



Interview of the Month

Mr. Prantik Ray

Prof. Prantik Ray has studied Economics in Jadavpur University and Finance in Calcutta University. Prof. Ray started his career with The Economic Times, India as a Business Journalist. After a short stint with the media, he soon switched over to academics and has been teaching at various prominent business schools for the last twenty five years. Some of the institutions where he has taught include Institute of Rural Management, Anand, and FORE School of Management, New Delhi, ICFAI, and Hyderabad. Currently he is a full-time faculty with XLRI, Jamshedpur. Prof. Ray has consulted and conducted training programmes for a wide variety of corporates and is associated with CII and ICAI for their professional Management programmes. He has been consulted by the ADB, DFID, Ford Foundation, and Government of India on several occasions. His areas of expertise are Corporate Finance, Mergers and Acquisitions, Investment Management, Derivatives and Structured Finance. He has also authored several research papers published in referred journals and presented papers in several international conferences in India and abroad. In the last few years Prof. Ray has conducted training programmes in India and abroad for some big MNCs in India on various areas of Finance including Investments, Valuation, Corporate Finance, Mergers and Acquisitions and Structured Finance.

1. How has the global pandemic changed management education?

Management education is undergoing tremendous changes. Big companies are finding it expensive to hire MBAs who also have mind set issues and some of them are not very amenable to new ideas. So these firms have started hiring directly from the under graduate colleges and professionals too and try to mould them through suitable training.

Ranking of the Business Schools is not based on student intake or placement. Rather, it is based on faculty output, research and publication. Many schools have resources so they can encourage and facilitate their faculty to pursue these activities.

Further, if we see global business schools, some of them are funded by public money. Over the years in US, UK and European Universities, public funding has decreased. They also rely on their own funds generated through various sources. One way is to have industry-sponsored research where industry invests in the schools and the result of the research ultimately helps industry. The other is revenue from students, which is a major source of revenue. Globally, Asian students are a big market and foreign universities almost survive on them.

Another important aspect is the quality of faculty. With global players coming in the field, the business schools not only have to retain their good faculty but also attract global faculty

because they will bring the exposure and connections through which they will get corporate funding for schools. The new education policy too is giving the freedom to foreign universities to setup campus in India in joint venture. India being a big market, we can see good universities emerge here in five to ten years. We are also going to see dramatic changes in higher education and management education.

The online trend that has started in this pandemic where most of the learning is happening online. I feel in future too we are going to have a blended/hybrid learning. It can be optimized by spending sometime in campus and remaining time at home leading to reduced cost, better comfort and no significant change in the quality of learning.

So I personally feel that it is a very interesting and challenging time. The institutions who have the vision and the road map to cope up with these challenges will survive while other players will get marginalized.

2. What are the top 3 emerging trends in finance (government policy, regulatory compliance, financial markets or technology) that CSs should be aware of?

The role of Company Secretaries has changed over the years. Earlier companies would have one Company Secretary just to comply with the law and their role would be restricted in serving the board during the meetings through taking notes of the same. Provisions for appointment of Company Secretaries varies in different countries. While in UK it is voluntary to keep a CS but in India it has been made mandatory for various categories of company to appoint one after the enactment of the New Companies Act 2013 and that is a great initiative. A CS has now come to the forefront as a Key Managerial Person. The role of a CS has gone beyond the routine compliance and other regulatory matters. Regulators have put companies under checks and balances so that they don't go astray and corporate frauds have reduced. The workload of CSs has increased with the increase in regulatory compliances. They have to look after corporate governance. Institutional investors are happy and willing to invest in companies where corporate governance is well established.

One aspect is Environmental, Social and Corporate Governance (ESG). The stock market has separated stocks based on ESG. Well-governed companies fall in a separate category and there are negative connotations if corporate governance in a company is not in place. This puts CSs in a very active role.

The second part is the technological aspect which is also called regulation technology (RegTech). Digitization is happening everywhere and so also with regulations. Internal control mechanisms too are governed by software these days. Therefore CSs should be thoroughly conversant with latest technological trends. Specialised training programs should be organized for newly qualified CSs so that they are aware of the global standard trend.

Thirdly, CSs should not be restricted to the legal aspect only, which has limited scope. They have to mix it with other domains like finance, strategic business and others to offer a holistic package that can help them rise very quickly in their careers. Hence, adding other qualifications also helps.

3. How can we strengthen industry-academia connects in India on the lines of best international practices?

Industry-academia strength is all about developing confidence, trust and credibility in each other and these take three to five years to build.

We should be doing more about industry-academia connects but there are certain handicaps. I can share my experience with the Case Western Reserve University, US where I went as a visiting faculty member. It is normal for them to invite CFOs of the company present in their city. Those CFOs come to the class with the final accounts of the company and ask the students to analyze and put questions to the students. This way the session is very interactive and serves both sides. This way the company feels connected with the institution and they understand the quality of students and education.

Indian business schools are mostly student driven and they call industry people for half an hour or one-hour lectures and they visit the company during the placement process and request help. I feel it is a very narrow approach that doesn't work. There can be various models on which industry-academia relations can work. The first model is to work more with local companies, ask them about their problems that they face and suggest solutions. Institutes have to start pro bono, without any money. Later, revenue can be generated from this model. The second model is to approach bigger firms and establish long-term relationships based on mutual agreement. If the company has something to showcase, they can invite a faculty member to do a case study in their company. This way the company can also get publicity. This is how Harvard and other universities get the upper hand as everybody reads Harvard case studies. If any company is highlighted in the Harvard case study, they get good publicity. Considering the problem-solving role, the institution should have an advisory council for every department where business persons can come and consult with faculty for the curriculum design and also take some sessions in a particular course. A blended learning approach should be there. The last model is when the academic reputation is good then they can approach for industry-sponsored areas. Certain segments of industry are interested in Fintech, some in pharma and other areas, so institutes should have a center dedicated towards those areas. Faculty members who are working in that area can be deputed there to work with the particular industry or firm. This is the way international business schools operate. It's difficult for private institutes to get funds from the government in India. Hence, this is the model that they should rely on.

4. What courses can CSs take to strengthen their prospects in finance-side careers (equity research, transaction advisory, investment banking) or becoming CFOs?

Earlier I used to see CSs complete their Chartered Accountancy (CA) too. It was the most preferred combination and still works. But if you are really interested into the business side of it then a good business school degree like MBA or Executive MBA with CS would be very helpful. Business school students are expected to have a very generalist approach and have exposure to different domains so that they develop an open mindset which when combined with a legal background, would be a very good combination. There is a legal aspect present in every sphere of life. It's not only the law department but in finance and other areas too there are a lot of regulatory compliances. Therefore, the knowledge of law is always

helpful and if it's combined with knowledge of business, it becomes a wonderful combination. If someone has a very niche interest like risk management and related areas then Financial Risk Management (FRM) combines well with CS. If you are not in a position to do a regular MBA, then a substitute can be Chartered Financial Accountancy (CFA) and CS. The idea is to do one regular, full time course and combine it with another distant learning course.

5. How can we increase the quality and quantity of published research by CSs or under ICSI to Ivy League standards?

Published researches are of various types. The first is theoretical research and it is the most difficult type of research to do in finance and law as one has to develop some new theory. Hence, I normally wouldn't recommend this approach.

The second is case based research where one has to connect the case to a theory. One has to pick up a theory that is being taught in the CS course and then find some real life, regulatory or business dilemma that a company is facing. If a situation is being presented to you, then relate all of these together.

There is a particular method to case study. First start with the overall requirement and then finally go to the decision point. Leave certain points for students to solve. Case based research is very popular internationally. Harvard is the pioneer and IVY cases are also very popular. In India, IIM Ahmedabad publishes case studies, as does ISB. XLRI is also doing good, case based research but the number of studies is not very high.

The third can be empirical research, which is good for someone who has an aptitude for research. Empirical research implies 'trend-wise' research. For example, if amendments to the Companies Act have been passed or some regulation has changed then one has to find out the impact of that change on a particular industry or a group of firms or the nation as a whole.

Maybe one can draw trends from an analysis of data sets and make a research report. This requires data handling skills and research methods. Journals would want to know what methods were used before they publish a report. Therefore a researcher has to know not only the law and related aspects but also research methods.

Lastly, I would suggest you to start with a case-based research. Later, if you are more comfortable, you can do empirical research. Lastly, if you are very proficient and have the expertise, you can think of doing theoretical research.

Interviewed by :

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