From Management Institutes to Business Schools: An Indian Journey

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Abstract Management education began in India with the purpose of creating leaders of an emerging industry led by the large public sector units. People with management education would be the vanguard for social change. Things became different after the opening up of the Indian economy especially the reforms of 1991. The earlier creed was to have managers who had problem-solving skills as well as an understanding of the broader contours of India's society and polity. In the current era of globalized industries and cultures, the focus has shifted to understanding better the dynamics of private business and large corporations. In the process, there has been a considerable dilution in the need to understand the deeper aspects of India's society and polity. Apart from this shift, the continuous need for acquiring new skills has become extremely important in a world where technologies and business models become obsolete at astonishing speed. In this haste to acquire new knowledge, the important element of critically reflecting on society's larger problems gets sidelined. These deficiencies have made this branch of knowledge less effective in contributing to the making of a better society for the current as well as future generations of humanity.

Keywords Management education · Business education · Social change · Critical thinking

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Changing Times

There have been considerable changes in management education since the advent of economic liberalization and the opening up of the Indian economy in the early 1990s. The changes have been marked by the rapid growth in the number of institutions offering an MBA or a post-graduate diploma in management given the sharply rising number of applicants for such education. Alongside the growth in numbers, there have also been changes in the curriculum, the technologies used in learning, and the way these institutions are governed. In this paper, I will focus on the latter set of issues and not discuss the complex reasons for the explosive growth of management education. The growth of numbers has had one important effect worth mentioning though. An important implication of the liberalization of the economy was the commercialization of education in general, more particularly branches of technical education like engineering and management. With the promise of more skilled jobs available, students were ready to pay a hefty price to procure engineering and management degrees. Investors viewed the opening up of higher education as an opportunity for short-term gains. Like all market opportunities, demand created its own supply. The distribution of the quality of management education across these large numbers of institutions, however, is quite skewed. There is a small set of good institutions followed by an equally small set of mediocre institutions, which is followed by a very large residual set of poor-quality institutions. Regulating this large and diverse set of institutions with a huge variation in quality is not an easy task. The government—mainly through the Ministry of Human Resource Development and the All India Council for Technical Education (AICTE)—has tried in vain to find sweeping solutions that ostensibly fit every type of institution.

Changes have not been merely in terms of number of institutions. Curriculum content, learning technologies and governance have undergone substantial modifications. During the past twenty-five years, there has been a rise in the demand for technical and professional courses, and comparatively a significant decline in the demand for pure science and liberal arts courses. Job opportunities, mainly in technical and professional domains, have increased with the coming of the IT age, and the opening up of the economy has led to international companies making global job offers. The classrooms look different with students using less and less of hard copies of books and depending more on multimedia and Internet sources for knowledge and information. There has also been a general decline in the attention span of students with net surfing and texting occupying a large amount of classroom time instead of listening to the instructor or trying to follow the course of a lecture. Not surprisingly, these general trends have affected management education too (Rao 2005).

One final comment before we turn to specific issues in management education. The costs of higher education, especially the costs of technical education, have gone up by a large multiple of what they were at the start of the decade of the 1990s. This trend has been particularly strong in the case of management education where fees of over one million rupees per annum are not uncommon. Salaries, after obtaining a management education, have also increased manifold. Credit markets have eased, and getting a loan for pursuing higher education in management is not very difficult, especially, for those who are lucky or clever enough to make it to the top institutions that offer management diplomas or degrees.

The Roots

To fully appreciate the changes since 1991, it is important to go back a bit to the 1960s when management education began in India. Professionally trained technical experts were required to manage large organizations in the public sector—the "temples of modern India" as Prime Minister Nehru had described them. Private industry was expected to play a subsidiary role to the large and growing public sector. The British colonial model of running businesses was on the way out as were the companies themselves. The age of the "box-wallah" was over and the managerial characteristics of having a liberal arts education with a good family background and communication skills became redundant. There was a shift of focus in managerial skills towards production and operations and away from sales and marketing. The old British model was found wanting, and India turned to the U.S. model with its emphasis on technical competence and rigorous training in the science of management. A subtle, though basic, distinction was made between "management education" and "business education." Management was perceived to be a much larger domain than running a purely business organization exclusively focussed on profits. Managers of the new era were supposed to be trained people who had a larger social responsibility to help transform India into a modern, vibrant and prosperous economy and society. Obviously, the education imparted would have to be something more than functional skills of finance, marketing or organizational development. It would have to imbibe the manager with a sense of history, of society, and of the larger contours of India's political economy. These were the add-ons to the typical U.S. curriculum of the functional areas of management "science."

Indeed, in USA too there was a sea change in business education in the 1960s as its economy became the undisputed leader in innovation, growth and change. The earlier model of MBA education was criticized for its mediocrity in terms of teachers as well as students. There was neither adequate academic research nor was there any great relevance of that education from the point of view of practical knowledge of running an organization (The Economist 2003). Business schools responded well, and many soon became centres of excellence attracting top-quality academics as well as students. However, soon this model too came under criticism. It was claimed to be too theoretical and not providing adequate industry-based knowledge that would be of use in the day-to-day running of business organizations. Even today, this tension between theory and practical experience remains in USA as well as India where the American model has been followed closely.

The Indian manager of the earlier decades was expected to acquire a set of skills and sensibilities that would help create a shared vision of modern India. Managing organizations was not limited to businesses. They could be arms of government, non-government organizations, municipalities or social projects operating in rural India. In short, the purpose was to create a cadre of technocrats who along with the bureaucrats of the civil service would constitute the vanguard who would lead the nation (not only industry and commerce) into modernity (Burnham 1941). Little wonder then, it was the Government of India that took the initiatives to set up the first big management institutes in the country with help from Ford Foundation and the best known U.S. business schools at Harvard and MIT.

Despite the basic agenda of nation building which led to the creation of these institutes, it emulated the U.S. curriculum and pedagogy from the very beginning. One or two courses were added, as mentioned above, on Indian social structure or economic history as it was deemed necessary to acquaint the Indian manager with the contours of India's complex society and polity. The relative importance given to quantitative techniques and Western theories of management was far greater and was a manifestation of the urgency to follow education practices of the developed countries. In the 1960s and 1970s, the faculty of the institutes was encouraged to go for training in Western business schools, and of course books and journals were overwhelmingly Western. Management education became a set of functional skills—a universal tool box—to be used in practical contexts of project and people management. Contextual knowledge was a less important requirement.

From Blackboards and Brains to Power Points and Pie Charts

Things became different in the 1990s. The institutes that came later did not consider these courses on the broader aspects of society in their curriculum even as a minor add-on. The etymological root of the word "management" lies in the Italian word "*maneggiare*." When translated into English, it means to "handle a horse." The metaphor conveys that managers are in some sense a superior set of individuals who must direct something difficult to control like labour or finances. There is a clear separation between the handler and the handled. This metaphor denies any other context within which this control needs to take place—or even knowing who controls the handlers. Hence, the dominant belief was that there were universal solutions to managerial challenges. Alvesson and Willmott (2012) claim:

> This wisdom ignores or denies the social formation and power-invested purposes of managerial work, as it conceives of management and managing as universal functions accomplished by a 'best practice' set of tools, techniques and systems. The most pressing challenges are addressed by resort to managerial mantras of 'organizational restructuring', 'improved communications' or more 'effective leadership' in the hope that these will provide relevant remedies for more deep-seated problems of social division, normalized domination, routinized exploitation and ecological destruction (p. 21).

Two important changes had great impact in the 1990s. The first was the opening up of the Indian economy that brought foreign companies with global operations into India, and the jobs on offer were international. The second important change was the advent of radically new information and communication technologies such as the computer and the Internet, and a little later, mobile telephones. The nation became economically and technologically more integrated with the rest of the world, particularly the advanced market economies. This changed the aspirations of the students, the expectations from the education they received, the classroom environment including the use of computers and projectors, and a perceptible decline in the attention span of students. The teachers were expected to quickly adapt to the new and rapidly changing environment. The knowledge and use of information technology soon overtook the relative importance of understanding quantitative techniques in depth. Many were now available on the computer and could be used rather mechanically with the click of a mouse. Some teachers felt that the romance of classroom teaching had eroded seriously, and the student–teacher relationship had evolved into one of stakeholder and customer. In the age of global capitalism, everybody and everything became a commodity and every relationship started to be perceived increasingly as a market transaction.

The demand from students was very direct and understandable. They wanted skills and knowledge that would help them get jobs in international consulting firms and even better still, on Wall Street—the ultimate dream of an aspiring manager (Noble 1997). Anything that added value to their curriculum vitae and improved their chances of getting a job was considered worth pursuing. Everything else was useless. The knowledge required for running big global organizations was deemed to be very uniform and structured. New theories of global management came to the fore. Every course was expected to have something about global economies or global management. Faculty members were also expected to create new knowledge and compete in terms of research with their Western counterparts. The number of journals, many of them virtual, grew at an explosive rate. The computer made churning out of numbers quite easy. Hence, the focus of management research in India became the validation of Western theories with local data. Much of the research in management degenerated into mechanical and often shallow empiricism. The requisite of a faculty member being fit to participate in academia was measured by the number of publications. Further, if one had publications in Western journals it was deemed better than if one published in local ones. Some schools even stopped recruiting academics that did not possess foreign degrees.

Needless to add, the governance of these institutions changed too. The new expectation was that faculty members performed in terms of some measurable criteria and if they did well, they would be rewarded monetarily beyond their (quite handsome by Indian standards) salaries. The Western model of corporate incentives was introduced in many management schools, and rewards beyond salary were based on measured academic performance. In the discourse of this particular sector of higher education, the term management institutes became less frequently used, and the term business schools gained ascendancy. The older and more nuanced distinction between the two got blurred.

Another major change in the external environment of management institutes that had an enormous impact was the introduction of evaluations made by the media through periodic rankings of these institutes. The media began to exert considerable influence on an institute's reputation, just like the risk-rating agencies did for national economies. Ranking could have serious effects on market perceptions and hence on the quality and quantity of intake of students. Rankings were based on a mix of qualitative perceptions of stakeholders and a set of quantities of attributes that could be measured but was not easily validated and verified by the ranking agency for all the institutions they ranked, such as the number of books in the library, the average salary obtained during placements or even the number of foreign visitors who came to a particular institute. One could hate rankings and point to a hundred deficiencies, but one could just not ignore their impact. Indian management institutions were reduced to a matrix of numbers and ranks, based on which judgement was formed on quality and worth.

Some major events occurred in the Western economies in the first decade of this century. Two are worth mentioning as they had widespread effects on management education in India. The first was the Enron debacle and the unearthing of widespread unethical practices many businesses indulged in to make a quick buck (not for the shareholders always, but more often than not for the CXOs of the company). The second event was the financial crash of 2008 that shook up Wall Street and the world economy. These events led to a growing criticism of Western business schools' curricula—that they did not teach ethics and social responsibility. No wonder every management school in India began to talk about ethics courses and the teaching of corporate social responsibility. The government of India went one step further. It passed legislation that made socially responsible expenditure mandatory for profit earning private companies. So now business schools have suddenly found that the number of ethics courses has become an important parameter in the ranking process. Adult students are routinely taught not to tell lies, not to take or give bribes, not to cheat, not to hurt helpless people, and of course not to be greedy. However, they are also taught never to lose sight of the primary objective of maximizing profits for the company. Students learn quickly (probably even before they enter the portals of these institutions) that one's contribution to the bottom line of profits would ultimately determine one's position and stature in the organization one worked in.

Another echo that came from Western business schools was about climate change and environmental sustainability. The ranking and accreditation agencies started looking for "sustainability" in the curricula. Hence, again many schools just added a course on sustainability where the essence of the concept was to be able to align sustainability goals as a component of overall business strategy and the term "sustainable growth" was used as a business goal. It is not easily realized that sustainable growth is a contradiction in terms—nothing physical can grow indefinitely. Hence, whatever environmental management can be done has to be done in terms of the existing institutions of economy and society. It is easier to talk about the possible death of the planet rather than discuss any sustainable alternative to the existing economic and social system.

Globalized Wisdom

It is important to understand how knowledge about management is "produced" and why does it always seem to originate in the Western affluent economies. The production of knowledge is closely linked to power structures (see Foucault 1980;

Weiler 2002). It is always the powerful whose knowledge matters. So in the early twentieth century, it was the British that dominated the creation of knowledge followed by the USA. Towards the end of the last century, Japanese knowledge gained popularity. This century, Chinese knowledge appears to be in demand and very likely it will increase its sway on business school curricula. There are important hierarchies in the ordering of knowledge, and centres of power provide as well as draw legitimacy from dominant sources of knowledge. New knowledge then gets quickly commercialized down the hierarchy—Indian academics must publish in Western journals to get a promotion as well as earn a monetary incentive. They must "fit" into the existing scheme of things. Little wonder then that the U.S. model of management science exerts a disproportionate influence over management education since it continues to remain the most powerful economy of the world. Closely linked to this dominance is the continuous change in the relative importance of new themes as they arise out of complicated problems faced by market economies—management of technologies, financial innovation, organizational development, supply chain management, ethics and social responsibility, environmental management and managing in multicultural contexts.

During the past two decades or more of globalization, the resurgence of faith in markets has led to viewing the business environment as a hostile hyper-competitive space where the most ruthless and the fittest survive at the expense of all others. There has been a transition from the "management" vision based on social imagination to a "business" view of modern India during this time. It was driven by both a failure to create a shared vision of society and the global collapse of socialism. Liberalization transformed the narrative of modern India from being based on social formations of democracy and justice, to a more individual one where success was measured by the metric of income and a conspicuous consumption of goods and services. Competition, in today's world, is about survival, not success. The teaching of such perspectives leads to a disconnection from what is believed to be of self-interest on the one hand and issues of morality or ethics on the other, in the context of doing business embedded in a society with many other problems of lives and livelihoods. However, an organization that looks at itself alone, without the interconnections with other organizations and the environment, necessarily ends up destroying itself or the entire environment (Descheres 2014). Students seldom get to see (or are encouraged to see) that business is part of a more complex interdependent ecosystem where collective well-being is essential to individual survival. Indeed, the dominant view of business and its underlying philosophy is often dished out to students as the only available model (there is no alternative or TINA) and students as potential change agents are discouraged from questioning the existing state of affairs and searching for creative alternatives. The new mantra is survive at all costs and do what it takes to do so.

There leaves little space for students to find their own meanings or develop an ability to critique existing habits of mind. Learning becomes a mode of control rather than a search for meaning. As teachers we often end up transmitting unquestioned attitudes, norms and beliefs. The conventionally accepted definitions about what constitutes work, play, achievement, success, failure are all socially constructed categories that carry the weight of particular social interests. The failure of curriculum builders to realize that there are fundamental interests of knowledge other than prediction, control and efficiency is a serious political and ethical lapse (Giroux 1988).

An appreciation of the latest technologies and how they could be manipulated for business gains is deeply ingrained in the curricula. The omnipotence of technology is taken as a matter of faith. Hence, for instance one often hears the argument that clean technology will make the world sustainable and one does not need to think about changing the business-as-usual model with carbon emissions and other types of dangerous pollutions. Technology becomes a convenient way of escaping from our obligations to society and the environment, and ultimately to ourselves (Williams 1997). To manage these rapid technological changes is an important skill that employers' look for.

Management drifted closer to pure business, and business drifted away further from government. One result of this was a much bigger role was given to practitioners from private industry in governing these institutions. Very little space was left for academics in governance. The linking of curricula to market needs, the introduction of monetary incentives, the measurement of academic performance in precise metrics, and the culture of nurturing knowledge creation that contributed to the validation of the dominant model of global business were all part of the new strategic thinking of business persons in the governing bodies. There remains a lot of freedom to carry out research and construct courses, but these freedoms are what philosophers call negative freedoms—freedom from constraints. But the culture of management education does not encourage or enable examining deeply the global, societal and political constraints that surround any business. By concentrating on technical matters, it ends up creating self-righteous practitioners often operating in a vacuum of moral references.

The Importance of Being Different

Students, who enter business schools the world over, are taught early on in their education that rational thinking inevitably leads to structured and unique solutions to problems and questions. When this author joined the faculty of a management school from a pure discipline background, he wanted to know the most important feature of the profile of students that would populate the classroom, over and above basic intelligence and industriousness. The answer he received was that a potential manager should have a tolerance for ambiguity. Business problems and situations of real life seldom throw up unique solutions. There could be alternative perspectives to any problem. However, this is one aspect that seems to be missing in students in the MBA classrooms of today. The discussion of different perspectives creates a great deal of anxiety in students since they realize that they are existentially responsible for the answer they choose. In short, most MBA students are not used to dealing with abstract ideas, uncomfortable questions and ambiguous situations. They also find it difficult to appreciate that knowledge of subjects like history and anthropology or sociology could be of any use in analysing business problems. They know they pay a lot, and in an ambience of possessive individualism, they are accountable only to themselves. The difficult questions are to be forgotten as irrelevant. The ones focused on the self are the only important ones.

Social reality has been changing dramatically the context of doing business along with the options for choosing a life strategy. These strategies in the past used to be around building order and design and maintaining those with power structures. However, real life does not always throw up rational solutions to well-articulated problems. The key to today's competitive advantage is chaos—not reacting or controlling chaos but actually producing chaos. Irreverence is important in highly creative environments. It makes chaos less scary. Most business strategy experts of today will agree that there are two types of businesses—one that keeps changing and the other that goes out of business. Change has become a purpose unto itself. Every organization must prove to the market that it can change. In a world of rapid dramatic change, there are no gains to be had in sticking to old assets and old profitable ways of doing things. Transience and obsolescence are assets in themselves. There are no long-term assets in business only short-term gains. The short-term gains come from breaking and destroying assets and not by building them. During corporate takeovers and restructurings getting rid of costly long-term commitments like old and highly paid staff, liquidizing local investments and leaving a large number of old stakeholders in the lurch is common practice (Schleifer and Summers 1988). Fragility of contracts, volatility of commitments and the temporariness of encounters and transactions appear to be the hallmarks of the contemporary world. Today's business corporations have an in-built disorganization in them—the less solid and more fluid it is the better is its ability to change. Such organizations do not require people with a specific and solidly known set of skills and sensibilities, but rather people who change quickly and are well connected with similar kind of people—a network, not a society or community. As Bauman (2002: p. 39) puts it: "Whatever 'totality' is imagined instead is composed solely of the mosaic of individual destinies, meeting in passing for a brief moment only, and solely in order to drift away again on their separate ways, with enhanced vigour, a moment later." This is the emerging *elan vital* of the new global capitalism. Progress does not have a destination. It is about the constancy of change of individual destinies like a gigantic kaleidoscope of networks and coalitions loosely held together. The new requirement of lightness, detachment and speed where nothing is of long-term value makes the old classroom irrelevant. This is despite the new audio visual technologies and the Internet. That is why there is a ceaseless attempt by management gurus to come up with new ways of imparting education—from experiential learning to role-playing to flipped classrooms and online interactions.

There is a great deal of emphasis in teaching students the efficient management of time, resources, other people and change. There is little emphasis on asking serious questions about one's own position on complex but fundamental questions such as follows: Where do I stand in an economic system which promises indefinite growth in a finite world? What does it mean to be efficient if it leaves a colleague with a family of four redundant? What is progress if I do not have any personal time to pursue my own interests? What is prosperity if I am ultimately only an item of cost to my disembodied employer? Modern management education stays clear of these philosophical issues. In an era where change is often too rapid to track, a social neurosis afflicts most individuals. The contextual nature and plurality of change is important to appreciate. Instead, all change is often conveniently simplified into linear progression of ceaseless variations.

Journeys and Destinations

In any society, it is the academic institutions that can still provide the space and the possibility of raising critical questions, however, uncomfortable. Academic institutions are a forum where, unlike business and industry, freedom of expression is not discouraged. Further it offers a zone from where one can address wider public debates of importance. Since the financial crisis of 2008 business education in the Western world has come under a fair bit of criticism from outside the academic world. As a result of which some introspection has begun in terms of what is taught, how it is taught, and what kind of ends are business schools trying to achieve. This is still in a nascent stage. For instance some schools are trying out courses on philosophy such as "Nobel Thinking" at the London Business School, or "Thinking about Thinking" at Bentley or "Why Capitalism?" at the Wake Forest University School of Business. Students are also being encouraged to write narrative essays which reflect their take on world-changing thought ranging from Marx to Kant, from Hobbes to Nietzsche. The names of these scholars were at best unheard of in business schools, or at worst considered to be on the lunatic fringe even a few years ago. Such instances are rare in India. Radical and critical thought is considered irrelevant for management and hence is seldom encouraged.

In conclusion, the path of management education in India has closely followed the Western world, often without adequate analysis of needs and appropriateness. In the 1960s, it began as a post-colonial project where managing business was differentiated from nation-building and socio-economic transformation. Even then, management was primarily the acquisition of a set of technical skills of project and people management. The world changed, the planning model of socialism collapsed, global capitalism took deeper roots and there was a revival of faith in markets and increasing suspicion of the state and its activities. Management became the acquisition of a new set of ephemeral skills that met the immediate needs of global firms with exclusive aims of unbounded growth in sales and profits. The dominant wisdom and knowledge was the reflection of the interests of the economically powerful.

Conformism has been the order of the day from USA to Europe and India. The overwhelming conventional wisdom was to seek efficient ways to handle capital and its rate of return. However, not everyone involved in management education conformed. There were exceptions reflected in the nature of courses offered and in the themes of research problems. It has often been argued that academic institutions remain a last bastion of freedom of thought and expression from where social transformation can come about. It requires disruptive changes in curricula and cultures. One can discern signs of change in the Western institutions. We emulate conservatism as well as revolutionary radicalism from the West. We will do it this time too. In the long haul though, there has to be a break from the past. Management education in India must be able to speak about new ideas, and not merely echo words heard elsewhere.

Management institutions have come a long way from the decade of the 1960s. It has still a long way to go before it can instil positive freedoms which liberate the individual from unreflective conformity through greater self-consciousness. Providing "thought leadership" (the popular term used in business schools) must be somewhat deeper and more meaningful than being able to publish in the Harvard Business Review. Calvino (1997) wrote about the inferno we create by living together in the modern world of global business. There are two ways he suggested that one could deal with it. First is to become part of it and accept it. The second is to recognize who and what is not part of that inferno. It is these we need to endure and give space. Can we do it? I think we can. I only hope it is not too late.

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