

Convocation Address of CVC at Asia-Pacific Institute of Management

1. It gives me great pleasure to participate in this 12th Convocation Ceremony of the Asia-Pacific Institute of Management. I congratulate all the students who have successfully completed the course and would be receiving Post Graduate Diploma in Management to enter the professional world and assume their responsibilities in the managerial world. I also congratulate the faculty and staff who I am sure are equally proud of producing these graduates.
2. A post-graduate degree in management has become the most prestigious and sought after degree which confers not only immense salary potential but also career advancement. The academic knowledge of the theory and application of business management imparted to you by the institute when tempered with real life experience would create successful managers out of you. As managers you not only be propelling India's growth but also contribute to the global economy.
3. India's growth story has been unique in many ways. It has been service sector driven, consumption driven and domestically led, with very little external dependencies. It is exactly because of these reasons that the Indian

economy was least affected by the global meltdown and could quickly recover from the little setback that it faced. By 2013, India will overtake Japan to become the 3rd largest economy.

4. In terms of global competitiveness, India's position is quite paradoxical. In terms of business sophistication, market environment and strength of financial markets, India is ranked very high. But on the other hand, the number of procedures and the time required to start a business in India is very high. In terms of legal framework, transparency of government policy making, strength of reporting standards, intensity of local competition and extent of market dominance, we rank among the first 30 out of 133 countries. But in terms of basic requirements like infrastructure, health and primary education, we score very poorly. When it comes to availability of scientists and engineers we are ranked 4th in the world but in terms of technological readiness, we rank 83rd because of low penetration of technology in our society. India's business readiness is ranked very high and one of the primary reasons for this is the high quality of management schools where we rank 15th in the world.
5. Therefore the role for the budding managers is cut out to fuel this Indian growth story in a sustainable manner. The quality of Indian managerial capability would also

have significant impact on the global economy as many of our managers join the MNCs and global corporates.

6. According to the AICTE data about 50,000 PGDMs pass out every year from about 400 institutes in India. With a robust growth in all sectors of the economy, increasing globalisation and with the market penetrating into sectors hitherto unexploited or restricted to public sector, there is ample demand for managers in the Indian economy. Due to limited resources in the public sector, government is expecting large scale participation by the private sector in the infrastructure sector where India is lagging. The Planning Commission has developed standards and guidelines for Public Private Partnership which would be the preferred approach for developing this sector. In the automobile sector, India has emerged as a major hub with global automobile giants setting up manufacturing units in India. Therefore, there is a huge demand and ample opportunities for managers in the Indian economy and particularly in Indian corporates where nation building and your career building can go hand in hand. From the placement statistics of the 2007-09 batch, I find that most of the placements have taken place in the insurance, banking, telecom and consultancy or direct marketing sectors. Therefore I would advise you to look beyond the traditional preference for MNCs or the

financial sector and explore and create new opportunities.

7. Today, there is one fundamental principle of business management which I want to emphasise and I am sure you have studied it as part of your curriculum i.e. **Business Ethics and Corporate Governance**. In our professional life all of us grapple with the question as to what is right and what is wrong on a day-to-day basis. Ethics is not something new to the Indian mind which has been always obsessed with the concept of dharma, which in essence means doing the right thing. Ethics is nothing but doing the right thing and in a situation of dilemma or conflict of interest to be able to choose the right path at all costs. Business integrity or ethics is not just about moral or social values but an economic necessity and an essential ingredient of success in business. Knowledge of Financial or Operations management can help you arrive at optimal decisions to win over a particular situation; but when these decisions are backed by professional ethics and integrity, they become wise and sound decisions for the long term good. The recent financial crisis in the West has shown that if blinded by the greed of higher profits, managers ignore ethics then even the best investment model does not work. History has proved that whenever commercial interests have been pursued at the cost of integrity, corporates have collapsed,

businesses have failed and markets have crashed, bringing grief to all the stakeholders.

8. Corruption has been a problem which has haunted governance in this nation. India ranks 85th out of 179 countries in the Transparency International Corruption Perception Index. Citizens from all walks of life are affected by this malaise. Corruption has been globally considered as the third most problematic factor for doing business in India. Corruption adversely affects the country's economic development as it promotes inefficiency in utilisation of resources, compromises quality, destroys the environment, denies basic rights and services to the citizens and of late has become a serious threat to national security. It adds to the deprivation of the poor and the weak. It distorts the very market which sustains business and corporates. Therefore it makes very little sense to pursue commercial interest by ignoring business ethics.
9. Preventing corruption or promoting ethics in management or governance is not something to be left to government alone or to the other oversight bodies. Organisations, corporations and individual citizens have a far greater role to play in eradicating corruption in this country. It must be remembered that every corrupt act involves not only the bribe taker but also the bribe giver who is equally guilty. Corporate business houses and

individual citizens who are the supply side of corruption are in a better position to stop corruption.

10. The three approaches for managerial success in today's world are:

- i) Creativity
- ii) Innovation and
- iii) Localisation

The complexities of present day management with too many uncertain parameters call for a creative approach to provide innovative solutions to problems. Indian entrepreneurs have been good at it. No one else in the world has been able to produce a car for less than US\$ 3000. Management is an ever changing field with new models being continuously developed and applied. In today's world of competition, the most important competition is between you and your imagination. New approaches like outsourcing, off shoring and supply chain management have replaced the traditional concepts of resource management in a time span of just one decade. Societies and nations which had the least resistance to uninterrupted flow of ideas and concepts have grown faster. Development depends on how soon an organisation is able to translate an idea into a product and market it. Experience has shown that home grown localised solutions to problems have proved more effective than importing ideas from elsewhere. Various e-governance initiatives undertaken at the

local level in the states and districts are proving to be more sustainable and effective than solutions imposed externally.

I would like to close my address with the famous words of Albert Einstein -

“Out of clutter find simplicity;
from discord find harmony;
in the middle of difficulty lies opportunity.”

I wish you all a very successful career ahead and a very satisfying professional life.
