

Reflections on Receiving a Lifetime Achievement Award

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My thanks to the **Indian Academy of Management (INDAM)**¹ for presenting me with this award. I accept not only on behalf of myself, but on behalf of all Indian academics who have gone through a professional journey similar to mine. More than that, I look upon, with pleasure, the tremendous progress made by India compared with when I was a new professor.

We can look on humankind as a collection of individual beings. But it is equally appropriate to view the outflow of humanity and human progress as a collective river of thought into which we academics plant additional seeds of insight. Some thought seeds, or ideas, disappear. But others multiply and propagate, to be gleefully appropriated by others, growing into large currents of their own.

However, the river of collective thought also has waves. Some fortunate academics have seen a wave coming and have ridden it, like a surfer carried far by the waters. I myself have been fortunate in riding (or becoming wet) with three trends in business and economics:

1. The first was the tremendous increase in **Globalization**. As some of you know, I am a Professor of Global Management, studying Foreign Direct Investment patterns, International Expansion Strategies, Outsourcing and Offshoring, Parent-Subsidiary Relationships, etc.
2. The second wave was **Alliances and Joint Ventures**. When I began my career, the boundaries of a firm were strongly and clearly defined, and the corporate style was to try to do everything internally—or by vertical integration. (In fact, at one time, IBM refused the mandate of the Indian

¹ A branch of the worldwide *Academy of Management*, an association of 17,784 members from academia and business.

government to accept local partners, even though that would have helped IBM understand the Indian market better and expand here. Instead, IBM shut down its operations and withdrew from India.) At that time, I myself was an executive with [Tata International](#). We were negotiating a joint venture with a European firm to set up the Tata Leather operation not too far from Indore, in a town called Dewas. The alliance and joint venture experience led me to ask these questions—which are still very pertinent and researchable today:

- a. When one ally shares its Intellectual Assets with the other, how does one calculate or estimate a “price” or value for the intellectual assets shared?
 - b. What determines the appropriation of the *share* of net benefits accruing to each partner?
 - c. In setting up a compensation formula comprising a mix of royalties, equity returns, and supply chain markups, how do the financial formulae, or how does the compensation mix, affect the future behaviors of the two collaborating partners over the course of the alliance?
3. In the third trend or wave, I was an observer and researcher at [UNCTAD](#) (United Nations Conference on Trade and Development), where we tracked changes in government regulations vis-à-vis **Foreign Direct Investment** across most countries on the planet. We could see a tremendous change sweeping the world—we can call it a “sea change.” Starting in the 1980s, almost all nations began to abandon their restrictions on foreign investment and were changing over to “friendly” policies that laid out a “welcome mat” for foreign capital—in short, a swift retreat from inward-looking socialist policies into the turbulent world of open global competition. The result has been the tremendous increase in globalization, a wave that has benefited most human beings (though not all).

I have been fortunate and happy to have ridden these three waves as an academic. But my journey began on a different path not too far from here, in a town north of Indore called Dewas, where Tata was setting up a fashion- and finished-leather factory. I resigned from a very attractive position as a Tata Administrative Service Officer for three reasons:

1. Despite being a 100 percent export operation using indigenous raw material inputs, the then government refused to allow Tata's to begin its operation for years. Instead of doing productive work, I became, in part, a lobbyist. I would fly to Delhi with my Managing Director and watch him beg *Udyog Bhavan* (Ministry of Commerce) bureaucrats to allow us to proceed. We even appeared before the Monopolies and Restrictive Practices Commission—even though there was no chance of Tata monopolizing the business—because it was 100 percent export. (Such socialist restrictions on business subsequently became known as the “License Raj.”)
2. The second reason for my leaving was that even though it was a Tata company, the CEO was ethically challenged (and was later removed).
3. The third reason was that I did the financial calculations for the multimillion-dollar project even though I had no background in Finance—I was an industrial engineer. I remember going to a bookstore in Bombay and buying a textbook on Corporate Finance. My capital budgeting calculations for the project were correct. But I made one mistake: I included *Naya Paisa*, or the small money after the decimal point. When the numbers went to the Board, they asked, “Who has done these financial calculations? Why did he include *Naya Paisa*? Does he have an MBA degree?” I did not.

Well, these three reasons spurred me to resign and go to the Wharton School for my MBA and PhD. And so I became an academic. The transition was not easy. In the 1980s, most faces in academia and business in the US belonged to “white males.” I remember when my first paper was accepted in the [*Journal of International Business Studies*](#) (the top journal in International Business), I agonized for days over whether I should, or should not, reveal that I was Asian in the description of the author's background. Today, of course, the US is a different

country. Although some prejudice remains, brown faces occupy leadership positions across business and academia.

In transitioning from an executive to an academic, I carried over researchable issues and questions that are still pertinent today, such as:

- The valuation of intangibles in strategic alliances or mergers and acquisitions.
- The role of government policies and institutional factors in promoting, or inhibiting, Foreign Direct Investment. (Some of you may know that India just jumped 30 places in the World Bank's "Ease of Doing Business" rankings from a dismal 130th place in 2014 to a still-not-so-great rank of 100th out of 189 countries.)
- The value of ethical standards in economic development.
- The role of globalization in alleviating poverty. (As you know, by the World Bank's criterion of grinding poverty, currently at \$1.90 per person per day, poverty in India has been reduced from more than 75 percent to 22 percent of the population—although this is still 300 million persons.)

But there has been much progress. In the 1990s, I remember visiting a Business School (whose name shall not be revealed) and asking the Dean to show me the library. He took me to a room where on a rusting steel shelf stood a dozen-odd books. That was the library. Today, all of you in the audience have access to, and aspirations to, publishing in the world's best journals. The current of global ideas is penetrating Indian business and academia, and many good seeds are germinating here and spreading to the rest of humanity.

So, thank you to the INDAM for giving me this award and for bringing me to Indore. I draw equal satisfaction from observing over my career how my country of origin has progressed.

My best wishes to all of you at this conference. Jump into the invigorating waters. Make your splash. Generate your own current of ideas.

Thank you again.