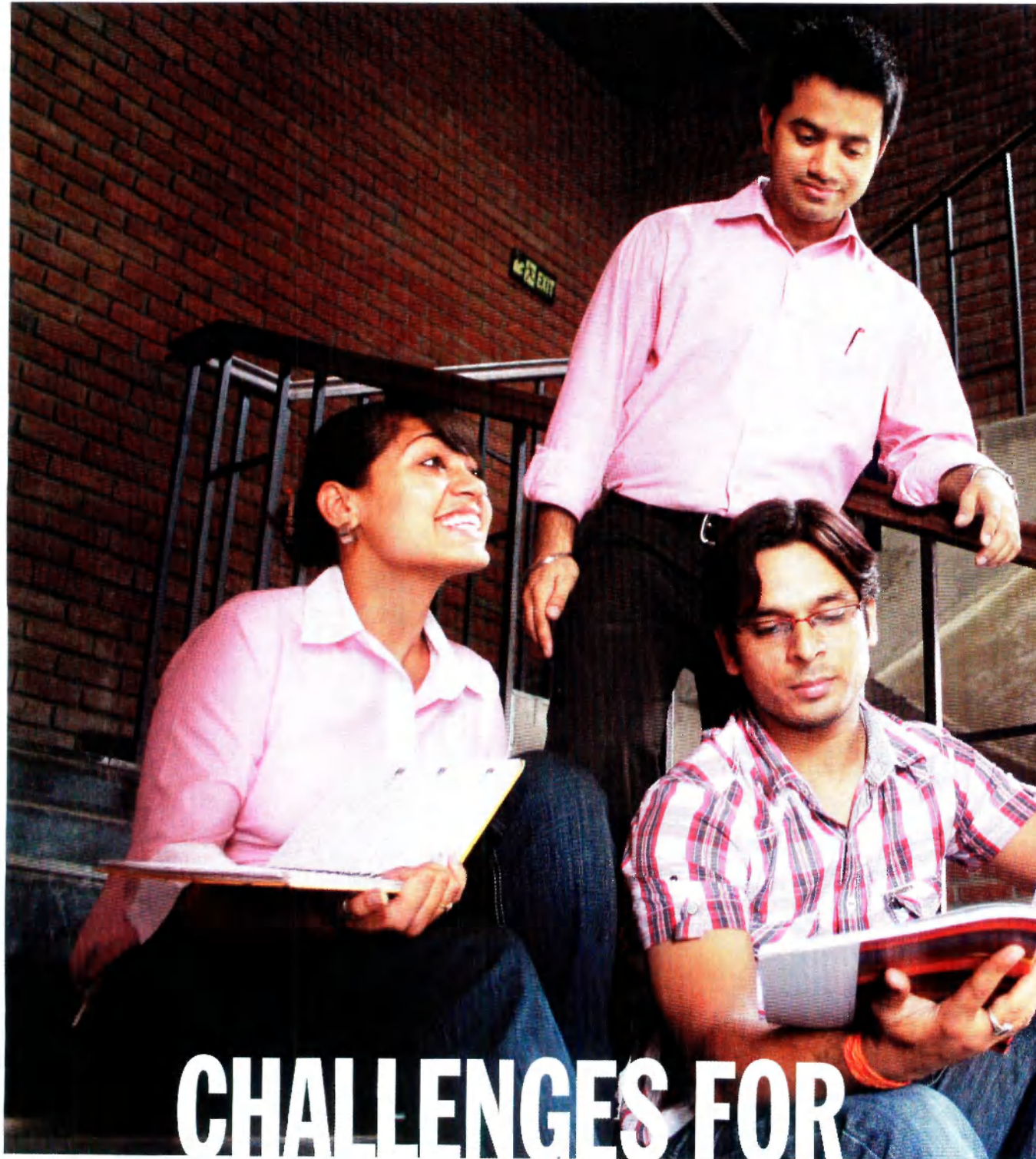


B-SCHOOL CHALLENGES

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PHOTOS: CHERIAN THOMAS



CHALLENGES FOR INDIAN B-SCHOOLS

Indian B-schools need to revamp intake of students to make a mark

RAHUL MISHRA

The Indian economy and business are growing at a scorching pace. With the Indian economy set to double to approximately \$2.4 trillion in the next eight years, the expansion of businesses will be manifold, and so

will be the requirement of a trained workforce and managers. India, at this point in time, is reaping dividends of the benefits of a young nation with 65 per cent of population under the age of 35. This fact, if exploited, will lead to demographic dividends with an increased output, productivity and consumption. Not only does it have the potential to become the world's services factory, but to be one of the most important destinations for consumers of global products and services. There have been several early signs of the same. Industries such as aviation, telecom, real estate and automobile are the right examples of this trend. However, the education sector is also reaping the demographic dividend.

To cater to the need of businesses, new management institutes are being set up, and seats in the existing programmes are getting multiplied. There are roughly 2,000 business schools in India that are churning out 100,000 management graduates. In the next ten to 15 years, it is estimated that the demand for management professionals will grow to 300,000 graduates. While the demand will grow, the supply is likely to be of varied quality. As a result, companies and the market have started discriminating the quality of institutions and management graduates.

As a whole, B-schools in India face the problem of intake of students which varies in quality, and students having no work experience. Apparently, parents want their children to finish the post-graduate education before opting to work. Thus, students lack industry experience which is essential for management education.

Subsequently, students fail to appreciate real challenges which companies and industries are facing. To overcome this serious lacunae, management education requires a massive experi-

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mentation in terms of extended summer internship for four to six months or in terms of experiential learning which involves several live projects of shorter duration. With students getting hands-on experience with companies and industry, they will be able to connect with the programmes in a more meaningful way. The Indian School of Business, Hyderabad, has incorporated the concept of experiential learning as an important component of its pedagogy. This has been done despite the fact that students have got three to seven years of work experience.

Another challenge that B-schools face is lack of soft skills among students, which is necessary for becoming successful managers. Many of them come from a background in the first 15 years of education which does not prepare them for the number of soft- and life-skills which help them to be a better manager. So the training for soft

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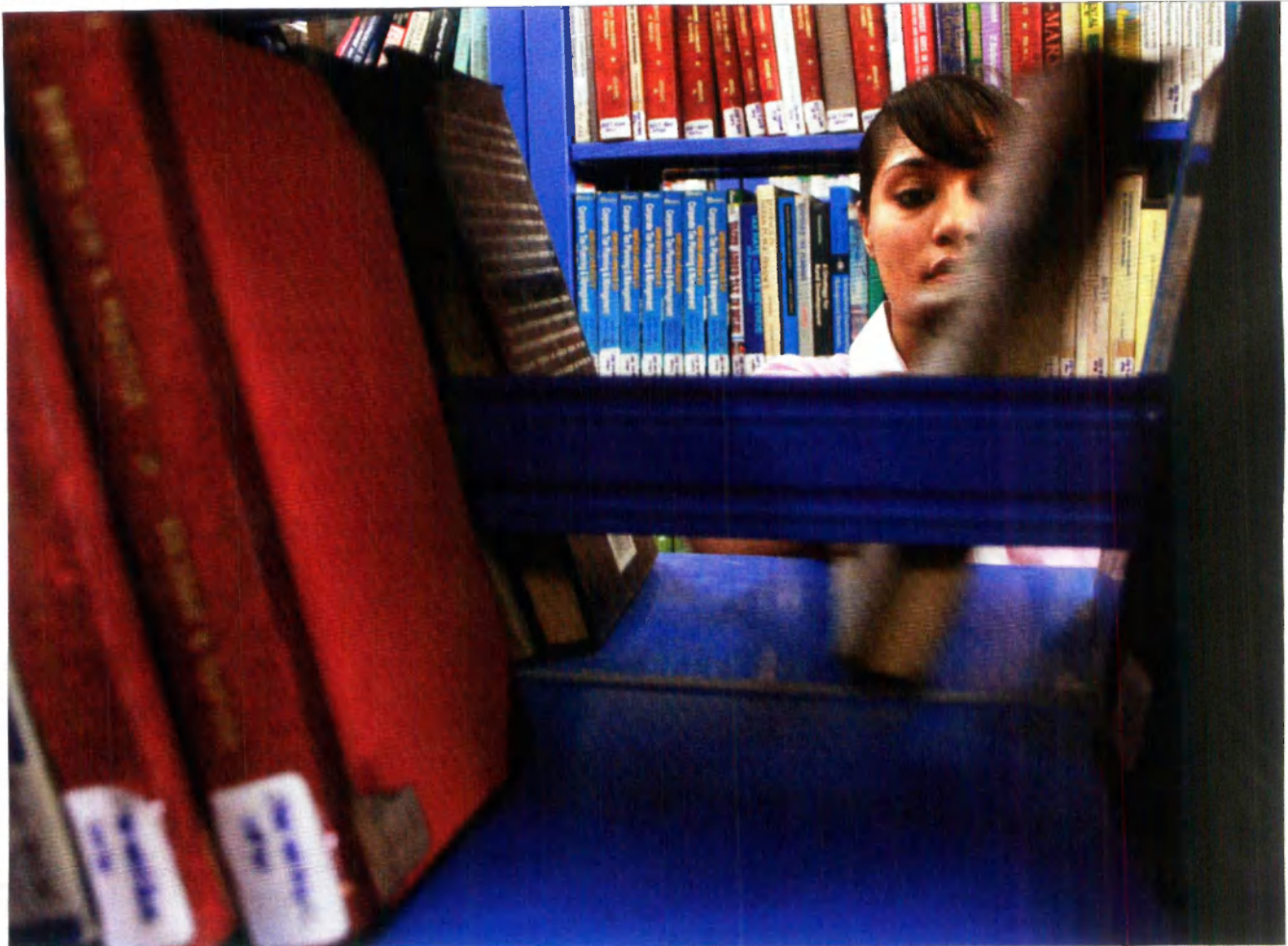
skills becomes an added responsibility of B-schools to prepare the students for the right kind of job. Making students employable from day one is the top most challenge for B-schools in India. B-schools are addressing this in different ways. Grooming classes, business etiquettes and cross-cultural training are becoming the norm. Business communication forms an

integral part of the course curriculum of most of the B-schools.

For any B-school to impart meaningful business education, the quality of faculty members is paramount. Moreover, the faculty body with all its qualification needs to connect with the industry. Management education in India, for all its benefits, is largely disconnected with the industry. Faculty members are not doing the kind of research that is valued by companies as well as the practicing managers. Very few faculty members

Lack of soft skills among students is a challenge at Indian B-schools





To make students employable involves activities such as grooming classes, business etiquettes and cross-cultural training at B-schools

are actively engaged with management development programmes, consultancy and research with companies. So the knowledge shared by majority of faculty members becomes theoretical, or, borrowed from international B-schools which may not be relevant to the Indian context. A few successful B-schools have recruited faculty members who have doctoral and research degrees, and a fair amount of working exposure with companies across the industries. Faculty members at ISB and Indian Institute of Management Ahmadabad, Indian Institute of Management Bangalore are actively associated with companies for their respective research work. The disconnect with the industry, as a whole, is so high in India that major case studies, which are discussed, have been written by professors of international repute. Though there is always a race to write case studies, the output is of low quality, and lacks relevance; the same goes for text books and general business books. The quantity is abysmal and the quality is not worth mentioning. There is serious absence of a debate among management educators about pedagogy and the curriculum which

could solve the problem that India's B-schools are facing currently. To identify India's business and social problem and to conduct research and seeking solutions for those problems remain as the foremost challenge. For instance, IIM Ahmadabad has a programme in agri-business and Institute of Rural Management, Anand, is devoted to rural management — these don't suffice at all.

B-schools also face the shortage of quality faculty members with doctoral degree or substantial industry experience. As the salaries of faculty members is substantially low compared to international B-schools and corporations in India, the qualified lot are not considering teaching as an option. The immediate solution could be offering lucrative offers to people in the industry to teach for short durations along with academically qualified faculty members. Many foreign B-schools such as The Stern School, New York University and Indian B-schools like IIM Ahmadabad and ISB promote the idea of having industry professionals as adjunct faculties and Leaders In Residence.

The existence of B-schools is highly dependent





on a close as well as active association with companies, industry and societies. Many Indian companies are not organised, and are not thus open to the idea of faculty members conducting research and writing about the issues which companies may not be comfortable with.

The close collaboration of businesses and B-schools will provide enormous value to both. Fresh ideas and new frontiers can come from B-schools along with trained managers and staff. IRM, Anand provides that model in India, and MIT Sloan School of Management and Kellogg School of Northwestern University and Stern NYU work in close co-operation with industries and businesses.

B-schools have to expand their focus area to other sectors so that they become socially more relevant. Areas like public governance, sustainable development, agriculture and rural management, environmental and natural resources management, functions of municipality and local bodies and co-operatives and public sector management need to be given importance.

The crisis of Indian agriculture with its huge potential to transform rural areas is the crisis of the right policy mix, lack of institutions like banks, warehouses and an access to information and literacy and the lack of capital investment in irrigation. The lack of institutions, resources, policy and personnel has created stagnation. Managers and businesses have to chip in to promote agri-business and rural development. Lack of qualified and trained managers hamper functioning of companies

in agri-businesses and businesses in rural areas.

In the next ten years, when a majority of the population will start living in cities, the actions of municipal corporations and local bodies will define the quality of living across Indian cities. The quality services provided by these organisations to the public have to increase qualitatively. But where are those people and ideas which make municipalities become more efficient? B-Schools have a responsibility to promote training of managers beyond businesses. B-schools have to provide ideas with research and to design simple and transparent processes for these institutions to remain socially relevant. Similarly, the public sector entities also need fresh ideas and trained managers for planning policies and execution.

They also need to devise simple and transparent functioning which can match world-class service or product at an affordable cost. Consider this. The example of Delhi Metro Rail Corporation comes to mind where managerial excellence, transparency and simple processes of functioning and technology benchmarking from the best across the globe have given enormous benefit to the public. To replicate the efficiency and functioning of Delhi Metro at all levels, national and local bodies will need a managerial revolution and a deep commitment to run a system like Delhi Metro.

IIM Ahmedabad was set in the 1960s with the ideal: Management as a stream will contribute to the development of the society at large, and its graduates will contribute in all areas of economic and social progress. However, with high-calibre students seeking to focus on fat salaries, the vision has only become narrower. The call now is to revive those ideals so that modern management practices can benefit and increase efficiency, productivity and transparency of several local and national institutions of public importance. This focus has to be given; else dysfunctional government and local bodies will instead make the market ineffective. For instance, IIM Bangalore's programme in public policy and management is trying to fill that gap. Several IIM graduates have shown interest in working with Indian Space Research Organisation and on other projects which are of public importance. The challenge is reviving that spirit, and to see management education beyond the narrow commercial interest.

As India is developing economically, the state of our environment is getting precarious. Rivers have high level of pollution; sources of water are getting contaminated with an overdose of fertilisers and pesticides and other industrial chemicals; the amount noxious gases and particles are on a rise. Businesses which are generating jobs and wealth are also spewing harmful gases and effluents to the environment. The cost of development at the cost of environment is a scary proposition. B-Schools have the responsibility to find a way out, and to strike the right balance where economic development does not mean environmental and cultural depletion of people and the society. Businesses have the responsibility to the sustainability of the environment. As the consumption of goods and services will go up, the traditional Indian idea of "less is more" has to be re-engineered in the processes of all businesses.

Areas like rural management, natural resources management and public sector management need to be given importance



MIT Sloan School of Management and Harvard Business School have focussed on environmental sustainability

B-Schools have to come up with those ideas, and have to promote technology as well as businesses which will promote environmentally sustainable businesses, products and services. The B-Schools' curriculum and training have to incorporate this reality. Many B-Schools have started following this. Yet, what goes into teaching and training is the traditional way of looking at the business and profit. New theories and the practical vision can bring the change. MIT Sloan School of Management and Harvard Business School have an additional focus on environmental sustainability. A whole new area of research has been put into place to make sustainability part of the main stream business processes.

The frugal engineering and affordability with quality which have helped several Indian companies to gain tremendous market share and valuation will help them to scale up their operations abroad, particularly in emerging countries and Africa. A global view of business with cross-cultural training of managers will help B-schools regain relevance in the new-age Indian companies.

As Indian companies will capture the mar-

kets abroad, B-schools have to provide the theoretical construct of the Indian way of doing business like the Japanese, Korean, European and American way of doing business. This calls for close co-operation among companies and B-schools. This is the kind of collaboration which does not exist but will be required in the future.

Last but not the least, B-schools can't simply become placement agencies. The challenge is to become a place, where leadership is promoted and nurtured with a long-term vision. To make businesses sustainable and socially relevant, managers have to demonstrate competence, leadership, character and empathy for the needy. Young managers have to serve the companies with a larger purpose of nation-building with honesty and integrity intact. Building character and inculcating empathy among budding managers, which will make them leaders of society, remain a perennial challenge for B-schools in India. **IM**

ABOUT THE AUTHOR

The author is head, IILM Institute for Higher Education, Gurgaon

