

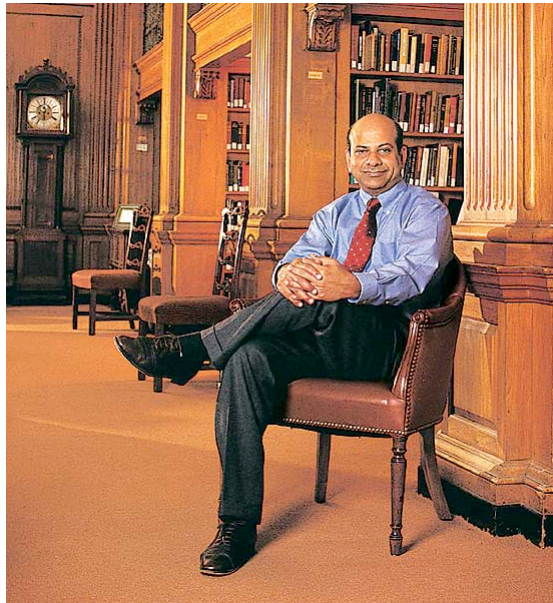
INDIAN THINKERS

## The Nano Mantras

Indian business gurus come of age globally

ARINDAM MUKHERJEE , PRAGYA SINGH , ASHISH KUMAR SEN

**T**here are some who insist it's a natural corollary of India's rapid rise on the world stage. Others point to the economically hit global powerhouses seeking new thoughts from lands far away. Either way, there's no denying the phenomenal rise of thinkers of Indian origin in management globally. While all of them doff their hat to the motherland, these new gurus signal an Indian "school of management" that global audiences are fast seeking to tap into.



**Vijay Govindarajan, 61**

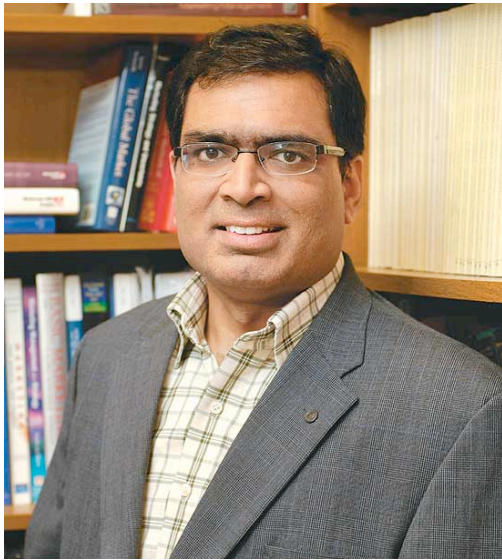
Earl C. Daum 1924 professor of int'l business, Tuck School of Business, Dartmouth College

From teaching in hallowed business schools at Harvard, IIM Ahmedabad, INSEAD (France), the International University of Japan and Helsinki School of Economics to being a best-selling author of business theory and assisting Geoffrey Immelt at strategising for GE, Vijay Govindarajan has done everything that a modern management thinker can dream of. If the 1980s and 90s were dominated by the likes of C.K. Prahalad, the current decade belongs to Govindarajan. Widely regarded as one of the world's leading experts on strategy and innovation, this author of seven best-selling management books believes Indian companies must innovate to develop and maintain a successful business.

And what shouldn't Indian companies do? Govindarajan believes that in a fast-changing business environment, old, tested techniques will not work. Historically, MNCs have innovated in rich countries and sold in poor ones. In today's world, the opposite strategy is required because buyers in poor countries demand solutions on an entirely different

price-performance curve. "Indian companies need to develop here and sell it to the world, like the \$35 laptop and Ratan Tata's \$2,000 car. Reverse innovation is the future and business schools should teach this. We believe it will power the future—not just in poor countries, but everywhere," he says.

Govindarajan feels Indian business schools should also teach how to grow in a slow-growth world, because growth in the next 50 years is going to be slow. "With an eye on globalisation, MBAs have to be developed with a global mindset. This is crucial because Indians are not naturally good at developing a global mindset," he says.



**Ashok Lalwani, 40**  
Assistant professor, marketing, University of Texas

Indians often wonder about the secrets of success. Ashok Lalwani says the rest of the world can learn some from Indian businessmen—about persistence, hard work, frugality and fighting against the odds, for instance. “In the US, the Patels of Gujarat are famous for having conquered the motel business without the benefit of high educational qualifications or intensive capital. But they did possess the above values in abundance,” he says.

An IIT-trained engineer, Lalwani moved to studying business management early on, and soon moved to the US. He now dedicates his time to teaching and conducting marketing research, a field in which he’s come to be recognised widely. Consumer behaviour studies are his area, and India plays a not insignificant role. He examines, for example, how Asian consumers differ from westerners in their judgements, choices, behaviour and responses. Asians, Lalwani says, tend to be collectivist, while people in the west are more generally individualist.

“I’m currently examining how individualists and collectivists differ in their responses to advertisements, how they make buying decisions, and how they react to prices of products in the marketplace,” he says.



**Sheena Iyengar, 40**  
S.T. Lee professor of business in management division, Columbia Business School

Can people really tell Coke and Pepsi apart, or do they fall for marketing manipulation that says they can? Why don’t people save more for retirement? How can employees be motivated? Sheena Iyengar’s recently published, critically acclaimed book, *The Art of Choosing*, delves into such questions on leadership and decision-making that haunt our times. The real factors that drive our choices have been the focus of Iyengar’s research work at Columbia Business School for a couple of decades now.

Iyengar, who is blind and was born to Indian parents in Canada but raised mostly in the US, found her interest in human behaviour piqued by her Indian-American upbringing. India was at the heart of her interest in choices, first by going back and forth between the two different worlds. “I realised early on that there are choices I am making between two different ideas of how to live life. Naturally, this drew me to the bigger questions about choices, and to my other interest, culture,” she says.

Iyengar remains gently optimistic about our number of choices increasing. “Indians, in some ways, are beginning to have as much choice as Americans, but on the whole they need more choice,” she says.



**Nirmalya Kumar, 50**

Professor of marketing, director of Centre for Marketing, and co-director for Aditya V. Birla India Centre, London Business School

Growing up in Calcutta in the late '70s, Kumar realised the city wasn't rigged to support an ambitious young man such as him. "It was a depressing time," he says. His friends, mostly businessmen, were doing much better than him. At 23, Kumar left India with a one-way ticket to Chicago and \$400 from his father. He also left with what India could teach him: like the knowledge that he'd have to "work exceptionally hard to make it".

Kumar—now a leading thinker on strategy and management, who has taught at Harvard Business School, imd (Switzerland) and Northwestern University (Kellogg School of Management)—has been helping to identify what's unique to Indian business, especially in acquisitions. He has written about how Indian companies may lose focus, risk too much, make "capricious business

decisions". What his research finds leading Indian companies use to understand marketing strategy and retailing. For instance, that family-controlled Indian companies may tend to be quicker on their feet. That their debt/equity ratio is what gives Indian companies a healthy appetite for debt.

"People outside want to know about India, which is why the publishers are signing up my books," he says. He adds that China is very curious about India, but there's not so much from the Indian side. "Sometimes I'm surprised how little interest the Indian people and press have in China's incredible success story," he says. These days he's co-writing a book, his sixth, on whether India can innovate. The book will seek to answer the question—"where are the Indian iPods, viagras and Googles?"

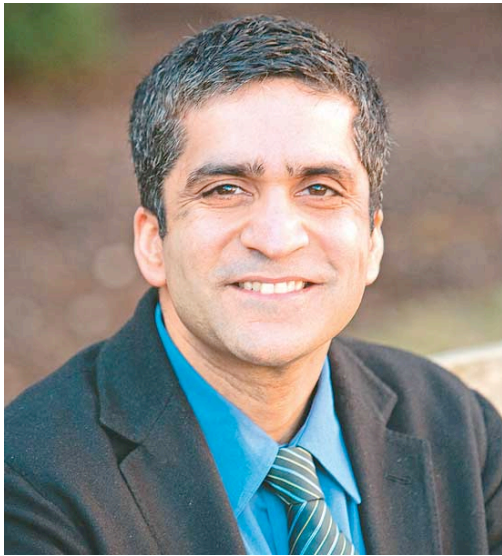


**Gita Gopinath, 38**

Professor of economics, Harvard University

Gopinath is the first Indian woman to get tenure in the economics department at Harvard (the few Indian men to get this honour include Nobel laureate Amartya Sen). Her tenure at the young age of 38 makes Gopinath one of the handful of Indians who have made it to top positions at US varsities. She was a star academic all along, from Delhi School of Economics to Princeton, where Ben Bernanke was her PhD thesis adviser, to the University of Chicago. Her research is focused on international pricing and business cycles and crisis in emerging economies, a field in the spotlight following the global financial crisis.





**Rakesh Khurana, 42**  
Marvin Bower professor of leadership  
development, Harvard Business School

Rakesh Khurana attributes the growing influence of Indian-origin thinkers to two factors: the first is demographic, the second a question of career timing. "These thinkers are now entering an age at which their scholarly contributions are becoming more apparent and observed," he says. Himself a leading light of this group, Khurana believes these trends are also applicable to business schools across America. There is also a third factor at play: historically a large number of graduate students, especially in the sciences, engineering, technology, finance and accounting, have come from Asian countries.

Khurana, a PIO who grew up in New York, says a combination of multiple identities shape his thinking. "Whenever you have a group of individuals who can be both a part of a social context and also sit outside of it, it gives you an opportunity to see things slightly differently," he explains. Having an insider-outsider perspective has worked to his advantage. Like when looking at processes by which CEO compensation is set, he didn't have to accept offhandedly that these processes worked in an open and meritocratic way. "As an immigrant, you often see that there are a bunch of invisible structural factors at work that are not always obvious to the dominant group in

that world," he says.

Khurana believes humility and a sense of perspective is key to India's growth. "Any country that tries to linearly extrapolate from its current conditions to the future without continually questioning itself and not seeing itself as continuously in a learning mode ends up in a dangerous situation," he says, citing the example of Japan in the 1980s and more recently the US.



**Tarun Khanna, 43**  
Jorge Paulo Lemann professor, Harvard Business  
School

Tarun Khanna puts management thinkers of Indian origin into three buckets. Into the first go those who are not doing anything different from non-Indian thinkers. "This is the vast majority. That they are thinkers and that they are of Indian origin is what a statistician would call spurious correlation," he says. In the second bucket are those that believe there is an essence in Indian culture that has something to say about modern management. Khanna puts himself in the third bucket. "We feel there are unique experiments going on in India...being Indian helps us because we know where to find them," he explains.

Khanna, who co-authored *Winning in Emerging Markets* with Krishna G. Palepu, says the increasing global interest in India has allowed this third group to grow. "Absent the

big India story, you would have had a few who happened to be of Indian origin who are doing things, but it wouldn't be quite the rush that you see," he says. So then why are there fewer management thinkers from China, which has a bigger population than India? "People who are in their 30s, 40s, 50s, that particular generation would have come of age during the Cultural Revolution. During that time, education was severely constrained there...so there is a missing cohort of thinkers from China but they will catch up in the decades to come," Khanna says. Khanna is incredibly bullish on the future of the Indian story. "There is a

ferment of entrepreneurial activity that gives a lot of hope,” he says. But he is also worried about the absence of economic inclusion. “The big albatross around our neck is the 400 million people who have been locked out...and you don’t have any plausible gameplan to bring them in,” he says.

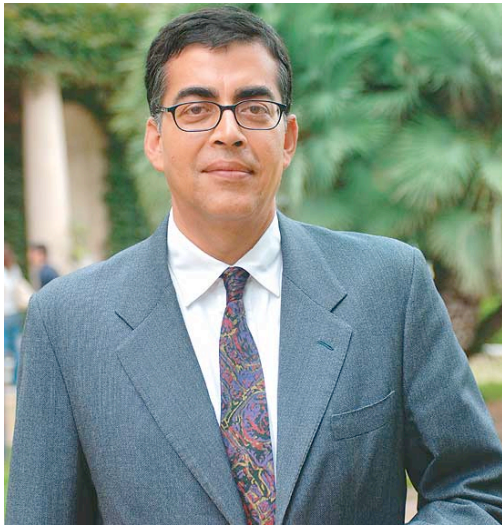
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**Raghuram Rajan, 47**

Eric J. Gleacher distinguished service professor of finance, Booth School of Business, University of Chicago

Five years ago, Rajan famously predicted the global financial crisis—but nobody listened. Then, in 2009, he proposed a regulatory system that may minimise boom-bust financial cycles—it’s not clear what will come of that. But it’s clear that Rajan, yet another IIT-IIM product, has become a thinker the world is tracking. After Rajan’s stint with the IMF (ex-chief economist), the Indian PM appointed him as an advisor. Rajan, currently touring the world promoting his new book, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, argues that there’s more trouble in store for the US economy as the current low interest rate regime will prop up inefficient companies. It is also “prolonging the pain” by keeping property prices artificially up.



**Pankaj Ghemawat, 50**

Anselmo Rubiralta professor of global strategy,  
IESE Business School, Spain

Legendary management guru Michael Porter called him “...one of those rare individuals who combines world-class scholarship with a deep knowledge of business practice”. At 31, Ghemawat was appointed the youngest full professor in the history of Harvard Business School. Today, he is one of the most prominent of new generation management thinkers in the world. As one of the world’s leading thinkers on globalisation, global strategy and corporate behaviour, he challenges the current theories on globalisation and says “what will persist, for the next few decades at least, is the reality of semi-globalisation” —where companies should not rely on local customisation or on global standardisation. Instead, they should work in an integrated manner without ignoring the differences found in different countries—a strategy that would work in today’s unpredictable business environment.



**Sudhir Venkatesh, 44**

William B. Ransford professor of sociology,  
Columbia University

After 9/11,  
“being  
brown” is  
saddled  
with  
enormous

complexity, says Sudhir Venkatesh. He says there are many preconceived notions of what it means to be Indian that float around in America. “Most of them are either false or severely misguided: all Indians are peace-loving, extremely smart, they work harder than the native population,” he says. Venkatesh contends that these beliefs, while positive on the face, do little to help Indians integrate into the wider society. “We look like creatures from another planet,” he says.

A researcher and writer on urban neighbourhoods in New York, Chicago and Paris, Venkatesh is the celebrated author of *Gang Leader for a Day* but he doesn’t believe there is a “growing” influence of Indian thinkers and says the media has played a role in constructing this “fictive” phenomenon. “In fact, I don’t think we have any evidence to suggest that it is,” he says, adding, “Certainly outside of India, there are greater numbers of Indians who are second generation, and so it is reasonable that they will be influential.” He points out that this is particularly true in the US, where visa restrictions have made it almost impossible

for anyone but the highly-educated to enter as immigrants.

Venkatesh says an Indian school of thought will start to coalesce when more Indians move into political office in the west. "Success in politics will accelerate the view that Indians are exceptional in management. Not vice-versa," he opines. And what unique perspective does he bring to the table? "I listen. A lot."

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**Nitin Nohria, 48**

Dean & professor of business administration,  
Harvard Business School

With the stamp of IIT Bombay and Sloan School of Business (MIT), Nitin Nohria had the right pedigree to walk into the famed corridors of Harvard Business School. Today, as its youngest dean, and its first foreign-born one in Harvard Business School's 100-year-old history, Nohria is one of the leading voices on leadership and organisational behaviour. Expect major changes as Nohria has been questioning the present MBA education system. One indicator: it was his idea to introduce a management oath—much like the Hippocratic oath for doctors—for MBA students so that they honour their social and ethical responsibilities.

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