

Glasnost and Management Education: Perestroika as the Imperative

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ABSTRACT

Mikhail Gorbachev is a forgotten man today. Yet his contribution to the process of globalisation cannot be undermined. He was the man who changed the world. True, to those who still remember him, he may evoke mixed reactions in them. As the man who dismembered USSR or the person who restructured the world. But, after his perestroika and glasnost the world will never be the same again. And, perestroika and glasnost have touched every aspect of the globe from politics to societies, from economics to education. Management Education included. Against this backdrop it is time to evaluate existing management education paradigm vis-à-vis challenges of globalisation.

INTRODUCTION

The MBA degree still seems to have its sheen intact and management education continues to be a highly sought after course amongst the career minded youth. With around two thousand B-schools of various hues and colours churning out management grads at a maddening pace supply is not a problem as far as industries are concerned. There is an annual rise to the tune of 20,000 aspirants every year in the number of those who take MBA entrance tests for just one examination, i.e., CAT organized by the IIMs. There are several other examinations at the national and regional levels through which applicants seek admission to various MBA courses apart from the IIMs. Thus, there are large number of applicants appearing for MAT, XAT and various tests organized by the different states of the country. In addition to this several institutes go for their own tests attracting a large clientele. The demand then cannot be questioned.

This, however, is just one side of the story. The other important aspect is to find out how competitive our MBAs are given the pace of globalization, especially if GATS comes into force. Management Education will now have to contend with world class. Yes, our own IIMs are planning campuses abroad. But, the same thing will happen here. The internationally acclaimed institutions will come to India. Naturally, the Management Education that is given here will have to withstand global competition.

The challenges that globalisation poses fall in two different categories. First, the challenges that Management Education *per se* faces in the wake of the fast changing global marketplace. The challenge of responsiveness, the challenge of delivering results, the challenge of customization and the challenge of transcendence. These challenges are major ones calling for serious concern and have been given due consideration in this paper.

The second will be the challenges for the Indian B-schools – the challenge of quality, the challenge of brand, the challenge of competitiveness and the challenge of relevance.

Challenges of Management Education

Though it was believed once upon a time that an MBA degree from a leading B-school was always a winning proposition a string of rather bad run for many top corporations has let to erosion in this belief. If failures of Global Crossing, Kosmo and pets.com suggested that recruiting MBAs in these companies could not ensure their survival, failure of giants like Enron and world.com proved that top class management consultant firms dominated by MBAs too had feet of clay.

There is a fundamental question that is being raised today among both the practitioners as well as the theoreticians of art and science of Management – Is an MBA really worth? The answer to this question is of paramount importance today. Not because Management Education is our concern as members of the academia, but for the fact that the stakes for the society at large are high. Management problems are not confined to commercial enterprises only. They extend to non-commercial entities like the Government, the health care agencies, the universities and even social organizations. Moreover, the cost incurred on an MBA is high and the price he commands is huge. Naturally, there is a need to examine the cost benefit for all the stakeholders. The hype and the hoopla, notwithstanding. The justification for the growing dependence on MBAs must be scientifically proven. Mintzberg's seminal work in trying to find out what managers do was the physics of management. What is also needed is the chemistry of the manager- what qualities will make the manager tick.

It has been long since management education emerged as a separate discipline on the education scene and for quite sometime it was believed that MBAs could deliver anything and everything. The result was the swelling of the crowd of the applicants seeking admission to the business schools and the rise in number of business and non profit making organizations making a bee-line to the campuses in search of effective future managers.

The myth is being shattered as new information and research point otherwise. There are now reasons to believe that MBA is neither a necessary nor a sufficient condition for becoming a successful manager. As corporations grow in complexity and the markets become more and more turbulent. It is being debated whether management education needs a paradigm shift. There is a wide gap between what is taught in the business school and what is needed in the job and it is being realized that perhaps the MBA is not the panacea for all management ills. Some stock taking then is perfectly in order to examine the validity and reliability of management education as it is offered today, obviously because the responsiveness of management education has to be increased.

What is management?

Somewhere between late 15th century and early 16th century Sir Thomas More in England was questioning why enterprises so often fail to operate efficiently and his conclusion was that 'poor management' was the cause. Five hundred years down the line the same question is being asked and the same answer is being given. But, we are still groping in the dark as to what qualities will make a good manager. Even as institutes after institutes are coming up yet they don't seem to have any idea as to what needs to be taught to the students. Management education today has acquired the characteristics of a commodity to be bought and sold in the market like any other commodity.

It was the Amos Tuck School of Administration and Finance at U.S. that offered the first graduate business degree in the year 1900 and management education has undergone a sea change since then yet the basic question still remains that what should be taught in an MBA programme. In other words the problem lies with the designing of standardized curriculum. Doubts are already been raised about the relevance of management education that is given. And this is not confined to just India. Even at Harvard Business School the Mecca of management education the need for designing a more responsive curriculum is being felt. In fact the very fundamental question that, whether management education can be taught has cropped up. Further, people like Ray Kroc who founded McDonalds without even a high school diploma or Bill Gates a college drop out who founded Microsoft keep on reminding that success in business is not necessarily dependent on MBA and other such degrees. Nearer home we find people like Dhiru Bhai Ambani proving this time and again. What an irony that the empire which a non MBA person of humble educational background built from a scratch is now being broken by brothers having international degrees. Needless to say that the MBAs are mismanaging a business empire that was so meticulously built. That, however, was in lighter vein. The serious question remains – what is management?

Defining Management has never been easy and theories galore have confounded the confusion. Yet, the basic problem is in identifying what skills do managers need to possess in order to function effectively. The three broad categories, of course, have been identified long back as conceptual, human and technical skills but what comprise these is a ticklish issue. The irony is that even though reams have been written about management, there is yet no clear view as to what it really stands for. Over the years writers have made fortunes describing what the word management really means. And yet, any clear definition of the subject remains elusive. While business schools dump potential managers in tones organizations seems clueless as to what stuff managers are made off. For instance, if managers are made in B-schools how does one explain the success of Japanese companies seemingly run by people who have no formal education. Tom Peters has reported this in his famous book 'In Search of Excellence'.

Management as a practice existed when there were no theories. It was there even when there were no business schools. The golden rule has been, as Bernard Shaw had said, that there are no golden rules. Modern day management expert and the author of 'Theory G on management' Harold

Geneen still holds that there is no theory. Management must manage and that is all. And this managing is the practice that has transcended theories beyond time and space. Drucker rightly says that management is a practice and its test is not logic but results. MBA or no MBA, managers must deliver results. That is effective management. Theories galore have simply confounded the confusion. The hype around the theories not withstanding.

It is precisely for this reason that Harold Koontz felt that the variety of approaches to management analysis, the welter of research and the number of differing views have resulted in a 'management theory jungle'. The vegetation of this jungle has grown adding to confusion, further. From theory X to Y to theory Z, from 'The Effective Executive' to 'Horse Sense', we find that there is a lot of 'Wandering Around'. Management, as a practice, then, reminds us of the classical problem that Jainism encounters in describing the 'reality' which is many faceted. The story of six blind men and the elephant, in which each blind man tries to describe the whole animal from the part touched by him, applies to management as well.

Against this backdrop, one is tempted to move closer to the approach that Mintzberg popularized. He focused on what managers actually do and from his observations gave his views on the practice of management. Nevertheless, even his views can not be whole truth. For B-schools it is essential, therefore, that serious and systematic research is carried out to prepare a checklist of managerial qualities and then prepare the course based on these. Management schools have been preparing curricula based on hearsay, whims, idiosyncrasies and individual experience. It is high time efforts to standardize curricula are made scientifically. Management schools should provide for a forum for the education of managers and for the exchange of practical experience in all areas of management. They need to sponsor apart from other things, extensive programmes of meeting, research, surveys and publications aimed at collecting and providing a systematic body of knowledge on which a scientific approach to management can be based.

The fundamental point to be understood is that management is not about 'managing' people. It is about understanding them and leading them. The term 'knowledge worker' may have been coined in the recent past, say past four decades, but human being has always been a knowledge worker. Yes, the quantum and content of knowledge has changed but not the human nature. Understanding this human nature is what needs to be inculcated in budding managers through an MBA programme.

Essentials of a good manager

This is a sequel to the first question. Once we know that what skills are to be imparted to the potential manager the second step is to find out who should impart this skill, i.e., the trainers and the teachers of management. The tragedy is that there is a mushroom growth of business schools without the back up of adequate number of competent faculty. In fact, anyone and everyone is now being deemed fit to be a management teacher. Go to any B-school and you can find out what is happening. The problem is not only that many of those masquerading as management academics do not know. The bigger problem is

that they do not know that they do not know. Results – the students become the experimental guinea pigs.

Who should teach then is a big question. The one quality that management teacher needs to possess is that he should not suffer from the school head mistress syndrome. That is they need to listen rather than behave like the 'knowledge proof' bureaucrat who is not amenable to reason. Management academics need to be open, flexible and ever changing. To quote from an American Management Association Brochure –

“AMA’s belief that managerial skills and techniques are best taught and advanced by those who are most familiar with them- experienced managers who are full time operating executives-is the key concept in this dynamic programme. And the active participation by executives from all levels shapes the AMA programme, every year into a vigorous, integrated service that accurately and realistically reflects the needs of American Management.”

Not that theoreticians or academics are not needed. They are needed but these inputs should also be backed up by inputs from practicing experts. A combination of people from the industry and academics can make useful teaching team. The problem is that in many university departments and institutions there is very little input from the industry making management teaching akin to social science teaching. So quality people and experienced people must be found out for teaching management.

The making of a manager

Under the guidance of practical businessmen, B-schools can provide field-friendly training, knowledge, up-to-date resource material and serve as a medium for academy-industry exchange too. Classroom teaching should also be backed up by seminars, briefing sessions, forums, clinics and conferences. Each type of training offers a distinctive approach to management teaching. Use of detached case studies and disconnected theories will not suffice. What is required is making the student familiar with real life situations. The normal two month summer training programme needs to be supplemented further with a couple of more industry stints albeit of a shorter duration, i.e., fifteen days or so. That there is a wide gap between what is needed on the job and what is taught in the management schools is now a widely accepted reality. This gap has to be filled.

Management schools should train people to solve problems in a diverse number of fields and this calls for a more application oriented teaching paradigm. The teaching methods have to be different than that of social and mathematical sciences as in management training for both inductive and deductive reasoning is called for in decision-making. Ad hoc modeling and sweeping generalizations based on half-baked meta analysis may not be able to provide management students with the right kind of insight.

At the root of these inadequacies is perhaps the failure to understand what is theoretically significant and what is not. Right from the very beginning Indian business schools have understand what the market wants and draw from there a relevant model of education that develops industry sophistication,

management expertise and business acumen in their students. The consequence of acceptance of highly academic theories in Management Education has resulted in poor fit. Business schools face the crucial reality of the imperative to sell their services. For this the faculty and supporting staff have to adapt their knowledge and skills to cater to market demand. Even in the management education service what cannot be sold cannot be allowed to be developed or produced. A significant number of employers of the business school graduates constantly complain that the education in the business schools is not sufficiently application oriented and is not in tune with the reality of Indian business. Adequate amends need to be made to meet this requirement. Business schools must concentrate on culture, market and industry specific curriculum and bring about a balance between theories and their applications. This calls for more, and not less, research in curriculum development.

Challenges that B-Schools face

While India's best management schools today are taking active steps to go global the International B-Schools have also set their eyes on India given the fact that India is emerging as a major management knowledge hub owing largely to the cost advantage. There has been a phenomenal rise in number of B-Schools. But, the spurt in B-schools raises serious concerns over their quality and the kind of output that would be churned out. The specific issues relate to dearth of quality faculty members, infrastructure and funding and curriculum of world class. Apart from the IIMs hardly any brands are there that can contend with the best schools of the world. Even the IIMs are ranked way down.

One challenge faced by B-Schools is high quality faculty. Management being a multidisciplinary subject it is difficult to identify what should be the knowledge domain of its teachers. Business Education is a programme aimed at building professional competence. The question is what quality attributes are needed for a Management teacher in order that he may build professional competence in his tools. A B-school may have the best of courses, content, curriculum, pedagogy and high-end technology. But, if it does not have adequate intellectual capital in the form of teaching faculty, everything becomes irrelevant.

The teachers of management in Indian B-Schools need to evolve their own strategies for developing courses based on complexity and diversity of conditions and concerns of the subcontinent rather than looking for packaged solutions from the west.

Management is a practice and every practitioner needs to pick up the art that is so very much important for success. This is a difficult task for management teachers and they must without fail be able to transform students into practitioners of management.

In order to compete with world class B-schools Indian management institutes need to built brand equity that is recognized globally. In a dynamic and global environment students are not just looking for an MBA degree but also a name which adds to their reputation as managers. The market driven competitive economy recognizes brands and Indian B-Schools need to build brands.

EPILOGUE

A study conducted by Ma Foi Management Consultants has found that employers rate the following skills as desirable: Soft skills – 79%, Academic degree -75%, Aptitude – 55%, work experience -54%, Certified training – 7%. Of the soft skills which employers desire the following was found: Communications-82%, team work-72%, fast learning-66%, Adaptability-63%, can take pressure-59%, creativity-56% analytical brain-54%. The obvious conclusion is that employability is more than what is acquired in a routine MBA program. Some reorganization of the curriculum of management education is then called for. Rather, it is an important requirement, given the fast pace at which the markets are changing.

Responsiveness needs to be acquired in order that Management education delivers. This is also important for the Indian business schools. There is no perfect model of a B-school programme but this is precisely the reason why planning and management of management education needs to be taken more seriously. We should try to identify all those skills that are required for a manager and find out ways to inculcate them in students of management. All the skills that managers need can not be inculcated through two, three or four dozen odd papers and a couple of project assignments spread over four or six semesters of business school curriculum. A learning method that allows students to develop their potential and become innovative needs to be devised. Students should to be trained to be creative while coping and adapting to the fast changing business environment rather than being stuffed with too much information. The quality of people who teach needs to be monitored seriously and rigorously. One way can be to make mandatory provisions for interchange between corporate and the academic world. A responsive management education must be a proper mix of semester based programme and the more practical 'executive approach'. Good managers are not people with good degrees but they are the people who give good results.

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