



**XLRI**  
Xavier School of Management  
For the greater good

# XLRI IN NEWS

JULY 2014



1

# LESSONS OVER EXPERIENCE?

INDUSTRY EXPERTS SHARE THEIR VIEWS ON WHETHER AN MBA PROVIDES BETTER CHANCES OF RISING UP THE CORPORATE LADDER THAN WORK EXPERIENCE DOES

Aditya.Harikrishnan  
@timesgroup.com



**MUTHU KRISHNAN IYYAPPAN, CEO AND MD, EKA ACADEMY**

An MBA degree has always been touted as the best way to bag lucrative jobs and swiftly climb up the corporate ladder. Having succumbed to the MBA fad myself, I joined the Indian Army soon after completing the degree and eventually ended up in the icy heights of Siachen Glacier, sharing a fibre glass hut with 10 other jawans, who had lost

theirs to a blizzard. After over a decade of serving in the army, a fact I can vouch for is that the best lessons of management cannot be learned in air-conditioned lecture halls of a B-school, but imbibed by experiences one gains on the job, knowing thoroughly the pitfalls and vantages of the organisation and developing fool-proof ideas that helps the company grow.

However, an MBA does impart necessary management skills. Little wonder then, scores of youngsters continue to religiously take several attempts at MBA entrance exams, some even juggling work and personal life. Even though they do end up possessing a great deal of information after the course, not all is translated into knowledge. While, for the uninitiated, information acquired on the job automatically translates into knowledge, those that enter managerial roles through MBAs only learn to apply lessons into practice with work experience.

## FACE-OFF

Moreover, essential traits of leadership and managing teams, such as self belief and the ability to motivate subordinates are near impossible to be taught in classrooms. One can only imbibe those qualities by taking up relevant leadership opportunities that come their way on the job.

Senior corporate positions are not reserved for those with lucrative degrees from popular institutes; it takes years of work experience to etch lifelong lessons that make good managers capable of handling employees. It is also the richest source for acquiring indisputable managerial traits such as attitude, knowledge, skills, ownership and innovation. Hence while an MBA can only inform you about what it takes to hold senior managerial positions, only through experience can one imbibe these traits.



**PRANABESH RAY, DEAN (ACADEMICS), XLRI**

A business management degree in today's time is perceived to be the pre-eminent 'master's programme' that holistically prepares students who aspire to be future business leaders. It imparts students with necessary business-centric techniques that help them develop skill sets, which are important to augment the efficiency and productivity of an organisation. An MBA programme prepares students with thorough knowledge of the industry, trends in the global business scenario, understanding complex financial issues, etc. It sharpens their interpersonal, quick thinking and multi-tasking skills and transforms them as effective decision-makers who can make seemingly difficult situations turn in their favour. An ideal MBA programme imparts classroom education combined with real-life experiential learning which equips professionals to outface work-life challenges.

lenges.

While the business world develops and becomes more dynamic with each passing moment, an MBA is a degree that has kept pace with these changes to offer students a holistic overview of what it takes to be a part of the industry. In today's globalised world, corporate executives with a broader global mindset have become the need of the hour. MBA programmes have responded to this need by tailoring their course in keeping with industry demands. Students enrolled under these programmes get opportunities to gain first-hand experience through internships and are well-versed in different cultures, which broaden their outlook. Such a perspective enables them to be effective decision-makers in the international business domain.

Management education, apart from offering the highest standards of academic excellence, also imparts knowledge of business values and ethics to imbue a high sense of responsibility and integrity among students. This helps in creating business leaders who can not only contribute to an organisation but also, through their work, to the society. No wonder then, this degree continues to give momentum to business leaders who have been catapulted to high ranks in an organisation.

1. Mumbai Mirror, July 24
2. Times of India, July 21
3. Hans India, Young Hans, July 3

2

## Indian institutes awarded in London

Xavier School of Management (XLRI) was recently felicitated in London at the first-ever 'SkillTree Great Place to Study - India Edition'. The ceremony hosted at the House of Commons in London witnessed eminent personalities from the education sector of India and the UK come together to honour 20 of India's most respected educational institutions, that have contributed to put the country at the forefront of a global education revolution.

Pranabesh Ray, Dean (academics), XLRI received the award on behalf of XLRI. The presentation was done by the British parliamentarian Bob Blackman.

Among the other institutions felicitated were Great



Lakes Institute of Management, IMT-CDL, Ghaziabad, ICAI University, Manipal University, AIMS Institutes, Apeejay Education Society & Apeejay Stya University among others. At the event, Lord Swraj Paul, chairman of Caparo Group was felicitated with the life-time achievement award.

"XLRI has always strived

to make its curriculum world-class and deliver it in the most effective manner. We are extremely happy to receive this award. Such accolades are very inspiring for our students and faculty and boost them in achieving greater performances in future," Fr. E. Abraham, director of XLRI said.

3

## XLRI felicitated

Jamshedpur: The XLRI - Xavier School of Management, was felicitated in London at the first-ever 'SkillTree Great Place to Study - India Edition' an initiative by SkillTree Knowledge Consortium. The ceremony hosted at the House of Commons in London witnessed eminent personalities from both India and the UK's education sector coming together to honour 20 Indian educational institutions for their contribution in the sector, a XLRI statement said on Tuesday. XLRI, Dean (Academics) Dr Pranabesh Ray received the award on behalf of XLRI on Friday last week.





# 1 PACKAGING FOR TOMORROW B-schools are tweaking courses to make sure students are well equipped to deal with real-world demands in tune with an evolving biz environment when recruiters come looking for suitable talent

## B-schools in Course Correction Mode

### Changes in Curriculum

#### New Electives At Top Biz Schools

**IIM BANGALORE**  
Business Chinese, Healthcare Economics, Learning from Corporate Failures, Rise of Asian Economies

**ISB**  
Responsible Leadership Course, Business Communication

**IIM RAIPUR**  
Behavioural Finance, Business Models for E-commerce, Business and Government Relations (2016 batch)

**XLRI**  
Performance Evaluation, Strategies for the Bottom of the Pyramid

**IIM LUCKNOW**  
Business and Human Rights, Managing Your Personal Brand, Stakeholder Engagement for Strategic Advantage

**IIM INDORE**  
Effective Talent Acquisition, Entrepreneurship and B-plan, Organisation Power and Politics, Socio-Political Economics of India

Source: B-Schools (Subjects listed are some of the many introduced this year)

Electives, especially in the marketing area, are becoming more 'concrete' and business decisions are taken not only based on feelings and perceptions but also on 'hard data'

**PRANABESH RAY**  
Dean, Academics, XLRI

**DEVINA SENGUPTA**  
MUMBAI

India's business schools are tweaking their courses to make sure that students are well equipped to deal with real-world demands in tune with an evolving business environment when recruiters come looking for suitable talent. The batch of 2015 includes how to be a tough negotiator, getting a firm grasp on Chinese markets, learning from top corporate failures, having a plan B for startups, gauging the psychology of investors, working around organisational politics and gaining a flair for written communication.

IIM Bangalore's public policy classes will offer electives such as Business Chinese and Healthcare Economics while corporate strategy and policy professors will teach Learning from Corporate Failures and Rise of Asian Economies. Some of the 23 electives introduced in the second year were recommended by students, faculty and corporates. There's also a course in German on offer from this year. Electives are non-credit courses introduced in the second year when students move up to a higher degree of specialisation.

"The academic council agreed upon topics like Business Chinese after realising the need to understand crucial markets like China," an IIM-B official said. Similar changes have been made in the curriculum to meet new economic dynamics, the person said.

Curriculum change at the Indian School of Business, which runs a one-year management programme, is an elaborate process that takes place once every five years. The 763 students of this year's batch will have a Responsible Leadership Course that will focus on "how individual behaviour is shaped by context as well as biases, why these factors make it difficult for managers to be responsible leaders, and what can be done, if anything at all," said Milind Sohoni, senior associate dean of academic programmes.

The batch will also learn how to improve verbal and written communication skills in a way that inspires trust and credibility in others, and to effectively coordinate actions to produce high performance in the Business Communication course, Sohoni said.

"There has been a fair amount of change in markets post-recession and students need to get more aware about different aspects of ethics and business and ways to improve performance," said an ISB spokesman.

To teach these new subjects, the school could engage faculty from global counterparts. Education analysts said such courses will have a greater impact if students can experience situations directly rather than through

hundreds of case studies pertaining to the topic. "Students are being packaged for recruiters of tomorrow but insisting need to realise that they need to go beyond impressing the interviewer. One should be able to define the changes that come later," said Narayanan Ramaswamy, practice leader, education and skilling, for KPMG India.

At XLRI, students will learn how to use data while making decisions in courses such as Performance Evaluation and Strategies for the Bottom of

the Pyramid. "Electives, especially in the marketing area, are becoming more 'concrete' and business decisions are taken not only based on feelings and perceptions but also on 'hard data'," said Pranabesh Ray, dean, academics, XLRI. "They are being introduced now since their needs are being felt in the fast-maturing economy. It is also important to have electives where students can appreciate the importance of inclusive growth."

Students at IIM Lucknow will have Business and Human Rights, Managing Your Personal Brand and Stakeholder Engagement for Strategic Advantage as electives. IIM Indore has introduced 30 new electives this year for second-year students, including topics such as Effective Talent Acquisition, Entrepreneurship and B-plan, Organisation Power and Politics and Socio-Political Economics of India.

IIM Raipur is kicking off a course on the psychology of an investor as part of Behavioural Finance. The e-commerce sector that has become an industry to reckon with during the placement season will also be the subject of intensive study. As part of Business Models for E-commerce, students will learn how to digitise traditional businesses.

"Courses such as Business Models for E-commerce and Strategy Management in Emerging Markets specifically deal with... emerging markets such as India, China, Brazil, South Africa," said a college official. Students of the 2016 batch will also be able to learn about working with the government and maintaining harmony in such relationships in Business and Government Relations, an area that perhaps hasn't received as much attention as it deserves.

devina.sengupta@timesgroup.com

# 2 XLRI alumni launch online shopping for veggies & groceries, promise great discounts too

## Bhindi & broccoli sit pretty on virtual cart

**ANTARA BOSE**

Ever fantasised about shopping for *dal-chawal* or *alu-pyaz* online? If so, here's our Sunday surprise that can be your everyday convenience option. For a lot of customers—busy professionals, the elderly and online shopping addicts—the weekend novelty of pushing heavy shopping trolleys bursting with groceries at the nearest mall is wearing off. They'd much rather log in, add what they need on a virtual cart, pay via plastic or opt for cash on delivery and finish the task.

Doing a Flipkart or a Jabong with groceries is [www.jsrbazaar.com](http://www.jsrbazaar.com), an e-commerce start-up company that opened on Sunday. Founded by two 24-year-olds, Prabal K Sen and Rahul Agarwal who are alumni of Entrepreneurship Development Centre, XLRI, the website was launched on the B-school campus by Prabal K. Sen, chairperson, Entrepreneurship Development Centre, XLRI, and Varad Sarin, senior faculty member (marketing), XLRI.

Now, customers can log on to [jsrbazaar.com](http://jsrbazaar.com) or call up 7761842933 to place their grocery list. Like established e-commerce companies, [jsrbazaar.com](http://jsrbazaar.com) will give options of e-payment or cash on delivery. Though for the first month they are offering only cash and card options on delivery. The plus point is whether it rains or shines, grocery products, vegetables, frozen foods and even cosmetics could be delivered right at the doorstep of customers, within 24 hours at the most.



Entrepreneurship Development Centre chairperson Prabal K Sen inaugurates the retail website, [www.jsrbazaar.com](http://www.jsrbazaar.com), at XLRI on Sunday. (Bhola Prasad)

The founders also promise a reasonable price, lower than retail MRP, by following the e-trading mantra of eliminating middlemen to reach cost benefits to customers.

"It's the farm to home concept. So, if onions sell at Rs 28-30 a kilo at the retail market, [jsrbazaar.com](http://jsrbazaar.com) offer you the same between Rs 20 and 22, and that too fresh. Our tie-ups are solid. Indian customers have a habit of bargaining on vegetables and roaming around marketplaces to bag the best deal. We appreciate this psychology of getting the best value for money. So, great deals and discounts would be a regular feature. There's no fixed price," Ashish said.

He added that they had received about 100 calls on Day One. "We are highly kicked about this. It's a great response. We started this service-oriented company as people in Jamshedpur go to local markets come rain or shine. Also, retail prices vary across markets. Here, we promise to make everyday shopping fuss-free," said the young entrepreneur.

Co-founder Rahul chimed in, saying if people shop online for clothes, books, cosmetics and so on, they would love to do so for vegetables and groceries too. "It's a concept that's working well in metros. And, many people in Jamshedpur don't want to spend quality time during weekends. They don't want to waste

also have no time during weekdays and want to spend quality time during weekends. They don't want to waste time on grocery shopping. We are here for them," he said. The duo added that apart from the run-of-the-mill stuff, they would also offer imported chocolates and exotic vegetables such as brussels. "We all love the good life, don't we?" grinned Rahul.

3 RBI may have set the ball rolling by talking of differentiated licensing. But the framework in place leaves a lot to be desired as it's seen as queering the pitch. In fact, the dreams of aspirants are dying a slow death even before they are born. Is a course correction in order? Atmadip Ray maps the matrix

# Small Banks Are Here, But Are They Dead On Arrival?

Small Microfinance, the lone listed small ticket lender, and others skipped the process of securing a banking licence in the last round hoping that rules of the game and a new dispensation could throw open more opportunities. But the Reserve Bank of India's first attempt in giving differentiated licences for Small Banks does not hold out much hope for scores of aspirants. The many conditions that the central bank has come up with to secure a Small Bank licence are so unattractive that many may choose to bury their aspirations and continue with their current model, which in most cases is that of a non-banking finance company. Financial Services which were not so keen on a national-level bank licence last time itself because of impractical conditions like transferring all their lending business to the bank, do not stand much of a chance this time too as the geographical restrictions could prove to be a deterrent. "Let us not create conflicts at start; you cannot force them to limit operations to specific geographic areas by way of contiguous districts," says HK Pradhan, senior professor of Finance & Economics at XLRI Jamshedpur. "There should be enough elbow room for these institutions to scale up their operations and innovate financing mechanisms."

RBI recently laid down guidelines for licensing of Small Banks as part of its policy. The norms proposed are seen at odds with the objectives though. "The area of operations of the Small Bank will normally be restricted to contiguous districts in a homogeneous cluster of states/Union Territories so that the bank has the 'local feel' and culture," says RBI. "Its branch expansion plan for the initial three years would need prior approval of RBI after which, based on experience, RBI may consider relaxing this condition."

While the regulator prescribes ₹100 crore as capital to start a Small Bank, a fifth of that is required to apply for a full-fledged bank licence to operate throughout the country. But the catch lies in the prescription of geographical limitations which is about a few districts, that too contiguous. "We don't mind putting in more capital. We are keen to set up a Small Bank but without geographic limitation," says Samit Ghosh, managing director, Ujjivan Financial Services.

The stipulations would make companies like SKS Microfinance, Shriram and Mahindra that operate in various states ineligible for securing a Small Bank licence. Some of the companies which operate in a small district may qualify in the geography rule, but may fail to make the cut when it comes to the capital of ₹100 crore.

"If RBI's intent is to promote financial inclusion, then the policy framework must allow for the so-called 'Small Banks' to actually be 'small finance banks'. Let them be national banks with a small finance focus," says Alok Prasadi, chief executive, MFN.

Microfinance Institutions Network (MFN) has actually suggested that 40% of Small Banks' lending should be below ₹2 lakh. Another 40% should be between ₹2-25 lakh while it wants no restriction for the balance 20%. SKS declined to comment for the story. These finer issues actually bring back in focus the memories of the so-called Local Area Banks. After 1996, four banks were founded on these lines, but they did not transform into game changers. When capital requirement was raised to ₹25 crore, from ₹5 crore, none met.

RBI is pushing this differentiated banking forms to ensure supply of credit to small business units, small farmers, micro and small industries, and other unorganised sector entities.

Microfinance institutions, non-banking finance



companies and Local Area Banks are eligible to convert into banks while professionals with 10 years of experience in banking and finance can set up small banks.

"The proposed ₹100 crore as initial capital requirement appears stringent though, but this may act as a buffer and prudent risk-taking behaviour of the new entrants," says Pradhan of XLRI. "These of bank operations are inherently more risky due to the credit concentration, both in space and sectors, and this compares unfavorably with their larger national peers."

MFN, the umbrella organisation for micro lenders, has been in talks with the central bank and lobbying for removal of the geographic limitation. It has suggested stringent lending ceiling for small banks, keeping the financial inclusion agenda in mind.

The suggestion fits into MFN's agenda as there are a handful of micro lenders, including Janalakshmi and Equitas, which may be keen to get licences to set up Small Banks. Building a bank would give them the access to elusive low-cost savings and deposits.

RBI has prescribed that 50% loans of small banks should be below ₹25 lakh.

"What is necessary is to look at the appropriate ar-

chitecture for promoting financial inclusion. Banks for this purpose must be specialised, have scale and be sustainable. If you allow banks to operate only in limited number of contiguous districts, they would neither have scale nor be sustainable. Instead, they would be exposed to geographical concentration risk which would be detrimental to the financial inclusion focus," says MFN's Prasad.

Yet another hindrance for it could be the shareholder prescription where RBI expects the owners to reduce their holdings in 3-12 years to ensure holdings are diversified. But if there are questions of viability for these institutions, it would be difficult to comply with the rules.

The central bank has moved swiftly ahead with Governor Raghuram Rajan's desire to deliver on his promises. But the minds of the conservatives that frame the rules at Mint Street are moving at snail's pace. The proof of the soundness of the rule will reflect in the number of applicants, or the amount of easing rules the applicants lobby for.

atmadip.ray@timesgroup.com

### What The Rules Say

Minimum capital requirement for Small Banks is ₹100 crore

Professionals with 10 years of banking/finance experience can set up a Small Bank

NBFCs, MFIs, Local Area Banks can convert themselves into Small Banks

Small Banks to follow all banking norms, including CRR and SLR maintenance

Minimum 50% loans should be Rs 25 lakh or less

Promoters' initial contribution to be minimum 40% of capital

Promoters can not exit/sale investment before 5 years

### Eligible Entities

MFIs: Equitas, Janalakshmi, Ujjivan Financial Services

NBFCs: Magma Fincorp, Mahindra & Mahindra Financial Services, Shriram Capital

Local Area Banks (LABs): Capital Local Area Bank, Coastal Bank, Krishna Bhima Samrudhi Local Area Bank, Subhadra Local Area Bank

### The Local Area Bank Experiment

RBI granted only four licences to Local Area Banks since 1996

Initial capital for LABs is ₹5 crore

They are to raise capital to the tune of ₹25 crore

These entities operate in 4-5 contiguous districts

1. The Economic Times, July 15
2. The Telegraph, July 7
3. The Economic Times, July 30



1



2

## XLRI, 'a great place to study'

OUR BUREAU  
Kolkata, July 1

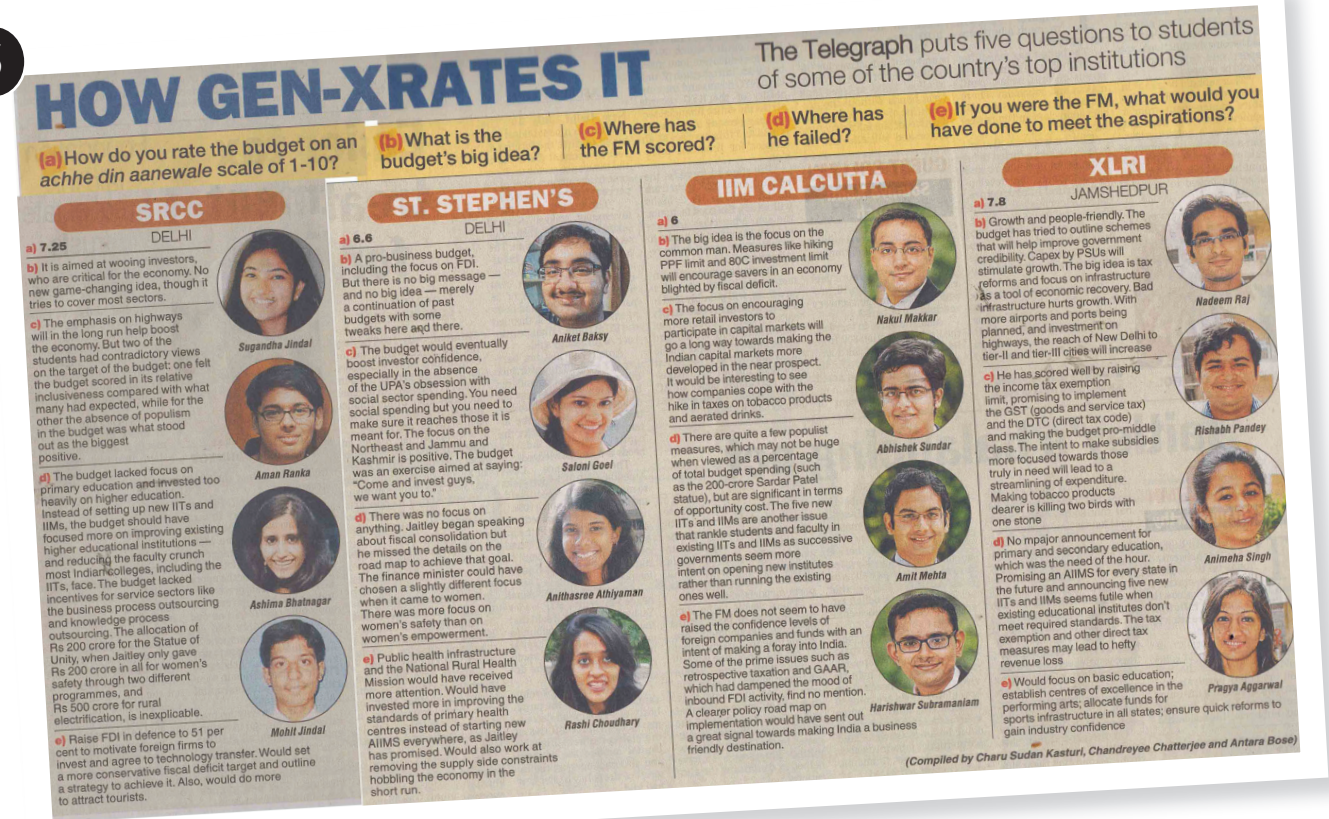
XLRI, a premier B-School in India was felicitated in London at the first-ever 'SkillTree Great Place to Study - India Edition'; an initiative by SkillTree Knowledge Consortium.

Hosted at the House of Commons in London, the ceremony witnessed eminent personalities from India's and UK's education sector who came together to honour 20 of India's most respected educational institutions. Pranabesh Ray, Dean (Academics), XLRI received the award on behalf of XLRI.

The presentation was done by the British Parliamentarian Bob Blackman.

According to a release from XLRI, the other institutions felicitated include Great Lakes Institute of Management; IMT-CDL, Ghaziabad; ICFAI University; Manipal University; AIMS Institutes; Apeejay Education Society & Apeejay Stya University among others.

3



1. Times of India, July 7
2. Business Line, July 1
3. The Telegraph, July 11



1

# Railway University on the Cards

OUR BUREAU  
MUMBAI

The Indian Railways, which employs over 14 lakh people, will become a better training ground for students. The government plans to set up a Railway University for technical and non-technical subjects and also have alliances with other technical institutions. Also on the anvil is an Innovation Incubation Centre and internships for engineering and management students.

Talent experts have welcomed the move. "With university and internships, the government will realign three 'Es' – education, employment and employability. The Indian Rail-

ways is one of the largest employers and needs to get more apprentices. India had 3 lakh apprenticeships while China has 20 million (2 crore)," said Manish Sabharwal, chairman, TeamLease Services.

Industry watchers say the skill gap is wide and with modernisation, need for better-equipped talent is urgent. "An incubation centre will help in developing ways to track trains via satellites, anti-collision systems, better ticketing methods and higher level of smart cards," said Jaijit Bhattacharya, partner-infrastructure and government services for KPMG India.

Bhattacharya added that internships would expose managerial cadre and engineers to an industry

they normally may not have chosen. "We need employees with managerial skills who can strategise and those who can innovate. The existing staff, for example, is not exposed to ways of dealing with high-speed trains and this could be a recipe for disaster if skills are not upgraded," said Bhattacharya.

The summer internship proposal has got a nod of approval from top business schools. "It's heartening to note that the railways will be offering summer internships to MBA students. The Indian Railways is an important national brand asset and must be rejuvenated and nurtured on a continual basis with innovative and customer-friendly ideas," said E Abraham, director, XLRI.

3

Proceeds of Valhalla to meet needs of differently abled children

## Special turn for XLRI fun fest

OUR CORRESPONDENT

Willing, able and different to help differently abled children.

The proceeds of Valhalla — a three-day mega inter-B-school fest that will be organised by XLRI on campus from July 25 — will go towards taking care of the needs of special children across India.

The premier B-cradle has roped in New Delhi-based Ability Unlimited Foundation, which will use the funds raised from the event to help differently-abled children.

The NGO empowers special children with the help of performing arts.

"Valhalla encompasses

over 50 events and witnesses a footfall of more than 3,000 with the participation of some of the best B-schools across the country. Valhalla is not just any other cultural festival, rather it is an instrument of change," said XLRI student Tejesvi Dhankhar.

The fourth edition of Valhalla, which will see rock band Underground Authority and folk-fusion group Swarathma perform at Tata auditorium, is the only event of XLRI organised by all-student societies of the B-school — CII-Yi Sportscomm, Dracula and SIGMA, among others.

The fest will kick off with Jamshedpur Run, a marathon

on the theme contrast.

The 50-odd events include sporting activities like quest adventure, football, table tennis, volleyball, badminton, basketball etc.

Dracula, the theatre club of the premier B-school, will host a rock band, a dance and a drama competition during the three-day extravaganza.

"We will invite school students and differently-abled children to see the performances," said Saurav Kumar Das, secretary of students' outfit SIGMA and a core committee member of Valhalla.

Till now, five B-schools XIM-Bhubaneswar, IIM-Calcutta, IIM-Ranchi, Symbiosis

Institute of Management, Pune, and Faculty of Management Studies, Delhi, have confirmed their participation for the cultural extravaganza.

Valhalla has always been offbeat in its approach. Till last year, Valhalla organisers used to tie up with Milaap, a micro-finance company that utilised the funds raised from the event to provide loans to residents of Odisha and Bengal with the aim of making them self-sufficient.

XLRI as an institution has been helping the needy through various other activities. For instance, the Joy of Giving Week that is celebrated in October every year.



Students on the XLRI campus on Tuesday.  
Picture by Bhola Prasad

## XLRI bags UK award

Jamshedpur, July 1: Xavier School of Management (XLRI) has been felicitated in London at the first-ever 'SkillTree Great Place to Study – India Edition', an initiative by SkillTree Knowledge Consortium. At the ceremony hosted at the House of Commons in London, 20 educational institutions from India, including Great Lakes Institute of Management and Institute of Chartered Financial Analysts of India, Hyderabad, were felicitated.

Caparo Group chairman Lord Swraj Paul was also felicitated for lifetime achievement.

fe Bureau

4

2

**AGRI-BUSINESS MANAGEMENT**

XLRI - Xavier School of Management, Jamshedpur, is inviting applications for admission to its certificate programme in agri-business management by May 15, 2014. Created in collaboration with iKisan, an agri-portal promoted by the Nagarjuna Group, the programme supplements agriculture sector knowledge with skills to enhance business effectiveness. It includes a one-week induction on the Jamshedpur campus. Each of the 10 courses covering management and technical skills require about 60 hours from the students; and an independent project wherein a student works on an agri-business sector topic. Visit [www.xlri.ac.in/pgcabm](http://www.xlri.ac.in/pgcabm) for further details or contact [abm@xlri.ac.in](mailto:abm@xlri.ac.in)

1. The Economic Times, July 9
2. Times of India, May 12
3. The Telegraph, July 9
4. The Financial Express, July 2