

**THEWEEK**

# IIMs can now set up centres of excellence outside India

*By Vandana / August 01, 2017*

Indian Institutes of Management (IIMs) will soon be able to set up centres of management outside the country. The IIM bill that was recently cleared by the Lok Sabha has a provision under section 11, according to which the board has the power "to set-up centres of management studies and allied areas outside India, in accordance with guidelines laid down by the central government from time to time". The bill is awaiting Rajya Sabha approval and presidential assent thereafter for it to become a law.

Experts feel that some of the IIMs might set up such centres as it helps them meet the criteria of inclusivity and outreach under NIRF (National Institutional Ranking Framework). Diversity of students and faculty has been a cause of concern at IIMs.

The new bill virtually gives full autonomy to IIMs by empowering their boards.

"It is a very positive, pro-active and pragmatic step by the government. For a new IIM like us, it gives us wings to grow", says Professor M. Chandrasekhar, Director at IIM Vizag.

For one, there are enough incentives built in the law to help people work better. The board, for example, sets a performance target for the director and is also empowered to offer a variable pay in case the performance meets or exceeds the target. This will spur individuals to perform better.

Secondly, IIMs can now create academic and administrative posts based on their needs. The salary will be determined based on the prevailing government scale but the fact that IIMs can create new centres or disciplines of learning and hire people on their own is commendable in itself.

The bill also requires a performance audit of the IIMs to be done once in every three years by an independent agency. Currently, only a financial audit is done by CAG.

"The bill talks about autonomy with accountability which is how it should be. With more autonomy, this should help IIMs gain better rankings in the NIRF and global rankings as well", said Professor Chandrasekhar.

IIM Director Ashish Nanda has also hailed the move.

"I am delighted that the Lok Sabha has passed the IIM bill. I hope Rajya Sabha also passes it

expeditiously and the president gives his assent very soon. Once it becomes an Act, the IIM bill will provide an opportunity to the premier national management schools to compete effectively with the world's best. IIM leaders must respond to the trust reposed in them by the public and the government and strive to excel even harder than before," said Professor Nanda.