

On innovating: an interview with Gautam Ahuja

Interview – Section 5

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Research, Teaching, and Advice for PhD Students

Interviewer: What motivated you to get into the academic profession? How did you choose your field of research?

Prof. Ahuja: I think I am a classic illustration of one who could be classified as an “accidental scholar.” After my MBA, I went to work for Pond’s (subsequently a part of Unilever), one of the world’s leading consumer goods companies. I was incredibly fortunate: As I would move into a position, the position above me would become available. Four years after my management training, I found myself responsible for heading a quarter of the country market. [...] Although I enjoyed the first few months of it, I had some feeling of incompleteness. I was not sure about the origins of that feeling. Eventually, I concluded that studying seemed to be the most satisfying for me. I thought that teaching would be fun. So I decided to quit my job with Unilever and wanted to become a high school teacher. When I spoke to my boss, who went on to become a CEO, he first tried to dissuade me but later suggested that I go to the US and earn a PhD to use my skills more substantively. Thus, it was by accident that I ended up in academia. The choice of the field was unclear to me. Marketing was my chosen profession, but one thing I really knew was that marketing was not the area I will be doing my PhD in. I have deep respect for people who make other people’s lives better, but it had become very clear to me that, when asked thirty years later “*What did you do with your life?*”, the answer “*I sold better than the next guy*” would not satisfy me. I was unsure whether to do a PhD in economics or strategy, which was increasingly my job description at that time. I eventually ended up hedging my bets. I enrolled in the strategy program but also did the coursework in the economics department. It was a good decision because economics as a discipline provided me a foundational way of looking at the world. But, as you can imagine, doing all the coursework in two areas could be a little tricky. Many of you won’t remember, but I actually joined the PhD with a head full of hair. So, that is how I ended up in strategy. Nowadays, I like the clarity reflected in the statement of purpose of PhD applicants. I get so impressed with them and am also surprised that I managed to get into the program. The only thing I knew about research were two papers [...]. After I reached Michigan, I was told in somewhat very strong terms, “*that is not research.*” Initially, I thought, “*let me go back now,*” but then I had already committed myself to this life, so I thought I would figure out how to survive.

Interviewer: We now have some questions that go beyond research, including teaching, advice, and the future of strategy field. These questions have been integrated with some questions from the

audience. You have been a very successful teacher. Can you tell us more about what your style as a teacher is? What do you draw from when you teach business?

Prof. Ahuja: I came into this profession to be a teacher and only accidentally discovered research along the way. I truly enjoyed the research part. But, the other part – teaching – let me explain where that comes from. I attended a Roman Catholic church-run school in India. The Irish Christian Brothers used to run it. Although I am not a Christian, my school gave me an incredibly satisfying, enriching, and wonderful experience. Any of the things that I have achieved in life, I would not have achieved without the exposure to that school. I came from very humble origins. So, I think a lot of the credit is due to the Irish Christian Brothers, who constantly tried to make students think better. James Westphal, one of my colleagues at Michigan, gave a wonderful speech when I received the outstanding educator award. On the basis of his conversations with my students, he said the following about me: *“He comes late to the class, holds the class back beyond the scheduled time; there are no videos; there are no guests; the cases are decades old; the classes run for three hours; the students come out complaining they have a headache; and they say, in the end, that this was the best educational experience they have ever had.”* [...] I actually have had a student in my class whose father told me that he was impressed seeing his son read the classics that he had seen himself when he was doing his MBA. The only thing I can say in my defense is that I have many flaws like any other individual. But, when I walk into a classroom there is nothing on my mind except how can I make the next three hours the most intense and useful learning experience that the students have ever had in their lives. I think if you are very clear about that somewhere that signal gets displayed. [...] But, there is another component. One of my doctoral students had asked: *“What do students mean to you?”* My response was instinctive. I think of my students as my teachers because we are privileged to have this opportunity to discuss things with the case method, which allows all the complexities of life to be captured in some fashion. My presumption always is that I can only know a small proportion of what there is to know. But, a classroom is an incredible device. I have 90 people in the room who can think in 90 different ways. So long as we are clear that it is a learning process for all of us, we will be okay. I think, in the classroom, being a humble person has been a key part: When someone comes up with something you do not know, you can easily say that it is a great question and that you have no idea. After you say that, it is a win-win-win. Because the student feels good having asked a question you did not know the answer to; you feel good because you are going to learn something you had not thought about earlier; and it is a tremendous win for the learning process. [...] One piece of advice I got was from Arnie Cooper, a wonderful teacher. He told me during a doctoral consortium I had attended as a doctoral student several years ago that the *classroom is simply a mirror*. It reflects what it sees: If it sees passion, it responds with energy. The idea is if you are truly energized about it, somewhere you will recreate the energy. [...]

Interviewer: In one of our conversations, you mentioned that each research has four components: *data*, *theory*, *method*, and *context*. Your experience suggests that a winning strategy is basically related diversification. So, only change two at a time, no more than two. Can you tell us more about that?

Prof. Ahuja: While in theory it may be a great idea to write new papers with new datasets, the issue is that academics is a business of specialization. You are supposed to be a leading expert in your field - achieving depth. It is very difficult to acquire depth in four different arenas. Somewhere you will have to make a compromise between depth and breadth. If you try to change all four things, you may face difficulty in publishing. If you do not change anything at all, you may publish a lot but nobody will read you anymore. Between these two extremes is the idea of related diversification. It is only in the “institutions” part of my research that I have switched away completely from what I had done in the past. And I did that only after 15 years of my being in the academic profession.

Interviewer: The concluding question is this: What would you suggest strategy PhD students to invest in in terms of topics, techniques, and phenomena? What advice would you give to him or her?

Prof. Ahuja: First of all, I would encourage you to invest in, not just now but at every stage of your career, learning the best measurement techniques that you possibly can. I took all my econometrics courses in the early nineties. A couple of years ago, I took a sabbatical and spent six months trying to become acquainted with the latest econometrics skills. I invested in it and I would encourage you to make such investments. Science is better served by that process. Further, it would increasingly be more difficult to publish without it. Reviewers might be okay in the end if you cannot establish something causally; it is fine as an end-state, but it cannot be the beginning-state. Other comparable fields, e.g., finance and economics, have already adopted new methods. The new techniques may not be always superior; think of it as horizontal differentiation. Techniques used in the past have solved certain problems, the newer techniques are solving some other problems. So I would urge PhD students to constantly keep improving their measurement techniques. In terms of theories, I wish I were young again. We are seeing an incredible inflection point in how the world is evolving largely in terms of technology. We often do not realize how many of our theories are based on maintained, but not well-understood, assumptions because that is the way the world was. For example, technology is changing the level of transaction costs in the economy dramatically today. So, if you have not committed to anything at all, go to the most cutting-edge subject you could get data on. Develop skills in big data analysis and econometrics, but always conditional on the fact that you are interested in it. If you are not interested in it, then develop skills elsewhere. There is an S-curve in all research. I would not encourage people to jump into doing networks today. It has been there for twenty years; by the time you are ready to do in the next ten years, it is going to be on its way out. The dissertation is the time when you do something new. I have been eclectic in my own use of theories, but not more than one or two in a paper. I have noticed both from an author’s and as an editor’s point of view that a mish-mash of multiple theories in one article rarely works out. It is important to understand how the theory works. I spent time

in developing a structure of thinking using economics as a discipline and then going into networks, which was different, but I found the underlying logical process was similar. And that is the third thing I would recommend. Build competence in a discipline. That is the way you compete, and it gives you an additional tool-kit to look at things. Strategy is not a field with a strong paradigm. What these disciplines could do is give you a paradigm and at the same time the field allows you to explore questions more broadly.