NEWS monitored for: SSN College of Engineering

72 WHY SHIV NADAR’S IDEAS ON CREATING LEADERS DESERVE ATTENTION

By Anurag Prasad
SHIV NADAR’S BIGGER DARE

He wants to make leaders out of 12-year-olds from Uttar Pradesh. His audacity deserves attention.

*BY ANURAG PRASAD*
*PHOTOGRAPH BY RONJOY DASGUPTA*
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The institution that has rapidly turned from an object of suspicion to something UP cannot get enough of is VidyaGyan. That’s the name under which the Shiv Nadar Foundation (SNF) runs two fully residential, all-expenses-paid schools in Bulandshahr and Sitapur—another small town near state capital Lucknow. Bishwajit Banerjee, the principal who was in the line of fire not so long ago, says initially parents were nervous because they thought a free school was “too good to be true”. With five meals a day, movie screenings, state-of-the-art computer labs, and an 8-acre sports complex, among other luxuries, it’s easy to understand why. Remember that by design VidyaGyan’s students come from families with an annual income of Rs 1 lakh or less.

At first glance, there’s nothing unique about building schools for the underprivileged—the most crowded area in Indian philanthropy (see graphic ‘Top Gainers’). The press is replete with stories of education do-gooders: Sunil Mittal’s Bharti Foundation runs 250-plus Satya Bharti schools, covering nearly 40,000 rural children in six states. The Azim Premji Foundation also has schools in four states, including a few for the children of migrant labourers, and it wants to grow the number to 50 by 2016. By those standards, VidyaGyan’s tally of two schools and 1,400 students in just one state is modest at best. But Shiv Nadar—founder and chairman of HCL and SNF, which funds the Rs 248 crore VidyaGyan project—scorns at such comparisons. “I am not interested in eradicating illiteracy or reforming the educational system,” he says, explaining why the lack of stories about him building more schools or expanding beyond UP doesn’t bother him.

Labels like ‘education’ or ‘philanthropy’ bore him; he says he was never in that race. That detachment could well be the reason his real game has given the slip to most: Nadar wants to hunker down in the badlands that account for a third of India’s crimes, and build “an edifice of leadership” to train a bunch of impoverished sixth-graders—for whom a career could otherwise mean peddling guns in satichals.

It’s a great script, but the reality of Nadar’s act—whose default conditioning is to serve and not lead—threatens to keep it just that. Chronic poverty means many of VidyaGyan’s students have lived hungry for years, never slept on a bed, and do not know how to use a modern toilet. Their physical growth is stunted, and they are traumatised to leave home. They come from rickety government schools, which the well-heeled snigger at. Further, 50% of them are girls, in a state where female literacy is “dismal” by the government’s own admission. And finally, they are just 12-year-olds. Expecting them to suddenly think like “leaders” flies in the face of every time-honoured model of leadership development—whether it is the IITs, the IAS, the army, or the modern-day favourite business schools—which presuppose a linear relationship between age and maturity, even ignoring class.

The IIT-JEE, hailed across the country as the gateway to a better life, shows how background still squashes aspiration in India: The exam’s 2012 edition admitted only 2.6% of...
applicants from families earning less than Rs 1 lakh a year, compared to 30.3% from the highest-earning, Rs 4.5 lakh-plus category. (This makes sense given the rising costs of cracking the exam: The average fee charged by the now compulsory private coaching institutes alone is over Rs 2 lakh.) The skew doesn’t end there. Only 2.7% rural applicants made the cut in 2012, compared to over twice that ratio for urbanites. Then of course, those who do manage to enter the hallowed portals of an IIT are 18-year-olds. You expect them to understand ‘ambition’ and ‘drive’ better than a bunch of pre-teens.

But Nadar, being Nadar, wants to junk precisely such commonsense checklists. At Vidyagyan, he is seeking to perfect a model that will send 20 to 25 students from each batch to the best universities in the world; an equal number to the best universities and engineering colleges in India; and the remaining to the IAS and other administrative careers, including politics—even, perhaps, right up to the prime minister’s chair. “These are [the launchpads] from where they can create a multiplier effect and produce jobs for India,” he says.

His grand objective almost verges on arrogance, but it’s the kind of portrayal that pleases him. He admits he is
intellectually arrogant and is not apologetic about it. That's no surprise to people who really know Nadar—one of India Inc.'s original go-getters who built a $6 billion giant out of precious little. Wife Kiran, a trustee in the foundation, says he even avoids Delhi's social whirl because he "has to make small talk".

She is more restrained—"We don't really know where this will take us"—but believes VidyaGyan's children have a head start because "the fire in their belly is well fed". Roshi Nadar Mallhotra—the Nadars' daughter, a Kellogg MBA, executive director and CEO of HCL Corp, and a key strategist shaping her father's philanthropic activities—clarifies that this is not about making a virtue out of adversity. "These kids will get ahead because they have fought their way to be here," she says. "Remember, urban children start from kindergarten. I have no doubt that our students can catch up much faster."

The protégés are keeping up with the bet. Last year, VidyaGyan Bulandshahr emerged runner-up at a national talent competition hosted by The Global Education & Leadership Foundation (GELF), a Gurgaon-based organisation that identifies talented school children and gives them leadership training. They beat storied schools such as Springdales (Delhi), Padma Seshadri Bala Bhavan (Chennai), and Delhi Public School, turning in strong performances in the creative arts and debate competitions. Their heroes have won them some high-profile fans, including former president A.P.J. Abdul Kalam.

Eventually, Nadar agreed on class VI. The UP state education board conducts an exam in class V, and marks in that became a ready criterion for admission. Roshi admits the course correction was vital: "We would have missed out on a huge opportunity [by keeping out] a group of children who could have been spotted at a much younger age."

But that's only in hindsight. At the time VidyaGyan started, there was no template in India with a similar sample set and a singular emphasis on leadership. The closest example was in South Africa: the African Leadership Academy (ALA), which the Nadars learnt about during a vacation in Johannesburg in 2010. ALA wants to develop Africa's own Bill Gates or Steve Jobs from traditionally poor communities, using the same residential model as VidyaGyan. Its alumni have reached Harvard, Yale, MIT, and the London School of Economics; bagged more than $35 million in scholarships; and created close to 40 enterprises across the continent—but it admits students at class IX. Roshi says ALAs principal was intrigued that someone was thinking of pulling back the start line. "I don't know if we thought of it as some deep strategy," she reveals. "Class VI somehow felt right."

The instinct finds support in Peter McLaughlin, headmaster of The Doon School in Dehradun. In its 80-year history, Doon has produced a bevy of leaders in all fields, including prime ministers, top bureaucrats, and corporate stalwarts. Says McLaughlin: "Leadership is largely about
taking responsibility, and any child above the age of 6 can take on far more responsibility than we can think of.” (See interview on page 104.)

_IDYAGYAN’S BULANDSHAH campus_ designed by renowned architect C.R. Narayan Rao, stretches across 20 acres. It includes 30 classrooms, a hostel for 700 students, an 800-seater amphitheatre, an athletic track, a football field, and indoor sports facilities. Watching the children go about their daily routine in these environs, it is easy to forget how far they have come. But Roshni hasn’t. “At first we assumed that the kids will have amazing immunity because they live in villages,” she remembers, “but they fell sick because their immune system could not deal with the schools’ clean environment.” Simple things like brushing their teeth twice a day threw them off. The girls had lice in their hair, and the parents hated it when the school gave them all ‘boy cuts’. They had no understanding of basic hygiene and resisted change. One girl from the early years went home during vacation, and never returned. Many of the children were malnourished, but wouldn’t eat because hunger had become habitual. “For some, seeing breakfast was like seeing the Taj Mahal,” says Roshni.

From here, it’s a long way to the prime minister’s chair, but Vidyagyan’s record so far has done no harm to that dream. While the schools are still new and there has been no systematic study of their impact yet, the change all around is difficult to miss. First there’s the obvious: Roshni says in the opening year itself, the children gained an average 4 kg and grew 4 cm taller. “The parents now write letters to us saying ‘my child has become so fair!’,” beams principal Banerjee.

But the bigger change has been in community life. Roshni says children who once struggled to express themselves now teach at least two people in their neighbourhood in the summer holidays. Some have taught their illiterate parents how to sign. Others have fashioned cheap water filters from earthen pitchers, sand, and charcoal. Yet others saw their parents suffer because of the smoke from traditional cooking stoves, or _chulhas_, and took the lead in developing smokeless _chulhas_. Electronics giant Philips has adopted the concept and is working to market a low-cost version for the masses. “You should see the satisfaction in their eyes after they have done such work,” says Ruby Hora, an English teacher in the Bulandshahr school.

Shikhar Malhotra—Roshni Nadar’s husband, and director and board member at HCL Corporation—credits Vidyagyan’s emphasis on the Western model of inquiry-based learning for much of this. “I read an article in _Fortune_ that in the ’70s, the
basic skills you needed to make it to the Fortune 500 list were reading, writing, and arithmetic. Today, the skills in demand are problem solving, critical thinking, and team building.” He says everyone talks up inquiry-based learning, but it is unheard of in rural areas. “We are using it in our classrooms, and it has helped our children think deeply and be discerning and creative.” But their newfound confidence outside the classroom couldn’t have been engineered top-down. Malhotra believes the children themselves have upped the game. “Maybe because of the background they come from, they take everything very seriously.”

Padamvir Singh, former director of the Lal Bahadur Shastri National Academy of Administration, Mussoorie, which trains IAS officers, says leadership by itself is a “fuzzy” concept, and it’s values that define a true leader. VidyaGyan’s students score highly there too. Says Rushti: “After the GELF competition, the former principal of Vasant Valley School congratulated us on how well-behaved our kids were. In fact some of them came back and said they found the city kids rude.”

The urban exposure, crush of attention, and cushy lifestyle haven’t made the kids despise where they came from. Kiran Nadar acknowledges that there was a fear they might stop appreciating the food and clothes their parents can afford, but zero peer pressure has helped keep family bonds strong. “They still look forward to vacations,” Rushti says, “even though we don’t let them take home their school uniforms or shoes.”

Dooms McLaughlin is not surprised. “The biggest problem in education is [not the child],” he says. “It’s actually the intervening adult.”

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HE ADULT WORLD bites hard in UP, India’s most populous state which also accounts for one-third of its crimes—including the highest incidence of violent crimes and child abuse. The World Bank says UP was once a “pace-setter” for India’s economic and social growth. But it stumbled post liberalisation. Decades of industrial decay led to over-dependence on land—where caste and not skill determines progress. As of 2012, per capita net state domestic product was languishing at Rs 29,417, less than half of the national average of Rs 60,972.

A vicious cycle of underinvestment and poor delivery of infrastructure and essential services—UP ranks 18th out of 23 states on UNDP’s human development indicators—deepened inequalities. The western part of the state, closer to the power centres in the National Capital Region and a beneficiary of the Green Revolution, has seen more development than the eastern part. But doing business can be a nightmare even in the boomtowns of Noida, Ghaziabad, Agra, or Meerut, where success invites kidnapping and extortion threats.

The upshot: a unique leadership creed shaped by
musclemen with political patronage. Electoral watchdog 
Association for Democratic Reforms (ADR) said last 
year that 47% of the legislators in the UP Assembly faced criminal 
cases. *Hindustan Times* reported in 2009 that 16 seats in 
eastern UP alone saw nearly a dozen candidates from all 
leading political parties facing serious indictments, including 
murder, dacoity, and even plane hijacking. Some among the 
central government too feel that UP is an unwieldy beast: 
Union minister Jairam Ramesh recently dubbed the 
state “unvomitable”.

In this world, going to school holds little attraction. A 
report by the National University of Educational Planning 
and Administration (NUEPA) says almost 70% of schools in the 
state don’t have electricity, and a paltry 7.5% have computers. 
The dropout rate after class 5 is over 18%, nearly twice the 
national average. Government studies reveal that most of the 
children who quit are lost to “domestic work”—a black hole 
few can get out of.

But what others would think of as a graveyard excites 
nadar in UP, he finds the ideal laboratory for disruptive 
innovation. The state is also an emotional subject for him, 
because it was here that HCL—today a star in India’s IT 
firmament—started its journey in 1976. The same year, 
the government created the city of Noida (an acronym for New 
Okhla Industrial Development Authority) under the UP 
Industrial Area Development Act, and HCL was one of the 
first companies to be allocated land there. “Our company was 
born here. It gave India its earliest computers. But the rest of the 
story is depressing, and we need to change that,” he once 
told HCL employees at an in-house session. The message was 
clear: UP might be a bully, but Nadar won’t be outmuscle.

**HIV can see the eye of the fish,** 
says wife Kiran, describing his ability to cut 
out distractions. The no-nonsense approach is 
not new. Born the seventh of eight 
children in a Tamil Nadu village called 
Moolaipodi, Nadar lost his father early. His 
hand managed the family on a meagre income, and the 
children financed their own education by getting scholarships.

But the pugnacious man who is taking on India’s grittiest 
corners was born much later. Nadar started his career as an 
engineer with DCM in the late ’60s, and it wasn’t until the 
dog days of the ’70s that he got a chance to sharpen his chops: 
HCL was the only one among Indian IT’s Big Four to be born 
bang in the middle of the Emergency—widely considered the 
darkest time in post-Independence India. (TCS was founded 
in 1969, while Infosys and Wipro Technologies started in 
1981.) As the Indian economy dozed its shutters to the 
world, local industry received an unwitting shot in the arm. 
Many of Nadar’s generation are troubled by their memory of 
’76 as the second year of the Emergency. Nadar’s memory: “It 
was a great year!” (Sunil Mittal also founded Bharti in 1976— 
but as a manufacturer of bicycle parts. The bellwether telecom 
business was launched only in 1995.)

Nadar’s first philanthropic overture came in 1996, when, 
after a large inflow of funds from a deal with HCL’s one-time 
JV partner Hewlett-Packard (now HP)—and a conversation 
with his mother, who inspired him to give back—he started the 
Sivasubramaniya Nadar (SSN) College of Engineering in 
Chennai. SSN gave him a feel for the challenges of building a 
durable institution for people who lack access. Modelled on the 
IIT—and now a partner to Carnegie Mellon University— 
SSN regularly recruits students who used to earn a living as 
a watchman, worker in a matchstick factory, or farmhand. 
“The expectation is to create professionals who will act as 
agents of change,” says Dr Shashikant Albal, director, SSN 
School of Advanced Software Engineering. That goal is 
on track, with some students going abroad for higher 
studies, others settling down in careers with six-figure 
salaries, and almost all managing to lift their families out of 
difficult times.

SSN’s success drove Nadar to create more institutions for 
perpetuity. “I don’t believe in corrective philanthropy,” he 
says. In that model, every engagement comes with an expiry 
date: The donor chooses a project to fund; monitors it closely; 
measures its impact after the end date; and then moves on to 
the next project. The impact study is used to create a template 
that can be replicated elsewhere. The Bill and Melinda Gates 
Foundation has successfully tested this approach in Bihar, 
as have numerous Indian trusts that have funded schools or 
hospitals. But Nadar’s focus is on “long- and very-long-term 
interventions that will change society and add to India’s GDP,” 
says Roshini. “There can’t be an expiry date.”

This is the classic Rockefeller or Johns Hopkins model of 
building institutions. In India, the Tatas come closest with 
institutions such as the Indian Institute of Science, and Tata 
Institute of Fundamental Research—though most of them 
were eventually transferred to the government. “I want to do 
much better than that,” Nadar asserts.

He doesn’t however deny the importance of working with 
the government. “There is a core of leaders in the government, 
presented by clean and motivated IAS officers, who are good 
to work with,” he says. Apart from former cabinet secretary 
Subramanian, he has inducted Moni Malhotra—a former 
UP-cadre IAS officer who served in Indira Gandhi’s 
secretariat from 1966 to 1973—on his foundation’s board.
Both know the ground realities in the state and were happy 
to get their hands dirty in identifying the locations, procuring 
land, and building the infrastructure for VidyaGyan. The 
government is valuable for one more reason: VidyaGyan’s goal 
of reaching out to 2 lakh children for the admission process 
would be impossible without its support. It has already signed 
an MoU with the UP government to work together.

But joining hands with the government does not mean
relaxing governance standards; if anything, Nadar is tightening the screws. Barely three months after the MoU, in November, he created history in Indian philanthropy by publishing a 75-page voluntary disclosure of his foundation’s financials—including funding as well as expenditure details. PricewaterhouseCoopers audited the report, which also used the services of Grant Thornton India. As expected, this sent the financial press into overdrive. There were stories about how HCL’s bull run on the bourses had made Nadar the richest man in Delhi. Others hopped up his plan to pump Rs 3,000 crore into philanthropic activities in the next five years. But Rohit Bahadur, partner at Grant Thornton India, says the idea was simply to encourage Indian philanthropists to talk about their work. "The Gita says charity should not be showcased. This report challenges that notion."

It also ensures transparency: Nadar doesn’t want the report to hold back on the shortcomings. "We need to be more open about the frequency and outcome of our meetings, and future expenditure. We will fix these soon," he says. The next logical move would be to get the foundation evaluated by a credit-rating agency, which will test its governance structures, track meetings, assess its decision-making process, etc. "We would be happy to listen to them," says Nadar. And listen he will. Since retiring from hands-on management at HCL Infosystems (1994) and HCL Technologies (2000) to focus on philanthropy, that’s something he has spent hours doing. "These days I either do reviews or give strategic direction," he says; both require listening patiently to the guys on the field. His ability to do that and be hands-off has also helped leaders like Vinod Nayyar blossom. "If I get too involved, I know it will take disproportionate attention and create pressure on the system."

With his daughter ready to steer the foundation, Nadar is hoping his role will follow the same course. "I knew that starting at 63 or 65, after 25 years I would not have the energy to carry things forward. If I have to create a great leadership-building institution, I am clear that Roshi has to drive it. She got the right theoretical background at Kellogg. Now is the time for her to implement what she has learnt."

But it’s not all family. Nadar has been hiring professionals for the foundation. This is limited mostly to HCL employees for now, but he knows that won’t be enough. "I will pay market rate to hire good talent, but money should not be the only motivation to join. They should align their thoughts with the work we are trying to do," he says.

**Finding Such People** will be his toughest test yet. According to NUEPA, the average student-teacher ratio in UP is 44, while VidyaGyan wants to limit it to 10 or 12. This is already a huge challenge, and has scuppered plans for a third school at a different location.

Roshni admits they’ve learnt the hard way that what excites them needn’t have the same effect on everyone else. In their enthusiasm to build schools in the boondocks, they underestimated the faculty’s needs. Being closer to Delhi and Noida, the Bulandshahr school managed to attract good talent, but it was a struggle for the second school at Sitapur. "Even after a rigorous selection process, we ended up recruiting people who were not aligned to our philosophy. They could not cope with the demands of the job and left," she says. Komal Sood, VidyaGyan’s director for curriculum and training, adds that while many young teachers join with an attitude to make a difference, "slowly cynicism starts setting in". She says teachers need to be extremely flexible to work with children who have such different needs. "They need to de-skill themselves in the conventional ways of teaching."

Another common problem for any school for the underprivileged is that city-bred teachers are not able to adjust to the bilingual mode of teaching. A lot of good teachers are thus excluded by default. "We cannot recruit from South India for instance," says Sood, "because teachers from there are generally not conversant in Hindi."

Meanwhile, counsellors were brought in to make sure nothing short-circuited the children’s preparation for the class 10 board exams, which will mark the graduation of VidyaGyan’s first batch. The counsellors’ recommendations were used to personalise training for individual students. Simultaneously, coaching classes—both online and offline—were started to help the students prepare for the boards, as well as for engineering and medical entrances.

For now, war-footing discussions on placements are taking precedence over leadership talk: "Any child who doesn’t ‘make it’ can become fodder for UP’s grisly underworld. Understandably, parents have started getting jittery again. "They all have the same question," Roshni says. "You have taken care of our children. But what happens now?"

There is a plan of course. Roshni says the institution will handhold everyone till they are placed. Many of the students come from the scheduled castes, scheduled tribes, and other backward classes, and will be eligible for reserved seats in Indian colleges. SSN in Chennai could absorb some. VidyaGyan has also approached a number of colleges in the U.S. that have programmes for disadvantaged children. Thirty-five kids were identified to take the PSAT (a qualifying exam for the National Merit Scholarship in the U.S.). Students are also routinely counselled on alternative careers, in case their first choice (engineering for most) doesn’t work out.

"We cannot continue sheltering them, and we have not prepared them for that," says Roshni. "From here they compete with the rest of the world, fair and square."