh, Orissa, Jharkhand, Bihar, Uttar Pradesh and Punjab- covering all above and below the poverty line	Early marriage of girls and dowry related concerns. Lack of motivation to impart proper and higher education to girls.	Encourage proper education and marriage after 18 years for girls. Registration of birth of the girl, following total immunization schedule, school enrolment and delaying of marriage until the age of 18 years	Relatively Backward states of India	Psychological, Emotional costs	An insurance cover on fulfilling of the mentioned terms amounting to Rs. 1 lakh.
3	Kanya Jagriti Jyoti Scheme (1996 - State Government of Punjab)	Families (below poverty line) with two children with at least one girl child.	The belief about large families. Shall keep on going for babies till the mother delivers a male child.	To restrict the family size. To encourage the proper and higher education of girl child.	Punjab	Psychological, Emotional costs	Cash benefit at the time of the birth of the girl child. Cash benefit in form of annual scholarship in two slabs of age brackets. A lump sum amount will be given between 18 years and 21 years if the girl child is unmarried

Table 3 continued...

No.	Program*	Target Audience	Determinants of Behavior	Product	Place	Price	Promotion
4	Bhagya Lakshmi Scheme (2007 - State Government of Karnataka)	Families with not more than three children with at least one girl child within Karnataka.	Dominance of male members in the families. Females are predominantly supposed to take care of household work.	To restrict the family size. To encourage the proper and higher education of girl child.	Karnataka	Psychological, Emotional costs	Cash benefit on birth of girl. Scholarship for education and cash benefit for girl on attaining the age of 18 years.
5	Mukhyamantri KanyaSuraksha Yojna and Mukhyamantri Kanya Vivah Yojna (2008 - State Government of Bihar)	Families with the first two girl children.	Prejudice against the girl child.	To safeguard equitable place of pride in the society for a girl child, her safety and security, improve the sex ratio and to encourage registration of birth.	Bihar	Psychological, Emotional costs	Investment of an amount on behalf of the family for the first two girl children. A lump sum amount to be subsequently given to the girl on attaining the age of 18 for marriage and other purposes.
6	Indra Gandhi Balika Suraksha Yojana - (2007, State Government of Himachal Pradesh)	Families who would have adopted terminal family planning methods after having one or two girl children	Preference for the male child.	To restrict family size and to encourage terminal family planning.	Himachal Pradesh	Psychological, Emotional costs	Rs. 20000/- and Rs. 25000/- to be deposited in the name of the girl children or single girl child respectively at the time of her birth. On attaining the age of 18 the money was allowed to be cashed.
7	Ladli Laxami Yojna (2006 - State Government of Madhya Pradesh, Jharkhand)	People living in the remotest areas of the state	Negative attitude towards the girl children in society. Negative attitude towards the girl's education.	To bring a positive change towards the birth of the girl child, to discourage	Madhya Pradesh	Psychological, Emotional costs	At the time of admission in Standard 6-Rs 2000 At the time of admission in Standard 9-Rs 4000 At the time of

Table 3 continued...

No.	Program*	Target Audience	Determinants of Behavior	Product	Place	Price	Promotion
8	Girl Child Protection Scheme (2005, State Government of Andhra Pradesh)	Families (below Rs. 20,000 per annum in Rural areas and Rs. 24,000 per annum in urban areas)with a single girl child or only two girls. Either of the parents should have undergone a family planning operation on or after 01-04-2005. Families with a single girl below 3 years of age.	Prejudice against the girl child. School dropout ratesamong girls. Early marriage for girls. Gender discrimination, social and financial empowerment to girl children. Wish and preference for a male child.	child marriages and encourage marriages at or after the legally prescribed minimum age for marriage and so on.	Andhra Pradesh	Psychological, Emotional costs	admission in Standard 11 -Rs 7500 For Standards 11 and 12 -Rs. 200 per month for two years On the completion of 18 years, the beneficiary will get Rs 1 lakh. Altogether the girl will get Rs 1,18,300 under the scheme. In the case of a single girl child, she is entitled to receive Rs.1 lakh after the completion of 20 years of age. In the case of two girl children, both of them are entitled to receive Rs.30,000 each after the completion of 20 years age. Both the 'single girl child' and 'two girl children' are entitled to receive Rs.1,200 per annum as scholarship from Standard 9 to Standard 12 (including ITI course) during their period of study.
9	Beti Hai Anmol Scheme - (2010, State Government of Himchal Pradesh)	Families which have been identified to be below the poverty line in accordance			Himachal Pradesh	Psychological, Emotional costs	

Table 3 continued...

No.	Program*	Target Audience	Determinants of Behavior	Product	Place	Price	Promotion
10	Rakshak Yojana - (2005, State Government of Punjab)	with the norms specified under Swarnajayanti Gram Swarozgar Yojana. Families with negative attitude towards female girl child.	Abortion of female foetus. d against the backdrop of the worsening sex ratio in Punjab.	To promote the cause of the girl child for correcting the skewed sex ratio in Punjab. To create an awareness about the problems of sex ratio. Motivating couples to adopt terminal method and to reduce infant mortality rate by declining the number of higher birth order.	Punjab	Psychological, Emotional costs	A monthly allowance of Rs. 500 and Rs. 700 to be given to families with a single girl child and two girl children respectively.
11	Mukhyamantri Kanyadan Yojna (2006 - State Government of Madhya Pradesh)	Poor families with girls of marriageable age, including destitute, widows and divorcees.	Worries about the marriage and dowry.	To provide financial support for girl marriage.	Madhya Pradesh	Psychological, Emotional costs	The girl to be gifted with household items worth Rs. 9000 and Rs. 1000 for marriage expenses at the time of marriage.

*Source: http://www.unfpa.org/gender/docs/sexselection/UNFPA_Publication-39772.pdf

of the scheme towards the targeted audience is not encouraging.

Balika Samridhi Yojana: A total Fund of Rs. 12952 lakhs is allocated by the government under the scheme since the launch of the scheme in 1997 till 2005. Across the nation the average utilisation has been a dismal sixty percent. Many states with falling child sex ratio have poor utilisation of the scheme. Extracting data of the EAG states (Table - 4) Chhattisgarh has seen a drop in the child sex ratio but the utilization of the funds till 2005 is a remarkable hundred percent. For the state of Bihar utilisation is one amongst the lowest and it has also seen a drop in the child sex ratio. All state data in Appendix -2.

DhanLaxmi Scheme: The eleventh plan outlay for the scheme is Rs. 80 crores. Utilisation in the first three years has been only thirty one percent. The scheme because of its necessary conditions has received very little response in bigger states like Bihar and Uttar Pradesh.

Efforts under the Save the Girl Child crusade are lengthy, yet the results are short. It is clear that there are several missing links. Improvement of the child sex ratio needs to be taken up more aggressively with a sense of urgency.

Government has many schemes and policies in place but their impact, effectiveness and correct implementation needs to be urgently evaluated considering these efforts are not clearly resulting in improvement of the child sex ratio.

There is a need for well-defined objectives for each of the initiatives taken by either government or other bodies. There is a need for a system that can measure the awareness, and attitude about the cause and related behaviour of the customer.

Stronger political will, resources and greater support of the civil society is needed to spread awareness along with aggressive implementation of the PC & PNDDT Act. The Act should curb the menace from its roots so that no medical or ultrasound centre is able to device innovative mechanisms to exploit. Random audits should be done so that more and more people respect the law.

India is a patriarchal society, and changing the social behaviour of people requires an elaborate and planned social marketing drive. A nation-wide awareness campaign must be undertaken with multiple partners. Private players, NGO and the government together must develop a program with phase wise objectives.

Table - 4

State-wise Fund Released under BalikaSamridhiYojana in India (As on 2005 March 31)				
Empowered Action Group States	Total Funds Released (1997 to 2005)	Total Funds Utilised (1997 to 2005)	Percentage of Utilisation	Total Number of Beneficiaries
Chhattisgarh	593.9	593.9	100.0	78780
Jharkhand	100.0	63.7	63.7	12732
Orissa	2093.7	1412.4	67.5	282471
Bihar	2623.9	690.0	26.3	138000
Madhya Pradesh	2247.2	1594.0	70.9	351229
Uttar Pradesh	3311.8	1636.5	49.4	327308
Uttrakhand	Data Not Available			
Rajasthan	837.6	811.1	96.8	162218

Source : State-wise-Fund Released under Balika Samridhi Yojana in India, 2005

The implementation and the impact of the campaign must be felt at the grass root level both urban and rural areas. The role of Anaganwadi's in the villages play a critical role in monitoring each and every pregnancy of the village. Sporadic state and central governmental may not lead to a sustained behaviour change.

Self-help groups (SHG) formed in villages can lead to greater awareness and support for preventing female foeticide and infanticide. In the village of Usilampatti these SHG of women are slowly leading to social transformation of sorts. Members of the SHG monitor closely other members who are pregnant and provide each other the necessary support and counseling (Chandrasekar, 2003).

Appendix-1

Save the Girl Child - Additional Initiatives



Under the overall umbrella name - Save the girl child / Beti Bachao Abhiyan - many initiatives for spreading awareness, which will help in changing the behaviour of people towards girl child, have been undertaken by central government, state governments and independent bodies.

Some of these initiatives have been listed below:

Beti Bachao Abhiyan - State Government of Madhya Pradesh (6th Oct 2011): With a very skewed child sex ratio in Madhya Pradesh (MP), the state launched the Beti Bachao Abhiyan on 6th October 2011. They organised an elaborate banquet to honour girl child and fed 1000 girls at Chief Minister's residence. On November 1st, which also happened to be the MP foundation day, an elaborate function was organised in Bhopal and famous singer Asha Bhosle and actress Hema Malini graced the occasion to spread the message of saving girl child (Gupta, 2011). Since the launch of the campaign, with

the help of below-the-line communication techniques the Department of Public Health and Family Welfare, Government of MP, has attempted to create greater awareness regarding the PC & PNDT Act for the public. In diagnostic and medical centres, across the state, large posters are found at prominent spots, which not only explain the details of the Act but also displays the help line number which can be reached when such an act is being illegally performed. The objective clearly here is to prevent actions that go against the PC & PNDT Act by educating those who are unaware and creating sense of fear amongst those who may take the Act lightly. They have tried to reach to larger audience through social media presence and a dedicated website - <http://hamaribitiya.nic.in>.

Oath Taking Ceremony (8th March 2009): Save the Girl Child campaign was launched at President House on 8th March 2009 in Delhi by the then President of India Mrs. Pratibha Patil. This was heavily covered by top media channels and journalists. During the ceremony President Patil urged opinion leaders, people in responsible position to join the crusade and spread the message of saving the girl child. The ceremony involved 50 opinion leaders taking oath. Media Activist Manoj Rastogi mentioned in his speech that all the members of the society must join to curb the menace of female foeticide. The event was organised by Telemission Media Private limited (President to Launch Save Girl Child, 2009).

Beti Bachao Abhiyan- State Government of Gujarat (2005): The state government launched an intensive awareness crusade to save the girl child after the census of 2001. Structured activities were executed with the focus of strict implementation of the PC & PNDT Act and spreading of awareness at the ground level. Random audits resulted in seizure of more than 137 ultrasound machines and legal actions against medical centres and doctors. The chief minister started the awareness campaign and addressed an audience of more than 5,000 Anganwadi (Child Care) workers. They were explained the ills of sex determination techniques. These Anganwadi workers further counselled the communities they belonged to. Specific community gathering were addressed like PatidarSamaj and the ChaudharySamaj.

UNICEF organised programs and workshops. They all took oaths to work towards the correction of the declining child sex ratio (Gulati, 2007).

Laadli - Population First: Population first is a Non-Governmental Organisation (NGO) working for health and social developmental issues for the general population with specific focus on women. Over the years the NGO has undertaken many initiatives for generating awareness about female foeticide. They have tried to spread awareness through youth, community members, medical fraternity, media and opinion leaders. Few examples of their activities

- 9th June 2005 they conducted an oath taking ceremony amongst prominent personalities from the film and entertainment fraternity.
- 24th September 2005 - Laadli Flash conducted for the first time in the city of Mumbai. 1,700 students participating from 24 colleges all over Mumbai. Students gathered at busy locations and performed small acts to grab attention of the public around and chanted slogans against female foeticide and distributed material.
- Laadli Youth Fest Awards, 2005
- 7th March 2006 , Laadli Mela

Dainik Bhaskar's Beti Bachao Muhim - Punjab and Haryana (March 2012) : Dainik Bhaskar, a vernacular media house, conducted an extensive educational campaign against female foeticide. The 'Beti Bachao Muhim' executed series of editorial articles, public rallies to activate public in general for the cause, interactive activities across 40 centres in Punjab and Haryana. A public march held which saw more than 3 lakh people participating across the two states (DainikBhaskar's Save the Girl Child campaign, n.d.).

Indian Medical Association Initiatives: Indian Medical Association (IMA) has engaged famous cricketer Sunil Gavaskar as the ambassador for the Save the Girl Child campaign. Different branches of the IMA have worked at ground level to spread awareness. Pune IMA executed the Project Sukanya along with Pune Municipal Corporation (Gavaskar made brand ambassador, 2011).

State Family Welfare Bureau, Maharashtra: www.amchimulgi.in - State family welfare bureau of Maharashtra has an educational website in both English and Marathi which provides detailed necessary information along with a way of reporting complains.

Save a Girl Child Campaign - Sun foundation: On 20th March 2010, Sun Foundation launched the Save a Girl Child campaign along with actress Priyanka Chopra. Vikramjit Sahney, founder of Sun Foundation produced a music album supporting the cause. The campaign hopes to build opinion by engaging with people in both urban and rural areas through schools, Anganwadis, and community centres. They also indulged in spreading message through mass media television commercial and engaging audiences through mobile van (Save the Girl Child, n.d.).

Awareness Drive for Padhanpur Pilgrims- Information, Education and Communication Bureau (June 2012) : Close to three lakh pilgrims traveling from Pune to the holy place of Padhanpur, Maharashtra, became the audience for a series of social messages regarding saving the girl child. Pamphlets, booklets containing educational messages against female foeticide were distributed. A short film, promoting the message of acceptance of girl child was, was repeated aired. The film also had actors Sachin Pilgaonkar and Supriya Pilgaonkar, brand ambassador for the cause declared by Maharashtra Government, requesting the audience to accept and spread the message (Mascarenhas, 2012).

Satyamev Jayate - Television Chat Show: Satyamev Jayate, a Television chat show hosted by the actor Amir Khan, helped in generation of wide spread awareness about the ill practise of female foeticide and infanticide. The show was telecasted across Star Network and Doordarshan (State run television channel). For the sake of building viewership this first episode was aired again separately for large audiences in villages. Through the show the host brought forward stories from across various regions and classes of the country (Female Foeticide Episode 01, 2012).

Appendix - 2

State/ UT	Child Sex Ratio 2001	Child Sex Ratio 2011
Andhra Pradesh	961	943
Andaman & Nicobar	957	966
Arunachal Pradesh	964	960
Assam	965	957
Bihar	942	933
Chandigarh	845	867
Chhattisgarh	975	964
Dadra & Nagar Haveli	979	924
Daman & Diu	926	909
Delhi	868	866
Goa	938	920
Gujarat	883	886
Haryana	819	830
Himachal Pradesh	896	906
Jammu & Kashmir	941	859
Jharkhand	965	943
Karnataka	946	943
Kerala	960	959
Lakshadweep	959	908
Madhya Pradesh	932	912
Maharashtra	913	883
Manipur	957	934
Meghalaya	973	970
Mizoram	964	971
Nagaland	964	944
Orissa	953	934
Pondicherry	967	965
Punjab	798	846
Rajasthan	909	883
Sikkim	963	944
Tamil Nadu	942	946
Tripura	966	953
Uttar Pradesh	916	899
Uttaranchal	908	886
West Bengal	960	950
India	927	914

Source: <http://updateox.com/india/child-sex-ratio-in-india-state-wise-data/>

Appendix - 3

State-wise Fund Released under BalikaSamridhiYojana in India (As on 31.03.2005)						
State/ UT	Child Sex Ratio 2001	Child Sex Ratio 2011	Total Funds Released (1997 to 2005)	Total Funds Utilised (1997 to 2005)	Percentage of Utilisation	Total Number of Beneficiaries
Bihar	942	933	2623.9	690.0	26.3	138000
Uttaranchal	908	886	379.2	100.0	26.4	30848
Pondicherry	967	965	34.5	10.1	29.2	3182
Lakshadweep	959	908	2.0	0.6	29.6	116
Kerala	960	959	875.5	275.5	31.5	128877
Daman & Diu	926	909	1.9	0.6	31.6	118
Punjab	798	846	432.7	196.4	45.4	32280
Uttar Pradesh	916	899	3311.8	1636.5	49.4	327308
Gujarat	883	886	982.3	489.8	49.9	104123
Goa	938	920	16.4	8.5	51.8	1700
Manipur	957	934	41.4	21.8	52.6	4360
Nagaland	964	944	13.2	7.1	54.0	1428
Delhi	868	866	50.2	28.1	56.0	5616
Tripura	966	953	144.2	83.2	57.7	16640
Maharashtra	913	883	1146.4	691.2	60.3	138242
Tamil Nadu	942	946	576.0	350.4	60.8	70080
Jharkhand	965	943	100.0	63.7	63.7	12732
Karnataka	946	943	1417.7	927.4	65.4	178508
Meghalaya	973	970	57.8	38.2	66.0	5333
Dadra & Nagar Haveli	979	924	5.9	3.9	66.5	804
Orissa	953	934	2093.7	1412.4	67.5	282471
Sikkim	963	944	15.4	10.5	68.0	2097
Jammu & Kashmir	941	859	230.0	156.5	68.0	31294
Chandigarh	845	867	5.5	3.8	69.6	766
Madhya Pradesh	932	912	2247.2	1594.0	70.9	351229
Arunachal Pradesh	964	960	24.9	18.3	73.5	3654
West Bengal	960	950	924.5	690.2	74.7	138044
Haryana	819	830	291.7	226.0	77.5	45203
Andhra Pradesh	961	943	1405.5	1137.3	80.9	229978
Himachal Pradesh	896	906	116.0	94.9	81.8	18972
Assam	965	957	594.0	561.3	94.5	112250
Rajasthan	909	883	837.6	811.1	96.8	162218
Chhattisgarh	975	964	593.9	593.9	100.0	78780
Mizoram	964	971	18.7	18.7	100.0	3744
India	927	914	21615.7	12952.4	59.9	2661109

Source: Lok Sabha Unstarred Question No. 4674, dated 26.04.2005.*Funds in lakhs

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Madras Management Association: Managing Diversity, Growth and Excellence

Omkar D. Palsule-Desai and N. Ravichandran

If MMA enjoys an all-India reputation, it is because it has stuck to its core mission of furthering the cause of managerial excellence. It has never deviated from this. If it had done so, it would have run the risk of becoming just another corporate lobby, and it would not have been what it is today.

- A former President of Madras Management Association.

Introduction

The year 2010-11: the executive committee of Madras Management Association (MMA) was delightfully perplexed. The association had just won the Best Local Management Association (LMA) award among all the LMAs in the country from the All India Management Association (AIMA) for the period 2009-10. However, the honor had come to MMA after a gap of three years - in 2005-06 it had won the same award for the fifth consecutive year. While the committee members were looking for answers to questions arising out of the missed honor over the last three years, capitalizing on the past success without repeating the mistakes was also equally important for the association's future. In this regard, MMA leadership was reflecting on the association's past spanning over half a century. Their primary concern was to evaluate the Association's activities from the perspective of its core objectives. In particular, the main question they needed to answer was, over the years, did MMA diversify and grow or did it drift away from its vision and mission?

Madras Management Association (MMA), was originally established as the Madras Institute of Management (MIM) in 1956 in Chennai (earlier known as Madras), the capital of Tamil Nadu, the southern state of India. The Association's vision was "to be the fountainhead of world-class management excellence in India". Based on the spirit of 'learning and experience

sharing', initially it worked for spreading management culture among business organizations in and around Chennai. Progressively, the association expanded the scale and scope of its activities for business organizations located in the southern part of India.

MMA helped managers from trainee level to presidents and CXOs in these business organizations in developing professional skills and expertise in their respective fields. It collaborated with industry experts and other professional organizations while organizing various programmes and events such as certification courses, training programmes, workshops, and annual conventions on various disciplines of management. The objective in conducting many diverse programmes was to share knowledge, to promote and to propagate innovative methods and practices adopted in various industries.

Inception

After Independence in 1947, Indian Industries had to wait until 1963 to receive the first batch of trained manpower graduating from the management institutions established by the Government of India. Meanwhile, the business organizations in the country were constrained due to lack of support mechanisms such as professional knowledge, technical expertise and talented managers. This atmosphere was widely common across the country, and the state of Tamil Nadu was no exception. The pioneers of business in the state realized the need for professional management in the developing economy and lost no time in establishing its foundations.

Omkar D. Palsule-Desai and N. Ravichandran, Indian Institute of Management Indore, prepared this case. IIMI cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

According to Professor S.L. Rao, a leading management expert in the country, the management scene in Madras during 1950s was gloomy. Companies then were of three kinds: managing agency houses (primarily British or Indian-run); aggressive multinationals; and first-generation Indian entrepreneurs with no formally trained managers in top positions. The public sector was still in a nascent stage. The multinationals typically kept a low profile. The big names of today (2011) like the TVS, Amalgamations Group and the Murugappa Group were in their very early stages of operation.

At this stage to think of a management association needed vision, imagination, and commitment. To establish a management association providing access to the latest worldclass management practices and catering to the needs of the organizations in the laidback culture of Madras needed tremendous self-initiation. A set of visionaries (see Exhibit 1) from various industries in the state took an important step in 1956 and established Madras Institute of Management.

The objective of the institute was furthering management education in Chennai. MIM was formally inaugurated with twenty institutional members on September 19, 1956, under the chairmanship of the then Hon'ble Minister of Finance C. Subramaniam. The name of the institute was changed to Madras Management Association (MMA) in 1966, in conformity with the names of similar institutions in the country such as the Ahmedabad Management Association (AMA).

As of 2011, MMA had been serving the cause of managerial excellence for over five decades. It had over 5000 corporate houses, industries, professionals, academics and executives on its rolls as members. It annually organized more than 400 management activities including top management seminars with a total participation of twenty thousand executives and entrepreneurs. This was operationalized by creating various centres of excellence. These centres and boards directed the activities of MMA by giving thrust to specific areas (Exhibit 3).

Over the years, MMA had grown to be the largest affiliate of All India Management Association (AIMA), an apex body of professional management in the country

and had emerged as an inspiring role model for other Local Management Associations (LMA) in the country. In recognition of its excellent all-round activities in propagating the message of professional management in all facets of business, commercial and industrial activity, MMA had emerged as the winner of AIMA Best LMA Award during 1997-98, from 2001-02 to 2005-06, and 2009-10.

Governance and Administration

According to Professor S.L. Rao, "MMA has been run very efficiently and professionally, providing a good example of sound management. It has not suffered from internal dissensions; indeed, it has worked smoothly all along. One major reason of its success was its objective selection of competent Chief Executives for MMA and the staff. Since 1981, the Chief Executives were retired officers of the armed forces with demonstrated competence and commitment. They contributed hugely to MMA's success in executing policies, managing finances, investment and increasing the visibility of MMA."

Right from the beginning, the day to day management of the Association was vested with a Managing Committee. (The organizational structure of MMA is depicted in Exhibit 4.) This committee was responsible for overall planning and implementation of the activities. It decided all matters relating to publicity, design and conduct of conferences, annual conventions, seminars, symposia, workshops, lectures, and publication of books.

The Managing Committee consisted of not more than twenty-one members of which five were ex-officio members. These ex-officio members were either (i) the Chief Secretary, or his/her nominee at the level of Commissioner and Secretary, Government of Tamil Nadu, (ii) the Vice Chancellor or his/her nominee of the University of Madras, (iii) the Vice Chancellor or his/her nominee of Anna University, (iv) the Director Indian Institute of Technology, Madras or his/her nominee, and (v) Director of Academy for Management Excellence (ACME). The remaining 16 Managing Committee members were elected in a fixed proportion: 12 representing institutional members and 4 representing individual members.

The Managing Committee members among themselves elected the five office-bearers: President, two Vice Presidents, one Honorary Secretary, and one Honorary Treasurer. The elected office-bearers held office for the year for which they were elected, without prejudice to the right to be re-elected. Also, no office-bearer was allowed to hold the same office for more than two consecutive years; conflicts of interests were avoided by barring members, individuals or the representatives of institutional members from seeking nomination for more than one vacancy.

No member was eligible for election to the Managing Committee unless he/she was duly proposed and seconded by two other members of the Association of the same class or category, duly incorporating the consent in writing by the member proposed for election. There was no canvassing by candidates during the election; canvassing could lead to disqualification. A member can hold the office of the member of the Managing Committee for a maximum period of three terms. No subsequent re-election was possible.

Members elected to the Managing Committee held office for a term of two years and were liable to retire by rotation or by his/her office being vacated under the other provisions of these rules. Out of the 16 elected members, eight members retired annually, consisting of six representatives of institutional members and two individual members. Members to retire were those who have been longest in the office since their last election. Also, the elections held were for filling up the vacancies which arising during a year, and for which vacancies had been filled up temporarily by co-option by the Managing Committee.

Stakeholders

Members were the prime stakeholders of MMA. The Association had always attracted high profile corporate as well as individual professionals, and integrated them into the mainstream activities through a simple and people-friendly process. It also provided realtime service to members beyond their expectations in the form of high-quality lectures, discussion forums, interaction with experts, etc. The varied membership profile

included corporate houses, public sector undertakings, small and medium enterprises, educational institutions and non-profit societies as well as corporate executives, government officials, academic scholars, professionals, consultants and management students.

Membership was not only a key structural and participatory component of MMA from the beginning, but also the purpose of its very existence. For MMA, membership served as a

- Source of financial and resource support
- Barometer of MMA's brand value
- Source of feed back on MMA's performance

Primarily, MMA offered nine classes of membership: honorary, institutional, association, individual, student, professional, patron, visiting, and associate members. Refer Exhibit 5 and 6 for MMA's membership profile and membership status.

MMA realized that "Membership Promotion" was a perennial activity necessary for growth and survival. Hence, membership promotion was made integral to all MMA activities. Promotion was done through multiple means, singly or together, as a special campaign or as individual effort. Membership promotion was done through telephone calls, e-mail, web site response, personal calls, special promotional literature, letters, and marketing effort.

Managing Stakeholders' Expectations

MMA organized diverse programmes in order to increase member count and serve the members through management education, and training and development activities. In view of the Association's vision, MMA programmes were planned and designed to meet the aspirations of all category of members.

As far as the institutional members were concerned, MMA organized seminars, workshops, lectures, annual conventions, video discussions, summits on various disciplines of management to share knowledge and also to propagate innovative methods and practices adopted in the various industries. Well-known corporate achievers, consultants and professors from premier organizations conducted these programmes.

In respect of individual members and associate members, MMA's lecture meetings provided a forum to interact on a one-to-one basis with eminent personalities and professionals from industry, government and academia. This acted as a platform for discussion of current and futuristic topics of relevance to members and management practice. MMA also held monthly lecture series and invited eminent industrialists to speak in the series.

For student members, MMA organized a number of programmes including an All India Management Students' Convention. During the conventions, various events such as quizzes, debates, paper presentations, business proposal writing, and lectures by industrialists were organized. Apart from the convention, programmes were conducted throughout the year at either MMA and its partner locations or at other institutes, colleges and universities.

MMA actively encouraged educational institutions offering management education to form MMA Students' Chapters within their institutions to provide an effective link between MMA and the management students' community. MMA Students' Chapters were active in a number of academic institutions, carrying out a wide spectrum of activities such as study projects, report writing, competitions, etc.

Business Mandate: Business Mandate was the in-house monthly magazine published on the first day of every month with a circulation mostly to the MMA members. It was brought out entirely by the internal efforts of MMA Secretariat. The objective behind publishing the monthly magazine was to provide a platform for industry experts to reach out to MMA stakeholders and disseminate subject knowledge in the written form.

The magazine published articles written by eminent people, experts in various fields on management subjects and related miscellaneous topics. It also provided details of the various MMA activities for a period of next two months for the benefit and advance information of members.

Each issue of Business Mandate had a focus on a specific area like Management Students Special, Managerial Excellence, Women Managers Special etc. Each issue

not only studied trends and analyzed what was going on in the corporate world, but through its pages also highlighted management excellence in all fields from healthcare to e-business. It had brought out the best practices of small businesses that had emerged as champions, and new businesses that were inspired by innovative and creative ideas, and a digest of related information of interest to the executive. Health, entertainment, new management books and videos as well as a summary of MMA programmes were all part of the Business Mandate.

Business Mandate had a readership of over 16,000 made up of the leading business groups in southern India, dynamic medium scale companies and reputed professionals from all walks of industry. Other than MMA members, Business Mandate was circulated to notable opinion makers, industry leaders, senior government officials, multinational group heads and a host of distinguished personalities.

Mix of Activities

At the time of the inception of MIM, it was realized that the best possible management education could only be provided by the actual practitioners of good management. Accordingly, for over more than five decades MMA had been organizing events such as workshops, discussions, lectures, seminars, conventions, games, and factory visits with the support of industry stalwarts throughout the year. Refer Exhibit 7 for MMA's portfolio of activities.

Participants were assured a variety of not only events but also topics covered during the events organized by MMA. For instance, the first seminar was a two-day affair arranged in December 1956, with the assistance of the US Technical Cooperation Mission on 'Responsibilities of Management and Labor' and 'Work Simplification'. Later in 1966, Morarji Desai, former Prime Minister of India and Chairman of the Administrative Reforms Commission, inaugurated the monthly luncheon series with his address on 'Introduction of Scientific Techniques in Administration'. Similarly, management games were initiated in 1968 and the first management game was conducted by Dr. C.K. Prahalad, the well-known Management Guru.

M.K. Raju, an active member of MMA from its inception and subsequently its president, described the early days of MMA, in his autobiography, *The Saga of a Professional*¹. "MMA became a lively forum. Every week we provided an occasion for practicing managers in the industry and trade to participate in fruitful discussions on important subjects, such as productivity, cost competitiveness, quality and technological upgradation ... MMA was recognized as one of the prime movers in the management movement."

Some unique programmes were organized such as five-day residential supervisory training programmes, management games, luncheon of the month series and management conventions."

MMA had traveled a long way since its inception. It had seen many presidents, and many achievements. Each president had left his/her mark on the Association. Every past president and his team had done things that were conceptually ahead of its time. "While the business on the ground was not necessarily global in character - management thinking in MMA had been up to date and often ahead of the times. It had been a dynamic, responsive organization," said a past president. Businessmen and executives from Chennai had traveled around the world. While what they could do with their businesses was restricted by government policies, their knowledge and thinking were not. This was obvious from the programmes MMA had run and the topics, which engaged its attention.

Professional Development: Under the portfolio of professional development, MMA organized events such as the monthly lecture series, book reading, complimentary video programmes, and regional conclaves.

MMA had been organizing video shows and discussions, and workshops on related topics with eminent personalities guiding the discussion as discussion leaders. These video discussions enabled the participants to express varied view-points on the topic, and through group discussions, gain insights into various current managerial aspects, under the guid-

ance of experienced industrial heads, leading management consultants and academics. For the benefit of its members, management students, and members of host organizations, MMA had made arrangements for organizing video discussions at various places.

MMA organized monthly lecture series on "Leaders Speak" and "Success Stories - How It Was Done!". The Leaders Speak was an event wherein MMA members were provided an opportunity to interact with an eminent personality, who could be a successful businessman, a pioneering senior executive from industry, a senior government official or a leading personality from the academic world. This forum provided a means of exchanging knowledge, ideas, principles and practices in various organizations.

In the monthly lecture series Success Stories - How It Was Done!, MMA invited first-generation successful entrepreneurs and eminent industrialists who had created and built a major brand and/or business to share their vision and the key ingredients of their success, highlighting the turning point in their success stories, and challenges faced in creating the success story along with how the obstacles were removed, the approach they took to grow the business, the strategies that worked (and also the ones which did not).

MMA members drew inspiration from such experiences and reflected on the learnings.

Continuing Education: Among the variety of events organized, certification courses for short- to medium-term with a typical duration of 3 to 12 months contributed significantly to the MMA's activities. The target audience in the certification courses was middle and senior level managers where process design and implementation was the focus. Accordingly, MMA primarily offered courses in the areas such as operations and supply chain management, quality management, project management, human resource management, personal effectiveness, training and development, banking, finance, and accounting.

These programmes were developed either independently or in collaboration with business organizations and experts in the area; they were also need based and customized as per the organization's

¹ Raju, M.K. 2004. *The Saga of a Professional*. Oscar Publications, New Delhi

requirements. Refer Exhibit 8 process flow chart for training needs identification. Exhibit 9 depicts activity process from idea generation to execution. Each programme concluded with feedback on course design and delivery from both participants and faculty. This feedback was reviewed regularly and suggestions were incorporated while designing programmes in the future.

Training and Development: The programmes under this category covered executive education, management development, customized corporate training, and collaborative training. The focus was on developing functional skills among managers and practitioners, and the duration of each programme was between 3 to 5 days. While the programme topics under this category were the same as under the category of continuing education, the content and delivery pattern were different as the programme duration was relatively short. These programmes were designed either independently or in consultation with the customers.

While the training activities had primarily focused on the city of Chennai, MMA managed to attract participants from Tier 2/3 cities like Madurai, Tirupur and Trichy. The Association also conducted various programmes outside the home state of Tamil Nadu in a few towns and cities of the three other southern states of India: Andhra Pradesh, Karnataka and Kerala. As a part of training and development activity, industry visits and study tours for practicing managers and management students were also organized regularly.

Annual Conventions

National Management Convention (NMC): MMA's National Management Convention was typically a two-day programme, an event the management fraternity looked forward to for its quality, content and the "Mantras" that it had held out to the industry to draw up the action agenda for creating successful businesses and organizations, driven by highly effective managers. These NMCs typically explored various factors, both external and internal, that had impacted organizations. Over the years, they had addressed various business sessions on diverse topics such as 'Towards Customer Leadership', 'Towards Cost Competitiveness', 'Value

Creation through People Power', 'Leading through Innovation', and 'Creating Winning Organizations of Tomorrow', and outlined the challenges faced by the corporates in India, their implications on the business scenario and deliberated on key strategies for successful business performance.

The popularity and success of these conventions was evident from the increasing sponsorship support in respect of number of delegates from corporates, management professionals, academicians and management students participating in the convention. These theme-based conventions were a high point in the calendar of management events in the country. Most recently in the year 2009, MMA had the opportunity to collaborate with AIMA in organizing its 36th National Management Convention on the theme "Creating Lasting Value" at Chennai with more than 1200 participants attending the convention.

Women Managers' Convention (WMC): MMA was a pioneer in the country in promoting women in management. The Annual Women Managers' Convention held on the International Women's Day (March 8) became a unique and one-of-a-kind flagship event attended by women executives and entrepreneurs from across the country. Over the years this convention had also gained a reputation for quality and excellence, and it could gather eminent personalities and outstanding professionals.

During these conventions, MMA organized diverse activities for spearheading managerial excellence among women managers. As a prelude to the conventions, competitions were conducted where women managers were invited to present papers on the theme of the convention. The papers and presentations were judged by an eminent panel and the winner was awarded "Outstanding Woman Manager of the Year" award at the conventions. Apart from this, a number of seminars were held that would help members communicate their views. These conventions had gained a reputation over the years for relevance and significance of empowering women and attracted over 600 women delegates from all over the country. Each convention was based on a theme; for example, in 2010 the theme was "Women: Creating Enduring Value".

Management Students' Convention (MSC): In view of the management students being the future managers of India on whom the responsibility of realizing India's dreams lied, MMA spearheaded a movement to bridge the gap between practicing managers and management students. In this regard, during 2002, MMA launches its first Management Students' Convention (MSC) with the theme "Transformation from Managers to Leaders". The MSC provided an opportunity for the students to learn from corporate gurus, and at the same time, provided them a platform to showcase their managerial acumen through paper presentations and business proposals on a chosen topic. This was a one-of-its-kind two-day annual convention for students of management in the country, and it attracted students, faculty of colleges, and several corporate participants from all over the country. In the year 2010, a record number of 2,931 participants attended the convention. Since then exclusive conventions for the benefit of management students were being held each year. Refer Exhibit 10 for the list of themes in MSC since its inception.

MMA Awards

MMA had always promoted innovative thinking and practice of management thought. With a view to promote this further and to improve its visibility in the industry, MMA instituted several awards to individuals and organizations.

The idea of recognizing and rewarding business leadership was something new in the 1960s. During this period, MMA felt an award instituted in memory of S. Anantharamakrishnan, the founder of the Amalgamations group of industries, who was also known as "Henry Ford of South India", would be a fitting tribute to this pioneer of South Indian industries. It was decided to synchronize the Anantharamakrishnan Memorial Lecture with the Business Leadership Award (supported by Amalgamations Group) at the MMA annual conventions. Anantharamakrishnan's son, A. Sivasailam, wholeheartedly endorsed this proposal and volunteered to fund the entire project. The recipient of the first award in 1969 was J.R.D. Tata. At a glittering function at the University Centenary Hall, with over 3500 invitees and delegates, Tata delivered a lecture on

'Business and Industry in the Seventies - Tasks and Obligations.'

Subsequently, MMA instituted several Annual Awards for promotional excellence and contribution to society. These awards were based on nominations from industries/members and individuals/management professionals. They included:

- Best Young Manager Award (Year of inception - 1996)
- MBA Award (Year of inception - 1997)
- Outstanding Woman Manager of the Year Award (Year of inception - 2002)
- SANMAR Award for Effective Business Communication (Year of inception - 2007).
- Everonn Chanakya - The Mastermind Award (Year of inception - 2010)

MMA also instituted an award in 2002 - "MMA Award for Managerial Excellence" (MAME) with the support of Ashok Leyland, an Indian automobile major. MAME Awards were given to companies/institutions who had excelled in their business segment. The focus was on overall managerial excellence rather than on a particular functional area. The awards were given in four categories: (i) Manufacturing, (ii) Services, (iii) Small and Medium Enterprises (SME), and (iv) Educational Institutions.

Each of these awards included a trophy and a certificate. MMA was very particular about the recipients of its awards. That the process of selecting awardees was standardized and robust was reflected from the fact that, even though the award was termed to be biannual, MMA had awarded 17 industrialists with Business Leadership Award since its inception. Exhibit 11 lists the recipients of this award over the years.

The expectations from the participants in the MMA Awards were well defined and communicated in advance. The Association placed emphasis on participants addressing issues in their respective fields and providing result-oriented actions in their solution approach. For instance, participants in the Outstanding Woman Manager of the Year Award were required to address the issues involving balancing career and home, policies targeting women in organizations to help them balance and perform to the organizations' expectations, and build sustainable careers.

MMA strongly believed in learning by experience sharing. It was mandatory for the award winners to receive the award personally and to deliver a lecture to MMA members during the function. These lectures were followed by discussion sessions. The knowledge and practices of excellence were thus shared with other industries thus enhancing management thought and practice. Strictly adhering to the Association's objectives and rules, MMA leadership recently canceled the MMA Business Leadership Award to one of the award winners for not being present and delivering a lecture to the audience during the function.

Financial Performance

Over the years, MMA had consistently maintained an upward trend in revenue generation, with substantial additions to the General Funds (or surplus) and its activities. The uptrend in financial growth was mainly on account of income from subscriptions, higher surpluses at the annual conventions, generous support from the sponsors.

The year 2006-07, however, was the period during which MMA adopted new strategies for managing its finances. The initiative and active participation in implementing this change came from Group Captain R.Vijayakumar, VSM, Executive Director of MMA. The objective was to attain financial self-sufficiency and self-sustainability. Accordingly, MMA adopted a four-pronged strategy that included (i) cost management, (ii) building a corpus, (iii) developing infrastructure, and (iv) increasing the number of activities. In particular, the constant attention by MMA Secretariat to reduce operating expenses resulted in the increased profitability. Exhibit 12 and 13 capture the financial performance of MMA.

Use of Electronic Media: To meet MMA's objective of reaching out to larger sections of Indian industry, communication with members, participants, audience, and business organizations was very essential. In this regard, MMA had focused particularly on communication channels connecting people. The easily available Internet-based communication media played a significant role in expanding MMA's reach. For instance, MMA started communicating the details of

the programmes to members only in the electronic form. This was followed by a Short Messaging Service (SMS) over mobile telephones. Reportedly, this change had greatly improved the efficiency of their communication. By doing away with printed copies, the costs of printing and courier expenses had come down by almost 75 percent.

MMA reproduced and distributed copies of the lecture sessions and discussions by the invited speakers, seminars, workshops, and proceedings of various events and forums in the form of CDs and DVDs. This form of electronic communication had benefited MMA in the form of not only cost reduction, but also increased administrative efficiency and ease of reproducing and distributing relevant material with minimal time and expenses. Additionally, MMA had started webcasting and providing streaming videos of various activities such as invited lectures, debates, speeches of dignitaries, award functions. This had helped MMA in showcasing its activities live for the interested audience who were unable to attend.

The annual revenue of MMA had increased regularly in the last decade. For MMA, the primary sources of income were annual conventions, subscription and membership fees, programme fees, and interest on investments in the same order. The conventions and forums contributed 33-35% to annual revenue, while subscription and membership fees had grown upto 38% in 2009-10 from 29% in 2006-07. On the contrary, the proportion of revenue from various programmes managed by the individual centres, i.e., management development, family business and continuing education, decreased to 22% in 2009-10 from 34% 2006-07. The interest on investments increased to 15% of annual revenue in 2009-10 from 7.5% in 2006-07.

MMA's annual expenditure as a percentage of annual revenue decreased to almost 68% of annual revenue in 2009-10 from 77% in 2006-07. Consequently, the surplus (General Fund) increased to 33% in 2009-10 from 23% in 2006-07. Annually, the complementary and establishment expenses were the main contributors to total expenditure incurred. However, its proportion decreased to almost 31% of annual revenue in 2009-10 from 34% in 2006-07. Similarly, expenditure on running

the programmes decreased to 16.5% from 26%. However, the cost of organizing annual conventions has remained almost constant at 15% of annual revenue.

Unique Ventures by MMA

During its presence for over five decades, MMA has ventured into many landmark initiatives - some of the unique ventures are briefly captured here:

MMA-KAS Project for Entrepreneurship Development: N. Kumar, during his presidentship in 1988-89, launched an initiative by joining hands with KAS. (Refer Exhibit 14 for details about KAS.) On September 22, 1989, MMA signed a formal contract with KAS to establish The Entrepreneurship Development Cell (EDC). As per the contract, KAS provided financial assistance to implement the Entrepreneurship Development Project (EDP).

The basic objective of the project was to enable the small and medium enterprises develop their capabilities, to successfully conduct the business and grow competitive in the market place. The project aimed at providing them:

- knowledge inputs on the basic management aspects of business for efficient and productive operation.
- latest information on developments in the fields of business operation and management.
- advice and assistance in identifying their training needs and organizing such training to build their enterprises.
- a common forum to share experience and interact, not only among themselves, but also with large business enterprises, professionals, academics and consultants.

Over the years, there had been a constant endeavor to update both the form and content of the project in tune with the needs of the entrepreneurial class. Since the inception of the project until December 31, 2010, a total of 2017 training activities for 1,02,160 participants had been organized.

Business School: During the 1980s, the single largest number of applicants for Common Admission Test (CAT) and of students in Indian Institute of Management were

from Tamil Nadu and yet, Chennai did not have a premier management school. Dr. K.M. Thiagaran, then President, MMA, persuaded A.F. Ferguson & Co. to do a project report for a new management school in Chennai. The project was conducted with the financial support from ICICI, the largest private sector bank in India. MMA's long cherished dream to have a business school of international standards at Madras became a reality when the Academy for Management Excellence (ACME) came up in Madras in 1992.

Post-Graduate Certificate Programme in Business Management: During 2004-2005, when P.K. Mohapatra was the President, MMA, jointly with the Institute for Financial Research and Management (IFMR), launched its Post Graduate Certificate Programme in Business Management for working professionals. Subsequently the programme was discontinued due to regulatory mandates of All Indian Council for Technical Education (AICTE).

Creating Other Institutions: As a non-lobbying, non-commercial, non-government and independent association, MMA did not compete with other organizations in the state; on the contrary, in keeping with its objectives of spreading management culture, MMA established and promoted many other organizations in the country.

In the year 1957 MIM spearheaded the formation of AIMA. The first President of AIMA was Dr. A. Lakshmanaswamy Mudaliar, the first President of MIM. Many distinguished past presidents of MMA had been presidents of AIMA.

Similarly, MMA was instrumental in setting up the Madras Productivity Council, following a productivity project conducted by the Productivity Centre of the Ministry of Labour. A Southern Council of Management Association, a regional body with the objective of coordinating and providing mutual assistance, was formed in April 1958, with nine members from the four Southern States in India, namely Tamil Nadu, Karnataka, Kerala, and Andhra Pradesh.

Go Beyond Chennai: Since its inception, MMA had striven for development and nurturing management expertise. Organizing successful programmes in and

around Chennai for over five decades, MMA had felt that it was absolutely vital and necessary that such programs were carried to smaller cities/towns outside metros like Chennai in order to face up to the challenges of globalization and in order to take professional management to these fast growing areas. Recognizing this fact and with a view to spread excellence in management across the state, MMA as part of its strategy enlarged its activities to the areas beyond Chennai so that the industry in all those cities with specific emphasis on Small and Medium Enterprises would benefit.

As a part of its "Going Beyond Chennai" activities, MMA inaugurated the MMA Salem Chapter on December 9, 2006, at Salem. Opening of a new Chapter outside Chennai was the first from any such association in the country. The MMA Hosur Chapter was inaugurated on November 16, 2007, and the MMA Puducherry Chapter was inaugurated by Thiru V. Vaithyalingam, the then Hon'ble Chief Minister of Puducherry on June 26, 2009. Additional chapters at Ambur, Trichy, Cuddalore and some other districts in Tamil Nadu had also been planned.

Reflections of MMA²

The impact accomplished by MMA over the years was widely linked with the activities MMA performed rather than merely the people associated with it. According to A. Sivasailam, "... by staying focused on management development, MMA has avoided becoming just another corporate lobby; and credit for this must be given to the visionaries who have guided it over the last 50 years. ... Attention to the needs of changing environment has been the secret of MMA's relevance as a great institution. ... The challenge of staying tuned to the environment and its changes has always been handled successfully by MMA. For instance, in the sixties it talked about 'Prosperity through Better Management', in the seventies it dealt with 'Indian Exports in the Changing International scenario', and in the nineties it urged its members and business to focus on challenges of globalization." However, in the developing economy of the present-day India, aligning its activities with the

changing environment was not an easy task for MMA due to its long standing legacy.

In search of a revised vision for MMA, its leadership and associates strongly believed that the MMA story in future was going to be determined by the present-day India. However, contrasting action plans were proposed by the members. For instance, according to Professor S. L. Rao³, "(In the state of Tamil Nadu) Businesses started by new and small entrepreneurs, with limited resources, production capacities and market (had) survived, but they were not associated with MMA. MMA today must reach out to such companies as well as the new information technology and business process outsourcing (BPO) companies that have invaded Chennai. They are a new breed of entrepreneurs with a great deal of social commitment, and have added richly to Indian philanthropy. MMA can further build the managerial capabilities of these businesses."

On the contrary, according to A. Sivasailam, "If MMA perseveres with its fundamental values of collectivism, learning and sharing and equal opportunities for all, its next 50 years will be equally rewarding as the last if not better." Clearly, what MMA needed was strategies for attracting partners and members and appropriate operating policies to achieve its goals.

Moreover, according to N. Sankar, Chairman of the Sanmar Group and one of the past presidents of MMA, MMA need not have to change its portfolio of activities in order to be successful in the future as it was in the past. According to him, "MMA had an enviable reputation in promoting the professional management movement and it would play an important role in improving managerial excellence in the country. However, it still needed to improve awareness of managerial excellence by better interaction between its members and the experts in the field. In this regard, it should continue organizing professional seminars and workshops on individual elements of managerial excellence, such as execution, benchmarking, planning, performance appraisal, improving engagement, training and development, compensation and variable pay

² The reflections were shared by the past presidents during the interviews with the first author.

³ Rao, S.L. 2006. Professional Management and the MMA. In: Golden Jubilee Publication. Madras Management Association, Chennai.

systems, managing different stakeholders' expectations, ethics, and corporate governance. Also, better coordination between academia and industry was essential."

In view of the changing industry scenario in Tamil Nadu and the constant endeavor of MMA to grow, Ranganath, N.K., Chairman of Tamil Nadu State Council CII and current President of MMA, reflected on the association's past. While many of the past leaders and members took pride in the success of MMA had achieved, a few experts questioned the level of commitment and adherence of the association to its objectives. Some believed that MMA had outgrown its own expectations by diversifying the scale and scope of its activities, while others thought the association had drifted away from its core objectives. Without the concurrence of the committee members, devising operating policies for shaping the association's future was impossible.

The Road Ahead

MMA had evolved progressively from a forum created to debate, discuss, learn and share management concepts to a vital social catalytic organization in the propagation of management ideas and thoughts among various segments of managerial community in the southern part of India. It had been widely recognized as a super brand, and it had also been adjuncted by AIMA as the best local management association several times.

MMA had an impressive set of members and Patrons. Several icons from various walks of life had visited MMA in the past and would continue to do so in the future. Undoubtedly, MMA had become a source of encouragement and change agent for several professional managers.

MMA was financially healthy and sustainable. It had developed remarkable ability to generate funds to continue and conduct its professional activities. It had rapidly established several activity centers. It was very

adapt in using technology for its day-to-day management. It had mastered the art of event management; its processes were robust. It had got a talented team of managers and a committed set of patrons and well-wishers who were instrumental in creating several unique institutions and organizations. It had great potential to set up international co-operation. It had started implementing ambitious plans to expand beyond Chennai. It had an impressive legacy of over a half a century.

The future of MMA, however, would require clarity on its role and alignment of its performance with its core purpose.

- While MMA had created a virtuous cycle of stakeholders and management of their expectations, was there any invisible (ever widening) gap between the purpose of MMA and its performance?
- To what extent did the stakeholders' expectation management reinforce the fundamental objectives of MMA?
- What was excellence in the context of MMA? How did one measure the impact (social and financial) of MMA by its activities?
- When the industry environment was changing rapidly, what should MMA do to balance its relevance in the current business context and reinforce its original founding objectives?
- What was that MMA could learn from its glorious past to evolve and charter its future?
- What was the best model that MMA should adopt to be the best actor in propagating management thoughts and influencing management practice?

These were some of the thoughts that crossed the mind of Group Captain R. Vijayakumar, VSM, Executive Director of MMA as he was preparing for the forthcoming 55th Annual General Meeting of MMA scheduled on July, 1, 2011.

Exhibit 1 : Founders of Madras Institute of Management

Name	Designation	Organization
S.L.T. White	Staff and Industrial Relations Manager	Burmah-Shell
N.V. Naidu	Custodian	Prithvi Insurance Company Limited
S. Anantharamakrishnan	Chairman	Simpson and Company Limited
K. Sadagopan	Chief Administrative Officer	Integral Coach Factory
G.V. Krishna Rao	Head of Department, Business Administration	University of Madras
T. Rogers	Managing Director	Best and Company (Private) Limited
N.K. Aiyer	Secretary and Commercial Manager	TI Cycles of India
E.F.G. Hunter	Director	Binny and Company (Madras) Limited
A.M.M. Murugappa Chettiar	Director	State Bank of India, Madras

Source: Internal documents of MMA.

Exhibit 2 : Vision, Mission and Quality Policy of MMA**Vision:**

To be the fountainhead of worldclass management excellence in India.

Mission:

- Synthesize the Indian ethos with international management thought.
- Be a reservoir of expertise in management.
- Inspire individuals to actualize their potential.
- Nurture creativity and originality.

Quality Policy:

"Madras Management Association (MMA) pools management thoughts in the country particularly in South India and develop managerial ethos to facilitate furtherance of the management profession and its contribution to the society as a continuous endeavor to public at large, without restricting the same to the members of the Association."

Source: Internal documents of MMA.

Exhibit 3 : Brief Description of Centres of Excellence at MMA

MMA centers of excellence directed the activities of the association by giving thrust to specific areas and developing specialized skills and expertise in the area. MMA also created dedicated teams or forums focusing on activities of interests in the centres. We briefly describe activities of these centres and forums.

Centre for Continuing Education

This centre provided short to medium term certificate courses of typical duration of 3 to 12 months jointly with professional bodies in their respective fields. These courses aimed at providing opportunity for development of executives/entrepreneurs. The courses were conducted by both academicians and professional managers. Typically, certificate programmes conducted

on diverse topics such as banking and financial services, soft skills, personal effectiveness, training and development, human resources, finance management, supply chain management, quality, project management, marketing management.

Centre for Small and Medium Enterprises and Family Business

The centre was formed to provide a medium for members of family businesses to discuss and understand the dynamics, patterns and specific challenges involved in running family owned enterprises. It sought to provide methodologies and approaches to overcome these challenges. Accordingly, the primary objective stated was to disseminate practical knowledge and skills in

family owned businesses and preparing members of small and medium business families to operate as successful entrepreneur managers. Over the years, the centre helped family run businesses to efficiently combine the unique expertise of skilled professionals and the culture of its founding members.

Centre for Management Development

The objective of this centre was to provide short training programmes, conduct symposiums, lectures, and debates on subject of relevance and thereby to assist the members to enrich their learning experience on a wide variety of management subjects.

Centre for Marketing and Communication

This centre was formed with the objective to enhance membership strengths and quality of service to members, managing external relationships, Website and Business Mandate, the monthly inhouse magazine of MMA.

Women Managers' Forum

This forum focused on issues of special interest to women executives and entrepreneurs that could help them improve their professional excellence. The forum had

successfully organized programmes addressing women managers' related issues.

Young Managers' Forum

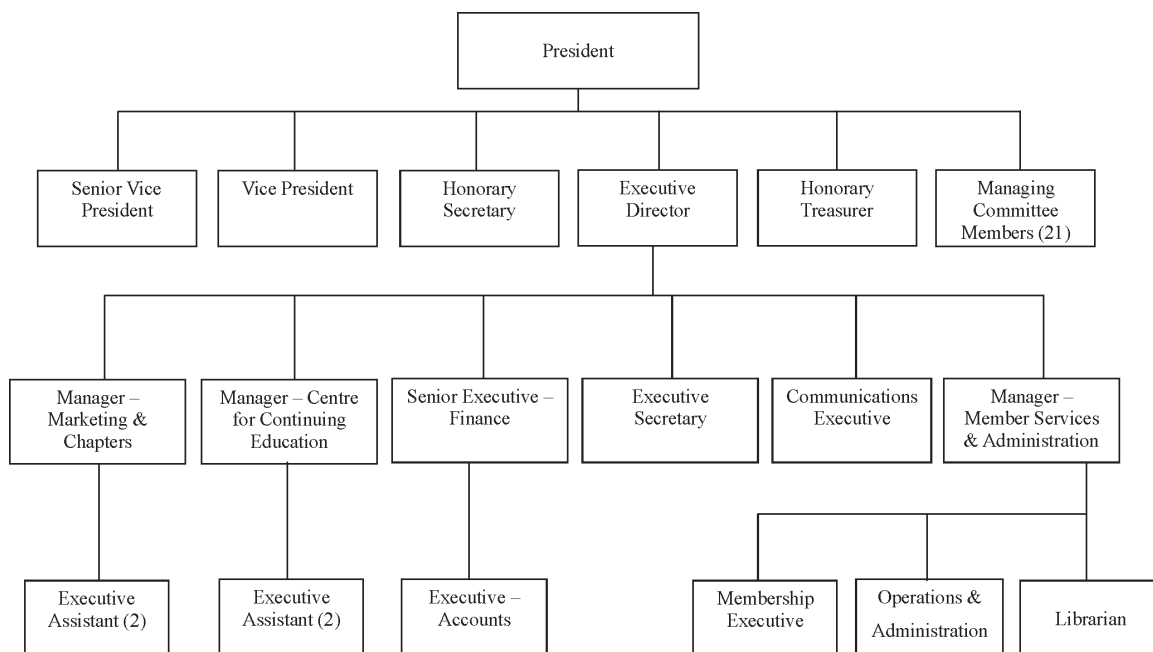
This forum provided opportunities to young managers to demonstrate their knowledge, experience, professional excellence and creativity in the larger interest of the management community. Its was for entrepreneurs, executives, professionals upto the age of 35 years. The objective of the forum was to bring a greater participation and involvement of young managers by providing opportunities for continued learning and self-development amongst young executives; creating a forum for self-expression amongst young managers and forming talent pool that would provide working solutions to business challenges.

Health Care Pharma and Green Earth Forum

MMA took the task of spreading awareness of the importance of health and the need for a conscious corporate health management system for successful organizations. Programmes were conducted on health care and ecology for the benefit of the MMA members.

Source: Internal documents of MMA.

Exhibit 4 : MMA Organizational Structure



Source: Intemal documents of MMA.

Exhibit 5 : MMA Membership Categories

1. Honorary Members: Distinguished persons connected with business management, industrial administration, government or international organizations, and who had rendered outstanding service in the field of management were invited to be honorary members for life by the president of MMA.
2. Institutional Members: Any firm, corporation, government, enterprise, or other institution interested in the development and progress of professional management was eligible to be an institutional member.
3. Association Members: Chambers of commerce and educational institutions which were of non-profit making nature and department of universities or of educational institutions affiliated to university which imparted training in management skills were eligible for being association members of MMA.
4. Patrons: Any individual organization in the private, public or joint sector, engaged in industry, trade or commerce, which donated to MMA a lumpsum, was appointed as a "Patron" of the association.
5. Individual Members: Any person engaged in management in any industry, business or government enterprises or engaged in teaching management subjects in institutions was eligible to be an individual member of the association.
6. Professional Individual Members: In addition to the above classes of MMA membership, Professional Individual Members of the All India Management Association were automatically made members of the MMA. They enjoyed all the privileges extended to the individual members of MMA.
7. Student Members: They were persons who were enrolled as students in an institution teaching management subjects or of the AIMA for its Diploma Examination or of management association/institution for its professional examinations were eligible for student membership.
8. Visiting Members: Visiting Members were individuals visiting India who were admitted by the committee as visiting member for a period not exceeding two months.
9. Associate Members: Any person engaged in any industry, business or government enterprise, teaching in an academic institution or consultancy, who wished to participate in the activities of specific interest groups of MMA.

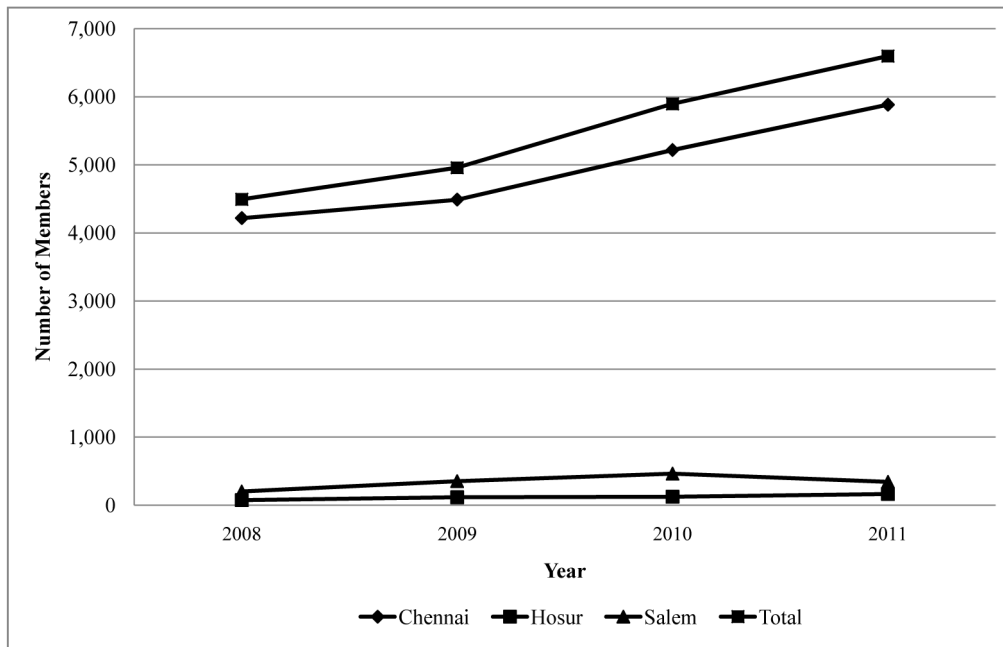
Source: Internal documents of MMA.

Exhibit 6 : Membership Status

Year	Chapter	Institutional Members	Association Members	Individual Members	Associate Members	AIMA Members	Student Members	Total
2008	Chennai	790	137	1626	520	303	841	4217
	Hosur	18	-	56	1	-	-	75
	Salem	86	3	38	1	-	74	202
	Total	894	140	1720	522	303	915	4494
2009	Chennai	831	144	1788	603	273	849	4488
	Hosur	25	-	89	2	-	-	116
	Salem	86	3	38	1	-	225	353
	Total	942	147	1915	606	273	1074	4957
2010	Chennai	863	157	1765	716	242	1474	5217
	Hosur	28	-	95	2	-	-	125
	Salem	86	4	39	1	-	333	463
	Puducherry	12	2	17	-	-	59	90
	Total	989	163	1916	719	242	1866	5895
2011	Chennai	917	171	1893	790	300	1812	5883
	Hosur	40	5	117	2	-	-	164
	Salem	88	4	84	4	-	163	343
	Puducherry	13	4	25	-	-	165	207
	Total	1058	184	2119	796	300	2140	6597

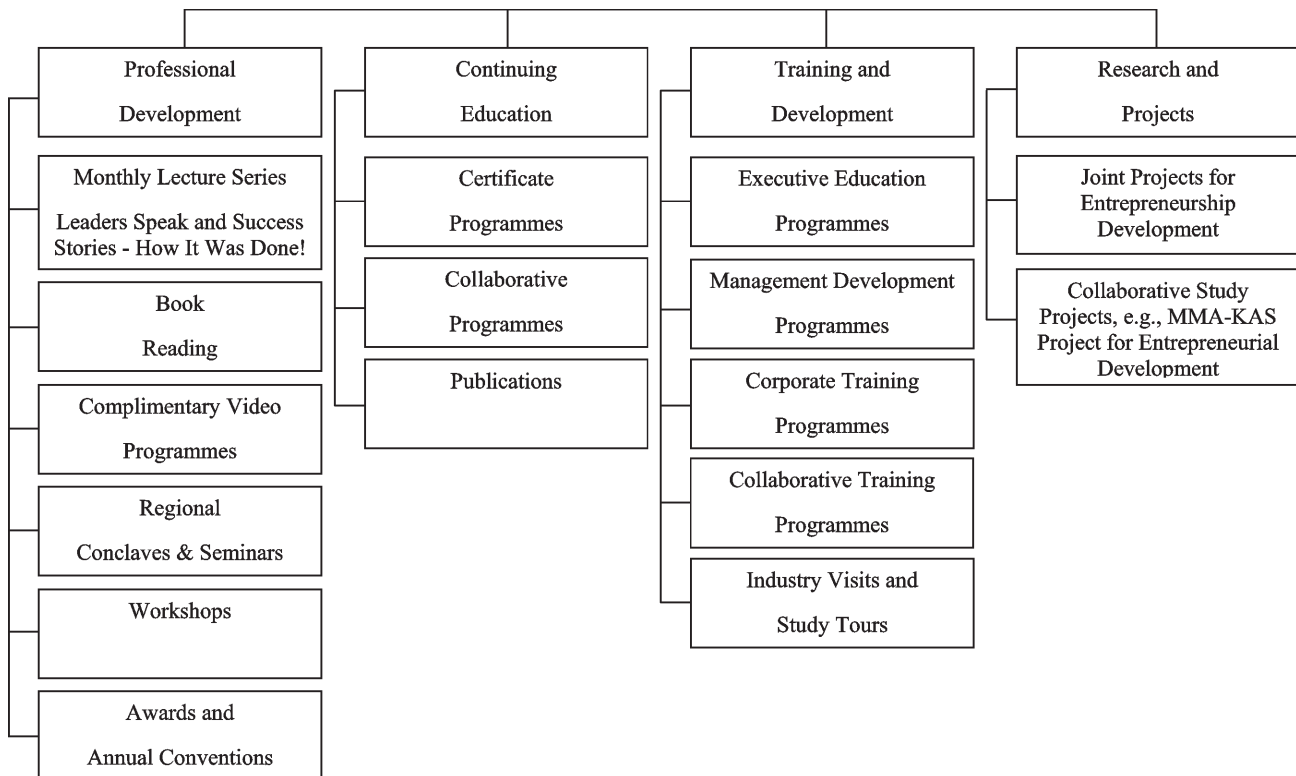
Source: Internal documents of MMA.

Growth in MMA Membership



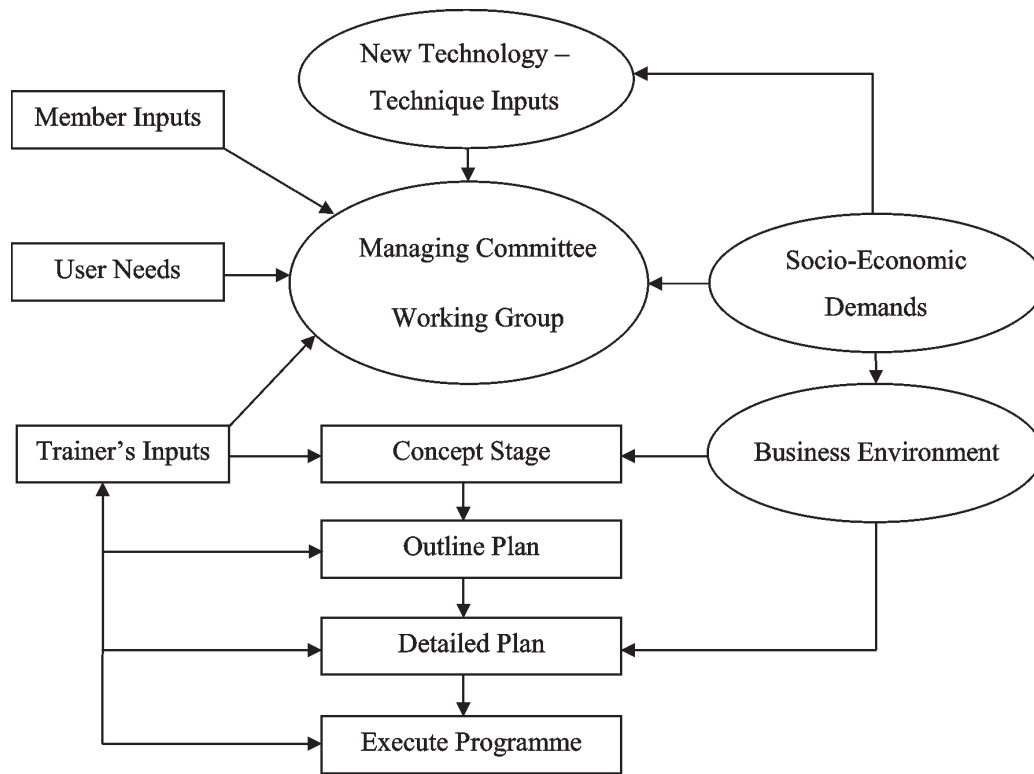
Source: Internal documents of MMA.

Exhibit 7 : Portfolio of MMA Activities



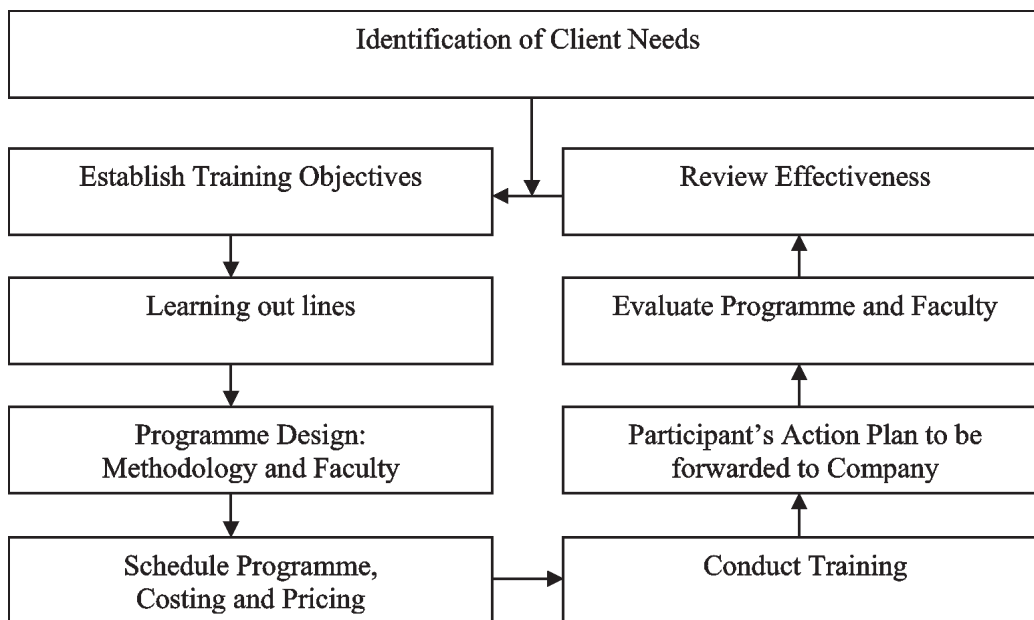
Source: Internal documents of MMA.

Exhibit 8 : Training Needs Identification Process



Source: Internal documents of MMA.

Exhibit 9 : Activity Process: From Idea Generation to Execution



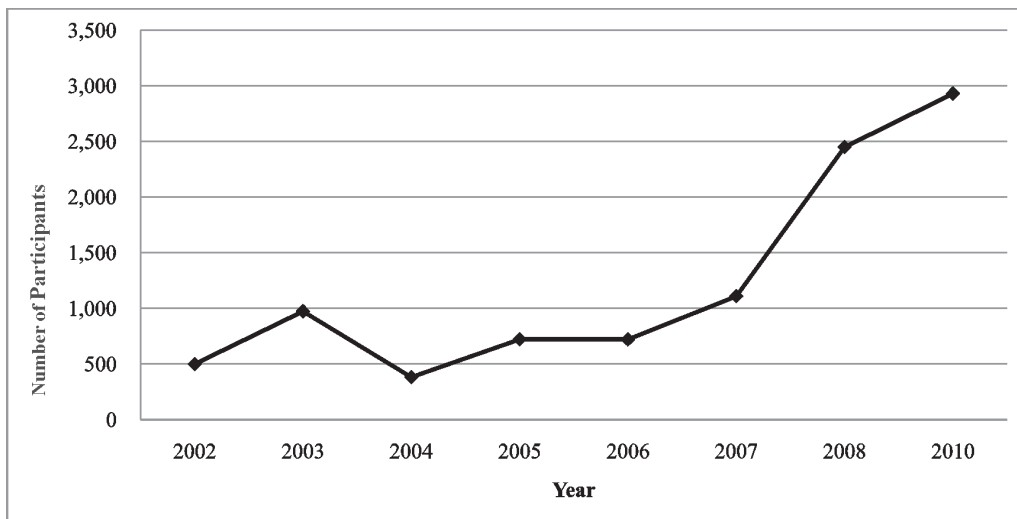
Source: Internal documents of MMA.

Exhibit 10 : Annual Management Students’ Convention: Theme and Attendance

Year	Theme	Attendance
2002	Transformation from Managers to Leaders	500
2003	India Inc as a Global Leader	974
2004	Building Worldclass SMEs	382
2005	The New Age Manager	722
2006	Beyond Quality - Breakthrough Innovation	721
2007	Strategies for the Bottom of the Pyramid	1,110
2008	Building Brand India	2,451
2010	GenY@ind: Challenges for Young India	2,931

Source: Internal documents of MMA.

Participation Growth in Management Students’ Conventions



Source: Internal documents of MMA.

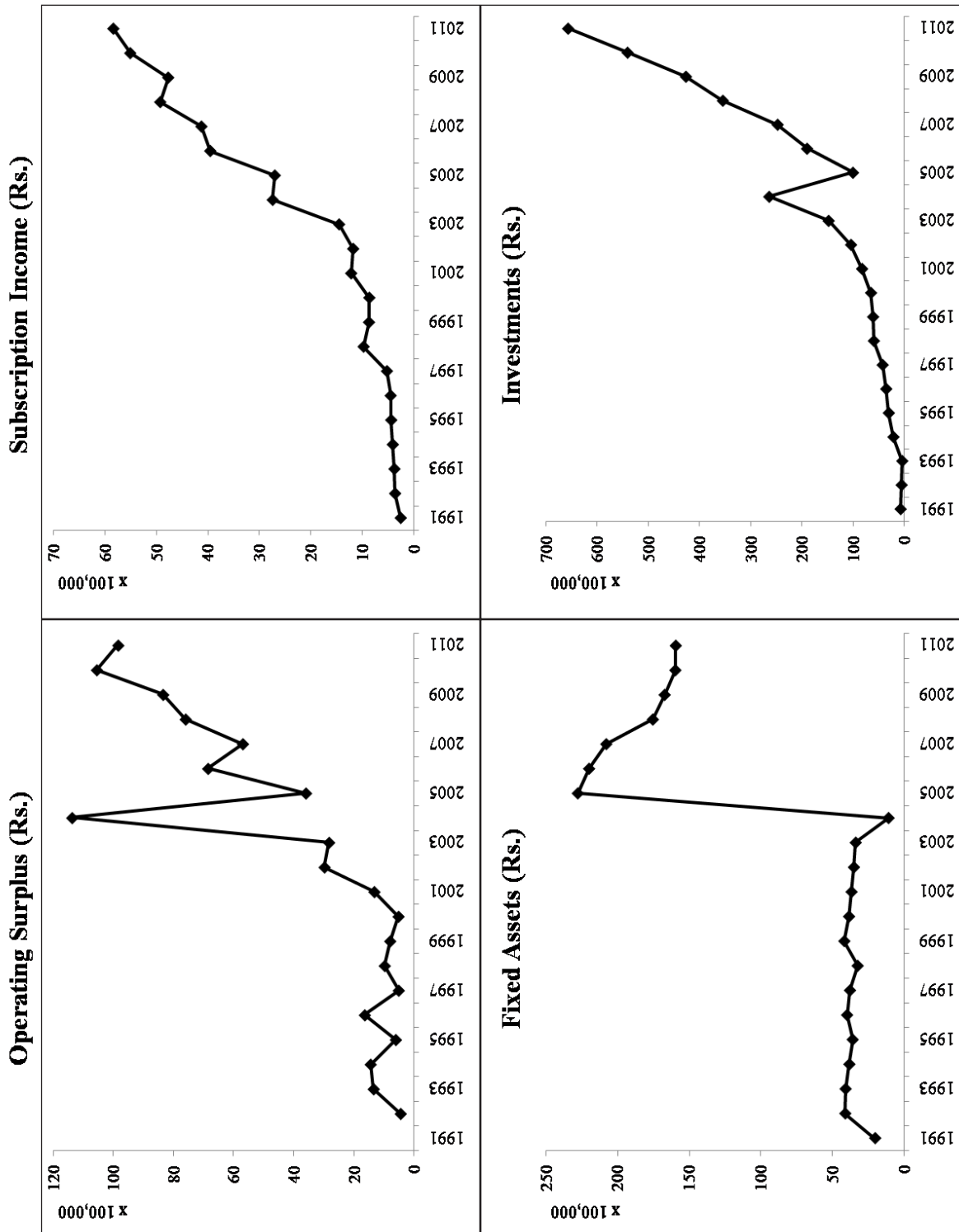
Exhibit 11 : MMA Business Leadership Award

Year	Awardee	Organizations	Industries/Fields
1969	J.R.D. Tata	Tata Group	Aviation, automobile, etc.
1971	Arvind Mafatlal	Mafatlal Industries Limited	Textile
1973	Bharat Ram	Delhi Cloth Mills Limited	Textile, chemicals, electronics, etc.
1975	V. Krishnamurthy		Civil Service
1978	Dr. Verghese Kurien	Gujarat Co-operative Milk Marketing Federation	Milk Cooperatives
1981	S.L. Kirloskar	Kirloskar Group	Heavy Industry
1983	Keshub Mahindra	Mahindra Group	Automotive, aerospace, etc.
1985	Dr. A.S. Ganguly	Mahindra and Mahindra, Dr. Reddy Laboratories Limited, etc.	Automobile, pharmaceuticals, etc.
1987	S.S. Nadkarni	ICICI Bank, Securities and Exchange Board of India (SEBI)	Banking
1990	Aditya V. Birla	Aditya Birla Group	Textiles, petrochemicals, telecommunications, etc.
1992	Hari Shankar Singhania	JK Group	Paper, cement, automotive tyres, synthetics, etc.
1994	K.M. Mammen Mappillai	Madras Rubber Factory (MRF)	Automotive tyres
1996	Dr. C. Rangarajan	Reserve Bank of India	Economics, banking, etc.
1998	N.R. Narayana Murthy	Infosys Technologies Limited	Information Technology
2000	F.C. Kohli	Tata Consultancy Services, Tata Power Company	Information Technology, power, etc.
2002	Brijmohan Lall Munjal	The Hero Group	Automobile
2008	Sunil Bharti Mittal	Bharti Enterprises	Telecommunications

Source: Internal documents of MMA.

Note: The award was not conferred at times due to suitability concerns of the available candidates.

Exhibit 12 : Financial Performance as on March 31, 2011



Source: Internal documents of MMA.

Exhibit 13 : Operational and Financial Statistics of MMA's Performance

Programme	Statistic	2006-07	2007-08	2008-09	2009-10	2010-11
Conventions	Number	4	4	4	4	4
	Participants	1,725	1,978	2,498	2,597	2,475
	Income (Rs. lakh)	48.91	52.73	40.78	38.92	33.97
	Expenditure (Rs. lakh)	20.08	22.46	23.37	16.11	16.31
Forums	Number	4	4	4	3	4
	Participants	206	346	368	698	1,007
	Income (Rs. lakh)	25.76	42.50	50.12	65.05	44.38
	Expenditure (Rs. lakh)	10.82	23.03	28.17	34.88	23.72
Continuing Education	Number	19	62	128	190	308
	Participants	1,775	5,148	6,231	12,360	15,248
	Income (Rs. lakh)	34.22	36.48	22.93	29.39	45.18
	Expenditure (Rs. lakh)	28.14	28.99	14.27	18.97	26.11
Management Development	Number	71	83	113	145	196
	Participants	3,531	5,086	7,542	7,649	8,385
	Income (Rs. lakh)	32.69	22.57	34.91	32.88	31.94
	Expenditure (Rs. lakh)	21.41	18.61	23.99	27.98	25.52
Customized / Family Business	Number	6	37	63	35	40
	Participants	129	890	1,581	1,278	1,468
	Income (Rs. lakh)	8.56	13.28	9.66	5.38	9.72
	Expenditure (Rs. lakh)	8.12	10.36	8.54	4.27	9.99
Chapter Activities						
Salem	Number	3	28	26	4	9
	Participants	500	1,430	827	418	800
	Programme Income (Rs. lakh)	2.23	4.00	3.98	3.58	1.73
	Expenditure (Rs. lakh)	1.98	2.72	2.81	2.63	0.72
Hosur	Number	-	10	23	24	24
	Participants	-	729	1,306	1,256	1,896
	Programme Income (Rs. lakh)	-	2.68	6.15	8.02	7.47
	Expenditure (Rs. lakh)	-	2.01	4.03	5.12	4.26
Puducherry	Number	-	-	-	18	29
	Participants	-	-	-	1,319	2,592
	Programme Income (Rs. lakh)	-	-	-	4.51	3.31
	Expenditure (Rs. lakh)	-	-	-	3.73	2.13
Total	Number	107	228	361	423	614
	Participants	7,866	15,607	20,353	27,575	33,891
	Income (Rs. lakh)	223.31	269.48	273.18	310.15	316.42
	Expenditure (Rs. lakh)	170.56	211.45	195.38	208.95	222.84
	Operating Surplus (Rs. lakh)	52.75	58.03	77.81	101.21	93.58

Source: Internal documents of MMA.

Exhibit 14 : Konrad-Adenauer-Stiftung

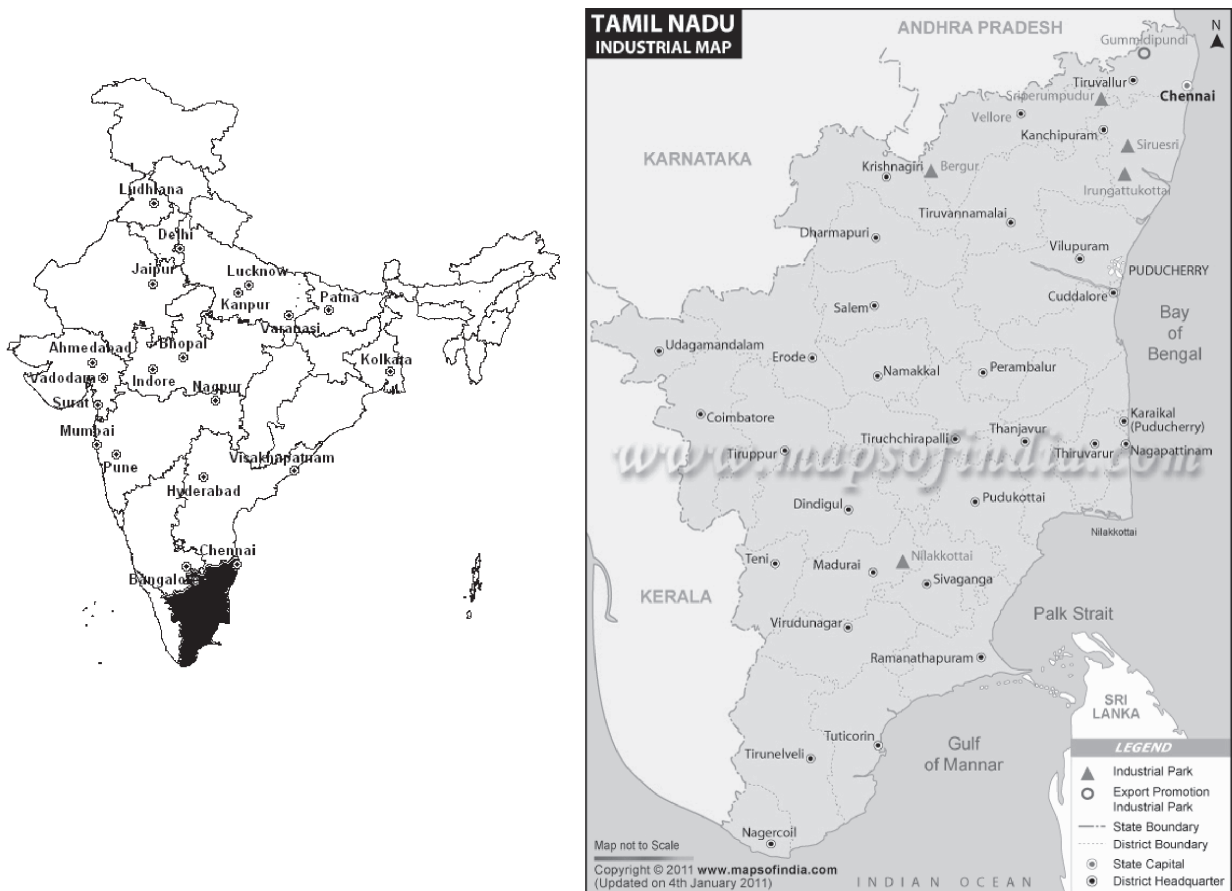
The Konrad-Adenauer-Stiftung (KAS) was a political foundation. KAS was committed to fostering democracy and the rule of law, to implementing social and market-economic structures, and to promoting human rights. With its worldwide networks of political and social leaderships and with its long-term partner structures, it participated in shaping policy in developing and emerging countries. The foundation's headquarters were situated in Sankt Augustin near Bonn and in Berlin, Germany. By the year 2010, the KAS hosted more than 200 projects in around 120 countries on four continents with 81 field offices.

India was one of the first countries in Asia in which the Konrad-Adenauer-Stiftung started its activities. In more than 40 years of cooperation, a wide range of activities were covered. Specifically, the KAS offered to contribute towards

- Assisting India in its process of social, structural and political transformation based on democracy, the rule of law and secularism.
- Strengthening economic reforms, the small and medium business sector and an effective market economy.
- Supporting the integration of India into the global economy and the process of globalization.
- Promoting local self-governance in rural areas and fostering grass root democracy.
- Intensifying the dialogue between Germany, Europe and India as well as other major powers.
- Promoting the development of the media.

Source: Internal documents of MMA.

Exhibit 15 : Map of Major Cities in India and Industrial Hubs in Tamil Nadu



Source: www.mapsofindia.com

Explanatory Notes

- **All India Management Association (AIMA):** Founded in the year 1957, AIMA was an apex body of management with over 30,000 individual members, 3000 institutional members⁴. It was a federation of over 60 Local Management Association across India and overseas. It undertook a host of management related activities and initiatives such as Distance Management Education, Management Development Programmes, Special Conferences, Research and Publications, Testing Services and Competitions.

AIMA was represented on a number of policy making bodies of the Government of India and a number of National bodies/organizations. It maintained close links with a number of overseas professional institutions like the American Management Association, Chartered Institute of Management (UK), all the National Management Organisations in the Asia Pacific Region and St. Gallen University of Switzerland among others.

- **Confederation of Indian Industry (CII):** CII worked to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. It was a non-government, not-for-profit, industry led and industry managed organization. It played a proactive role in India's development process. Founded over 116 years ago, it was India's premier business association, with a direct membership of over 8100 organizations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 400 national and regional sectoral associations⁵. With 64 offices and 7 Centres of Excellence in India, and 7 overseas offices in Australia, China, France, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 223 counterpart organisations in 90 countries, CII served as a reference point for Indian industry and the international business community.

- **All India Council for Technical Education (AICTE):** AICTE was set-up in November 1945 as a national level Apex Advisory Body to conduct survey on the facilities on technical education and to promote development in the country in a coordinated and integrated manner. And to ensure the same, as stipulated in, the National Policy of Education (1986), AICTE was vested with statutory authority for planning, formulation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.
- **Sanmar Group:** The Sanmar Group, one of the most respected business groups in India, was diversified group offering a wide range of products and services. It was a USD 800 million global conglomerate with an asset base in excess of USD 1.5 billion and a presence in more than 25 businesses. It had over three decades of experience in running and managing a large industrial organization with multiple businesses in segments such as chemicals, speciality chemicals, shipping, engineering and metals⁶.
- **Amalgamations Group:** The group was one of India's largest (USD 1.4 billion turnover in 2010-2011) light engineering groups. The Group's activities were based on four broad categories : Engineering including auto-related manufacturing activities; Trading and Distribution; Services; and, Plantations. With 37 companies, 27 manufacturing plants and a workforce of over 14,000, the Group had a significant presence in the vital sectors of the economy⁷.
- **Murugappa Group:** The Murugappa Group (USD 3.8 billion turnover in 2010-2011) was conglomerate company headquartered in Chennai. By 2011, it was a market leader in diverse areas of business including Engineering, Abrasives, Finance, General insurance, Bicycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals. Its 29 businesses had manufacturing facilities spread across 13 states

4 Source: http://www.aima-ind.org/about_us_overview.aspx

5 Source: <http://www.ciionline.org/>

6 Source: <http://www.sanmargroup.com/Misc-files/groupof.htm>

7 Sivasailam, A. The Odyssey - Amalgamation Group Publication.

in India, with over 32,000 employees. The Group has forged strong joint venture alliances with international companies like Mitsui Sumitomo, Foskor, Cargill and Groupe Chimique Tunisien to consolidate its status as one of the fastest growing diversified business houses in India⁸.

- **Everonn Education Limited:** One of the leading educational companies (USD 85 million turnover in 2010-2011) in India, Everonn was listed in both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). From its pioneering VSAT-enabled virtual and interactive classrooms to its emphasis on offering only the highest-quality content to students, Everonn's quest for excellence had enabled the company to repeatedly break new grounds in the Indian education industry. In the year 2011, Everonn was the largest VSAT education network in the World⁹.
- **Chanakya:** Chanakya had been considered as the pioneer of the field of economics and political science. In the Western world, he had been referred to as The Indian Machiavelli. He was a teacher in Takshila, an ancient centre of learning, and was responsible for the creation of Mauryan empire, the first of its kind on the Indian subcontinent¹⁰.

- **Sivasailam Anantharamakrishnan (1905-1964):** He was an Indian industrialist and business tycoon, remembered for his successful business practices, efficient management of the labour unions and for triggering the growth of the automobile industry of Chennai which consequently earned the city the epithet "Detroit of India". In 1935, he joined the Simpsons group, a British-owned South Indian business conglomerate, as Secretary and in 1938, became the first Indian director in the management of Simpsons group. Anantharamakrishnan's induction marked the partial Indianization of Simpsons group which was, till then, completely owned by Europeans. Eventually it became the Amalgamations Group in 1941; Anantharamakrishnan led the group from 1945 to 1964.

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I am persuaded that a leader is not made in one life. He has to be born for it. For the difficulty is not in organisation and making plans; the test, the real test, of the leader, lies in holding widely different people together along the line of their common sympathies. And this can only be done unconsciously, never by trying.

- Swami Vivekananda

⁸ Source: <http://www.murugappa.com/companies/index.htm>

⁹ Source: http://www.everonn.com/about_everonn.html

¹⁰ Source: <http://www.iloveindia.com/history/ancient-india/maurya-dynasty/chanakya.html>

Madras Management Association: Managing Diversity, Growth and Excellence

Madhukar Dayal

However beautiful the strategy, you should occasionally look at the results.

- Winston Churchill

Case Summary

Madras Management Association (MMA) is the largest association of its kind in India and has proudly nurtured leaders who have later become Presidents of the All India Management Association (AIMA). MMA is well recognised for its display of extreme professionalism in all its activities.

Starting as a humble Institute of Management (Madras Institute of Management) in 1956, its leaders chose to change its name to Madras Management Association in 1966, reflecting the realignment of its strategy and a wider role they envisaged for it in development of the society. It has since played an important and vibrant role, especially in providing a platform for exchange of ideas and sharing of concerns between the Government, Industry, and the academia, and in bridging the gap of available managerial talent. Society stalwarts, such as Shri Morarji Desai and Dr C.K. Prahalad, have been associated with MMA.

MMA is fond of carefully choosing its leaders, which is reflected in its rules and procedures for electing the members of its Management Committee (MC) and the appointment of the Executive Director, who have invariably been picked from the military since last few years. The MC also includes prominent civil servants and academicians.

Capitalising on its linkages with the Industry and academia, MMA runs professional training and development programs of various durations in nearly all management disciplines, which are also a primary source of its income. MMA also organises other professional development activities, such as, lectures,

book readings, regional conclaves, etc. To strengthen its membership, it has expanded into new industrial towns of South India, namely Salem, Hosur, and Puducherry, with plans to expand further in other prominent South Indian cities - Ambur, Trichy, and Cuddalore.

As further contribution to the society, MMA conducts special events to honour and promote women entrepreneurs, and small and medium scale enterprises. Amongst its seminars and other regular events, themes adopted include sharing of success stories and discussions on new business opportunities and ideas. Events organised or sponsored by MMA, including the series of management student's conventions, receive large numbers of registrations. Its series of awards are highly respected in the country with each awardee required to address the annual convention audience and share their story.

Analysis and Recommendations

MMA has traveled for a long time, but not necessarily a long journey; part of the reason being the "restrictive government policies". Quite recently MMA has been able to build and save a corpus of surplus funds. A diversified investment portfolio for this is suggested instead of it being parked in a fixed deposit.

The profit per programme appears to be dropping in the 'continuing education' and 'management development' series which appears to be due to less numbers of participants per programme. The 'customised / family business development' programme is also making losses even with rising number of

participants per program. Reasons for these need to be investigated and corrective measures taken.

Operating surplus appears to have had a sudden drop in 2005, the same year in which substantial investment in infrastructure development was made. One or more of several reasons may have caused this, such as, but not limited to: (a) a major change in accounting policy adopted in that year; (b) the new capital investments during the year being wrongly booked as revenue expenditure (or in other words amortised in a single year) making the operating surplus fall abysmally. Fixed Assets show a jump in the same year (Exhibit 12). Hence, (b) appears to be the cause which needs to be remedied.

Similarly, Exhibit 13 reveals a large rise in number of participants/registrations in various programmes in Puducherry, but a steep drop in the programme income. Is it due to discounts offered to raise memberships/participation? This needs to be explored. Drop in membership at Salem is a matter of concern which needs to be studied in detail. Lessons learnt may help in ensuring sustainable growth and retention of memberships at other new centres.

There is a scope for collaboration with organisations like Southern India Chamber of Commerce (SICCI), Tamil Chamber of Commerce (TCC), and similar other organisations, to ensure that there is no duplication of efforts and wastage of resources, while their complementary strengths are utilised to address joint concerns and meet common objectives.

The online sales of recorded lectures and talks through streaming video by adopting a cloud based service provides a potential opportunity for growth of revenue at low risk and cost. MMA may consider the use of modern technology to enhance its portfolio of offerings, for example, using online tutorials and webinars. With rise in online courses (for example, as by Massive Open Online Courses (MOOC) in partnership with several organisations including Harvard Business School), there is a huge opportunity for MMA to increase revenues. Some of the ways which can be explored are developing and offering certificate courses with recorded lectures and study materials accessible online for registered

participants to avail at their own convenience and pace. Especially attractive is the possibility of participants from other countries in online courses.

Growth of revenue is also possible by considering development of regional and/or industry-segment wise conventions and forums, though new challenges will surface in exploring this opportunity.

MMA should consider clearly identifying/defining its beneficiaries (or customers), conducting customer surveys and integrating the knowledge gained from its own past experience to design and offer courses with relevant curriculum. Incorporation of feedback from entrepreneurs, corporate customers and business houses highlighting current needs for managerial knowledge and skills shall help raise popularity and demand of its offered courses.

Adding a portal on its website to match job seekers with the job opportunities available in the Industry, would complete the portfolio of offerings by MMC. This portal, in due course of time, shall provide vital information about specific managerial capabilities being sought by the Industry, and the change in it over a period of time, by using techniques such as data mining.

Exploiting its 'potential to set up international co-operation', MMA's partnership with organisations, such as, Konrad-Adenauer-Stiftung (KAS), Entrepreneurship Development Institute (EDI), and Confederation of Indian Industries (CII), may be used for developing business ideas with export orientation in mind. Starting with a series of seminars to build ideas for new businesses (especially in other countries), these partnerships can be used to provide necessary training and development programs; support in acquiring cross-border Government permits and clearances; developing required entrepreneurial and managerial talent; and establishing the complete value chain. This may also promote business tourism among the involved countries.

MMA has grown rather slowly in its past. Its growth appears to have been driven by a realisation of the gaps it discovered in its journey rather than a strategic analysis and pursuit of well defined objectives. Customers in the 21st century are not satisfied with piece-meal solutions, but instead, with end-to-end solutions. Hence, it should

look at offering a complete basket of products and services from identifying new business opportunities to helping set up businesses as the potential mandate for it to pursue.

The right strategic questions for MMA to ask itself are: (a) What role does MMA propose for itself in building the future of India?; (b) Whether it has a full basket of products and services to offer to its customers?; (c) Is it utilising the potential of its strong partnerships, Government associations and Industry linkages?, and additionally, (d) How does it propose to deploy modern technologies in enabling it to achieve its reframed objectives?

Indeed, MMA has diversified and drifted but in the right direction, however, too little, and perhaps also too slowly! In the words of great management guru, Michael Porter: The essence of strategy is choosing what not to do.

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Our mistakes have places here. Go on! Do not look back if you think you have done something that is not right. Now, do you believe you could be what you are today, had you not made those mistakes before? Bless your mistakes, then. They have been angels unawares. Blessed be torture! Blessed be happiness Do not care what be your lot. Hold on to the ideal. March on! Do not look back upon little mistakes and things. In this battlefield of ours, the dust of mistakes must be raised. Those who are so thin-skinned that they cannot bear the dust, let them get out of the ranks.

- *Swami Vivekananda*

Madras Management Association: Managing Diversity, Growth and Excellence

Krishna Chandra Balodi

The case documents the journey of Madras Management Association (MMA) from its humble beginnings en route its vision "to be the fountainhead of world-class management excellence in India". From being established as Madras Institute of Management (MIM) to becoming an affiliate of All India Management Association (AIMA) and changing its name to its current spectrum of offering (exhibit 7), undoubtedly MMA has covered a lot of ground. Over the years, membership figures (exhibit 6), delegates' participation in conventions (exhibit 10), and financial performance (exhibit 12) has improved. However, is it enough and well aligned with MMA's core vision and mission (exhibit 2), and which way to go forward are some of the concerns raised in the case.

Management association especially in 1950s India were essentially product of interaction of two factors- a burgeoning business and industry that was struggling to skim enough out of opportunities, and a lack of institutional infrastructure that could offer advice, mentoring and support in areas of transferable skills, knowledge, expertise, and experience that would facilitate it. Accordingly, MMA (erstwhile MIM) was a timely and befitting response to needs of Indian managerial talents from south India especially Tamil Nadu. Over time MMA's sphere of activities has grown manifold despite proliferation of local management institutes. This can be attributed to the need of students and management professionals to seek wider and credible professional legitimacy, share state of the art managerial knowledge and techniques, and learn from experienced professionals and managers. Absence of any key institute like IIM facilitated this, if anything else.

Over time, leveraging its sound organizational structure and selection and management processes, and utilizing the capabilities and experience of its management committee members, MMA has turned out to be an agile and professionally managed adaptive organization.

Focussing on contemporary managerial issues over decades (for eg., focusing on challenges of globalization in nineties), changing and increasing its offerings to suit the needs of its multiple stakeholders (for eg., lectures, regional/ women/ and students conclaves, video discussions, certificate programs, executive/ management education and development programs etc), and expanding into hitherto unexplored geographies (for eg., Hosur and Salem- actual, and Trichy and Ambur-planned) has made it dearer and more relevant to the stakeholders and a brand to reckon with. Other strengths and capabilities that MMA has built up include- dedicated and eminent members and patrons, regional character and geographic ease of access to members, focussed activity centres, financial strength, ability to tap network to generate funds, and conduct its professional activities using state of the art technologies. Given these strengths and the absence of any rival mechanism to meet needs of such a large technical and managerial pool in Tamil Nadu, there can be no doubts over the strong belief and comments concerning the longevity and survival of MMA by its patrons. Further, so far all that MMA has done has led to repeated laurels through national awards, and a state of financial sustainability.

However, continuous questioning of the key strategic-management premises, and promoting a healthy debate about the scope and future direction(s) are critical attributes of a growing and agile organization. Scenario planning can be a useful tool while trying to picture alternate plausible futures and their key characteristics (Roxburgh, 2009; Schoemaker, 1995; Wilkinson, A. and Kupers, R., 2013). According to Schoemaker (1995), following steps are involved in scenario planning process: defining the scope; identifying major stakeholders, basic trends, and key uncertainties; constructing initial scenarios; checking for plausibility; developing learning scenarios; identifying research needs; developing quantitative models; and evolving

towards decision scenarios. Schoemaker (1995) also offers four criteria- relevance, internal consistency, archetypal patterns, and scope of equilibrium- to determine the worth of scenarios developed using scenario planning process. Wilkinson and Kupers (2013) highlight that scenarios not only open doors for exchange of perspectives and insights with internal and external stakeholders, but allows the disagreement among decision makers and stakeholders, signs of which are beginning to emerge in MMA's case, to be managed as an asset.

Scenario planning exercise will allow the thinking of a range of plausible future scenarios and the sequence of events that would lead to them. Each scenario tells how different elements might interact among different conditions, and facilitates formation and testing of alternative hypothesis about the determinants of future scenarios relevant to MMA. Scenario planning exercises will also allow insights into changes in the notion of "management excellence" over time across academia and corporate world as relevant to MMA. It will also allow MMA to gauge what various stakeholders might expect from it and get benefited most from in future. MMA also faces some serious concerns such as geographically concentrated membership. Its regional character that allows it to maintain a close contact with members and allows offering more contemporaneous

programs also restricts its scope of growth geographically. Further, the utility and importance attached to certificate programs, management development and executive education programs from MMA when there are so many options available from prestigious Indian and foreign institutes/ universities using online, and satellite technologies needs re-examination. Scenario planning can be used to find the plausibility of these concerns becoming seriously damaging and ways to deal with them strategically.

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Perfection does not come from belief or faith. Talk does not count for anything. Parrots can do that. Perfection comes through selfless work.

- *Swami Vivekananda*

Madras Management Association: Managing Diversity, Growth and Excellence

Bishakha Majumdar

If there is one thing inextricably linked with the making of an institution, it is the goal which the institution is purported to fulfill. All institutions come into being with missions - ranging from profit generation to nation building - whether or not these missions are clearly specified. Missions guide policies the organization undertakes to reach its aims and defines its character. However, organizations are open systems - influenced by flux in the external environment, nature of resources and pattern of demands of internal and external stakeholders. To survive, the organization has to adopt policies that may however, deviate from the original mission. When done in excess, this may change the organizational character significantly. It is therefore imperative for an organization to introspect from time to time whether short term survival concerns are making it myopic to long term goals.

It is at this crossroads we find the Madras Management Association (MMA), as it undertakes a retrospective journey of its 55 years of activities to 'further the cause of managerial excellence' through 'learning and experience sharing'. Starting from a modest base, it has grown to accommodate teaching, mentoring and awareness building - winning laurels and recognition from stakeholders. Winning the Best Local Management Award 2011 from the All India Management Association, after a drought of three years, the organization seeks to identify what has worked in the past and what has not, as well as to find out whether diversification has caused it to stray it from its original vision and mission.

What Does Knowledge Management Entail?

The MMA has the expressed goal of acting as a 'fountainhead' of world class management excellence in India. Essentially its vision boils down to knowledge management related to management excellence in the sub-continent. Knowledge management entails four major activities: knowledge generation, knowledge

storage and retrieval, knowledge sharing and knowledge application (Janz & Prasarnphanich, 2003). In the present context, it may be said that to emerge as a centre of management excellence, MMA should focus not only on knowledge sharing but also on generation, storage and application.

As we undertake the introspective journey with members of the MMA, we need to first stand clarified of the vision and mission of the Association. The vision statement reads 'To be the fountainhead of world class management excellence in India'. This tells us that the focus of the association is on dissemination of global best practices. Further, the geographical spread is to be stretched across the subcontinent - rather than be limited to Chennai and its surroundings. This provides a strong argument in favour of opening new chapters of the MMA in surrounding districts and emergence of MMA as primarily as a knowledge dissemination unit - through seminars, forums, educational programmes and publication.

If we analyze the mission statement of MMA, we find the following:

- Synthesize the Indian ethos with international management thought: this aspect is not prominent from the information shared in the case. Theme-based seminars, courses and consultation activities may be indicative of steps in this direction
- Be a reservoir of expertise in management: this role of the institution seems well-fulfilled, through its enormous membership base and the popularity of its various educational programmes. It appears effective in being a reliable source for spreading management knowledge and becoming a forum for meeting of management experts from India and the rest of the world.
- Inspire individuals to actualize their potential: Trainings and educational programmes may be again

regarded as steps in this direction. More focused measures would be incubation programmes for entrepreneurial projects, development of access to resources such as library and journals and scholarship programmes for theoretical and action research in the field of management.

- Nurture creativity and originality: This pertains to entrepreneurship development programmes and provision of infrastructure for original research in the diverse fields of management. But for the presence of the KSA, this focus also appears to be largely missing in the portfolio of services offered by the MMA.

The above analysis shows us a definite gap in the mission of the MMA and the activities it has undertaken extensively. If we classify the diverse range of activities undertaken by the MMA, we shall see that the vast majority of its activities are concentrated on knowledge sharing (through training programmes and certification courses) and partly in knowledge storage and retrieval (in the form of publishing magazines, building library and generating databases of reading materials). However, the contribution to knowledge generation (in the form of funding and guiding research projects) and knowledge application (through action research and consultancy) is not significant. It is this gap that also shows up when we analyze if MMA deviates from its stated mission.

Given the above analysis, one may emphasize on the need for more diversity in MMA's service portfolio. It may be said that MMA's issue is not over-diversification, but too much concentration of resources in one area to the relative ignorance of others. These needs be more focus on research and development as well as application of management practices through consultancy services and incubation programmes.

Rolling Stone or Standing Pole?

Organizations are open systems and as such are open to impact of changes in the environment. It is necessary therefore that MMA is receptive to developments in the external world and able to accommodate it in its ambit. A positive step in this direction is the incorporation of electronic media in its activities that has led to significant

cost-cutting and operational efficiency. There may be more efforts in this direction, including the launching of online courses for professionals. This may help improve and sustain the growth in its continuing education programmes.

Towards the conclusion of its retrospective journey, MMA faces the dilemma about whether to accommodate the two newly growing business sectors in the horizon - small entrepreneurs and BPO firms. It may be stated that diversifying the stakeholder base to include these two new classes would not be in contradiction to the organization's stated objectives. Instead it may be imperative for the organization to ensure its survival in the changing contexts.

The Stars and Cash Cows

With detailed data on financial performance and popularity of its various offerings and chapters, the case on MMA also provides an interesting opportunity for portfolio analysis. While in the case, it has been stated that the percentage of income from continuing education, management development and family business has fallen, financial data shows that actual income has risen from all these sectors. As opposed to this, income has fallen from forums and conventions. It may be worthwhile to investigate the trends in rise and fall of revenue generation and identify programmes that need boosting as well as those that need restructuring. For instance, costs on management forums and seminars can be further cut down by holding them in collaboration with academic institutions. This will also fulfill the institution's goal of increasing the interaction of the industry with the academia. Also to enhance the validity of its training programmes it can work for affiliations from noted management institutes of the world or the Government of India.

Conclusion

The case provides an interesting perspective into the process of realigning an institution to its original goals. It gives rise to questions as to how far the original goals remain relevant in an ever-dynamic economic and social environment. Retracing the history of MMA and weighing the strategic value of its various ventures

provides useful exercises in teaching strategic goal setting in an organization. It can also provide opportunities to analyze relative performance of the various offerings by an institution both in terms of financial gain and stakeholder value. However, the question of sustainability is difficult to explore due to the absence of data about competitors and substitutes in the environment. Within the limited perspective of MMA's own performance and the changing needs of its stakeholders, the case provides important insights in the strategic management of an institution's activities to meet its long-term goals, satisfy stakeholders and keep pace with an ever-changing environment.

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Madras Management Association: Managing Diversity, Growth and Excellence

Sandip Trada

This case presents the success story and future challenges of the Madras Management Association (MMA) in the context of the changing business environment. The association faced several challenges such as what it should do to be relevant in the current changing business context, and reinforce the original vision, what model to adopt to become best actor in disseminating the management thoughts, and how to measure the impact of its activities. The situation is more challenging in the view of its glorious past, and to managing stakeholders expectations without deviating from its core purpose.

This commentary presents the brief history of MMA, its diverse activities and growth path, and challenges faced by this association. It also provides the set of options to manage the challenges without moving away from the original building blocks.

MMA was established in 1956 in Chennai, with the vision 'to be fountainhead of world class management excellence in India' for spreading management culture among business organization in southern part of India. MMA collaborated with industry experts and professional institutions to develop professional skills and expertise in the business organizations. Moreover, it also organized various programmes and events such as certification courses, training programmes, workshops, and annual conventions on diverse discipline of the management to share knowledge, to propagate innovative methods and practices among different set of audience.

The growth and success of the MMA was credited to its members who are the high profile corporate as well as individual professionals. These members served as the source of resources, barometer of brand value, and source of feedback on activities performance. MMA offers nine class of membership and also consider its promotion as integral part of all the activities. It organized various programmes to meet the need of the specific group of the members. For instance, it offered

seminar and workshop, lecture meeting, and quizzes and paper presentation for institutional, individual, and student members respectively.

MMA published a magazine to disseminate the current subject knowledge to its members. Furthermore, it organized theme-based Annual Conventions for its members such as women managers and management students, which is highly popular and successful due to its relevance, and eminent speakers. The association also instituted various awards such as best young managers, MBA award, and outstanding woman manager of the year award to recognize and reward business leadership. Furthermore, it ventured several landmark initiatives such as the entrepreneurship development cell, business school, and certificate programme in management.

In this growth path, MMA consistently maintained its financial expansion due to income from subscriptions, surplus at the annual conventions, and support from the sponsors. Moreover, it used various forms of electronic media to reduce operating cost, increase administrative efficiency, and promote the membership. In order to expand reach, MMA had established its chapters in Hosur and Salem, and increase overall membership from 4494 to 6597 members during the period 2008 -2011. The association had also won several best local management association awards during its glorious journey since inception.

However, the success of MMA posits several challenges due to the changing business environment and high expectation of the stakeholders. The association has to address what it should do in the context of changing business needs that reinforces its fundamental purpose, what model to adopt, and how to measure the performance of its activities. There are a set of options proposed in this commentary to handle this challenging situation for the association.

To deal with the first challenge, association can identify

and implement various activities that meet the requirements of the current business needs. The association can offer the long term management programme for the students, organize research conferences, and publish research journal in addition to existing activities. The long term business course can attract the young aspiring students from India, and provide the opportunity to disseminate management knowledge. Moreover, this programme should be a combination of e-platform and brick and mortar classroom setting to provide flexibility to the students. To conduct the programme smoothly, MMA should establish affiliation to some academic institutions to capitalize on the existing infrastructure and other academic resources. This programme offers several opportunities to address the current needs of the business. It provides a platform for the academia and industry to shape the young talents of India from a managerial perspective. These students will become the brand ambassadors of the MMA, spread awareness, and enhance the managerial capabilities of business organizations.

The success of this strategy depends on the managerial qualities of the students. The association has already built the capabilities to develop the managerial excellence through its network of academicians, diverse activities and industry experts. Now, they should capitalize on it by using those resources to shape the students. This strategy will increase of MMA membership and consequently revenues through fees and subscription, and help feeding the demand of current business. Moreover, it also adheres to the core vision of the association i.e. to be a source of world-class management excellence in India.

The association should also organize research conferences and publish journals to facilitate the interaction between academia and industry. It will provide the opportunity to recognize and address the current problems in the industry. These conferences should be designed on specific themes based on current needs of the industry. For instance, a conference or an issue of journal focus on the needs of small companies or information and business process outsourcing

companies. Such kind of activities will create interest, develop managerial capabilities, and motivate them to associate with MMA.

To address the second challenge, the association should employ a mix model of electronic and brick and mortar learning to provide flexibility to the members. The e-learning is more suitable to members in the distance areas, and others who cannot attend the programme due to busy schedule. Moreover, this model will help association to organize lectures and other activities on current issues, and propagate management knowledge by the international experts on virtual platform. Hence, association can attract experts around the globe and satisfy the need of the specific group of members. For instance, in case of information and business process outsourcing companies, association can organize specific workshop or training programme by international professionals. This model might create value for the members as well as reinforce the core purpose of the association.

Furthermore, the model might increase the revenue for the association by attracting more members due to its customized approach and credibility of the eminent international professionals. The association should use the incremental revenue to attract professionals from diverse industry and academia. Thus, it will build the virtuous cycle of knowledge creation and propagation among the members.

The third challenge deals with the performance measurement of its activities. The association should use multidimensional approach to measure the impact of its activities that combine quantitative and qualitative measures. MMA can use various measures such as increase in membership, number of sponsors, increase in revenue, and feedback at the end of each programme. It can also regularly get the feedback of the members particularly lower and middle level managers regarding the progress of their managerial capabilities and usefulness of various programmes of MMA in dealing with current business problems. The impact of the activities can be traced through the number of articles received for their journal or magazine, quality of articles, and readership profile and numbers. There are several

other ways to measure the impact of activity such as credibility of association among the corporate, academia, and members, willingness of eminent speakers to deliver talk, and development of managerial capabilities of the managers, but it may be costly or time consuming.

This case highlights the significance of the vision and the mission of the organization, and how it shaped its strategy. Vision sets the common tone in the organization and directs the activities of members. Moreover, mission craft the objectives which provides means to measure and compare the performance of the organization and guide actions to bridge the gap, if any.

In summary, the case raises important questions about the future challenges of MMA regarding the set of activities, appropriate models, and performance

measurement of activities in the context of current managerial requirement. It even make more difficult for the MMA to deal with such problems in the light of glorious history and adherence to its core purpose. It informs that being a successful organization it is more challenging to remain to the core, and charter the future of the organization.

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When I Asked God for Strength
 He Gave Me Difficult Situations to Face
 When I Asked God for Brain & Brawn
 He Gave Me Puzzles in Life to Solve
 When I Asked God for Happiness
 He Showed Me Some Unhappy People
 When I Asked God for Wealth
 He Showed Me How to Work Hard
 When I Asked God for Favors
 He Showed Me Opportunities to Work Hard
 When I Asked God for Peace
 He Showed Me How to Help Others
 God Gave Me Nothing I Wanted
 He Gave Me Everything I Needed.

- Swami Vivekananda

Madras Management Association - Managing Diversity, Growth and Excellence

Santosh Kumar Tiwari

The case traces the journey of Madras Management Association (MMA) from its inception, its achievement as it climbs up the path of success to the challenges currently it is facing. MMA is the largest affiliate of the All India Management Association. This case presents a comprehensive and vivid picture of the growth of MMA and how it has contributed in developing professional and managerial skills in various business domains.

MMA came into existence in 1956 with the aim of spreading management education in Chennai (Madras). It was run by a Managing Committee having members not more than 21 including 5 ex-officio members. Members of MMA were its main stakeholders and they offered financial support, added brand-value and provided feedback to improve its performance. Since its inception MMA had been successful in attracting various eminent individuals and big corporations.

MMA published a monthly magazine, *Business Mandate*, with a focus on spreading management knowledge from several industry experts to its stakeholders. It had been able to attract articles from eminent personalities from various fields of management. The Magazine also included the details of MMA activities of the subsequent two months. They always tried to exceed the expectation of all nine categories of members and indulged into various kinds of activities such as

- Professional Development
- Continuing Education
- Training and Development
- Annual Conventions

MMA conducted many activities to cater to the needs of different categories of members, such as workshops, discussions, lectures, and seminars. It also gave away many awards to recognize and encourage the innovative thinking in the management arena. Award winners

were supposed to come in person to get the prize, and share their experiences followed by discussion sessions. Therefore, these awards provided a ground for sharing and dissipating learning among stakeholders. In addition to all these, MMA started various unique ventures like, MMA-KAS Project on Entrepreneurship Development, Business School, Postgraduate Certificate Programme in Business Management and creating to the needs of other institutions. Apart from increasing the scope and domain of its activities, it also diversified geographically by going beyond Chennai.

The MMA had been able to maintain surplus funds from various sources like conventions, subscription and membership fees and from other individual centres. In the year 2006-07 it has adopted the strategy of being financially self-sufficient and self-sustainable. It had used technology in its day-to-day management and for dissipating knowledge.

Any organization can survive by meeting and exceeding the expectation of its stakeholders on a sustainable basis. In past MMA was able to meet the expectation of its stakeholders but in the context of changing business environment, will it be able to sustain the same; it is certainly a big question. Before attempting to satisfy the expectation of its members, MMA needed to do profiling of its member based on expectations. This case can be used to highlight the necessity of knowing and understanding the needs and expectations of various customers and stakeholders so that an organization can meet them effectively.

Presently, there are nine types of membership, mostly based on how the membership is obtained. But this categorization criterion does not tell much about the expectations of different membership class/categories. For example, the expectations of associate members, individual members and professional individual members may overlap. It may be better if profiling is

done based on the expectations rather than the manner in which they are inducted. Categorization, for individuals, can be done like students, professional at various levels, entrepreneur, professional from small and medium size companies. The expectations and needs of each category should be explored and debated in detail to reach at a comprehensive list. There can be many expectations that will cut across all the categories and they can be kept in a common pool. There is currently one category in the institutional domain. Similar ways of categorization can also be done in the case of institutions.

MMA needs to tailor its activities to achieve its mission and objectives. Currently MMA invites local and national professionals to share their experience and learning. But to achieve the objective of bringing international management thought and practices to synthesize them with Indian ethos, MMA should invite international experts and conduct seminars and discussions and try to find out the ways in which international practices can be adopted in Indian scenario.

MMA should work in the direction of developing entrepreneurship. It should give an annual award for the best business potential. At the same time, it can invite eminent industrialist and can attract capital from venture capitalists by capitalising on its brand value. This, in fact, will be an important step in achieving one

of their missions of helping individuals actualizing their potential.

In the era of globalization, when the world is shrinking due to rapid development in information technology and communication, MMA should emphasise more on collaborating with other international associations. It can organize seminars and discussion panels where experts can discuss and exchange their views regarding contemporary managerial issues which Indian businesses are facing. It can also tie up with regional association and achieve the scale of economies and will be able to prune the costs. MMA is already moving in that direction by its 'go beyond Chennai' approach.

There are many things MMA should learn from its glorious half a century past. It had been successful because it had always stayed tuned to environmental changes and adapted its offering accordingly. It had been able to attract competent and committed personnel. It had focused more on activities rather than creating affiliations with eminent personalities in various management fields.

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Anything that makes weak - physically, intellectually and spiritually, reject it as poison.

- *Swami Vivekananda*

Madras Management Association: Managing Diversity, Growth and Excellence

Girijesh Singh Mahra

Case Background

Madras Management Association (MMA) was established in 1956 in Chennai by visionaries from various industries with a vision of being the "fountainhead of world-class management excellence in India". This was the time when public sector and multinationals were at nascent stage. MMA from the very inception has flourished and fulfilled its vision for over the five decades. It had grown to be the largest affiliate of All India Management Association (AIMA), and had emerged as an inspiring role model for Local Management Associations (LMA) in the country. The success of this extent has been achieved by MMA on the basis of effective Governance and Administration, efficient financial resources and brand value building from membership, meeting expectations of its stakeholders by mix of activities and effective response to changing environment which has results in launching of special programmes on entrepreneurship, institutionalizing various awards and Annual Conventions. The focus on vision and general management was so successful that MMA has won the Best Local Management Association (LMA) award among all the LMAs in the country from the All India Management Association (AIMA) for consecutive five times.

Activities of MMA

1. MMA has collaborated with industry experts and other professional organizations to execute workshops, discussions, lectures, seminars, conventions, games, and factory visits MMA's portfolio of activities is diverse (Exhibit 7).
2. MMA offers nine classes of membership which serve three purposes- Source of financial and resource support, Barometer of MMA's brand value and Source of feedback on MMA's performance (Exhibit 5 and 6).
3. MMA organises Annual Conventions (WMC, NMC, MSC) on diverse topics, which has given MMA sponsorship support, various beneficial collaboration, and increased participation of delegates across Nations.
4. Unique ventures has been offered by MMA- Institutionalization of MMA Awards, MMA-KAS Project for Entrepreneurship Development, setting of Business Schools, launching Post-Graduate Certificate Programme in Business Management for professionals, creating other Institutions and expanding its horizons beyond Chennai.

Issues at the core

Building a successful business model is not enough; it has to be a sustainable model. MMA was financially healthy and sustainable. It has fostered success in adaptation towards changing technology and demands of organisations, with the help of talented and efficient team of managers. But still issues related to sustainable development has knocked the doors of MMA which are:

1. As the membership of MMA is increasing and activities are becoming more diversified; is MMA deviating from its basic objective?
2. How to match MMA's original objectives by performance in changing business context and whether it should follow the same model and approach while expanding its boundaries outside Chennai.

Recommendations and future strategy

MMA presently has, over 5000 corporate houses, industries, professionals, academics and executives on its rolls as members. It annually organized more than 400 management activities including top management seminars with a total participation of twenty thousand executives and entrepreneurs. On financial fronts, subscription and membership fees had grown up to 38% in 2009-10 from 29% in 2006-07 (exhibit 12 and 13), but

membership has also increased from 4,494 in 2008 to 6,597 in 2011 (exhibit 6). MMA's annual expenditure as a percentage of annual revenue decreased to 68%, also expenditure on running the programmes decreased to 16.5% from 26% of annual revenue in 2009-10 from 77% in 2006-07 while its surplus had increased to 33% in 2009-10 from 23% in 2006-07 (exhibit 12 and 13). So MMA is efficient in financial fronts, the major reason for this efficiency is large and stable membership which has increased in past 5 years. MMA has to focus in retaining membership in Chennai by continuing various mix of activities.

MMA is planning to expand itself outside Chennai, but the membership base at Hosur and Salem is 164 and 343 respectively, which is very low in comparison to Chennai which holds 5,883 memberships. MMA instead of launching all set of activities in other areas should focus on increasing membership. For this they can replicate the same initial model i.e. launching flagship training programmes first and then increases retaining programmes (annual conventions, special ventures, institutes, awards etc.). There are more areas where they can expand following the same model (Exhibit 15).

The major strength behind success of MMA is its Governance and Administration, which includes well structured Managing Committee (Exhibit 4). Committee members had always kept the vision in their mind and executed every programme effectively. Though individual objectives can be set for different programmes but the overall objective should be the managerial excellence.

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All love is expansion, all selfishness is contraction. Love is therefore the only law of life. He who loves lives, he who is selfish is dying. Therefore love for love's sake, because it is the only law of life, just as you breathe to live.

- Swami Vivekananda

Madras Management Association: Managing Diversity, Growth and Excellence

Anita Sharma

The case "Madras Management Association: Managing Diversity, Growth and Excellence" dwells around the stumblers and star phases during the growth of an organization (Hambrick & Crozier, 1986). Since inception, Madras Management Association (hereafter, MMA) has been serving the cause of managerial excellence to achieve its vision to be the fountainhead of world-class management excellence in India. With a vast array of activities, for instance, lectures, seminars, conventions, workshops, discussions, games and field visits, MMA has been associated with over 5000 corporate houses, industries, professionals, academicians and students. The case mentions the importance of people, processes, and structure that make a difference in the evolution of an organization. The case is an interesting read and brings forward two important aspects, i.e. the growth of an organization, and the institution building.

Growth is something every organization strives for. In search of growth and excellence, organizations sometimes evolve as an island of excellence in an ocean of mediocrity. These evolved organizations become institutions in themselves. They are resilient, adoptive, leadership driven and owned by stakeholders. The success of such organizations lies in the convergence and reinforcement of its leadership strategies, structure and processes & practices. Greiner (1998) explained growth in three ways, viz. an organization's age and size, organization's stages of evolution and revolution, and the growth rate of the industry in which it operates. In simple words, the growth is usually a relative measure of size over time. Over a period of time MMA's size in terms of membership, functions and activities had increased many folds. The exhibit 6 provides some interesting insights about the membership status at various MMA chapters at non-metro cities like Hosur, Selam and Puducherry to spread the excellence in management across the State for the benefit of the industry. There had been an overall increase in the

institutional members', individual members', associate members', AIMA and student members' membership status. However, in Selum (from 2010 to 2011), unlike other chapters there had been a decrease in the student membership. And surprisingly, despite being an industrial hub, Hosur had nil student membership over the years.

There had been other over-arching themes of success of MMA. For instance, there had been an increase in the number of conventions, forums, management development programs and entrepreneurship development program. MMA had not faced any internal turmoil yet plausibly due to unique election process and stipulated time period of service of ex-officio members of the Managing committee. It had in-house monthly magazine Business Mandate which covers vast range of topics that interests today's youth. It also had a unique venture like MMA-KAS project for entrepreneurship development which promotes, fosters and develops entrepreneurship and result based leadership.

Organizational aspirations are the function of its desired conditions to its existent conditions. However the aspirations and growth often bring fundamental challenges and problems due to instant increase in size and scope of activities. Presently, MMA is in its 'Prime' stage where the focus has been given on the plans and procedures to achieve both effectiveness and efficiency (according to the PAEI model of the growth (Adizes, 1979)). For instance, MMA's student chapters at non metro cities had been providing successful management programmes for holistic development in emerging paradigm. MMA had made 'professional management' accessible to indigenous entrepreneurship to smaller cities. By doing this, MMA had been inspiring individuals to actualize their latent potential, nurture their creativity and originality, and synthesis the Indian ethos with international management thoughts to brace up for the global challenges.

In 'prime' stage any organization is at its healthiest, fittest, popular and profitable condition. Thus MMA too is fervent to sustain the 'prime' stage. However, in future (due to increase in the size and scope of the activities) MMA might have to face the problems and obstacles viz. a sense of infallibility, functional problems, internal turmoil or extraordinary resource needs. Thus to sustain the 'prime' stage, MMA is required to maintain a balance between control and resilience with an innovative, adoptive and more disciplined environment (with stakeholders).

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In criticizing another, we always foolishly take one especially brilliant point as the whole of our life and compare that with the dark ones in the life of another. Thus we make mistakes in judging individuals.

- *Swami Vivekananda*

Perspectives on Crime against Women¹

M.N. Buch

Crime and Punishment

Seven persons are alleged to have raped a 23-year old woman in a moving bus in Delhi at about 2130 hours. The gentleman accompanying the lady was brutally beaten up and ultimately he and the lady, who was unconscious because of repeated assaults on her, were stripped naked and thrown out of the bus. The victim of this crime has suffered serious internal injuries and was battling for her life in a hospital. The extent of trauma she must have suffered is yet to be assessed, but it would not be surprising if she is mentally and physically scarred. The gravity of the offence, the sheer barbarity of the behaviour of the seven accused, has shocked the nation and brought angry demands in Parliament and on the streets to make rape a capital offence so that people are deterred in future from committing this crime. The Indian Penal Code provides the death penalty for a number of offences. Under section 194 IPC for fabricating evidence which can lead to the conviction and execution of an innocent person, under section 121 for waging war against the State, for murder under sections 302 and 303 and for an offence under section 27(3) of Arms Act, the death penalty can be awarded. In cases under section 303 IPC and 27(3) Arms Act this is mandatory. The question is how effective has been the death penalty to deter murder, treason, etc.

Except in the two types of cases where the death sentence is mandatory, the trial court has the option of awarding imprisonment for life on conviction. Generally speaking the courts avoid awarding the death penalty and the Supreme Court itself has ruled that death penalty should be imposed only in the rarest of rare cases. The offence should have been premeditated, preplanned, motivated by extreme personal greed, committed with savagery which indicates the vengeful nature of the perpetrator of the crime, or have resulted in such outrage in the

community that such a criminal should not be allowed to escape the noose. The case of Ajmal Kasab is one of the rarest of rare circumstances and the death penalty was rightly imposed and executed. In the case of Afzal Guru the circumstances are even worse. He masterminded an attack on Parliament, the very institution which symbolises our democratic polity. Nine innocent persons, including policemen, were killed by the terrorists and Afzal Guru was rightly given the

death penalty, a sentence upheld by the High Court and subsequently by the Supreme Court. Despite this, for political reasons, he has still not been executed. A delayed execution, if it ultimately comes about, is no deterrent and it can lead to political exploitation by the nation's enemies against our interests.

Rape is horrible because it violates the body, the mind, the honour and the dignity of the victim and thereby is a direct attack on all womanhood. The offence of rape is defined in section 375 IPC and is punishable under section 376 IPC. Section 376 provides a minimum prison sentence of seven years, though the court may award an enhanced penalty of anything between ten years to life imprisonment. The penalty for rape is already just short of death and because life imprisonment for rape is equivalent to the penalty awarded in the vast majority of murder cases raising this penalty one notch to death is hardly likely to make any difference. Because a sentence of death and its execution thereafter is irrevocable the courts would be very reluctant to award it. Murder, that is, permanently depriving a person of life, will always be a more serious offence than rape, regardless of what women activists might say. Despite this, generally speaking, in murder cases life imprisonment is the norm and death penalty is the exception. Is rape so much more serious than murder

¹ This perspective section is a compilation of five articles written by Dr. M. N. Buch in the context of Nirbhaya incident that rocked the nation in December 2012. It also covers a reflection on these articles.

Note : IMJ is thankful to the author for his consent to publish his work.

that we should insist on a mandatory death penalty in rape cases?

What deters a person from committing a crime? Is it the quantum of punishment or is it the absolute certainty of punishment in the shortest possible time after commission of the offence? Let us take the case of a traffic offence, say, jumping a red light. If a traffic offence brings immediate punishment the habit of obeying traffic laws becomes ingrained. Most British drivers follow the law faithfully, partly because this is now a part of their character but also partly because they know that there is a very strong possibility of their violation being noticed and punished. In other words, the fear of penalty does act as a deterrent and ultimately leads to obedience of law becoming a habit. If the law is enforced strictly and the offence is punished soon after it is committed, the penalty will have a deterrent effect. If detection of the offence, its trial and outcome of the trial are all long delayed, respect for law reduces, the delay may itself result in evidence being destroyed or tampered with and the deterrent effect of penalty would be lost.

After the Delhi rape everyone is shouting for fast track courts to try rape cases. I have carefully gone through the Code of Criminal Procedure and the Rules and Orders (Criminal) of the Madhya Pradesh High Court. The general tenor of the Code of Criminal Procedure

is that cases should be tried with due dispatch. Under section 309 Cr.P.C. it is provided that "In every enquiry or trial the proceedings shall be held as expeditiously as possible and, in particular, when the examination of witnesses has once begun, the same shall be continued from day-to-day until all the witnesses in attendance have been examined, unless the court finds the adjournment of the same beyond the following day to be necessary for reasons to be recorded". Every court in India is supposed to follow the same procedure as a fast track court, that is, it must hold a day-to-day trial. If, however, as is being demanded, there should be separate fast track courts for rape, it only means that we accept that our trial procedure is defective and that our courts are incapable of dispensing justice. It is alright for murder cases, or a trial for treason, to be indefinitely delayed. It is only rape cases which must be tried swiftly. This is not a proposition acceptable to me because all trials must be expeditious. That is what the law provides.

Rape cases must be detected and prosecuted vigorously and swiftly and an effort should be made to obtain a conviction within three months of the offence. The law already provides for a minimum sentence of seven years imprisonment. Awarding the death penalty will not stop rape, but swift and harsh punishment will certainly deter would-be rapists. That should be our objective.

An Object Lesson in Government Incompetence

When salmon swim against all odds to reach their spawning grounds no obstruction can stop them. The huge number of rape cases now being reported in India reminds me of this annual migration of salmon. Was India free of rape till fairly recently and has the crime become suddenly endemic? Is it a question of rape victims now becoming more vocal about the crime against them and more ready to come forward and report it? Have social mores and behaviour changed so much that suddenly there is an upsurge of rape against woman and is there both a qualitative and quantitative difference between the past and the present? Are women suddenly more unsafe than before? As a young District Collector and several years later, both in a senior capacity and after retirement while working in the rural areas,

I often asked villagers why they insisted on marrying off their daughters as soon as they attained puberty. The universal answer given to my question was that the parents of girls felt that as their daughters approach puberty they become vulnerable to sexual assault and rural society was not organised to control this phenomenon. Therefore, parents tried their best to have prepubescent girls engaged and to be immediately married at puberty. The argument that the law prohibited the marriage of girls below the age of eighteen was not accepted by the villagers who countered that because the law was unable to protect the girl child, therefore, family honour demanded that the girl be given into legal matrimony. The fact that this virtually amounted to legalised rape of a young child who had not achieved

full majority left most people cold. Here I might point out that the region where most child marriages took place was and is northern and central India. Kerala does not have this phenomenon at all. Considering how the northern mindset works, the khap panchayats of Haryana and the generally subordinated position of women in society, one is inclined to believe that there is a kernel of truth in the argument that as a girl matures she should be handed over to a husband through marriage, even if the girl was below the legal age of marriage. I would take this as a clear indication that India is not a society in which gender equality is the rule and that in fact there is a great deal of gender discrimination practised both overtly and covertly in this country.

Can a country survive and prosper if half its population is discriminated against? As it is, the Hindu desire for a male child has already skewed the sex ratio adversely against women. When we look at different forms of discrimination within this country, including on account of caste, a social activist could argue that India is a highly exploitative society in which the fortunate few are able to build their own areas of influence by using those against whom they discriminate as stepping stones on to which they climb for their self-aggrandisement. This, however, is not an essay on equality equity and discrimination per se and I shall leave the argument here, but with the remark that the sexual exploitation of women is only one of the results of having a society which is not based on equality. This is a matter which should cause great concern to our politicians, administrators, academicians and social activists.

Let us take the recent rape in a moving bus in Delhi, which has left the victim at death's doorstep and has virtually acted as the last straw on the camel's back in that it has breached the bounds of tolerance of our people and united them in revulsion against such crimes. The ongoing protests in Delhi are evidence of the people at large being fed up with the deteriorating law and order situation and the sheer ineptitude of government in dealing with it. The fact that crime against women is on the increase and government has been unable to contain it is a major factor behind public anger. It expressed itself at a spontaneous gathering of the young

at Vijay Chowk at India Gate and through virtual blockade of Raisina Hill, the seat of government. What the demonstrators were demanding is the quick arrest of the accused, swift trial and condign punishment. There was an element of lynch law in the demand of the demonstrators, but that is only to be expected when tempers are running high. That does not mean that government should succumb to pressure exerted in the streets, but certainly the government is expected to listen to what people are saying. Unfortunately that is not what is happening.

The sequence of events is that perhaps twenty-five thousand people gathered at Vijay Chowk and along Rajpath. This gathering was spontaneous and certainly it did not have a political organisation behind it. The police barricaded the streets and deployed a large number of policemen equipped with anti-riot gear. This included a number of Vajra Vans which are equipped with water cannon and tear gas launchers. This is the stage at which the President should have walked out of Rashtrapati Bhawan and down to Vijay Chowk. He should have invited the demonstrators to gather around him, he should have heard them and then assured them that he would persuade government to take swift action to apprehend the accused, bring them to trial and vigorously prosecute them so that they could be convicted and sentenced in the shortest possible time. The Prime Minister, the Home Minister and the Lieutenant Governor of Delhi should have assisted the President in this behalf. It should not have been left to Mrs. Sheila Dixit, Chief Minister of Delhi, to be virtually the only person to plead the case for quick justice. The young demonstrators would have been reassured if this had happened and I am absolutely confident that the agitation could have been contained there.

There is another area in which swift action was called for. I spoke to the Cabinet Secretary and the impression I gathered was that the movement of the bus in question had not gone altogether unnoticed. Apparently a police patrol vehicle had sighted the bus, but despite its erratic movements it had not been thought fit to stop and inspect the vehicle. The dark film on the windows of the bus and the drawn curtains both violated the rules in this behalf framed under the Motor Vehicles Act and

that was sufficient ground to stop the bus and board it. Obviously there was gross dereliction of duty by Delhi Police personnel on the ground and this is inexcusable. An alert government should have called the District DCP, Sub-Divisional ACP and the Station Officers of the police stations through whose jurisdiction the bus passed to account and taken drastic action against them. Obviously the DCP had not instructed his officers properly on how to deal with violations of rules by bus owners, nor were members of the patrolling staff properly directed in the performance of duty. Unfortunately in India we only act against minions and not against the superiors under whom they function. Action against errant officers does not demoralise the police force if there is evenhanded justice. Inaction which leads to deterioration in police performance certainly demoralises people at large and in the ultimate analysis government is there for the people and not for some officials. The excuse that action against police officers demoralizes the Force is neither justified nor acceptable.

There was total political mishandling of the situation because no senior minister cared to communicate with people in the streets of Delhi. Its officials did not do so either. In 1966 I was the District Magistrate of Ujjain when a serious bout of students' unrest arose, which culminated in violence in which stern action was taken, resulting in twenty-three students and twenty-one policemen being admitted to hospital with fractures, etc. The Superintendent of Police had five fractured ribs and I had a dislocated knee and a head injury from stone throwing. There was great anger in the student community and amongst the police, but I walked into Madhav College, the epicenter of rioting, the very next day and in the canteen I asked the gathered students to get me a cup of tea. When the students reacted angrily I asked them how many more of them would like to join their colleagues in hospital and on this a sullen student brought me a cup of tea. I then gathered the students around me and allowed them to vent their anger. After they ran out of steam I told them that a week from that day I would take them on a picnic to an irrigation tank near Ujjain and would also have a hockey match with them. I said that whilst enjoying my hospitality they were free to heap abuse on the

Superintendent of Police and on me. In due course the picnic took place, the students beat my hockey team by four goals, went through all the food that we had prepared and ultimately we all parted as very good friends. The moral of the story is not that I am a great guy but rather that if people who wield power interact with and listen to citizens almost every problem can be solved. Had our leaders and officers been more sensitive the Delhi situation could have been defused within a day. It is the sheer ineptitude and inability to govern of our present government that is responsible for its own woes.

The matter is now mired in filthy controversy. The angry Chief Minister of Delhi has openly criticised the police, especially because she has no control over it. The Police Commissioner, an IPS officer who should have kept his mouth shut, has chosen to go public. If a subordinate officer had done something wrong he would have been charged with violation of the Conduct Rules. Neeraj Kumar should know that the rules apply to him also and for any civil servant anonymity is of prime importance. There are charges and counter-charges, with a stupid statement by Neeraj Kumar that if sacking the Police Commissioner improves the situation he should be sacked every day. Does it mean that stringing him up by his thumbs would be an even better solution? The fact is that Delhi is perhaps the only city which has a police force adequate in number as a proportion of the total population. Obviously the police is not as sensitive to its duties as it should be, with the result that crime against women is not taken as seriously as it should. The police has to be very proactive in ensuring that the dignity of women is protected and proactive policing demands intervention by the police in every case in which there is any element of sexual harassment. The malady is an old one. I remember that in 1978 the daughter of Dr. Sneh Bhargava, who went on to become the Director of AIIMS told me that when she went to college using a public bus she wore extra thick jeans or trousers, despite which her bottom was often black and blue because would be Romeos never hesitated to pinch it. I was head of the Delhi Development Authority and Delhi was a smaller city and we were still a conservative society. Today things are worse, which is all the more reason why the police must be proactive

and society must insist on this.

On the one hand is the victim of this particular rape who probably will not survive, which means the offence would be of murder if she dies. If this happens and the court convicts and sentences the accused to death, I suppose the blood thirst of the people would be assuaged, though it would not bring the victim back to life. On the other hand we have a government which even today is handling things in a highly ham-handed manner. The lathi charges, tear gassing, use of water cannon perhaps became inevitable once the crowd had become restive and, subsequently, violent and uncontrolled. However, what led up to the situation was the fact that no responsible person spoke to the crowd and this led to lumpen elements entering the fray. Now there is an unseemly fight between the Chief Minister of Delhi and the Police Commissioner and the allegations have rendered the air thick with an impure fog. What is going on? Do we have no government worth the name today? We need to take the following steps immediately.

1. The Delhi Police should be transferred lock, stock and barrel to the National Capital Territory Government

and the Chief Minister should be made directly responsible for law and order.

2. Because Delhi is a Union Territory some powers may be reserved for the Lieutenant Governor in the matter of law and order just as it is in Nagaland and Arunachal Pradesh.
3. The Delhi Police Commissioner should be told that he is supposed to silently do his duty of administering the police force, maintaining law and order and controlling and prosecuting crime. He is not allowed to open his mouth in public.
4. The Ministry of Home Affairs should restrict itself to general policy guidelines, but leave superintendence over the police to the Lieutenant Governor and the Chief Minister of Delhi.
5. The entire police force should be sensitised to protecting the dignity of women and any officer of any rank who fails in his duty should be immediately subjected to severe disciplinary proceedings.
6. Government must even now engage the people in dialogue, take strict action to ensure that the present case ends in successful prosecution and the situation is defused and normalcy restored.

Systemic Failure or Organ Failure?

The Chambers Twenty-first Dictionary, which is quite an authoritative lexicon, describes 'system' in the following words, "A set of inter-connected or inter-related parts forming a complex whole". The word 'systemic' is defined as "referring or relating to a whole organism. 'Organ' is defined as, "A part of a body or plant which has a special function, e.g. a kidney, a leaf". Therefore, when an organ fails it is an individual part which becomes inoperative and, perhaps, with proper treatment the organ, or part, can either be repaired or made functional, or it can be replaced. A systemic failure, however, would be much more serious because in such a situation the entire system, or the complex whole consisting of individual organs, begins to give way and this can lead to what can only be called termination which is irreversible. Here all the organs either seriatim or collectively fail. The situation can still be retrieved by repair or replacement. The question which faces India today is whether our body politic is

facing organ failures or is it that we are looking at a system failure?

The total system under which India operates is what is provided in the Constitution. The body politic consists of three major subsystems, the Executive, the Legislature and the Judiciary which together constitute the whole system called the Indian State. Within the overall system and the sub-systems there are a number of organs which are required to perform specific functions. Schools and colleges are required to impart education, medical institutions are meant to look after the health of citizens the Income Tax Department is supposed to collect taxes levied by the Legislature, the Agriculture Department is meant to promote agriculture and the Police are required to create an overall environment of security and for that purpose to maintain law and order, prevent, detect and prosecute crime, guard the country against externally sponsored acts of terrorism and generally reassure people that they can go about their normal

vocations in peace. This functional distribution or responsibility applies to all the organs of the State and to all levels of public servants, elected or appointed. Sometimes a particular organisation or department fails to live up to our expectations. Some civil servants do not carry out their duties faithfully. Quite often even at subsystem level there is failure, such as the virtual lock out of Parliament that we have witnessed for the last few months. Sometimes the citizens themselves are so annoyed with a particular organ of the State that they react strongly and, therefore, there is a hiatus between public servants and people at large. These are aberrations which will crop up from time to time in any system, but the system itself has to be resilient enough to apply self-correcting measures so that the organ which is faltering is brought back on track. Organ failure is correctable but when the self correcting mechanism fails it can have a cascading effect on the functioning of organs and an unchecked failure of one organ can cause other organs to come under stress and fall. This can lead to systemic failure, which has to be avoided at any cost.

How sound are our systems? Because the republic is founded on democracy and the fact that every five years people do exercise their franchise in an environment which is basically free of fear means that democracy has taken very deep roots in India. Democracy, therefore, becomes the very base, the very foundation on which is the system rests and this foundation cannot be destroyed. This does not mean that the superstructure, which corresponds with organs of a system, cannot be damaged, but systemic failure cannot take place unless the foundations themselves crack. The foundations of Indian democracy are stable and safe and this can be categorically proved by the failure of the State of Emergency which Indira Gandhi declared in 1975 and had to hastily withdraw in 1977. This is one side of the story, but the other side is that if organs fail and corrective measures are not taken in time, cumulatively this can lead to a system failure. There are many critics, many pessimists, who say that this is beginning to take place increasingly and that we are in danger of systemic failure. People with extremist views go to the extent of saying that the systems themselves are rotten and

we should scrap them and create new systems. In Russian the Tsarist Government and the Tsarist system had become rotten and, therefore, the Russian Revolution took place and Imperial Russia became the Communist ruled Soviet Union. Every organ of the old regime was destroyed.

The problem with revolutions is that they quite often go against the established nature of things and, in turn, they themselves fail. Two glaring examples of this are Russia today and the modern Peoples Republic of China. Within seventy years of establishment the Soviet Union broke up and disappeared, to be replaced by the Federated Russian Republic which has moved away from one party rule of the Communist Party of the Soviet Union to something which is attempting to resemble western multi party democracy. The Eastern Republics have broken away from the Soviet Union and its successor State, Russia, as have Ukraine, Belarus, Latvia, Estonia, the Caucasian Republics of Georgia and Armenia. The system failed and the country split. The second example is of China, where Mao's revolution transformed a rotten Kuo Min Tang governed China by the Peoples Republic, which consolidated the country but also brought it under harsh one party rule. Today, however, the picture has changed and is continuing to change. Under Deng Tsiao Ping and his successors China has moved away from an extreme Left Wing form of communism and instead wholeheartedly embraced the capitalist economic system. Politically China has remained under one party rule and the tension is apparent between an economic system which is liberal and a political system which is still rooted in the shibboleths of Marx, Lenin and Mao. Yet this country has accepted Hong Kong and Macau, former British and Portuguese colonies, as part of China but following their old political systems. Here revolution has turned to evolution, which has kept the country intact and will probably drive it closer to liberal ideas of political organisation, though not necessarily the Westminster or the American model of democracy. This country is to be watched very carefully, not so much because it is now an economic powerhouse but because political changes are taking place which may have very far reaching effects globally.

It is in the context of what the holders of extreme views on how the Indian State functions have to say about scrapping the system that I have brought up the position prevailing in Russia and China. The Indian system of change is evolutionary rather than revolutionary and, therefore, the change tends to be seamless, painless and very long lasting. For those with short memories I would like to draw their attention to what Jawaharlal Nehru and S.K.Dey achieved through the Community Development Programme. Colonial India with its highly regulatory administration was launched on the path of development, especially rural development, by co-opting the people of our villages into an effort to galvanise rural society and unleash people oriented, people driven rural development. Without anyone realizing it India evolved the system of development blocks, each headed by an officer specifically dedicated to the development agenda. The regulatory mechanism of the tehsil and district remained, but a new unit of administration, the block which was coterminous with tehsils in States which had small tehsils and with more than one block per tehsil where the tehsil was large and could be segmented into more than one block. Extension officers in various disciplines were posted in each block. The BDO was equivalent in rank to the Tehsildar, but because the development administration structure was separated from revenue administration, which could be called coercive to an extent, we had a new cadre of officials who were accountable to the people at block level and whose only agenda was improvement of the rural economy. Setting up a parallel development administration without reducing the importance of the regulatory administration was a remarkable achievement and India can take great pride in this. It is on this foundation that the subsequent panchayat Raj system has been created. This evolutionary form of passing real power to the people through the Panchayats is the an achievement of which India can be justifiably proud. Had we abolished the tehsil and had created only a development administration we would probably have had the chaos that now prevails in Pakistan where half baked reforms which virtually destroyed the district administration without a parallel Panchayat system to take over, disconnected the police from accountability

to the Magistracy and converted the Deputy Commissioner of a district to a District Coordinating Officer with virtually no coordinating powers, has led to administrative chaos. Our method is better.

The recent debate has originated from the unfortunate rape of a young woman in a moving bus in Delhi and her subsequent death, which has led to an outburst of horror and rage against the manner in which the Indian State is functioning. People are absolutely fed up with crime, especially against women and the rape of the young lady has led to widespread public revulsion and demand for action. People want modified lynch law to apply, they are attacking the police, the judiciary and the legislature for failure to enact tough laws and to enforce them and they want sweeping changes in the organs of the State which would amount to systemic changes. Any attempt to tell people that whereas the anger is justified it is the law which must take its own course, not only because people demand it but because the law is on the statute book and it is the duty of the Executive to enforce the law. The anger of the people is understandable, but what is not understandable is the manner in which government has handled the whole matter. What the people needed was reassurance from the highest officials of the State, including the President and Prime Minister, that in the instant case there would be swift justice, in general there would be a tightening of security and law enforcement in such a way that law breakers begin to have fear of the law and that the general security environment would be improved so that everyone in India, especially women, has the right to protection of laws. This demand is absolutely justified and had government taken steps immediately which could convince the people that government is serious, the things which happened in Delhi when the protests started would not have taken place. If the President, the Prime Minister or the Home Minister, as also the Lieutenant Governor of Delhi had not sheltered behind police barricades and had come to Vijay Chowk to talk to the protesters, not only the would the people be reassured but the agitation itself would have ended. None of these functionaries thought it fit to meet the people, not within the four walls of their own office but in the open where people could congregate around

them. A little courage shown by the leaders would have defused the situation immediately, but then we are ruled by insensitive people who are also cowards. This is a prime example of the executive organ of the State not performing its duty and to some extent this amounts to an organ failure. However, it is remediable if for the future the lesson is learnt and the administration goes out of its way to meet people, hear them and then provides suitable remedy and takes suitable corrective steps.

There are a few signals about organ failure or at least organ stress on which I would like to comment. The first goes beyond an organ and forms a sub-system which is a vital constituent of the Indian State. I refer here to the Legislature. Whether it be Parliament or a State Legislature, the legislative organ of the State is really the most important constituent of the democratic system because the House is elected by all the people and, collectively and individually, it and its members represent the people of India. The representatives of the people have at all time to be accountable to the people and, therefore, behave in a responsible manner. The people's mandate to the Legislature is to deliberate and legislate, that is, give us a system of laws which makes India a society based on law rather than arbitrariness or whimsicality of the ruler. It is the custodian of the public exchequer in that it votes grants and the budget in its totality, which authorises the Executive to draw funds from the Consolidated Fund of India and make accruals to it through revenue and capital receipts. The Executive can neither impose a tax nor an impost, nor can it spend even a single naya paisa without the approval of the Legislature. In turn the Legislature can call the Executive to account on how the money has been spent and in this it is assisted by the Comptroller and Auditor General of India. The Executive has to account for every expenditure and, therefore, the parliamentary convention is that if government is defeated on a Money Bill and, in particular the Appropriation Bill, it must resign.

The Legislature also calls the Executive to account in its executive functioning through questions, call attention motions, adjournment motions, motions of no confidence, debate, discussions and resolutions. This

can only be done if the Legislature meets for extended periods of time, each day's session lasts the whole day and discussions and debate take place in an environment of peace and normal give and take. If the Legislature meets for just 50 to 60 working days in an year, as is the case with most State Legislatures, or proceedings are held up for days and months because the opposition and the ruling party do not see eye to eye on issues and nonissues, then the legislative subsystem comes under more stress. This can affect the working of the Executive and then there is a real danger of a systemic failure.

There are remedial measures which can be adopted. India does need more than more party and, as I have written in the past in extenso, ideally we should have a centrist party, a left of centre party and a right of centre party in which the centrist party becomes a pivot, but also a role model which prevents an excessive swing either to the Left or to the Right. Splinter groups and purely regional outfits should either have no presence in Parliament or a very subdued presence. If we adopt one single political reform, that is, no independent candidate stand for Parliamentary election unless he has won at least one local government election and one assembly election, with a condition applying to regional parties or splinter groups that unless they, as a party, hold at least five seats each in the Legislature of three States, they cannot contest an election to Parliament. The smaller parties would then either have to merge into larger parties, or they would have to expand beyond the narrow confines of their State boundaries, or they would have to confine themselves to State Legislatures only. They would then not be able to exert pressure in Parliament which would be far more in proportion to their numerical strength. If the larger parties are no longer at the mercy of these small groups one can definitely expect more responsible behaviour by them, both in government and in opposition.

Moving from a whole subsystem to organs of government within subsystems, I would like to comment on three of them. The first is government. As a part of the Executive organ of the State the government is required to function within the mandate given to it by the people, that is, the approval given by the people during elections and the agenda and programmes of the

party which is voted to power. The party manifesto, the party ideology and the party agenda cannot and must not be altered case by case and government must adhere to the policy guidelines provided to them by the manifesto and agenda of the ruling party. This will guide future legislation and it will certainly guide policy formulation on specific issues. Within these parameters, however, those instrumentalities of the State which are responsible for implementation of policy will take the orders from the law, the people's mandate and the decisions of the Council of Ministers. The problem in India is that government itself vacillates and dithers, with the result that its officers do not have clear-cut orders or a clear-cut policy which they are supposed to implement. This is an organ failure, but if it enlarges itself to encompass the whole range of executive action, then organ failure here can lead to failure of the subsystem and this must be guarded against. The Constitution in Part XIV already gives the Civil Services protection against arbitrary action, the Preamble, Articles 14, 19, 21 and 38 of the Constitution lay down the fundamental duty of government to promote a welfare state and the Rules of Business framed under the Constitution categorically provided for the manner in which public servants will function, impartially and without fear or favour. If we can go back to a system in which every functionary is not only allowed but actively encouraged to do his duty according to the mandate given to him, we would be able to stop the downward slide of the efficiency and efficacy of our public servants. This is well within our means and if there is to be public protest, it should not be confined to an individual case of rape but must take the form of insisting that government functions effectively.

The second organ I would like to pick up is the judiciary, which is one of the constituent organs of the State and forms a complete subsystem. People talk of judicial reforms. Even the Supreme Court keeps emphasising this, but no one has really articulated what they mean by judicial reforms. Any reform which aims at reducing or in any way curbing the independence of the judiciary enshrined in Chapter 5, Part V and Chapter 5 and 6, Chapter VI of the Constitution has to be firmly rejected. If the judiciary, from the court of first instance upto the

Supreme Court, becomes in any way amenable to pressure by the Executive or the Legislature, it can neither function independently nor can it be a guardian of the Constitution and the rights of the people against Executive or Legislative highhandedness. Having said this one has also to recognise that there is a great deal of inefficiency and even corruption in the judiciary today and that this has to be cleansed with a heavy hand. The cleansing process, however, must be a part of the judicial system, with no say of the Executive or the Legislature. The judicial reforms should take the following form.

1. An objective assessment of the strength of judges and magistrates from the court of first instance upto the Supreme Court which should be approved to deal with the huge number of cases now pending or likely to be instituted in future.
2. A process of selection of judges which safeguards the independence of the judiciary, but is transparent, open to examination and time bound in the matter of selection and appointment.
3. A clear-cut understanding by the judiciary at all levels that the provisions of section 309, Cr.P.C, which call for speedy disposal on a day-to-day basis will be applicable to every court in India and every judge and magistrate will be held accountable for delays. In this the High Courts and the Supreme Court must interact with the Bar Council of the State and Bar Council of India to ensure that these Councils lean hard on their members to help in speedy disposal of cases rather than act as obstructions which indefinitely delay trials.
4. The High Courts and Supreme Courts must exercise self-restraint in the admission of appeals and petitions so that trivia is thrown out at motion hearing. Today many petitions are entertained, especially Public Interest Litigation, where the issue is high profile that the judge can garner free publicity. This hits at the roots of the anonymity of judges. Today a normal petition or appeal before a High Court or the Supreme Court remains unheard for years at a time, but Public Interest Litigation gets priority. The Supreme Court must take a good hard look at what really constitutes public interest and must issue suitable directions to

the High Courts so that normal cases received due attention. Of course in order to achieve speedy trial there has to be the cooperation of the prosecuting agency and of the police in ensuring that process is served and presence of witnesses ensured.

The third instrumentality I would like to speak about is the police. At one level it is the coercive arm of the State because it is utilised for putting down public violence and maintenance of law and order. This is a legitimate role, provided that the police is not used selectively. We need to strengthen the Executive Magistracy and the Police in tandem so that, faced with a particular law and situation, the Police and the Executive Magistracy will react in an uniform and predictable manner. Minimum necessary force will be used at the first instance of a law and order situation developing, with the emphasis on preventive action, followed by physical force when that becomes necessary. Neither government nor any other functionary should be allowed to interfere in this part of the duty of the Police, that is, immediate intervention to prevent a law and order situation spiralling out of hand. If such a philosophy has been built into the Gujarat Police and Maharashtra Police the post Ayodhya riots in Maharashtra would have been brought under control very quickly, as would the post Godhra riots in Gujarat. The coercive arm of the State, in exercising force, must do so in the interest of the people at large, which means that necessary force will be used to curb lawlessness at the earliest juncture, with no one having the power to stop the police from doing its duty.

Another area in which the Police operates is in the prevention of crime, its detection, investigation and prosecution without delay and in maintaining surveillance over criminals, which would prevent them from indulging in criminal activities. Under Chapter XI of the Code of Criminal Procedure the Police is not

only authorised but is required to take preventive action so that cognisable offences may be nipped in the bud. Under Chapter XII of Cr.P.C the Police is required to investigate every cognisable case and to carry the investigation forward upto the stage of filing a challan before a competent court. Under law the power of the investigating officer to investigate a cognisable offence is unlimited. His superior in the police hierarchy can guide him or even take over the investigation himself, but he can neither order him to drop an accused against whom a prima facie case is made out nor order him to falsely implicate someone against whom no case is made out. However, as we have seen in innumerable cases investigated by CBI, interference at political levels in the investigation of offences is quite frequent and this is one reason why CBI has such a dismal record of conviction. If the Police is unable to investigate offences or is unwilling to do so, it is inevitable that lynch law will prevail, as happened at the time of the infamous Bhagalpur blinding case. If we are to be a society of laws then lynch law has no place in India. This means that for our own sake we have to make the Police an effective instrument of crime control and for this purpose we must give the police freedom of action. I do not agree with a great deal of what Prakash Singh says in the matter of details of police autonomy, but I am in total agreement with him that the operational freedom of the Police must be restored, strengthened and enhanced. Whatever legal changes are necessary in this behalf should be brought on the statute book with great speed.

There is no doubt that the superstructure of the State is under considerable stress. Different organs are distressed and weakened and there are signals about current or potential organ failures. As yet there is no danger of systemic failure, but it is about time that we took note of what is happening to the organs of the State and to apply remedial measures now.

Propriety and Appropriateness

This paper will probably be considered politically incorrect. One is bored of excessive propriety and one sometimes should make politically incorrect statements. This is one such occasion. There is a story about the British Army of the Rhine, which is how the British

occupying forces were called in Germany after the defeat of Germany in 1945. A British major was seen running stark naked down the corridor of his hotel chasing an equally naked woman. He was court martialed for conduct unbecoming of an officer and a gentleman. His

defense was that as per King's Regulations an officer was required to be appropriately dressed for the pursuit in hand, which he was on that particular occasion. He was acquitted.

I relate this because for every occasion and in every pursuit everyone, men and women, must dress and behave appropriately. Let me start with men. One would not play tennis dressed in an overcoat, nor go swimming dressed in an achkan. There is a dress appropriate for office, another for walking in the streets and yet another for a formal function or a party. I am normally dressed in a white half sleeved shirt and white trousers, summer and winter, but for an investiture in Rashtrapati Bhawan I wore a formal bandh-gala suit. I do not feel deprived of my rights because I wear clothes appropriate to a particular occasion. There is a time for being dressed casually, another for being dressed formally and yet another for playing games. What applies to men applies equally to women, despite the fact that many women activists say that any comment on the clothes a woman may wear amounts to a direct attack on her freedom of choice. Does this mean that a woman may go to a place of worship dressed in a swimming costume?

Generally clothes are worn for comfort, for protection against the weather and to suit the purpose or occasion for which one dresses. Working women should normally go to work somewhat formally dressed, as is the case in the western world. A casually dressed woman executive would certainly be told by her superiors that what she wore was contrary to propriety and appropriateness and that she should not dress like this in future. Casual dressing is for comfort but it is not exhibitionist and the purpose is to allow the lady in question to walk, work in the house or attend to other casual activities in clothes which help her in doing so. However, there are occasions when western women dress skimpily and other occasions on which they dress up in finery. Normally this would be in accordance with the occasion, but there are some occasions on which women dress provocatively. Here the purpose is to emphasise one's body, draw attention to it and thereby attract a male or males, the ultimate purpose of which may be to develop a relationship. A lady in a single's bar dressed provocatively is obviously looking for a

male companion and this is not frowned upon. At the same time she is free to repel unwanted attention and males accept this as normal. The social mores of the west are different, but nevertheless there is a code by which unwanted attention can be repulsed and welcome attention accepted without the woman in question being considered as being of loose morals. That is how society is constructed there.

In India the situation is different. We are still a fairly conservative society, which is why, thank God, even Goa at its worst is not a pale shadow of Pattaya in Thailand. There and in other Thai resorts foreign tourists come to have short duration liaisons and for this purpose many local women are willing. Even the best of hotels accept this arrangement. In India it does not happen like this and sex tourism, therefore, is a virtually unknown phenomenon in India. I welcome this and hope that we never degenerate to a state where the exploitation of women through so-called emancipation takes place.

The difference in the way in which the western society is organised and our society functions should be recognised if we really want to try and understand why there is such spate of crime against women in India. Because India is a society in transition from the orthodox to what passes as modern there is bound to be both confusion in the manner in which we think and conflict between the traditional and what passes as modern. This dichotomy is more visible in urban India than in the villages, but as education and electronic media penetrate rural areas village society is bound to be affected by what, for example, the television programmes depict. The khap panchayats of Haryana have gained notoriety in recent years because of their pronouncements against changing behavioural patterns, often being depicted as a sign of orthodoxy and the medieval mindset of rural Haryana, but in reality they are a reaction of a traditional society to changes which are occurring and are still not clearly understood, appreciated or even liked in rural society. The veneer of modernity is superficial and based on imitation of westernised society in large cities, but this change has not penetrated the comprehension of rural people. Orthodoxy has to be combated by an alternative

philosophy or method of thinking, which liberates the mind from ritual and blind orthodoxy, but this cannot be done overnight through symptomatic changes. We look upon khap panchayats as tyrannical bodies which try and impose their own orthodox ideas on people, whereas they are in fact symbolic of the response of traditional society to modern society which is not necessarily in the interest of that society.

This is not an argument in favour of the traditional being better than the modern. Crime against women is as rampant in the rural areas as it is in urban India. In a largely paternalistic agricultural society the girl is considered a liability in more ways than one. There is first the question of protection of the chastity of the girl, leading to early marriages. There is secondly the question of protecting the family property by giving the girl in marriage, settling a dowry on her, but retaining land for the sons so that it remains within the family. Thirdly there is the question of the girl being considered a liability in traditional Hindu society, especially in the land owning class and, therefore, the burden of a girl child is avoided by practicing female infanticide. This is a mindset which is not a figment of my imagination but is a very real ground reality in India, evidence of which is the skewed sex ratio in the country as a whole and in certain States very specifically. Where female infanticide is not practised, for example in Kerala, the sex ratio is much more balanced. Unfortunately the women who are agitating in Delhi following the recent gang rape in a moving bus are unable to understand that they speak for an India which has perhaps not penetrated very far into the heartland of the country.

Rural society has the advantage of being fairly homogenous, but urban India, especially in its large cities, is very heterogeneous. The efforts of the Shiv Sena to preserve Bombay as a Maratha enclave notwithstanding, a city is multilayered. There are the original inhabitants of the city who have been there for a few generations. These are the inhabitants who tend to be ethnically similar, with similar traditions, language, social organisation and culture. Then there are people who come from outside, who speak different languages and have different cultural strains, but who are long settled in the city and may form second or third

generation citizens of the city. For example, in Bhopal there are a number of Keralee families who came searching for jobs with government and with BHEL, who have grown old and retired in Bhopal and whose children and grandchildren may be of Malayalee origin but are very much Bhopalis also. They also form separate homogenous groups but who assimilate well with local society. The third group is of recent migrants who come in search of jobs and they tend to represent rural-urban migration of people with low educational and skill development levels. They are a heterogeneous lot, they provide labour to local society, they are fast losing their rural roots but have not been able to assimilate themselves in the old and traditional society of the city. Because they are rootless, because they neither belong to a traditional culture nor fit into a modern culture, because they are not inhibited by the social mores of traditional society but have also not been able to develop new values in the urban environment, they are often the people who are blamed for urban crime, disrespect for women, molestation and worse. They are also the people who find it difficult to accept the behavioural pattern of modern urban women and, perhaps, this is one of the reasons why there is an increasing number of cases of crime against women. This is an issue which needs to be addressed very seriously, studied in depth and should lead to specialised organisations of government, the police and of society at large to help in the assimilation of these people in urban society.

A while ago Sheila Dixit, the Chief Minister of Delhi, responding to the brutal rape and murder of a young woman, sounded a note of caution in which she advised women to use their discretion to dress properly and to avoid going alone to places where safety was of some concern. She was heavily attacked by activist groups for daring to suggest that women should be discerning of dress and movement. Sheila Dixit had not excused the police in the matter of action, nor condoned rape, but I really have not been able to understand why the activists were so annoyed with her. Should a mother not advise her child on how to dress and behave? Should a woman not understand the ground realities and, whilst demanding better policing and assurance of safety, herself take necessary precautions to ensure that she

is safe? I saw some placards stating, "Change your mindset, not our dress". A fine slogan with which I have no quarrel, but a mindset is not like pair of clothes which one can shed in an instant and one can change into something else equally quickly. The Indian social structure is complex, in a state of flux and subject to many externalities and internal conflicts and our way of thinking will not change overnight on account of slogans being shouted by activists. Till we have a change of thinking should our women not take necessary precautions themselves to ensure that they avoid a situation in which they are in some danger? I am a man, an old man, who has enjoyed power and authority and have never been afraid of anyone or any situation. Nevertheless if I have inkling that a particular place is a haunt of goondas or criminals I would avoid it. I would not go into the street nude, unless I am a Jain Digambar Sadhu, I would not wear the clothes suited to a teenaged hippy and I would certainly try and keep my behaviour such that I do not deliberately provoke misbehaviour towards me. Why should women feel deprived of their rights if they are given sane advice?

Let me give one more example. Kailash Vijayavargiya, the industries minister of Madhya Pradesh said that there is a Laxman Rekha, or line of proper behaviour which can only be crossed at peril. He being deeply religious gave the example of Sita crossing the line drawn by Laxman behind which she was protected by divine power and beyond which she would be vulnerable. When she crossed it Ravan, who lay in wait for her, immediately abducted her. What he was trying to state is that vulnerable sections of society should bear this in mind so that at no time do they expose themselves to an attack by antisocial elements. He has been subjected to personal vilification and contempt for his statement, which has been condemned as being sexist. If parents caution a small child against putting his or her hand too near an open flame would this be interpreted as interfering with the freedom of the child to experiment?

The Constitution of India mandates equality for all, both men and women. I presume there would be equality for the third sex also. Every Indian is entitled to equal protection of the law under Article 14 of the Constitution. The entire scheme of the Code of Criminal Procedure

is that in order to provide security and protection under law the Executive Magistracy and the Police are designed to take action to prevent the commission of offences and to take the quickest possible action both to prevent crime and to investigate and prosecute crime if it does occur. Article 51 A in sub-clause (i) makes it the duty of every citizen of India, "to safeguard public property and to abjure violence". The same Article in sub-clause (e) states that it is the duty of every citizen "to promote harmony and the spirit of common brotherhood amongst all the people of India, transcending religious, linguistic and regional and sectional diversities: to renounce practices derogatory to the dignity of women". My submission is that this Article states the fundamental duty of every citizen and not only of men. Men are specifically required to give up any practice which is derogatory to the dignity of a woman. Equally every woman is duty bound not to do anything which reduces her own dignity and, with great respect to women activists, I would submit that this includes the use of discretion in dress, manners and behaviour. I draw their attention to what George Bernard Shaw once said when referring to the suffragette movement, "Millions of women rose and said that they would not be dictated to, and promptly two millions of them became stenographers".

We do need better policing, which means that the entire police force has to be sensitised to the fact that women are more vulnerable to violent crime against them than are men. Indian women tend to be more submissive and less aggressive than western women, largely because of the legacy of paternalism in which society became male dominated and women remained submerged in the household. Increasing numbers of women are emerging from the cocoon and are beginning to both recognise their own rights and become aggressive in exercise of these rights. Indian society, however, has not quite broken away from its orthodox belief in the subordinate status of women and, therefore, in some sections of society an assertive woman is also one who is considered sexually available. We need very stern police action in order to deter men from violence against women whom they neither respect nor consider entitled to determine their own mating pattern. Police

intervention in every case of male disrespect for a woman by gesture or word must become the norm so that police pressure itself acts as one of the means of changing the Indian male mindset. Mayor Giuliani of New York made that city safe by insisting that the police adopt a zero tolerance attitude towards all crimes, however minor. We do need to make women feel safe by zero tolerance of any offence, however minor, against the dignity of women. In other words, we need to put the fear of law into all would be molesters, eve-teasers and rapists. If would be criminals know that their crime will not go unpunished, then this will have a healthy deterrent effect in reducing crime against women. Investigation and prosecution of offences must be fast and courts should pay special attention to disposal of such cases. It is not the quantum of punishment which is the deterrent but rather the speed of investigation and judgement which acts as a deterrent. The Police and judicial system must ensure this.

Educating men on proper behaviour towards women is another factor to which we must pay great attention. We need to orient our men to distinguish between

mating signals which are specific to two consenting adults and a total misreading of a statement of modernity made through dress and apparently uninhibited speech by a young woman pretending to be emancipated to the point of free love. She obviously does not mean this to be interpreted as a sign of availability and certainly should not invite physical assault and rape. A great deal of sexual violence, especially in large cities, takes place because superficial external signals are interpreted wrongly. We need to train a whole generation of men and women to correctly make and read signals in a changed idiom where the language is modern but where the old morality still acts as an inhibitor. We need to make a three pronged attack on the problem. The first is the stepping up of security and quick investigation and prosecution of offences as a deterrent. The second is educating the young to develop respect for traditional values and mores. The third is appropriateness of dress, language and behaviour on the part of young women. Combine the three and we move towards a society where men and women respect each other and crime against women takes a nosedive.

The Police, Too, Have A Case

Coming from the pen of a retired IAS officer this paper may appear to be a little strange, but as a young officer in the districts I have interacted with the police in happy times and in times of stress. I have witnessed the strength and the weakness of the police, observed its shortcomings, but also experienced the difficult duty of a policeman, his loneliness, his devotion and his willingness to take even those risks which endanger his life. Therefore, despite all the salvos of abuse that a police man has to face from so-called civil society, I thought it deem and proper to try and present a policeman's perspective also --- just to set the record right.

Do we need the police? That question was answered for me about 53 years ago when I was a young Assistant Collector in Morena, then the very epicentre of dacoity in India. This was the land of Man Singh, Lakhan, Rupa, Gabbar, Amritlal and Putli, all dacoits of ill-famous renown or notoriety. There is a remote police station at Birpur (now in Sheopour District) which formed the

constant focus of complaints by the local MLA, one Nawal Kishore. Every complaint had been inquired into, including through a magisterial enquiry conducted by the Sub-Divisional Magistrate and all had been found to be exaggerated, false or worse.

The MLA obviously wanted to dominate the police and the complaints continued. One morning E.B. Reinboth, the D.C. and D. M., who was my boss, told me to sit in his jeep and we drove off for Birpur, about 180 kms from the district headquarter. On reaching Birpur Police Station he sent for the MLA, who again launched into a tirade against the Station Officer. Hearing him out Reinboth told the Inspector, "Thanedar Saheb, it is obvious that you and your men are not welcome in Birpur. Therefore, I am ordering the police station to be closed. You and your men should pack your things and report to the Police Lines in Morena. Meanwhile announce by beat of drum in all the villages in your jurisdiction that the D. M. has closed the police station and now Birpur will have no police presence". When

it sank into the MLA that Reinboth was really serious he said that this was an open invitation for dacoits to pour in to Birpur because there would be no police presence there. He then virtually fell at Reinboth's feet and begged him not to shut the police station. The drama ended only when Nawal Kishore promised never again to make false complaints. But for me the lesson become indelibly printed in my mind --- civilised society needs the police. The question is, does society realise this?

The recent rape and murder of a 23 year old girl in a bus in Delhi has, very rightly, aroused anger, focused attention on the fate of women, on sexual offences and the feeling of insecurity in our towns and villages and the extreme callousness of large sections of society towards women and disregard for their dignity. Sexual crime is symptomatic of a deep rooted malaise, of disregard of law and the rapid growth of a feeling that we can do what ever we want, free of both a sense of guilt at wrongdoing or fear of dire consequences for misdemeanor and worse. Where sin does not invite retribution how does one build a society of laws? Anger has spilt on to the streets and government has been forced to take action. Whether the anger will last and action will be sustained remains to be seen.

Almost coterminous with the rape case was the ambushing of a routine army patrol on the LoC in the Mendhar sector of J and K and the killing of two jawans by Pakistani troops. The body of one soldier was mutilated and one corpse was beheaded and the head taken away in an act of barbarity which one could attribute to Genghis Khan's Mongols, but not a 21st century army which accepts the Geneva Convention. Naturally the nation was outraged and up in arms to an extent that it would have supported government if it decided to go to war on this issue. Even the usually reticent Manmohan Singh gave a strong message to Pakistan and we put further confidence building measures on hold. One felt happy that India stood behind its soldiers. Even activists from so called civil society, except for a few who have always put India in the dock and have advocated abject surrender by us on all issues, expressed their horror.

However, one did note four discordant notes. When

Parliament was attacked by terrorists and nine persons, including five policemen, were killed in defence of parliament, the accused who masterminded the attack were arrested, tried and sentenced. Afzal Guru, the ringleader, was awarded the death penalty, which was upheld by the Delhi High Court and the Supreme Court. Activists led by Arundhati Roy mounted a campaign to save Afzal Guru and he has not been executed to date. This shrill campaign on behalf of a convicted terrorist had not one word of remorse, nor condolence, nor sympathy, nor compassion for the policemen who died defending parliament or for their widows and children. 76 CRPF men were killed in Bastar in a single ambush by Naxalites. Did civil society activists sympathise with the victims? One of them had the nerve to tell me that policemen should know that when they join the police they are inviting death. It is only because the gentleman was a guest in my house that I refrained from strangling him.

No act of barbarity is acceptable and one against a soldier doubly so. But what about the recent killing of 11 C.R.P.F jawans in Latehar District of Jharkhand? Their bodies were booby trapped and when the relief force picked up one it exploded, injuring many jawans. In one case the stomach of a corpse was cut open, stuffed with explosives and resown. The body was sent for post mortem examination and but for the alertness of a doctor who noticed the tampering of the body and notified the police the body would have exploded in hospital and more people would have been killed or wounded. Is what the Naxalites did to bodies of the slain policemen not an act of vandalism and barbarism at par with what the Pakistanis did to the jawans murdered near the LoC? But our civil society members did not bat an eyelid and they certainly did not utter a word of sympathy.

The fourth incident besides the three cases stated above is of the brutal murder of two policemen deputed for the security of the Collector of Sukma when he was abducted by Naxalites. One was a Muslim and the other a tribal. I am sure they must have had families and loved ones who must have survived on the wages of these two men. Do they not bleed when they are cut, feel the cold in the winter and heat in the summer? Are they

not human? My stomach turns with revulsion at the utter callousness of our activists, who look on the policemen as Untermenschen, or lesser beings. If this is civil society give me the savage state any day.

Why is the police looked upon this way? I have already given an example of how much people really need the police for their own protection from anti-social elements. Therefore, the police must introspect on why so many people are either indifferent to the police or positively dislike it. There is a general perception that a police station is an unfriendly place, policemen are rude and corrupt and that they torture people. Starting with the negatives, I agree that many police stations are best avoided. Let me give a personal example from 1979, when I was head of the Delhi Development Authority and was, therefore, a man of some consequence and authority in Delhi. On an evening walk near Tuglakh Road Police Station I found a person lying in a gutter. Not knowing the state of the person I walked into the Police Station and went to the desk of the Head Constable Moharrir, or station writer. I reported the matter to him and requested him to send someone to find out if the man was dead, drunk or otherwise incapacitated and to render necessary aid. The policemen's reply was, "Tu ney mara hoga" (You must have hit him.) I was furious at this and shouted at the man.

Hearing the commotion the Station Officer came out to see what was happening and, recognizing me, asked how he could help. I narrated the Head Constable Moharrir's behaviour and told the Inspector that if this is how his officers behaved how could he ever expect people to help the police. Of course the Station Officer was apologetic, sent a constable to look at the man in the gutter, who reported that it was a drunkard and that the police would look after him. The fact remains that not only are Police Stations places to be avoided, but also that there is a command failure because senior officers do not educate their subordinates about how they should behave with citizens. More on this later.

The cutting edge level of the police is the police station. Under Chapter XII Cr.P.C. the entire scheme of investigation of offences centres around the police station. The Station Officer is the most visible symbol of the police, which is why the Thanedar, or Station

Officer, is so feared, especially by wrong doers. The Thanedar is the backbone of the Police, just as the Tehsildar is of general and revenue administration. One example will illustrate the point. The place of landing of the ten Pakistani terrorists who held Bombay to ransom in 2008 was in the jurisdiction of the Colaba Police Station. The terrorists were sighted by a fisherman, but being unchallenged they dispersed to their designated destinations, resulting in 166 deaths and several hundreds of injuries. Had the Colaba Police Station been adequately manned, trained and equipped with transport and communication facilities, with proper modern weapons and a proper beat system, the terrorists would probably have been seen and questioned by the beat constable. Sensing something suspicious he would have called up the police station which, if it had responded swiftly, could have brought the terrorists to encounter at or near the place of landing. The history of 26.11.2008 would then have been different. Our neglect of Colaba Police Station, of all police stations throughout India, cost us dear then and costs us even more now. It is only Andhra Pradesh which fortified its police stations in Naxalite areas, which is why a successful attack on a police station there is a rarity and Naxalism has been brought under control.

Behaviour apart, the Police has to face a really critical shortage of manpower. Even against existing vacancies there are approximately 4.5 lakh posts which have to be filled. Internationally perhaps the standard strength of the police is approximately one policeman for 160 people. Delhi is the only city in India which has an approximate strength of one policeman for 168 people. In Madhya Pradesh the proportion is approximately one policeman for 834 citizens. The total strength of the Madhya Pradesh Police is about 89,000 whereas if we were to aim at one policeman for every 250 citizens the State would need a Force of approximately three lakh policemen. The cities of Indore and Bhopal should have a strength of 8,000 each, whereas there are just about 3,000 personnel per city. The position in most States is that the Police Force just does not have the numbers to provide for adequate policing. Rural India, by and large, is still peaceful, which is why in a State such as Madhya Pradesh a police station can look after

approximately 100 villages with a standard strength of one Station Officer, two Head Constables and twelve Constables. Nevertheless, whether it be a city, a town, a cluster of villages, there is hardly any police presence. Without an adequate force the district head of police cannot organise proper beat patrols, manage traffic, have men posted to sensitive or critical locations and patrol the public transport system with sufficient manpower in order to deter crime.

The question is not that rapes, dacoities and murders take place. The question really is why the number of heinous crime is still manageable despite the fact that there is inadequate police presence. I can think of two reasons, the first of which is that by and large we are a law abiding nation. The second, equally important reason, is that our police is a great deal more efficient than civil society credits it to be. To quote just one case, in 1963 when I was D.M. Betul, a lad of about nineteen years made some indecent advances at a teenaged girl, who was the daughter of a leading local advocate, as she was returning home from school. A passing Constable immediately caught him and brought him to the police station. The Station Officer, a wise experienced officer, saw to it that the challan was put up within twenty-four hours and the Magistrate remanded the man to judicial custody. Three days later, without any provocation, a local trouble maker tried to foment an agitation in which he roped in the students of a college. The Superintendent of Police and I were sitting in my house having a cup of tea when we heard that there was trouble in the bazaar and shop keepers were downing their shutters. We immediately rushed to the site and what we saw greatly reassured us. There was a menacing crowd of about 300 people being confronted by a single unarmed Head Constable. He warned the crowd to stay put and angrily told the ring leaders that if they advanced one more step he personally would break their heads. No one dared to advance because this single jawan, confident in his moral and legal authority, stood like a rock

Today the position is that we have systematically engendered disobedience of laws, contempt for laws and constant disempowerment of the forces of law and order. In section 188 of the Model Police Bill drafted

by the Soli Sorabji Committee the following words have been *Untermenschen*, used, "The State Government shall take effective steps to ensure that the average hours of duty of a police officer do not normally exceed eight hours a day provided that in exceptional situations the duty hours of a police officer may extend upto twelve hours or beyond. In such cases adequate compensation and facilities shall be provided to the police personnel". What is the ground reality? In 1978 there was an unusually heavy monsoon in Delhi and there was fear that there would be large scale flooding. I was head of DDA and the Lieutenant Governor asked him to take charge of large parts of Delhi, especially East Delhi. Near the DDA headquarters (then at Vikas Minar) a Constable stood on duty at the crossroads from where one moved towards the IP Bridge. The Constable stopped my vehicle and requested information about the flood situation in Kingsway Camp Police Lines where his family lived. He told me that he had been continuously on duty for forty-eight hours, without food and in the wet clothes that he wore and he was completely out of touch with his family. I told my own security personnel to take the man to my office, let him have a shower, give him change of clothing and feed him, whilst deputing one of the policemen with the DDA to take over the man's duty. His officers had not bothered about him and I told the Police Commissioner the story later on. However, this dedicated officer stood at his post regardless of the fact that he had neither eaten nor had news of his family. That is a picture of a policeman that the activists refuse to see or acknowledge.

If the police force is woefully short of requirements policemen will have to work long hours. On law and order duty when men have to stand around virtually waiting for something to happen they are bound to become tired, hungry and irritated. Rameshwar Nikhra, a Member of Parliament who had been Chairman of the State Bar Council, once told me that as a student leader in Jabalpur he frequently led student agitations, to control which the police was deployed. On one occasion when the students became violent the police had to use force to disperse them. One of the lathi wielding policemen was laying about him with gusto, shouting, "Because of you I have been standing here, thirsty and

hungry, for the last three days. Now let me teach you a lesson". Nikhra said that at that time he was naturally upset with the police, but on introspection he realised that the policeman had a point. I state this story not because I appreciate or condone brutality by the police, but we would be foolish to overlook the stress and tension under which our policemen operate. Society does nothing to make life easier for a policeman. The Soli Sorabji Committee has recommended that a police station should be neat and clean, with a comfortable room for visitors. There should be separate toilets for men and women, a women and child protection desk, separation of normal police duties and investigation of crimes. All this is possible only if the police strength is sufficient to deploy the manpower for performing all these separate functions. The fact is that adequate manpower is not available and, therefore, the average policeman, especially below the gazetted ranks, will always be under immense pressure and will have to function in an environment in which he will never have adequate facilities. Till this is remedied the police will not function in the manner in which a good police force does.

I stated earlier that there is a command failure. When the Central Reserve Police mutinied some years ago one officer of the rank of DIG from the Madhya Pradesh Cadre tried to reason with the men at Neemuch, where the Force was created by the British. The men told him that they personally respected him but requested him to step aside because they said that he could not in any way help the men and, therefore, they had decided that they would confront government. In other words, the men have lost their faith in their officers and this can only happen when there is failure of command. There are many reasons why this has happened, the first of which is that in appointment of the State DGP every Chief Minister opts for a pliable officer rather than an efficient one. Obviously a pliable officer will take orders from politicians even in matters where under law he is the only person who has the mandate. For example, under the Code of Criminal Procedure, in the matter of investigation it is only the Police who have the authority, which has to be exercised under judicial supervision. The Executive has absolutely no authority

in this behalf, but whether it is Delhi Special Police Establishment (CBI) or the State Police it is a well known fact that investigation is definitely influenced by politics and politicians. If the DG Police will not resist how can the investigating officer at police station level show independence? In fact in all departments of government there is the ever increasing malaise of officers operating not according to law but according to whims of politicians. A law is framed by the Legislature and every person involved with implementation of law has a legal mandate. Despite this in the current political scenario officers take orders, including illegal ones, from politicians without pointing out to them why a particular thing cannot be done in law. Our answer to political interference is the setting up of committees and framing of Model Police Acts. For example, the model law drafted by the Soli Sorabji Committee, in section 6 speaks of the selection of the Director General of Police from three senior most officers empanelled by the State Police Board, with the DG being given a minimum tenure of two years. Let us compare this with how Vice Chancellors of universities are selected. In Madhya Pradesh (this system prevails throughout the county) the Vice Chancellor is selected from a panel of two or three persons whom a high powered search committee has identified and recommended. The Search Committee consists of representative each of the Chancellor, the Executive Council of the University and the Universities Grant Commission, all three completely different and independent authorities. Despite this some of the worst persons one can think of are empanelled as Vice Chancellors, are appointed as such and have a tenure of four to five years. At least in Madhya Pradesh some of the worst scoundrels have been appointed as Vice Chancellors. That does not mean that we should not introduce complete honesty in the selection of the DG Police, but till we take drastic steps to rid the All India Services of deadwood and dishonest officers we shall not have the best people being promoted to head the police.

One major cause of breakdown of command is the almost total disempowerment of senior police officers by the politicians. In any organisation, but especially in a uniformed service, the hierarchical structure has

to be clearly defined and the disciplinary authorities have to be given sufficient power to maintain discipline. Now even in the matter of postings and transfers even the D.Gs.P. have been let at the mercy of politicians. In Madhya Pradesh Arjun Singh centralised all transfers and Digvijay Singh gave all powers of transfer of even the lowliest functionary to the Minister incharge of a district. In all departments, particularly in the police, officers suddenly found that they had lost control over their subordinates. When policemen found that the S.P. and other superior officers could no longer shift them, even on compassionate grounds, they naturally sought political patronage and this absolutely destroyed the command hierarchy. Under these circumstances, there was bound to be a command failure and this has put paid to effective policing. It is in the interest of the police, of people at large and of the nation that senior officers are once again empowered, command restored to them and then they are held accountable for effective, honest, citizen friendly policing.

We have to find a way of creating more K.F. Rustomjis and totally eliminate the Rathores of Haryana ill-fame from the Service. In this behalf I would strongly suggest to the IPS Association, Central and in each State, to understand that they are one of the three foremost Services in India and that no one has a greater responsibility than they themselves to cleanse their ranks of the corrupt, the inefficient and those who use flattery to promote themselves.

A person who has achieved a level of command has the onerous task of actually commanding. A Superintendent of Police who takes a bribe from his Sub Inspectors cannot be expected to either lead the Force or to motivate it to truly serve the citizens. An IG or DGP who has achieved the rank through political manoeuvring can neither expect the respect of his Force nor can he

command and guide the Force to serve the people. That makes it all the more important that the Force should cleanse itself at its own initiative.

Unlike the so-called civil society I like policemen and I admire the fact that they perform very difficult tasks under daunting circumstances and are the guardians of the security of the nation. There are more Omblesys in the Police than civil society gives credit for. Let us honour the policemen who dedicate their lives to our security. Let us not constantly attack the police as being anti people, but let us try and understand why the police image has taken such a beating. It is the duty of society to create an environment in which the police can do its duty. Once that happens I am for hanging rogue policemen, but I am not prepared to collectively call the Police rogues.

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M. N. Buch is currently the Chairman of the National Centre for Human Settlements and Environment at Bhopal. He is also Chairman of the Board of Governors of the Atal Bihari Vajpayee - Indian Institute of Information Technology and Management, Gwalior. He has won the UNEPA Award for Desertification Control in 1994-95, the Agha Khan Award for Architecture in 1998 and the Man of Vision Award by the Hindustan Times in 2003. He was awarded Padma Bhushan in the year 2011.

Reflection on Crime against Women¹

Siva M. Kumar , Srinivasa Raghavan R, Manoj Khati, Vinayan J, Milind R. Chittawar, Habeeb C. Mahaboob and Swapnajit Chakraborti

Background

Dr M N Buch wrote a series of articles in the aftermath of the Nirbhaya Incident that rocked the nation in December 2012. The barbarity of the incident and its consequences, finally ending with the death of Nirbhaya resulted in a spontaneous outpouring of public anger. It has also led to a lot of introspection about the law & order situation and the widespread violence against women reported across the country.

Dr. Buch looked at this issue from different stakeholders' perspectives including those of Judiciary, Legislature, Executive (Bureaucracy, Police), Women and Societal Norms.

Analysis of the articles

In the article titled "**Crime and Punishment**"(Buch, Crime and Punishment, 2012), Dr. Buch analyzed the strident demand for instantaneous capital punishments to perpetrators of such heinous crime. The author argues that the existing law of minimum seven years imprisonment, extendable up to life should be sufficient deterrent for such cases. He points out that in case of murder which already attracts capital punishment (for the rarest of the rare cases), has been seen to be ineffective as a deterrent to criminals. The fundamental problem is that judiciary has become extremely slow in execution. The country needs swift action from the courts so that rape convicts can be prosecuted as soon as possible. This will restore reverence and faith towards judiciary.

In the next article in the same subject titled "**An Object Lesson in Government Incompetence**"(Buch, An Object Lesson in Government Incompetence, 2012) the Author wonders whether the spurt in rape cases is a sudden development or an indication of the centuries old malaise of gender inequality. He is of the opinion that gender inequality has always existed in our society. Even now in rural India, illegal child marriages are prevalent as

a means to deter abuse of young girls. He wonders how a country can survive and prosper if half its population is discriminated against.

The protests that ensued after the incident could be a sign of the society's growing intolerance on the inept handling of such issues by the authorities. He further indicates the protests and anger could have been better managed by the top leaders including President, Prime Minister and Chief Minister of Delhi etc instead of allowing it to degenerate into a mob management scenario. The author advises people in high places should interact with the masses they govern and learn to listen to their woes and handle such spontaneous out bursts by the people as it is their duty to do so.

Similarly he castigates the Delhi Police for allowing the ill-fated bus to ply erratically on the night of the incident even after it was detected by some Police patrols. The entire administrative machinery should have been alert enough to deter such crimes and top brass of the police machinery should have been chastised for not implementing proper security measures. He also criticizes the unseemly public statements issued by the Delhi PC in defiance to the harsh criticism of the Delhi CM. The Author calls for handing over control of Delhi Police to the Delhi Government, duly retaining some residual powers with the Lieutenant Governor, as done in Nagaland etc, being a Union Territory.

The next article on the series is titled "**Systemic Failure or Organ Failure**" (Buch, Systemic Failure or Organ Failure, 2013) where the author draws parallels between the anatomy of an organism and the Indian body politic. The author analyses the multi-organ failures and wonders if we are on the brink of a system failure, which would be difficult to correct. He suggests reforms in all the three subsystems of the polity.

On the Legislature front, he cites the absence of deliberation and debates on the societal issues, as the parties do not see eye to eye. He also points out the increasing power wielded by the splinter regional parties to influence the workings of the subsystems. The remedy

¹ Prepared by seven participants of Fellow Programme of Management (FPM)-Industry, Indian Institute of Management Indore.

suggested is to have reforms that will restrict independent candidates or Parties not having presence in a minimum of 3 state legislatures to participate in Parliamentary elections.

On the Government front, he questions the vacillation and dithering at the highest levels that result in officers not having clear policy/orders for implementation. He suggests that the Constitution already provides the system framework in which every functionary is expected to carry out his functions, without fear or favor. They need to be allowed to function.

The author then talks about the pressure exerted by the Executive or the Legislature on the effective functioning of the Judiciary. One cannot deny that there is a great deal of inefficiency and even corruption in the judiciary today. The judicial reforms should set objective assessment of the strengths of judges and magistrates, a process of selection of judges which safeguards the independence of the judiciary and a call for speedy disposal on a day-to-day basis.

In the article titled "**Propriety and Appropriateness**" (Buch, Propreity in Attire Debate, 2013), Dr Buch evaluates the role of society in this context. He outlines a need for dressing appropriately for situations and behaving appropriately. India is still a fairly conservative country and major parts of India haven't accepted what the rest of India thinks is modern. The western culture has evolved a code to repulse unwanted attention to women and also invite attention at select occasions, without questioning the morals of the women in question. In India, where there are still cases of children being married as soon as they attain puberty to protect them from anti-social elements, we are a long way from evolving a similar code.

Dr Buch then argues that several of the recent cases of violence against women in large cities might have been committed by low skilled workers that have migrated from villages to cities in search of gainful employment. Dr Buch feels that this rootless group is lost between the two worlds, the traditional/ritualistic society that they grew up and the new modern society that they find themselves in. In his opinion, he feels that a great deal of sexual violence is due to wrongful interpretation of

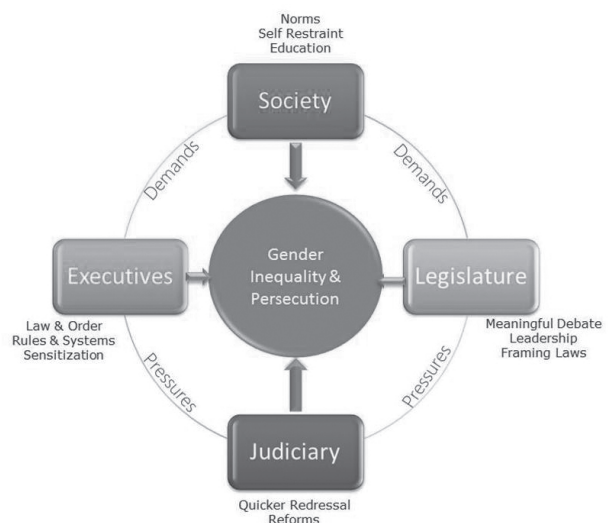
signals by the people concerned. Dr Buch goes on to say that this issue needs to be addressed and specialized organizations of government and police need to be formed to help these folks to assimilate into the society. On the negative reactions to the statements from the Delhi CM on the need for women to dress appropriately Dr. Buch begs to differ pointing that, this is a call for discretion on part of women to understand the society that we live in and also take precautions to avoid such situations.

Dr. Buch brings a balance to the narrative in the article titled "The Police, Too, Have A Case"(Buch, The Police, Too, Have A Case., 2013), which provides the police's perspective. He argues that the Police force is under undue stress due to factors such as population explosion, increasing lack of morality and the constant disempowerment of the forces of law and order. Their problems include inadequate manpower, improper training and lack of infrastructure, which calls for immediate attention.

Bringing together the three stakeholders society, government machinery and the police department will reduce the cost of policing, avoid unnecessary stress in the department and can help to create a balance.

Summary

The following common threads emerge when one analyzes the various perspectives that Dr Buch highlights in the first 5 articles.



A common thread is observed while one analyzes these articles

- Violence against women is not a new phenomenon and has existed in our societies for long.
- Gender discrimination, which lies at the root of this evil, needs to be tackled jointly by the society and enforced by the three pillars of the modern society viz. Executive, Judiciary and Legislature.
- Sensitizing the executive and legislature to the pressing problems of the citizens should remain the top most priority.
- Indian Constitution already lays down adequate provisions to tackle such crimes in a just and an equitable manner. However, the implementation of these provisions by all the three wings needs to be reviewed at the earliest to make them transparent and speedy.

The other issues that were highlighted in these articles were

- The misuse of implementation of criminal justice by politicians for their short term political advantage needs to be curbed.
- There is a continuing faceoff between the conservative India and the Modern India, which contributes to a lot of angst faced in the society, particularly the women and the less privileged. This needs to be understood and managed by the society and the executive.

Gaps

- While the role played by media in highlighting some of the issues needs to be applauded, there is a crying need for the media to practice some self-regulation and ensure that it does not hype peripheral issues and take the attention away from the core issue at hand.
- The role of Non-Governmental Organizations needs to be reviewed to see how they can help the rootless migrant population to assimilate into the urban lifestyle.

Reflections

Dr MN Buch has helped us to take a balanced perspective by examining the incident and its fallout from the eyes of the various stakeholders. He helps us to take a step

back and recognize that there is a widespread discontent and disillusionment with the socio-cultural environment in the country. While the official pillars of the society are to be blamed for some of the malaise, the fact remains that the civil society, starting with each of us, needs to reflect and start acting within his/her sphere of influence. We can make an example by respecting the role of women in our lives and be an example for our children and to those people who look up to us.

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Appendix (Detailed takeaways from each article, to be used if necessary)

1. The author has taken the stance that the recent spurt in reported crimes against women is not really a recent phenomenon and has existed in our societies for centuries. The recent spurt could be attributed to the fact that the modern and the traditional societies which were insulated from each other have now begun to clash with each other on a much larger scale. The author speculates that this spurt in violence against women in the cities could be due to the large scale migration towards urban areas.
2. The author then points to the break down in the efficient functioning of the pillars of the civilized society which includes the Executive, Judiciary and Legislature. All the three of them exert undue pressure on each other which hamper the efficient functioning of all three. The Constitution already provides for an effective framework for not only the functioning of all the three but also for remedies in case of violations. The issue, however, is that the existing framework is not being allowed to function to its full efficacy.
3. On the strident call for swift justice and new laws

to tackle violent rapes, the author agrees that a swift redressal of such cases is required; however, there is no need for separate fast track courts to address these cases.

4. The police and administrative machinery needs to be sensitized to the needs of the women and appropriate measures need to be taken to empower them.
5. He highlights the need for women to appreciate the cultural mores that are prevalent and taking adequate precautions to ensure that their attire and demeanor are not misinterpreted.

In addition to the above, it may be befitting to consider the role of the media in driving up the frenzy and the other Governmental and Non-Governmental organizations in sensitizing the society and the various stakeholders in understanding the larger issues at stake.

This reflection was prepared by Siva M. Kumar , Srinivasa Raghavan R, Manoj Khati, Vinayan J, Milind R. Chittawar, Habeeb C. Mahaboob and Swapnajit Chakraborti.

Each work has to pass through these stages - ridicule, opposition, and then acceptance.
Those who think ahead of their time are sure to be misunderstood.

- *Swami Vivekananda*

A Bank for the Buck: The Story of HDFC Bank

Radha Ravichandran

Tamal Bandyopadhyay (2012). *A Bank for the Buck: The Story of HDFC Bank*, Jaico publishing house, Mumbai. Price Rs. 395, Pages 372, ISBN 9788184953961.

The book is about HDFC's venture into banking, the process of building a sound, efficient, technology-based bank in the private sector and narrates its evolution from 1995 to 2012. The author is an experienced financial journalist and writes extensively on Indian banking industry.

The book narrates how HDFC Bank was built brick-by-brick, assembling resources - mainly the manpower and business partners. It covers the life of the bank right from the conception of ideas, assembling like-minded experienced talented bankers and creating a corporate culture to mergers.

The book chronicles the setting up of the bank: working from a makeshift arrangement, technology deployment, foray into different market segments, exploration of new products and service offerings, dealing with some crisis management situations, image salvaging and organic and inorganic growth. The leadership style of the man at the helm is narrated covering both his personal traits and professional conducts.

The book is organized in 13 chapters. From Chapter 1 to Chapter 3 the author recounts the team building efforts at top management level and the finalization of a global partner by Deepak Parekh, Chairman of HDFC. Chapter 4 describes the setting up of the first branch and building a corporate culture of frugality and cost control. Chapter 5 chronicles the process of fund raising - both domestic IPOs and American Depository Shares, and the smooth transition of private equity from Natwest to Chase Capital.

Chapter 6 through Chapter 8 covers corporate banking practices and growth in corporate banking segment; HDFC Bank's venture into retail banking, Micro, Small

and Medium Enterprises (MSME) and foray into rural banking. Chapters 9 and 10 recount the merger of HDFC Bank with Times Bank and Centurion Bank of Punjab. In Chapter 11, the author narrates the derivative scam and IPO scam, which dented HDFC Bank's reputation and the bank's efforts to come out clean. Chapter 12 describes the leader; his personal traits, leadership qualities to cite a few. In Chapter 13, the author raises several questions about the brand equity of the group, merger prospects, and the hero of the success story.

Chapter 1 details the efforts of HDFC Chairman Deepak Parekh, on getting the license to set up a bank in 1993, of scouting for the most suitable candidates to build, lead and manage the bank. He succeeded in convincing Adhitya Puri to take up the CEO position on the condition that Mr. Parekh would give him the freedom to run the bank. At that time Puri was then one of the select 50 talents CitiBank was nurturing and paying hefty salaries. Thakur, former Controller of Foreign exchange in India agreed to join the bank as Founder-Chairman. Parekh roped in his friend, a corporate executive, Vinod Yennemadi as part of the bank team. Puri insisted on HDFC brand name for the bank and had the final say.

Chapter 2 dwells on the selection of a partner for strategic alliance. It was imperative to have a foreign bank as partner to have global recognition and to facilitate lines of credit from foreign banks to help Indian importers. Parekh approached three prospective partners and finalized National West Minister Bank Plc (Natwest) of UK. Natwest chose not to be termed as a promoter and picked up 20 percent stake. The corporate office of HDFC bank was inaugurated with great fanfare by the then Finance Minister of India, Dr. Manmohan Singh. The strategic alliance did not contribute much to the

growth of HDFC bank. Natwest got embroiled in some scam and decided to offload their 20 percent stake in HDFC Bank.

Chapter 3 recounts the search for the best fit for the top positions in the bank. Puri envisioned a modern bank with the products and services supported by the emerging ICT technology and matching the foreign banks. He also aspired for the distribution network and relations similar to public sector banks. Puri and Parekh hand picked the team (named the dirty dozen) and encouraged them to bring in their trusted lieutenants from other banks and corporate world. They selected three valuable employees of Bank of America to manage corporate banking, technology deployment and operations. To manage treasury and risk management Parekh and Puri persuaded two Citi Bank veterans. Bharath (Cousin of Parekh and friend of Puri) from UBS joined as head of Human Resources and Retail. Experienced bankers from HSBC, Citi bank, Deutsche Bank AG, Bank of America and Reserve Bank of India were approached and were persuaded to join the team.

The author sketches a description of the early days of struggle during the setting up of the bank in the fourth chapter. The team was housed in Sandoz House in midtown Bombay with bare minimum infrastructure. They moved the bank to Kamala Mills. Meetings used to be held under trees; sometimes they worked in industrial sheds. The author also refers to instances pointing to the building up of the corporate culture of frugality like "bring your mugs for coffee; biscuits banned during meetings" etc. The bank's efforts in scouting for a suitable technology system - one of centralized and UNIX-based; and how Puri prevailed upon Citi Bank to sell the software are covered in this chapter.

Fifth chapter dwells on the first steps towards building business and raising capital. HDFC Bank benefited from the corporate relations of its promoter, HDFC. Several companies started banking with the new bank. But right from the beginning, the bank was particular about following fair, permissible and legal means in acquiring business. Many offers were turned down, as the bank did not want to pay commission on acquiring deposits. The author recounts the bank's initial public offer in

1995. The IPO was priced at par as Parekh was skeptical of a start up bank fetching a premium. But market lapped up the issue over subscribing by 55 times. The bank's shares were quoted at 300 percent premium within 2 months of the IPO. HDFC Bank issued ADS in 2000 with overwhelming response from the market. Puri insisted on allocation of the shares to bank's key relationships and prevailed over the lead managers. When Natwest decided to offload their 20 percent stake there was a fear that stock prices might plummet. The author describes how Puri saved the bank from the crisis by managing the smooth transition of 20 percent equity holding of Natwest into the hands of Chase Capital.

In chapter 6 the author describes how the team strived hard in the initial stages of HDFC Bank in getting clients and building a world-class bank. Their contacts with corporate world helped them to break the ice with corporate clients. The bank built corporate banking business through customized offerings for each of the clients. It indulged in Micro-Marketing, i.e. garnering the banking business of the whole chain of relations for corporate clients such as vendors, suppliers, their employees and so on. The bank targeted corporate clients of metropolitan cities one by one. It also managed to enter into the consortium of lenders for many corporate clients. With centralized processing, linking all branches online in real time, the bank offered transactional banking facility of collection, payment, settlement, refund, clearing of funds for corporate and investment banking and mutual fund businesses. HDFC bank succeeded in getting the clearing bank business for BSE and NSE. There is processing risk in this business where the bank is expected to match pay-in and pay-outs efficiently. The author narrates an incident where a payment crisis was efficiently handled by the bank.

The author traces the foray of HDFC Bank into retail banking, SME segment and private banking in Chapters 7 and 8. Retail banking segment required physical presence of the Bank through its branches. The bank selected the best available technology platform to support retail banking. It changed its logo to appeal to clients in the retail sector. It offered all sorts of loans except home loans, as the promoter was already

occupying that space with the same brand name. The bank targeted financial institutions like LIC, government business like collection of taxes. SME sector was aggressively pursued. With superior technology and efficient services, the bank could attract high net worth individuals to do business with the bank.

HDFC bank entered into rural segment through MFIs, business facilitators, business correspondents, to meet priority sector lending targets as set by the RBI. Technology enabled hand held devices were used at the point of sale. Retail banking requires a balanced approach towards risk-return trade off. To quote the author "HDFC Bank takes risks in a measured manner and manages the risks. There are credit filters like limited exposure to certain sectors, exposure only to resilient companies, exposure limits per account etc."

HDFC Bank grew inorganically by merging Times Bank and Centurion Bank of Punjab. Chapters 9 and 10 are devoted to capture the drama, dilemmas and decisions behind the mergers. Times Bank floated by Bennett and Coleman Company was offered to HDFC Bank in 1999 in an informal meeting. It was the first friendly merger of banks in India, unlike the other mergers invariably orchestrated by RBI to salvage a failing bank, to protect the interests of the customers. The share swap ratio was fixed at a level: 5 shares of HDFC Bank for 23 shares of Times Bank. The market reacted favourably. The integration of people was done in an amicable manner. The bank added 39 more branches to its list of branches from this merger.

The integration of Centurion Bank of Punjab after its merger in 2008 took a long time. 20th Century Financial Corporation and Keppe Group of Singapore set up Centurion Bank as a JV, at the same time as HDFC Bank. It changed hands to Rana Talwar of Sable Capital Worldwide Incorporation in 2003. It took up India operations of Bank of Muscat in 2003, merged Bank of Punjab in 2005 and Lord Krishna Bank in 2007. There was hard bargaining on both sides. Finally they agreed for a share swap ratio of 1 HDFC Bank share for 21 shares of Centurion Bank of Punjab (BoP). HDFC Bank added 404 branches from the merger. Integration of people was a tough job. Some employees of Centurion

BoP left. HDFC Bank had to consider pay parity, assignment of roles etc. to employees of Centurion BoP. Both the banks used different software for their centralised processing. HDFC Bank retained its vendor and migrated Centurion BoP to their software. Market reacted negatively to the merger. Share value of HDFC bank fell by 3.5 percent to Rs.1422.7 immediately on the announcement of share swap ratio.

In spite of being a cautious and moderate risk-taking bank, HDFC Bank got embroiled in some scams. These are documented in Chapter 11 - appropriately titled as "Warts and all". HDFC Bank was one of the banks that was penalised by RBI in 2011 in the derivative scam. Banks were blamed for mis-selling derivatives to companies, luring them to speculate rather than as a hedging instrument. Though the penalty was only Rs. 15 lakh, the Bank decided to fight it out in court as a prestige issue, to prove that they were not at fault. Another scam which tarnished HDFC Bank's image, is the IPO scam in 2006. The Bank was held liable for not verifying the authenticity of retail investors. It was accused of not complying with the Know Your Customers (KYC) norms in certain accounts. Some market intermediaries opened fake demat accounts and applied for IPO, posing as retail investors. A penalty of Rs. 30 lakh was imposed on the Bank. This was an eye opener to the bank. Instead of giving authority at branch level for opening accounts where customer profile is verified at the point of service, the bank centralised account-opening activity at select points as back office job. This allowed the bank to standardize KYC norms and have complete control on the most important aspect of the service spectrum.

The author has devoted a full chapter on Adhithya Puri. The author sketches Puri's personality, mannerisms, eccentricities, lifestyle, leadership qualities, through the voices of Puri's colleagues and friends. On one hand Puri's personal habits like not carrying a wallet with him, preferences like eating out in dhabas, his obsession to be back home by 5 P.M. are captured. On the other hand, Puri's shrewdness in identifying business opportunities, grasping issues, quickness with which he makes decisions, his eye on details and demand for

perfection, ability to manage people-both persuasion to join/stay-on and shun non-performers/mismatches etc. describes his professional traits.

In the last chapter the author raises pertinent questions such as which brand is more popular - HDFC or HDFC Bank, who should get the credit for building the bank - Deepak Parekh or Adhithya Puri, will or will not HDFC Bank go for reverse merger with HDFC etc.

The author has weaved a story of the birth of a new generation bank, capturing in detail the ideation stage, the teething problems of a start up, growth trajectory, the ups and downs and the personality of the leader.

This book is a good read to understand the details, efforts, struggles, and perseverance in the process of building an institution. The importance of selecting the core team and ensuring best fit for each important focus area is emphasized as the prerequisite for a successful new venture. That a new entrant can outperform the industry leaders by adopting world-class technology

platform is demonstrated by HDFC Bank. Budding entrepreneurs, planning for new start-ups in the present technology era can derive lessons from this book. HDFC Bank identified the untapped markets, potential service opportunities in the collection and payment systems and demonstrated that it can thrive amongst the incumbents against the odds of limited branch reach. The book also highlights how important it is to be cost conscious and elaborates the advantages of building core corporate values for the success of a bank.

Puri as the uncommon leader described in this book would encourage many aspiring leaders to be as natural to reality and be grounded as a common man. The role of Parekh as a visionary leader and Puri as the quintessential man behind the success of HDFC Bank are sure to inspire many.

Dr. Radha Ravichandran has almost 15 year of teaching experience at an undergraduate and graduate level.

We are what our thoughts have made us; so take care about what you think. Words are secondary. Thoughts live; they travel far.

- *Swami Vivekananda*

The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators

Shiva Kumar Srinivasan

Jeff Dyer et al (2011). *The Innovator's DNA: Mastering the Five Skills of Disruptive Innovators* (Boston: Harvard Business School Press), Price Rs. 995 pp. 296, h/b, , ISBN 9781422134818.

The question that is asked most frequently about this book is the title. Should the term 'DNA' be taken in the literal sense as biologists do? Or, should it be interpreted as a symbolic invocation of a formulaic code for disruptive practices? Hence the significance of the subtitle which makes it obvious that the ability to innovate successfully can be understood as constituting a set of five-skills that can be taught in a business school. The fact that it is not taught as a matter of routine is a different matter altogether. What is important at the outset is to determine whether innovation is teachable in principle. What are its determining conditions? Are there skills that can be clearly identified as those that constitute the code of practice that disruptive innovators will swear by? These then are some - though not the only - questions that Jeff Dyer of Brigham Young University sets out to answer with his distinguished co-authors Hal Gregersen of INSEAD and Clayton Christensen of the Harvard Business School (HBS). What these three authors have in common is a commitment to studying how truly innovative individuals, teams, and companies go about the process of disruptive innovation. While there is no dearth of studies on innovation, what is interesting about this book is that it takes forward the questions that Clayton Christensen sets out to answer from as early as his doctoral thesis at Harvard. These questions include the following: What is disruptive innovation? How do disruptive innovations change industries? Where do models of disruptive innovation come from? What is it that potential innovators can learn by studying the process of disruptive innovation systematically? In addition to these questions, theorists of disruptive innovation also try to understand the strategic implications of disruptive innovation for the competitive dynamics that constitute a given sector or an industry.

The basic contention in Christensen's work is that

disruptive innovation is not just an interesting topic for strategists (i.e. business economists) to study, but yields positive results that can be used by consultants to help build a large number of start-ups. There is nothing as 'useful' as having a theory of what works or does not work in the context of disruptive innovation since it takes the mystery out of entrepreneurship. One of the endemic problems in entrepreneurship is that entrepreneurs do not understand why exactly they succeeded or did not succeed (i.e. they do not have an adequate notion of 'causality' - of 'what causes what' in the 'unstructured situations' in which they find themselves). It is not uncommon for entrepreneurs to struggle to explain what they are trying to do, and why a venture capitalist might want to support them, and what returns are reasonable in a given venture. It is almost as though while entrepreneurs are not lacking in the passion to make a difference, they have difficulty in explaining to themselves, or to their financial backers, what exactly is different in what they are doing. What Christensen's theory succeeds in doing admirably is in differentiating clearly between the strategic choices that disruptive entrepreneurs make, along with a discussion of the underlying rationale for these choices. The most important 'justification for entrepreneurship' for instance (unlike what entrepreneurs themselves may mistakenly think) is not the attempt to make a 'better' product, but a more 'relevant' product in the context of non-consumption. Many entrepreneurs who set out to address the problem of non-consumption get confused along the way, and wind end up making the mistake of trying to make a better product that brings them unnecessarily into a direct confrontation with dominant incumbents. Thinking through clearly the strategic rationale for what is being attempted in a disruptive start-up rather than just hoping for the best is an important clue to what is at stake in applying the theory

of disruptive innovation to further the practice of disruptive innovation. As proof of this possibility, we have but to consider the enormous success of a consulting firm that Christensen himself started. This firm is called Innosight, it is run by his former students from HBS, and has become synonymous with successful interventions in the context of developing disruptive innovations. A large number of case studies and books have also appeared on this topic, thanks to the attempts made by Christensen and his associates to 'spread the word' about the theory and practice of disruptive innovation (Anthony, 2009; Christensen et al, 2009; Christensen et al, 2010).

This book can be considered as an attempt to study not only the skills involved in disruptive innovation, but to also draw up a list of the most innovative companies in the world. What is interesting about this list is the fact that Dyer et al go beyond the usual methodology in listing innovative companies that is based on historical data (i.e. past performance) to one that is based on potential (i.e. future performance). The importance of these lists relates to the fact that 'past performance is not a guarantee of future performance', and that the empirical record demonstrates that companies stop innovating after they have acquired a certain measure of market share and renown. It is actually possible to do well for a number of years merely on the strength of past performance and settle for incremental innovations that will 'sustain' the product range or product hierarchy in place in the hope that the competitor will also do the same, and that the process of disruption will not fundamentally affect any given industry. This approach, as Dyer et al demonstrate, can be fatal. It is therefore important for companies to be proactive in coming to terms with the theory and practice of disruptive innovation. The reason that companies have difficulty in coming to terms with disruptive innovation is not because they are unwilling to do so. It is because they do not relate the challenges of product innovation to the process of 'redefining the product' or the 'customer value proposition' at stake. Instead, they take on a technical approach that makes it possible to ask what must be done to make the product 'better'. The problem with this stance is that it is a hierarchical approach to

product development. The hierarchical approach to product development works only insofar as the competition is also trying to make things better within its product hierarchy. In this model of competition, whoever has the best widget, and is able to get that fact across to customers with an effective marketing push, will win.

Christensen's notion of disruption however is an attempt to focus on those disruptive phenomena that occur when the competition (unlike the dominant incumbent companies) decides not to race to the top with a better product, but instead questions whether the customer is really after a better product. What if the customer is after a more 'accessible' or 'affordable' product? What if a disruptor decided to compete not against incumbent companies (i.e. pursue the traditional notion of 'rivalry'), but decides to compete against 'non-consumption'? This is one of Christensen's most important ideas since it explains the motivational structure of disruptive innovation. Non-consumption means that there are usually a large number of customers available who are not preoccupied (like existing customers) with what is better because they are not in the habit of consuming a particular type of product. For these customers, the choice is between the disruptive product or nothing. Given the sheer number of customers that constitute the base of non-consumption in the economy, the potential for expanding both established and emerging markets is tremendous. This is the part of the market that is not recognized to exist; once it becomes obvious that such a market exists, the scope for disruptive innovation is not a difficult case to make. Most of the case studies or case-based examples in books like this are an attempt then to sign-post the large range of products that can be made available to those who (before the introduction of a particular product) were non-consumers. The strategic choice that a company must make if it wants to be a disruptive innovator is to focus on non-consumers rather than customers. The former however is not a category that is given; the shape of the potential consumer, who is presently a non-consumer, will be determined only 'retroactively' after the introduction of the disruptive innovation.

Once such a disruptive product is introduced, however,

it will affect the competitive dynamics at play between the dominant incumbents and those who seek to disrupt them. The disrupted incumbent must decide whether it will fight it out at the lower end of the market where the margins are narrow or flee upmarket. The main contention in the theory of disruptive innovation is that dominant companies will not be able to resist the temptation of fleeing upmarket to leverage on the higher margins available, since the whole notion of dominance is about making the firm 'profitable through differentiation' rather than compete merely on cost or volumes at the lower end. But, once dominant companies concede the lower end, it is only a matter of time before disruptive innovators make more space for themselves by identifying non-consumption as a growth strategy to avoid a direct confrontation with dominant incumbents. It is possible then to grow steadily without competing for existing customers. For the incumbent companies already at the top, there is now a 'dilemma' that has to be addressed from a strategic point of view: should they endanger their positioning as upmarket firms by introducing lower-end products to subsume the space of non-consumption? Or should they try to move even higher? Invariably, they choose the latter since the lure of even higher margins is irresistible. This is precisely the move that disruptive innovators seek to capitalize on since their learning and growth curves require less expertise in the space of non-consumption. And, furthermore, since they may not already have a brand in place, they can conduct more experiments to determine what will or will not work in the space of non-consumption or even across the product hierarchy of the incumbents, should they get a chance to move up later. Since dominant incumbents don't think that it is worth their while to compete at the lower end, disruptors can move steadily upward from their starting point (depending on the range of disruptive and technical expertise that can be subsumed within their learning and growth curves) until they deem it necessary to compete at a much higher level.

What books like this bring out is that these attempts at disruption are not isolated phenomena that are only related to specific sectors of the economy, but the basic stuff of how things change in industries throughout the

world. What this book does in a sense is to take Christensen's theory forward by relating it to a whole range of sectors that were not included in his trilogy of books on disruptive innovation (Christensen, 1997; Christensen and Raynor, 2003; Christensen et al, 2004). The main focus on Christensen's early work was on the hi-tech sector since the notion of disruption originated in his doctoral work at HBS. At that time, Christensen's main interest was in the technology-intensive sectors like disk drives since they represent what Kim Clark was to describe as 'fast history'. What this means is that it was important for Christensen to first get hold of sufficient data to show what the basic contours of disruptive innovation might look like in sectors that were fast moving; this is not unlike the fascination that evolutionary and developmental biologists have for fruit flies. Once he was able to demonstrate the basic life cycle patterns in his doctoral work, he began to apply it across a range of sectors and industries as an academic and as a consultant, and finally work out where these models of disruptive innovation are coming from, and where they may be headed as emerging practices. That was the point at which there was a convergence of interests between those working in strategic theory and innovation theory. This book can be understood as indicative of the collaborative possibilities inherent within such forms of theoretical convergence in not only business academia, but also between academics and consultants. Once there is clarity on where disruptive innovation is coming from, it becomes necessary to ask where it is going. If it appears that theorists of disruptive innovation find the direction in which it is moving to be of interest, they will, needless to say, ask whether it is possible to 'scale up' disruptive innovation to expand the base of consumption. And if it is possible to scale up in theory, then, what sort of educational programs (Christensen and Eyring, 2011) might be necessary to identify and inculcate the modalities of innovation in a large number of people? It is for these reasons then that this book should attract the interest of both business academics and entrepreneurs themselves.

What exactly should readers do with this book? They can begin by identifying their cognitive and behavioral

style that comprises five skills. These skills include the following: the abilities to 'associate, question, observe, network, and experiment'. This list can look intimidating at first because we tend to think only of scientists as having this amount of intellectual wherewithal. What Dyer et al set out to demonstrate however is that being accomplished in any -if not all - of these skills has enormous 'pay-off' in an entrepreneurial situation. They have a number of case-based examples of successful entrepreneurs situated against each of these skills, and attempt to show how they succeeded in 'leveraging' on a particular skill to build their respective businesses. There is a separate chapter on what is at stake in each of these skills in the first part of the book. The authors hope that their readers will get a feel for not only the cognitive abilities and social skills of the entrepreneurs here, but will also get a measure for how they fare on these factors themselves. The idea here is not to feel bad about not measuring up to the case-based examples, but to identify in the first instance what is at stake in the formation of an entrepreneur who seeks to practice the art of disruptive innovation. Once the 'components' of these abilities and skill-sets have been clearly identified, it becomes possible to develop a pedagogical strategy that would be appropriate to pass it on to a new generation of entrepreneurs. This, needless to say, is what is missing in our business schools. While there is some clarity on what abilities and skills are required to generate executives, consultants, and managers, the 'formation' of entrepreneurs is thought to be an unassailable mystery.

The second part of this book seeks to spell out what exactly constitutes the DNA of the entrepreneur. The basic contention here is that to understand the practice of disruptive innovation, we must be mindful of how these skills are activated within three crucial aspects of a company: 'people, processes, and philosophies'. The difference between a start-up that is finding its way through trial-and-error and a company that is well on its way to addressing the expectations of its stakeholders is that the DNA of entrepreneurship needs to be dynamically incorporated into these three organizational aspects in the latter. The actual steps necessary to do so are discussed at length (so that companies which

attempt to do so, on their own, are able to do so). There are also three appendices that list details about the disruptive innovators whom the authors interviewed, a note on research methodology for readers who are academically-inclined, and a discussion on the 'how-to-acquire' aspects of discovery skills. What the authors mean by 'discovery skills' is the opposite of the 'delivery skills' (that constitute the main reason employees are hired in the corporate sector). In the entrepreneurial context however, it is not clear whether delivery skills alone will do the trick since the main contention here is to rethink the basic criteria of what constitutes a product, a customer, a non-consumer, and the process of disruption. It is therefore important that in a startup what is required requires are discovery skills constituting the ability to 'associate, question, observe, network, and experiment'; so, for instance, the ability to 'network for ideas' in a startup is different from networking for business. The latter pertains to delivery, the former to discovery. The idea is not to play favorites here, but to sensitize the reader to make effective 'trade-offs' in terms of how a company is situated in its history though the emphasis is on the need to concentrate on discovery skills (as a way of making up for what is missing in the management curriculum). This however cannot be done with the instrumental goal of disruption; thinking and acting different must become a way of life. Only then, like Steve Jobs, will disruptors be able to 'put a ding in the universe'.

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If money help a man to do good to others, it is of some value; but if not, it is simply a mass of evil, and the sooner it is got rid of, the better.

- Swami Vivekananda

The Problem with Banks

Abhay Kumar

Lena Rethel and Timothy J. Sinclair (2012), The Problem with Banks, Zed Books Publishing House London & New York, Price Rs. 1091, pages- 147, ISBN: 9781848139398.

About the Authors

Lena Rethel is Assistant Professor of International Political Economy at the University of Warwick and her research work includes mainly Capital market development, the emergence and challenges of Islamic finance and the relationship of finance, debt and development.

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About the book

Over the last five years a lot has been written about problems of the banking sector. This book offers a thoughtful contribution to the debate on various problems banks face before and after the sub-prime crisis. The authors argue that banks are very troublesome institutions, they borrow short and lend long. They look for short term and ignore long term benefits of the society. They don't take any decision in public interest but when they fail they are bailed out with public money. US sub-prime crisis bailout has cost the public over \$5 trillion. The book draws the reader's attention towards political and economic issues. The authors have tried to seek answers to some of the central questions. What is the Problem with Banks? Why do they seem to be at the center of economic and financial turmoil down through ages? What is the difference about the most recent banking crisis? Deeper information is catered with the help of large number of referenced academic studies to support the arguments that make the book interesting.

Review

The book explains the circumstances that have driven the banks towards self regulation.

It was expected that self regulating free market will bring well-being and overall development but financial crisis has proved it wrong. Recent financial crisis was a result of the profit making lust that was linked to risk taking. Compensation was based on risk taking, therefore identification, calculation, pricing and packaging of risk was at the heart of modern financial market. Banks have become speculator with others' money without any accountability and liability. Banks' attitude towards risk has changed. Risks of banks have increased many folds as they have started taking higher risk for making more money. Authors are of the opinion that the government not only regulates banks but also creates and shapes their behavior and role. According to the book, government debt has increased by 86% during the three years following the sub-prime crisis. Various strict domestic and global regulations could not prevent banks from global financial crisis that has eaten away tax payer's money in bailout packages. Finally the book gives an overview of what is happening in financial markets. The book is divided into six chapters to explore various dimensions to understand the problem of banks, and suggests solutions.

Chapter 1 describes how the evolution of banking sector/ financial institutions and framing of regulations by government have systematically influenced the sector. The evolution of bank-like financial institutions can be traced back to around 2000 BC in Babylonia where lenders were based in temples doing transactions of accepting deposits and sanctioning loans. First financial instability was witnessed during 33 AD when lenders were losing confidence in the institution. The then Roman Emperor Tiberius stepped in as a lender of last resort and brought the confidence back. Europe is linked with many banking and financial crises historically. The growth of industrialization brought frequent banking crises such as the collapse of BCCI and Barings in Britain in mid 1990s. These collapses have compelled the state to develop tools necessary to regulate the financial

markets. The concept of central bank emerged during the late seventeenth century, when the Bank of England was incorporated in 1694 by royal charter as a private company. United States too has witnessed a number of financial crises; in 1792 Bank of New York had witnessed a bank run, followed by bank failure in 1818-19 and financial crisis during great depression of 1930's. Further US also faced a saving and loan crisis in the late 1980's and the sub-prime crisis early in the twenty-first century.

The Great depression of 1930's made banks to split on the basis of types of operation after enactment of Glass-Steagall Act, 1933. The Act has not proved effective in making the banks "Crisis Proof". A series of bank failures and success of European style universal banking model compelled repeal of the Glass-Steagall Act in 1999. After Europe and USA it was the turn of Asia to be hit by various financial crises. Banking crisis of Japan in 1927 affected its colonial dependency. Another big financial crisis in Asia started in Japan during 1990s. This crisis spread wider across the East Asia region and continued till 1997-98, and demonstrated how financial instability in one country can affect other interlinked countries. These banking crises in all continents shaped the boundaries of future financial arrangements and gave way to the government to step in as a regulator to protect the savings of people. The development of democratic setup has also pressurized the government to avoid cost of future bailouts.

Chapter 2 provides a glimpse of what exactly banks are. What is the nature of the banks? In reality banks are not strong rooms or counting houses. They don't store money safely for their customers. Banks have to pay interest on the deposits so they lend most of the fund in the market and earn interest on it. They keep approximately 10percent reserve to meet customers' requirements. Most of the deposits accepted by banks are lend out but problem arises when they borrow for short term and lend for long term. This creates maturity mismatch and increases doubt on the bank's ability to cover demand on depositor's funds. Sometimes banks lend more than they borrow which creates additional pressure on the banking system. Confidence on the banks could not be built based on its efficiency of operation but state participation alters the rule. State

and other participants have made banking like a musical chair game, everybody (citizen, business and government) dances while music plays and runs towards a chair when the music stops. But the regulator understands that chairs are not sufficient for everybody, so they try to keep the music playing. Once confidence is lost (as happened in 1930s and 2007-09) bank runs occur which may lead to financial paralysis. To maintain confidence at times of crisis, state always stands ready as a lender of the last resort. Banks' balance depends upon confidence; those institutions not doing well would have different values than those doing well.

Chapter 3 focuses on the impact of financial disintermediation on banking. Disintermediation and financial innovation have taken place in banking sector post 1990s. Because of disintermediation, banks have to compete with efficient and cost effective capital markets. Liberalization and deregulation during this period have encouraged borrowers to seek alternative forms of finance by borrowing directly from the market. Disintermediation, which is the process of eliminating the middlemen, has benefitted both borrowers and lenders. Borrowers can obtain funds from outside at a lesser cost and lenders can earn more than what they earn from banks. The cost of bank intermediated loan is always more as banks need to maintain a certain ratio of reserve assets to loan outstanding, and they also charge for infrastructure cost as well as for NPA of funds. Bond market has flourished because of its cost effectiveness and got further boost from Asian financial crisis of 1997-98; this development has led to significant decline in the share of banks' lending over the last decade. So what is the way out for banks? Should banks give away the traditional role of intermediation and become active as market participants? Now they have a new role to play i.e. trade, securitize the loans and device new types of financial products. This process has forced the banks to give up their role as a gatekeeper in the financial market and made them to reduce the margin approximately from 2.5 percent to 1.5 percent.

Repeal of Glass-Steagall act provided the much needed support, banks moved into the market with full speed by strengthening their investment banking business. For example: Deutsche Bank acquired Banker's Trust

Corporation, merger between Chase Manhattan and JP Morgan in 2000 and acquisition of Bank America Corporation by National Bank. Banking has transformed as a shadow banking system (investment banks, hedge funds, money market funds and insurers) and started creating complex financial engineering that was a main cause of the sub-prime crisis. Structured finance in the form of security of package of debts (credit card borrowing, car loans & mortgage) started selling like hot cakes in the financial market. The owner of this security has a claim on the revenue of these debts. This process of securitization helped in converting illiquid consumer debt into financial market assets. These securities were then sent to credit rating agencies for rating. Rating agencies rated the instruments (most often "AAA") on the basis of their past performance without having any clue towards future paying capacity. Sub-prime crisis made Lehman Brothers bankrupt and US government had to bailout by paying \$182 billion to the insurance company, American International Group (AIG). Further to revive the market, US Federal Reserve followed easy money policy to keep the cost of borrowing cheaper. This policy led to the decline in interest rates thereby reducing the margin of the banks. Naturally this made banks to look for products that can earn them higher returns.

Chapter 4 explains the impact of self regulation on the behavior of the banks. Government has liberalized regulations and has tried to push responsibility for prudent behavior onto the institutions themselves. States will intervene only in case of market failure. Banks' regulation develops in the social and political environment locally at contemporary periods. Regulation related to banks and financial institutions have changed substantially over the last few decades since the collapse of Bretton Woods system. Financial disintermediation took off in 1980s and regulation became external to market operation. Interference of regulator has reduced drastically in the day to day functioning of the market. Authorities allowed financial institutions to set, enact and adjudicate rules of game. Banks were allowed to decide the scope of their operation, risk taking capacity and own compensation package. Decision of compensation which includes

performance linked bonus was left to the market forces. Most often, remuneration was linked to risk taking capacity of investment bankers. Bankers' focus shifted towards taking more risks and earning more, rather than safe keeping of deposits.

US was first to adopt self regulation. Initially it was slow in Europe, yet they implemented Basle accord of 1988 in the second banking coordination directive in 1989. Further they have also adopted Basle II accord in 2006. Basle II was based on three principles: a) Risk weighted minimum capital requirement b) Periodic supervision, and c) Market discipline. Basle II also pushed the idea that, bigger the bank the better equipped they are to handle worst situations. Self regularization has helped Regulatory in decreasing their strength. Federal hiring is reduced by 20%. Malaysian central bank has reduced the staff by 50%. Reduction in staff has reduced the regulatory check, and impact was visible in the form of financial crisis. Market driven remuneration system has further increased turnover of the regulatory staff. They move towards private sector as they offer much more attractive compensation than the state owned regulatory authority. For example, Secretary of UK Treasury was drawing £.18 million whereas CEO of Royal Bank of Scotland had drawn £4.2 million in the same year 2007.

Things were different in East Asia; policy makers were pragmatic and things like credit control, capital control and variable reserve requirement were in force. In the aftermath of financial crisis, South Korea, Thailand, Indonesia & Malaysia became much more proactive towards market disintermediation.

Chapter 5 elaborates proposals of reforms in banking sector and why these reforms are not solving the problems of the banks. Three areas have been discussed in detail: macro prudential policies, ban on proprietary trading and proposal about breaking up of the banks. As regard to macro prudential policy, the authors are of the opinion that formation and implementation of regulation is not sufficient to get rid of the problems of the banks. Simply obeying the rule is not enough in a professional culture. Reforms can be achieved by institutionalizing the profession of banker. Specified

education and training with certificate can make them professional like any other professionals. Volcker rule was implemented to ban proprietary trading by the banks. But the rule has failed to control risky behavior of the banks. The bankers were not in favor of breaking up of the banks. They thought bigger banks are better as government will not allow big banks to fail. Bigger the banks, bigger the systematic risk it poses considering its potential collapse. Therefore there is more likelihood that it will be bailed out by the government. This possible bail out guarantee of government serves as a incentive to the banks to go for merger and acquisition to become bigger. Banks readily pay premium to become big. Banks indulge in much more riskier activities as there is no fear of collapse, thinking "Too big to fail".

Chapter 6 concludes with the authors' argument that banks are not ordered, sensible institutions as suggested by those who run and those who regulate. It has created problem for borrowers and lenders many times. Even after global financial crisis of 2007 very few people or policymakers have realized it. Investigative reports and policy briefs produced by various agencies also do not deal with the problems of the banks though, they can help in dealing with some of the issues created by the banks. They are of the opinion that more sharp changes are needed in the banking institutions. A broad societal consensus and more creative solutions are required.

Creation of a separate organization for safe keeping of deposits and the generations of funds for investment, who can take calculated risk, can help. Banks have been managing short term liabilities and long term assets, and have been surviving. They have been under pressure by cheaper and multiple sources of funding. Capital market and money market has also eaten up the business of banks. To make good returns, banks also started using capital market through proprietary trading. Banks have changed character and behavior. It has posed risks for the financial system; therefore living with the current arrangement is foolish.

Finally, the authors have concluded that problems with banks is not going away any time soon. Banks are rich, problematic and fast moving institutions to produce maximum profits. Banks are under great depression. States have helped them to perform better but systemic risk caused by them can no longer be neglected. Banks cannot work on serving their purpose at the cost of society. Banks have to come forward to reduce their own problems and cannot ignore the public rage that started after 2007. State, as a maker of the banks, has to play the role of a re-maker.

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A few heart whole, sincere men and women can do more in a year than a mob in a century.

- *Swami Vivekananda*

Breakout Nations: In Pursuit of the Next Economic Miracles

Roli Pradhan

Ruchir Sharma (2012). *Breakout Nations: In Pursuit of the Next Economic Miracles*, published by Penguin Allen lane, Price: Rs 599/-, Pages 263, ISBN: 9781846145568.

The book titled Breakout Nations focuses on the factors regulating the development of nations. It talks about the pace of development when the economic and political factors are in play. In the present context of slowdown in global growth, there is a need to eye emerging markets carefully and cautiously. This book travels round the world to examine which nations would flourish and which would collapse in the new era of diverging economic prospects. Ruchir Sharma in his journey lays down certain rules to identify emerging markets with star potential.

The view laid down in Breakout Nations is that the astonishing rapid growth of the world's economy observed during the last decade is coming to an end. The era of easy money and easy growth is over. The book mentions that the much talked about China would reduce its pace of growth. The emerging nations, would probably not be Brazil, Russia or India owing to weaknesses possessed by each of them. To identify the actual emerging nation it is essential to give up the habit of extrapolating from global trends but must instead focus upon nations individually. His presumption is that they would probably be from the margins or from the shadows. Sharma lists each of the probable nations and also provides reasons for the nation being a breakout nation.

Ruchir Sharma is head of one of the world's leading emerging market funds. He has spent two decades travelling all around the globe to evaluate the actual state of developing countries. Sharma takes his readers on a ride into two dozens of the world's most interesting economies, introducing the crucial players and analyzing the forces, which may be general or specific to that nation, that play a role in the success or flop in future. The book focuses on issues such as:

- How the current mania for oil echoes the dotcom mania of 2000.
- How an industrial revolution in Asia is redefining what manufacturing can do for a modern economy.
- How the coming shakeout in big emerging markets could shift the spotlight back to the West.
- Why the next two trillion dollar economics will be big Muslim democracies.

The book says it has been long since the farmers shifted their farm houses out of Delhi, which have now become abodes of rest on weekends for the upper class. The village lanes have been transformed into lavish mansions with sprawling gardens. The streets of Delhi have undergone a total transformation and have been the seat of major events.

On a foggy night in 2010 in a party, a lad of 20 years had passed a comment "where else will the money go?". This comment made a mark on Sharma. He realized that the size of his investments had blown up and the partying youth had taken for granted that the emerging market investors would be the masters of the universe. He was fascinated with this thought and wanted to explore it further which led to this work.

Emerging markets were spoofed in investment circles as an inversion of the 80/20 rule, which states that 80 percent of profits came from 20 percent clients. But post war history revealed that emerging markets accounted for 80 percent of world' population but only 20 percent of its economic output. When Latin America showed a rise in 1960's and 1970's, Africa and large parts of Asia showed a downfall. 1980's and 1990's showed rise of Asia at a rapid pace but Africa did not show any growth and Africa was rejected as the "Hopeless Continent". The trends in 2000's were private capital inflows into developing countries that had surged from an annual

pace of \$ 200 billion in 2000 to nearly a trillion dollars in 2010. Even on Wall Street, all the experts said that west was witnessing a terminal decline, so the money was bound to flow east and south.

By the middle of the last decade it seemed that every man and his dog could raise money from emerging markets. By the end it appeared that just the dog would do. But history proves that economic development is a game of snakes and ladders, with no straight path to the top, having more snakes than ladders suggesting the fact that it is much easier to fall than to climb. A nation could climb a ladder for 1, 2, 3 decades but just a hit from the snake could make it fall back to the bottom, where the nation has to start all over again and would be surpassed by its rivals. This phenomenon prevails most of the time. There is a huge pool of competitors and only few nations defy the long odds against success. Those are the rare breakout nations, and they beat the game by growing faster than rivals in their own income class. The growth game is all about beating expedition and peers. In the last decade all the emerging markets did grow together suggesting that the way to success was suddenly easy and approachable. But this was the first and last event of its kind and would be set aside in the decade to come.

From over 10 years Ruchir Sharma has engaged himself in crucially observing emergent markets, meeting all sorts of local characters and travelling to many countries. He has tried to infer the connection between good economics and good politics over many such nations. He strongly believes that no one can pinpoint the exact mix of reasons that makes a nation grow or fall. There is no magical formula but a long list of ingredients exists. Some of them are:

- Allow free market flow of goods, money and people
- Encourage savings and ensure that banks funnel money into productive avenues

- Stabilize the economy
- Reduce deficits
- Keep watch over inflation
- Open doors to foreign investment

But all these are armchair academics that offer a long list of do's and don'ts but do not disclose how they would contribute to growth.

Ruchir Sharma, through this book, makes an effort to understand economic and political forces that influence the growth of nations. According to him, creating the right conditions for rapid growth is more of an art rather than science. Some of the biggest stars like China, South Korea, Taiwan adopted unconventional policies like trade free zones, subsidizing/giving tax benefits, ensuring investment guarantees, but their businesses did not show any continuous rise.

It is apparent that not all emerging markets will be the breakout nations and their growth patterns would be different. It is also evident that in the third coming, the investor would not only evaluate the avenue of investment but would also be critical about the country of investment. He would treat emerging markets as individuals and not as a homogenous class. No nation can grow as a free rider in the global scenario. They would have to work on their nations. According to the author the mantra for breakout nations would be "If there is no wind, row".

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Good Idea. Now What?: How to Move Ideas to Execution

Wallace Jacob

Charles T. Lee (2012). *Good Idea. Now What ? : How to Move Ideas to Execution*, Wiley India Pvt. Ltd., Price Rs. 595, Pages xviii+206, ISBN 9781118163993.

Great minds discuss ideas; average minds discuss events; small minds discuss people.

Eleanor Roosevelt

Ideas rule the world. Ideas move the world. Ideas can be life-changing. True, but, the three aforementioned sentences become facts only when ideas are implemented. Nonetheless, it is imperative to have the capability of constructive idea generation in the first place. The book under review is a majestic monograph on the genealogy of ideas from idea generation to idea implementation and has been effectively divided into eight sections or parts. The first and the second part containing five chapters each are devoted to the origin of ideas and life after being inspired with an idea or ideas. The third part of four chapters is devoted to overcoming resistance which can be internal as well as external. Through five exhilarating chapters the fourth part explores how to pave a creative pathway. Parts five and six contain five and six chapters respectively and dissect the elements of idea-making. Part seven contains six chapters and is devoted to collaboration. Part eight of the book has four crisp chapters which are devoted to personal branding, which is very important in this digital age of cut-throat competition, when it is necessary for a person to stand out from the crowd.

Are ideas related to strategy, serendipity, challenges, necessities, beliefs, attitudes or aptitude? Are ideas dependent on time? Is there any relationship between hard work, idea generation and idea implementation? Is the idea generation capability related to accessibility to information? Are there any guiding principles and/or processes for idea generation and implementation? Are ideas just clinical concepts which end up as products or services? Are ideas and inspiration related to each other? Can inspiration also cause harm or delusion? Can

inspiration lead us to a fool's paradise where we are packed with a false sense of accomplishment and productivity? The work under review can help the reader in answering the aforesaid questions. The first chapter dwells on the relation between strategy, chance and idea. The second chapter examines the role of physical environment and spatial distance on the idea-making process. The third chapter dwells on a few ideas which can help build a culture of need for innovation. The fourth chapter is a treatise on giving birth to creative ideas through the amalgamation of existing ideas. The fifth chapter deals with utilization of one's potential to the fullest. The sixth chapter attempts to protect the reader from inspiration overload. The seventh and the eighth chapters are devoted to the managerial function of planning. In the ninth and tenth chapters the author speaks of his relocation from Korea to New York, his attempts in setting up one of his companies, and the significance of family.

The eleventh and the twelfth chapters are devoted to overcoming resistance to change and the insecurity pertaining to planning. The thirteenth chapter is an examination of the forces that appear to act against the success of an individual's venture. The fourteenth chapter looks at the positive side of criticism of one's venture. Chapters fifteen to nineteen identify the forces which hold back a person from successfully implementing his/her ideas; aid in understanding the role of time and environment; discovering the power of focus, visuals; and the role of actions which might appear counterproductive. The twentieth chapter unravels a secret related to entrepreneurship. The twenty-first chapter attempts to answer a difficult question: "Idea generation capabilities are innate in some people or can they be nurtured?". The twenty-second chapter is a treatise on risk-mitigation strategies.

The twenty-third chapter dwells on the benefits of documenting ideas. The twenty-fourth chapter contains a splendid account of the groundbreaking work of a consultant by the name of Moskowitz. The twenty-fifth chapter explains the benefits and power of thinking to simplify life's issues. The twenty-sixth and the twenty-seventh chapters are devoted to quality and funding issues respectively. The twenty-eighth chapter explains how entrepreneurs can deal with enormous pressure that builds on them. The chapter however contains two elements of information which have been covered in great detail in the sixteenth and eighteenth chapters. The twenty-ninth chapter explores the role of setbacks. The thirtieth chapter dissects the power of tribes and their use in shaping personal preferences, cultural trends and even worldviews. An example drawn from Wikipedia forms the unique selling proposition of this chapter.

The thirty-first, thirty-second and the thirty-third chapters dissect the nitty-gritties of collaboration. The thirty-fourth chapter is devoted to one of the potential abilities, the lack of which can be the bane for a business endeavour. The thirty-fifth chapter explores the positive side of a healthy fight culture! The thirty-sixth chapter is especially beneficial to the champions of recruitment, selection and promotion. The thirty-seventh and the thirty-eighth chapters are a treatise on branding. The thirty-ninth chapter explains how the originator of an idea should pitch his/her idea and the fortieth chapter examines the role of social media in harnessing the power of ideas.

The book has examples from highly acclaimed enterprises/organizations such as Laundry Love, Coker

Group, TOMS (a company which has an interesting business model). It explains the reorientation that may be required if the researcher's data does not return a perfect bell curve.

The author has built on the works of Larry Bossidy and Ram Charan (Execution: The Discipline of Getting Things Done), Scott Branson (Making Ideas Happen), Seth Godin (Lizard Brain) and the Greek philosopher Aristotle.

The book has a consistent approach throughout and connects passion to action. Each chapter has a "Good Idea" section which consolidates the key points of the chapter and a "Now What?" section which provides a platform for the reader to work upon. The author has appended a "Taking It Further" section at the end of each major part which will help the reader in obtaining deeper insights into the new concepts discussed in the book. The book brings out clearly the important differences between idea lovers and idea makers, innovation as a need and static expertise. The beauty of the book is the fact that each chapter can be read as a stand alone chapter. The book will be of great help to the champions of planning, strategic management, creativity, innovation and entrepreneurship.

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