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Way ahead for management education in India: Let free market take over, says Bala Balachandran

Over breakfast, the founder and dean of Great Lakes Institute of Management, Chennai and Gurgaon, shares with Vikram Chaudhary how the institute was set up and what is the way ahead for management education in India



Bala V Balachandran is the JL Kellogg distinguished professor of Accounting & Information Management at the Kellogg School of Management at Northwestern University, US, and founder & dean of Great Lakes Institute of Management, Chennai and Gurgaon. For six months he stays in the US where his family is settled for the last five decades, and six months in India at Great Lakes. I've been trying to meet him for quite some time, but his travels have been keeping him busy, so when I received a call from his team to catch up for a 9:00 am meeting at the Great Lakes' corporate office in Gurgaon, I jumped at the opportunity. At the age of 80, he is still very much active, not just in teaching, but also leading a school and advising organisations. He is currently advising Gulshan Rai, the director general of government agency ICERT (Indian Computer Emergency Response Team). In the past, he had advised the then finance minister Manmohan Singh during 1991-95, and developed the National Management Programme for the government of India, delivered by MDI Gurgaon.

It's early in the day, and Uncle Bala, as he is fondly called, suggests we have breakfast. Soon, a plate of hot parathas and omelette arrives, accompanied by fresh watermelon juice. Uncle Bala, who at any other time of the day might choose either onion uthappam (south Indian rice pancake topped with onions) or fish/chicken tikka masala, takes a fruit platter. "I first went to the US exactly 50 years ago, on August 10, 1967, to Dayton, Ohio—the birthplace of aviation—on a scholarship from Wright-Patterson Air Force Base," he remembers the date vividly. He then completed his Masters in Engineering and Management, followed by PhD, at Carnegie Mellon in Pittsburgh, Pennsylvania. "My PhD thesis got the gold medal in a global competition in 1973 from Operations Research Society of America." After that, he started teaching at Northwestern University Chicago campus as associate professor in 1973 and was promoted to full professor in three years.

In 1991, the government of India started Economic Liberalisation, and the Indian economy opened up. "The government wanted liberalisation of not just the economy, but also of the minds of civil servants, who were living in the License Raj era," Uncle Bala says, who, along with fellow NRIs, felt the time was right to support higher education of the 'management' in India, and work around creating institutes in the country. Parathas and omelette is a good combination. Uncle Bala, however, loves fruits, and the first seeds of Great Lakes, his ultimate fruit, were being sown around that time. "We started by supporting the National Management Programme at MDI Gurgaon, which was the government's focus area. We trained MDI professors at Kellogg, teaching them how to teach experienced hands at PSUs," he says. Between 1991 and 1996, he brought the entire faculty of MDI, including Abad Ahmad (then MDI director, and later provost of Delhi University), in batches for three months each to Kellogg.

Alongside, people like Rajat Gupta of McKinsey, ITC's YC Deveshwar, Keki B Dadiseth of HLL, Deepak Parekh of HDFC, Kumar Mangalam Birla, Anand [Mahindra](#) and a few others felt that India should have a private institution on the lines of Harvard, Stanford or Kellogg/Wharton combined. "We thought Mumbai is the right place, because it is the financial capital," Uncle Bala says. But that couldn't work out. "Then we identified either Delhi, Bangalore, Chennai or Hyderabad. In 1997, we created a committee that included Adi Godrej and Rajat Gupta, among others. We went to Hyderabad, and N Chandrababu Naidu, the CM of Andhra Pradesh, took so much interest in the project that he came to receive us at the airport (Gupta, Godrej, myself and others). He offered a 200-acre plot on a long lease and single-window clearance. That was how Hyderabad became the seat of the Indian School of Business (ISB)."

Prof Bala was in charge of recruiting the dean and faculty. In fact, the first eight faculty members were recruited by him at Kellogg; he also designed the curriculum of ISB, and taught there from 2001 to 2004. However, even though he was associated with ISB, he wanted to do something different—his own school. Finishing my breakfast, I ask him about Great Lakes, and the story behind the name. He tells me that, in the early 1990s, there were a few prominent Indian academicians in the Great Lakes region of the US. Prof CK Prahalad at University of Michigan; young [Raghuram Rajan](#) who had just joined the Booth School of Business at University of Chicago; Prof Bala, Prof Dipak C Jain and Prof Sunil Chopra at the Kellogg School of Management; and a few others from Illinois Institute of Technology and University of Toronto.

"I thought long and hard how I could take all these people on-board and create a school of international repute in India. I wanted a name that conjures up an image of integration between India and the US. Great Lakes was a clear choice and a unifying factor. It also sounds good, doesn't it?" he quips, showing me the green and blue 'flowing' logo of the Great Lakes Institute of Management, where blue stands for water, or the Great Lakes, and the green represents Earth and nature. "Tamil Nadu, the state I was born in, did not have an IIM. The nearest was in Bangalore, Karnataka," he says. It so happened that J Jayalalithaa, then CM of Tamil Nadu, and a few industrialists, wanted a world-class business school in Chennai. "I thought both time and location were right, and so along with my belief in the principle of 'Money Value of Time,' Great Lakes was born in Chennai in 2004," he says, and almost 'single-handedly' started the business school in a rented building, before constructing one.

In 2004, the first batch of 124 students arrived. The focus on quality, he says, was so high that, in the first year itself, Great Lakes recorded 100% placement. In 2011, the second branch opened in Gurgaon. "From 124 full-time students in one programme in 2004, we now have 660 full-time students in residence in both one- and two-year programmes in Chennai, and 270 students in Gurgaon." Both the campuses are AICTE-

approved and Chennai has LEED Platinum-rated green building certification. As I'm about to toast to Great Lakes with my glass of watermelon juice, he appears to get a little concerned over the state of education in the country. "Why did IT flourish in India? Because it was not under any department, any government," he says. "Competition and free market helped it flourish. Similar is the case with education. Let the free market take over."

I ask him how does he, as an academician, view the proposal to replace agencies such as UGC and AICTE with HEERA, which is now apparently on hold? Without getting into finer details, he says, "Change simply for the sake of change is not good. Any new body must be entirely different. It must have a fresh outlook and progressive leadership, and should be aligned to the changing global landscape. This is the only way to ensure quality and efficacy of higher education." On management education in particular, he is of the view that cutting-edge curriculum, global and Indian faculty, and blended learning technologies can create leaders of tomorrow. However, "simply copying curriculum from the West is of no value. It needs to be integrated with Indian ethos and our ethical value system." 'Ethical value system' reminds me of the reported unethical practices in the business world. Can business schools play a role in minimising such practices? "While we can try to inculcate the concept of ethics and the need to be conscious and responsible, at the higher education level the core value systems of a person are already set and there is only so much we can do. Ideally, ethics need to be built into students at a much earlier age. However, we do sensitise students on the consequences of their choices and decisions, and the need for being responsible corporate citizens, and will continue to do so."

As I am about to take his leave, I ask him why does everyone call him Uncle Bala? "If not uncle, I might be addressed as Prof Bala, Dr Bala or Dean Bala. These are either titles or are based on a financial transaction. But an uncle, especially maternal uncle, in our culture, is like a godfather. There is a natural affection. Today, every student of mine can approach me as he would his uncle, on anything, any issue. 'Uncle' makes me highly approachable, yet a disciplinarian."

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