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## HIGHER EDUCATION FORUM (HEF™)

Presents

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#### Discussions in Indian Higher Education

- *Role and Scope for Professionals in Global Development Career –Some Issues and Resolutions*
- *A Secondary Study on Global Market Entry Strategies Used by e-commerce Businesses*
- *Will Business Management Education Reinvent or Die?*
- *A Study on the Acuity for the Use of Social Media in Academics by College Going Youth*
- *Higher Education in India: Issues and Challenges and Way Forward Collaborative Learning*
- *Book Review: You have infinite power*
- *Case Study: Aashirvaad – Attack from Unknown Corner*
- *India and China: Two Mega Asian Higher Education hubs Vying to Attract International Students – Lessons to be Learnt by India*

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## **Will Business Management Education Reinvent or Die?**

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### **Abstract**

The glitter and glamour of Management Education in India and probably even around the world is waning. Data from the All India Council for Technical Education ( AICTE) ,the regulatory body for management courses discloses, the number of management colleges has dropped from 3,609 in 2014-15 to 3,264 in 2017-18 and the total student intake fell from 4,56,419 in 2014-15 to 3,94,835 in 2017-18. A recent study by business chamber ASSOCHAM suggests that other than premium B-schools such as the IIMs, most others were producing 'sub-par graduates' who were unemployable.

This article explores some fault lines ailing management education while searching for plausible answers. It further deliberates upon some future scenarios unfolding due to the onslaught of technology, changing demographics and student expectations.

*"The snake which cannot cast its skin has to die." - Friedrich Nietzsche*

Harvard Business School professor Rakesh Khurana offered a scathing critique of business schools stating, "Business schools are facing 'a crisis of irrelevance' and are in an 'incredible race to the bottom.' Hindustan Times, May 8<sup>th</sup> 2019, reported, 'around 2, 00,000 students graduated from 5,000 management institutes in the year 2016-17. While the top institutes still hold some merit in the industry, the others are hardly able to boast of quality management education that can help their graduates secure employment and only 7% turn out to be employable, says a study conducted by ASSOCHAM. In 2016-17, more than half of MBA graduates could not get hired during campus placements. Data by All India Council for Technical Education (AICTE) shows just 47% of MBAs were placed, 4% less than the previous year, and at a five-year low. Data suggests that more than 220 B-schools in top cities

in India have shut down as a direct result of a 45% decrease in campus recruitment. Around 120 more B-schools are slated to meet the same fate, this year'. In an article reported by Economic Times titled, 'India's MBA crisis: Why fresh graduates are not getting jobs? Lack of quality control and infrastructure, poor governance and regulatory structures, low-paying jobs through campus placement, poor faculty, archaic teaching methods and an obsolete curriculum are some of the major reasons for India's unfolding B-school disaster.'

The main purpose of any business school is to develop executive talent to deal with multifarious issues facing businesses and be able to steer their organizations into the future. The advancements of technology and changing markets are so rapid, that it can sometimes appear impossible to keep up. CEO of a reputed multinational anxiously commented "The big challenge I am facing is the uncertain world coming my way. My clients, suppliers, marketplace, technology, people, processes, financial targets, span of control, government politics are all now very complex. Due to the pace of change all over, it has created a new normal - an uncertain world". Leading in a VUCA world that is volatile, uncertain, complex and ambiguous presents a unique environment with challenges, where managers and leaders must not only operate, but also deal with them effectively. They must learn to anticipate disruption – identify weak signals and respond immediately, proactively influence the world around them, relate to others authentically, take in new information, and adjust perspectives without compromising on credibility while balancing communication for different audiences. Is our current management education preparing our students for this VUCA world?

If the answer is NO, let us examine some major fault lines.

The curriculum in a business school is a blend of theory and practice. Most business schools do not teach about co-operatives, strategies of mutual collective associations and alliances, community shares or social enterprises. They do not discuss ideas about de-growth - form of society and economy which aims at the well-being of all and sustains the natural basis of life, transitioning three tier cities, purposeful communities, turn around factories, or the social economy. Sustainability and business ethics are just peripheral topics even if touched upon in business schools. Global skills shortages, the swift onslaught of technology, leadership challenges of the VUCA world are discussed albeit in silos and not as a singular articulation of the business strategy with established full suite of metrics to be integrated in business

operations. Ideally much of what is useful as business education should preferably be a result of the developments unfolding in the business world, in real time and should be dynamic and change as per business needs. However, the MBA curriculum is set mostly by academicians with meagre inputs from the industry professionals. Today when the fast paced emerging economy is challenging every management concept, most management faculty is devoid of extensive industry experience and is armed with mere bookish knowledge. A combination of limited industry exposure, irrelevant or obsolete domain knowledge and archaic un-engaging teaching methodology is a definite recipe for disastrous sub-optimal learning experiences for the students.

Most business schools are facing an acute faculty shortage. Though the country's top business schools such as IIM Lucknow, IIM Ahmedabad, IIM Bangalore, SP Jain Institute of Management & Research, FMS and XLRI, have a fairly healthy student-faculty ratio average, the situation is not the same at most others in the country. Inadequate pay and regulations that make it mandatory to have only PhD's make it difficult to attract high-quality people from industry. Even if a business school manages to attract a *qualified* faculty, there may be serious challenges concerning the *quality* of the faculty who must deliver as per corporate needs and also engage with the students for learning effectiveness. Most fresh doctoral degree holders have limited industry experience and often have no training on teaching pedagogy and cannot relate to teaching practice. Eventually they learn on the job with little or no mentoring or coaching. Student evaluations are one of the key tools to evaluate management faculty which influence promotion, pay raises decisions. A faculty who allocates comprehensive assignments, corporate projects, expects attendance and active class participation to bring in rigor and deep learning do not always get good ratings. On the other hand a lenient faculty who is indulgent and easy is the most popular one who gets good ratings from the students. Secondly if the yardstick of comparison is the same for the visiting faculty and the full time faculty the ratings could be biased and unfair. Research findings suggest little correlation between instructor ratings and what students learn; teaching and learning are distinct activities.

Under the academic model in place today, teaching and research are the two key functions of any business school faculty considered for increments and promotions. Most of the faculty research exhibits traditional quantitative methods, devoid of any deep insights. Often business

research is published because it is theoretically or methodologically interesting to other scholars, without much concern for its practical implications. As Bennis argues, “When applied to business—where judgements are made with messy, incomplete data—statistical and methodological wizardry can blind rather than illuminate...By allowing the scientific research model to drive out all others, business schools are institutionalising their own irrelevance.”. Another critical tricky problem with business research is that any question or hypotheses one imagines concerning the future may not even occur when the future arrives, because the business environment is changing virtually every day. Even though some of the academic research produced is exceptional since little of it is grounded in actual business practices, the focus becomes increasingly constrained and less relevant to practitioners. A renowned CEO almost certainly speaks for many when he labels academic publishing a “vast wasteland” from the point of view of business practitioners.

Now What?

Business schools will have to seriously contemplate about their survival growth. World Economic Forum, eminent analysts and recruiters ranked 'complex problem solving' as one of the most important skills MBA graduates need to manage and lead in the VUCA environment. Experts believe the rise of AI and other technologies will only amplify this gap by placing an even higher premium on human problem-solving skills. This requires learning how to assimilate different areas of knowledge since complex problems require integrative solutions cutting across silos of HR, finance, marketing etc.

Very few students come with some industry experience and many of them struggle to make sense of the concepts and application taught. Learning must be planned around and activated by complex problems that students can anticipate in the real business world rather than by the focused subjects taught by faculty members. Working in small teams, students must be motivated to solving multifaceted problems, to search for and put together information from various disciplines. As a result, students drive the learning process rather than faculty who act as guides and facilitators. The best classroom experiences are those in which professors with broad perspectives and diverse skills analyse cases that have seemingly straightforward technical challenges and then gradually peel away the layers to reveal hidden strategic, economic, competitive, human, and political complications - all of which must be examined to arrive at effective business decisions. But, implementing this method could pose serious

concerns about the expertise and teaching abilities of the faculty, because generally they are experts in their own narrow range of domains. Collaborative case writing, discussions and teaching is still not a preferred method among business faculty members.

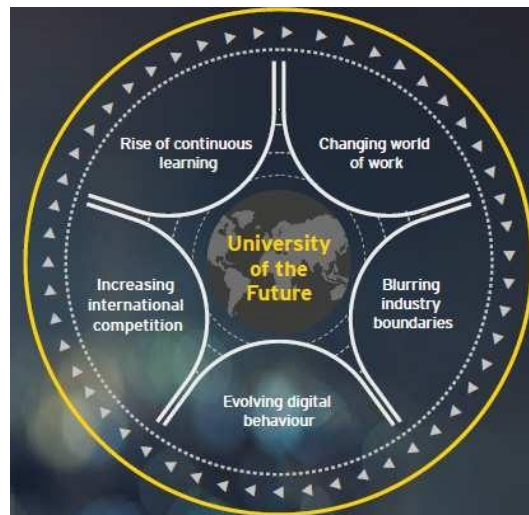
Complementing this problem-based learning with the real life complexity of actual organizational problem would be extremely effective to learn. Learning tools may include capstone consulting projects for real organizational clients, computer simulations of complex organizational challenges, live case studies that provide students' access to the actual organizations key personnel and raw cases that mimic the real world of unstructured source material such as reports, articles, interviews, videos, photographs, original documents and websites. Another prominent emerging thought is to put into practice Polaroid's Edwin Land suggestion, that every business school should run its' own business. With an eye toward integrating knowledge and practice, he argued; 'Why shouldn't business schools operate ventures that function like the equivalent of medical-school teaching hospitals'?

The threat of the faculty crunch and intellectual mediocrity is becoming real and business schools will need to address this concern seriously. Teaching as an option is not a favored because the salaries offered in India are substantially low as compared the B-schools abroad or to any corporate job which requires the same skills and experience. A Director of a reputed Business school comments, "A good B-school professor has to be a brilliant teacher for regular students as well as industry executives, a perceptive consultant and an original researcher. When he's not teaching and understanding industry's problems and finding solutions, he should be writing original papers for international conferences and journals". Sadly most B-school faculty is burdened with non-value added duties like exam supervision and mundane administrative jobs resulting in a decline in intellectual growth and original research. Research also suffers because of unrealistic teaching loads and research expectations which unreasonable and disproportionate with each other. Deterioration in research and publication in quality journals further hampers faculty growth and promotion. This creates disengagement and high attrition. Perhaps the future institutes will have to clearly decide if they want to develop faculty who are 'Specialized Masters' of the learning process and guardians of knowledge or faculty who are from mixed backgrounds, 'Catalysts of Knowledge and Learning Orchestrators'

How will the future unfold?

It is believed that block chain technology has a capacity to transfer the current Internet from “The Internet of Information Sharing” to “The Internet of Value Exchange” While prevalent attention in block chain is focused on Fintech, this will alter in the future. Like many other verticals, block chain technology could become a truly transformational force in education, changing the existing costly education system from a deficit-based instructional system toward one based on student development.

A report published by EY titled ‘Can the universities of today lead learning for tomorrow?’ highlights five major forces disrupting higher education



Every management institute must consider reflecting upon these disruptions and strategize on how to meet the changing demands. While some detractors dread that AI could eventually end the role of the professors completely, it is more likely that AI will help professors make their teaching more proficient and more accessible to a bigger audience. Are we training our faculty to use AI? With every consumer activity shifting to the flexibility using digital realms of web, mobile and virtual reality, how will the learning expectations of the digital natives alter? Are business schools preparing to cater to these expectations? There is an increased demand for lifelong learning activated by the anxiety around automation and uncertainty of work. Are business schools effectively positioning themselves to deliver customized value additions and continuous professional development programs? Global rankings, international student mobility is opening new opportunities for learning. Are business schools opting for



consolidation, concentrating on their core competence or diversifying into new markets and services?

Developing the future generations of business managers and leaders is essential for the wellbeing of economies and societies. A global, connected, increasingly competitive economy also needs entrepreneurs to fuel the economy and create jobs. Business schools are this critical interface, perfectly positioned to develop business leaders to address the global challenges with adequate focus on technology, agility, responsiveness, innovation and creativity. Thought leaders say if you want different results, you have to try different approaches, likewise to be relevant and future focused business schools must continue to reinvent and refine or wither and die

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