

NIBM Convocation Address

T N Ninan

Dr Reddy, Dr Saha, Members of the Governing Board, Faculty, Diploma holders PGPBF of the National Institute of Bank Management, Distinguished Guests and Friends:

I would like to first to congratulate the proud and lucky youngsters who have today received their post-graduate diploma in banking and finance. I say proud, because you have come through a rigorous course and, before that, got admission here on the basis of your past academic achievements; so you have legitimate reason to be proud. But you are also lucky, because ahead of you lies the attractive prospect of successful careers in finance and banking, at a time when the Indian financial sector is growing in sophistication and importance.

I emphasize luck for another reason. It is easy to tell yourself that your success is because of your own efforts. That is true, of course. But we do not recognize how much of our success is dependent on the environment that others have created for us. You are India's lucky generation. The generation that has gone before you, people like Dr Reddy, have laid the foundations of today's success. It is your generation that will enjoy the fruits of that effort both greater prosperity as well as rapid growth and development. It is not hard to get a job when the economy is growing at 9 per cent, because companies are busy expanding, investing, hiring. It is easy to get a job in the financial sector when new banks are starting up, when more branches are being opened, when credit is growing at 22 per cent, when new forms of finance are being developed. All of these activities need people, and people with expertise. But it is sobering to remember that it was not always like this. When I got my post-graduate degree in economics 36 years ago, the Indian economy was growing at barely 3.5 per cent. I support I was lucky to get a job immediately, but many in my MA class did not. One of them wrote to me, some years later, saying he was working as a tourist guide and earning a pittance. He had in fact been a good student in class. But India is a different story today. So, I would urge you not to forget that while you are proud to be diploma-holders today, you are also lucky, to be starting your careers in one of the most exciting economies in the world. That macro-economic context is what provides the foundation for individual success stories.

Speech delivered by Shri T N Ninan, Editor & Publisher, Business Standard Ltd., New Delhi, on the occasion of Fifth Annual Convocation of the Post-Graduate Programme in Banking and Finance of National Institute of Bank Management, Pune, on June 23, 2008.

Sometimes, I feel that even bad luck, in the form of personal misfortune or tragedy, can mould a person well. I have sat on three or four scholarship committees to select students for study overseas, and it is strange but true that many of the most accomplished youngsters, who outshone their peers, were people who had faced adversity early in their lives. It could be that they had lost the family breadwinner. Or that they had a medical crisis. Or that they came from very modest backgrounds, barely able to afford the cost of their education. Yet, they had triumphed in the face of adversity, indeed they remained cheerful and optimistic. The setbacks in their lives had tested them in ways that their more fortunate peers had not been tested; and doing well in such circumstances had given them a special quality that we could see even in the short interaction of an interview. I am sure that there are, in your midst, students who have similarly come through difficult times. My special congratulations to you.

To come back to this being one of the most exciting economies of the world, it is good to remember that in 10 or 15 years, by the time you are in middle management, India will be the fifth largest economy in the world, and one of the fastest growing. The picture all around us then will be radically different from what it is today. As trade and business activity expand and diversify, the financial sector has to keep pace, if not lead the way. This requires financial professionals to be constantly abreast of the new challenges that come along. It is wise therefore to not treat your graduation today as the end point of your education, but as one stage, in a lifelong process, of readying yourself for new challenges, at new organizational levels. All you have to do is to look back on the changes in the financial world over the past 15 years, to recognize how much more change lies ahead.

I meet many youngsters in the course of my work, because we take editorial trainees every year on the basis of campus recruitment. I meet them when they first start work with us at Business Standard. And what I look for in them is not so much academic excellence; what I look for are pointers to personality and character. Because in the long run no one really remembers whether you scored 60 per cent or 58 per cent, whether you got a GPA of 3.7 or 3.3. Of course it is terrific if you get good grades, and excel academically, and I congratulate those among you who have got the best grades. But I have realised that, in the long run, what sets the winners apart from the others are their character and personality traits: Can you be trusted by the people you deal with, by those above as well as below you, in fact especially by those below you in the hierarchy? Are you willing to work harder than the next person, and not pass on the blame when something goes wrong? Do you have fire in the belly, are you dissatisfied with the present state of affairs, and not happy just flowing with the tide? Does your word have value, and do you care for those around you? Do you pay attention to detail, to say that delivering 98% quality is not good enough, it has to be 100%? Is integrity important to you? Are you willing to get your hands dirty? In other words, it is not enough

to be intelligent, you need a great many other qualities if you are going to be a leader.

Let me relate this to another point. We have an active business press, and we tend to glorify our business leaders - Ratan Tata, Azim Premji, Warren Buffet, and so on. But look at how Jack Welch has faded as soon as he stepped down from General Electric; all the magazine covers have stopped, and if people think of him today, it is because he got for himself access to the corporate jet and free baseball tickets as part of his retirement package. Imagine! Jack Welch didn't want to pay for his baseball tickets. So you should not be surprised that when polls are conducted on whom the public admires, these opinion polls almost never throw up the names of business leaders. Instead, people mention Mahatma Gandhi, Nelson Mandela, Mother Teresa, Martin Luther King, or poets like Tagore, musicians, and sportsmen like Tendulkar. Even when a businessman inspires people, like Narayanamurthy of Infosys, it is because of the values he espouses - that he will not pay a bribe, that his own niece or nephew sat for a test and failed to get a job at Infosys... Or Ratan Tata and his faith in producing a people's car.

If you have heard of the name Guggenheim, it is because there is a Guggenheim museum in New York, and another in Bilbao in Spain. These museums are known for their unique architecture, and for their exhibits of course. No one knows or cares today that the Guggenheims made their money in the metals business. The way in which Guggenheim has touched the lives of ordinary people is through involvement with the arts. That can also be said of Ford and Rockefeller, whose foundations have funded programmes like the one that brought the Green Revolution to India. Why, half a century from now, Bill Gates could be remembered more for the work of the Bill and Melinda Gates Foundation rather than for Microsoft and its Windows software.

In other words, the broader public values those people who go beyond having successful careers and becoming rich. You have to think beyond yourself, give more than you take, stand up for an issue as Mandela and Gandhi did. I am not suggesting that everyone should try and be a hero. But I would urge you to not be just another blue suit, to hold your values dear, and work to create institutions that outlast you. In short, don't just have a career. Build something. Make a difference.

I mentioned quality being 100%, and not 98%. So may be we should understand what quality means. One definition is very simple: Deliver always what you promise. You may be too young to remember the days when Doordarshan used to show a clock ticking away the last few seconds before the start of a news bulletin, say at 9 pm. Very often, the clock would go past the appointed hour and keep ticking away additional seconds before the Doordarshan logo finally came on. The lack of punctuality gave every viewer the impression of a shoddy organization,

especially when you had BBC and others using the same clock technique and coming on with the news bulletin at exactly the right second. And so, if you say in a fast food restaurant that you will be served in 30 seconds, that must happen 100% of the time, not 98%. If you say that the soap that you make has x per cent of fatty content, then it must have that, not less. If you say that a loan application will be disposed of within 48 hours, then you must do it in 48 hours, not 50 or 55 or 75. It is a simple rule, and one worth bearing in mind.

Now, quality in the service industry costs money. You have to train people on the importance of delivering what is promised. You have to put in place the systems that can help them deliver. You need the peaking capacity reserves that enable you to stick to the promised delivery standards even in the busiest season of the year. You need the manuals that spell out precisely who must do what in which situation. And you need to institutionalize all this, so that it becomes routine, and not the result of heroic effort. All of this needs thinking and money; but the results will set your organization apart.

John Kennedy said in his inaugural speech after he was sworn in as the US president: Ask not what your country can do for you; ask what you can do for your country. And so, one must ask, what should India expect from you who are the cream of our professional class? The first and most important thing, I think, is to strive always for excellence at a global level. Benchmark yourself internationally in everything that you do, for that is the only way to take on the best that other countries have to offer, and to win.

Finally, honesty pays. Years ago, I asked a group of management students in Delhi whether they would bribe someone, if that was what their company's business required. Regrettably, the majority said Yes, they would. Today, as business gets cleaner even though the environment sometimes gets murkier, I think it is possible to insist on running completely clean operations. If you have doubts, ask yourself which is the last time a man with a dodgy reputation was appointed CEO by any worthwhile company's board of directors. I believe very firmly that it does not pay to cut corners or be corrupt. As a country, we do very badly in our ranking on the international Corruption Perception Index. We need to change this, because it is hurting India and it is making India under-perform. When you are in a work situation, no one asks you to change the world. But you should make sure that your own little corner of the world is clean.

Let me sum up what I am saying:

First, remember that you are part of India's lucky generation.

Second, leadership depends on character as much as, or more than it does on intelligence.

Third, don't just have a career, make a difference.

Fourth, insist on quality in everything you do.

And last and most important, keep your nose clean.

In closing, may I once again congratulate all the students graduating today. You carry with you the hopes of your parents and other family members, and our best wishes for your continued success. My own special wish is that you will, in the course of your careers, make your own signal contribution to the great Indian story.