

♦ ESSAY ♦

When K.V. Kamath was in build mode at ICICI Bank, most years he went on a pilgrimage to his alma mater, the Indian Institute of Management (IIM) Ahmedabad. It was during recruitment time, first on Day One, then on Day Zero when a new category had to be created for the companies most in demand.

It was a positive sum game for all concerned. The director and the faculty top brass must no doubt have been thrilled to host one of their most successful alumni – a testimony to the IIM-A way. The second-year finance majors would be polishing their resumes to catch the stairway to a banker's proving ground. And Kamath himself would return to Mumbai with several bright-eyed and bushy-tailed recruits in the bag. "This is one of my most important functions," Kamath had told *Business India* when he was still CEO. (Today, he is chairman of IT major Infosys.)

Kamath's contribution to the recruitment process was to recognise quality, something not as easy as it seems. Quality in individual students is not measured by grades, though that is important. It is not dependent on the institute, though a Harvard grad would obviously be better than the products of an Indian Institute of Publicity Management. It's nebulous; it takes an expert to identify it at a nascent stage.

The quality of students is today in focus because a new debate has started on both intake and output at the country's top institutes – the Indian Institutes of Technology (IITs) and the IIMs. Not so long ago Infosys chairman emeritus N.R. Narayana Murthy, at a PANIIT function in New York in early October, he told the hundreds of assembled IITians that coaching classes had destroyed the quality of students entering the IITs. (Murthy should know; Infosys runs the world's largest corporate training centre in Mysore, which is probably bigger in terms of annual output than any IIT. Many of the freshers are IITians.)

The coaching class menace has now spread to the IIMs. Can a debate on the quality of B-school intakes be far behind?

The MBA has never been a holy cow in India. For years, there were arguments on whether specialists (engineers) were better than generalists (MBAs). Before globalisation and competition, the engineers were winning; the domain expert was preferred to the dilettante.

Today, the MBA has come up trumps. That was inevitable in a situation where every IITian worth his T-square tries to get into IIM after graduation. In the 2010-12 batch at IIM-C, 91 per cent are engineers. The 2009-11 batch had 94 per cent. In the class of 2010-12, in terms of work experience, 33 per cent were straight out of college and another 34 per cent had worked for less than two years.

Work experience is very important abroad, but it doesn't seem to matter here. "It is popular wisdom at campuses that an MBA programme is best suited for people with some work exposure. Ignoring this is not wise," says Alok Saklani, director of the Delhi-based Apeejay Institute of Management. Indian B-school students are considered immature.

The other side of the story is that the broadsides against the students are being orchestrated by the faculty who have been at the receiving

50 years of management education

The Indian Institute of Management (IIM) Ahmedabad was established on 16 December 1961. IIM Calcutta was established on 14 November 1961. IIM-A, as befits an establishment that knows its marketing onions, has stolen the golden jubilee

thunder. It began the celebrations at the start of the 50th year. So there's been action at Vastrapur. Joka, in West Bengal, has been somnolent. But, says dean Sougata Ray, the action will begin in November 2011. During November 14-15, there will be a conference on

"Management Education for A Sustainable Tomorrow." Adds Ray: "This will be followed by a nostalgic function on 16 November." A commemorative volume by Indira Chowdhury will be released a year later, on 14 November 2012. If image is a matter of perception, late movers miss the bus.





end for many years. In May this year, the then Union environment minister Jairam Ramesh – himself an IITian – told newsmen in Delhi that the faculty at the IITs and the IIMs are ‘not world class’. The students, however, were world class, he said.

Critics have long held that it is only the entrance exams to these institutions that matter. The IIT entrance exam is like a sieve; only the brightest get through. The common admission test for the IIMs is another sieve. What you get at the end is the cream of the crop. The years at IIT and IIM, the training and the faculty are inconsequential. (But you do learn a lot outside the classroom.)

Anurag Choudhary, a student at Mumbai’s Narsee Monjee Institute of Management Studies (NMIMS), gives one example of academic sloth. “Having interacted with my friends across several B-schools in India, I realise that the case studies discussed in most of the Indian schools are pretty much the same,” he says. “Indian B-schools rely heavily on case studies formulated at Harvard, and only a few are capable of coming up with their own cases. Though Harvard case studies are known to be the best, they usually miss out on the Indian context.” But he hedges his bets. “On a positive note, I feel that the faculty at Indian B-schools is pretty good,” he concludes. Most of the professors have rich industry experience and it shows when they teach.”

100 years of management education



Harvard Business School (HBS) was set up by Harvard Corporation in 1908 on a trial basis for five years. It was the first business school in the world and offered courses at a graduate level only. In 1910, eight students got their first MBAs. The degrees were in English,

another first; until then Harvard had stuck to Latin, the language of academia. English – the language of the merchant class – eventually became the language of business. In 1917, the alumni association published its first directory containing 392 names. “Our alumni



have a strong role to play in taking school forward,” Anand Mahindra, vice-chairman and managing director of Mahindra

group, told *Business India* at the centenary celebrations at Harvard in 2008. Mahindra is from the HBS Class of 1991.

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The Top 10 B-schools

Rank	2011	2010	2009	2008	2007	2006
1	IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad
2	IIM Bangalore	IIM Bangalore	IIM Bangalore	IIM Bangalore	IIM Bangalore	IIM Bangalore
3	ISB Hyderabad	IIM Calcutta	IIM Calcutta	ISB Hyderabad	IIM Calcutta	IIM Calcutta
4	IIM Calcutta	ISB Hyderabad	ISB Hyderabad	IIM Calcutta	ISB Hyderabad	MDI Gurgaon
5	XLRI Jamshedpur	XLRI Jamshedpur	XLRI Jamshedpur	XLRI Jamshedpur	IIM Lucknow	IIM Lucknow
6	IIM Lucknow	IIM Lucknow	IIM Lucknow	IIM Lucknow	XLRI Jamshedpur	ISB Hyderabad
7	SPJIMR Mumbai	MDI Gurgaon	MDI Gurgaon	ISB Hyderabad	MDI Gurgaon	XLRI Jamshedpur
8	MDI Gurgaon	SPJIMR Mumbai	SPJIMR Mumbai	MDI Gurgaon	ICFAI Hyderabad	SPJIMR Mumbai
9	IMT Gaziabad	IMT Gaziabad	IMT Gaziabad	IMT Gaziabad	SPJIMR Mumbai	ICFAI Hyderabad
10	JBIMS Mumbai	JBIMS Mumbai	JBIMS Mumbai	SPJIMR Mumbai	IMT Gaziabad	IMT Gaziabad

“It is incorrect to say that not a lot of faculty publishes research and articles,” counters Dheeraj Sharma, associate professor, marketing and international business, IIM-A. “Academic contributions are divided into several things – cases, journal articles, and conference proceedings. In our 50 years of existence, we have the second-largest database of cases.” Sharma says that it is only recently that case studies from emerging economies have become acceptable. “Ten years ago, if you had an Indian data-set and you wanted to publish in a North American journal, it was impossible,” he says. “Why would they publish it when they saw no relevance?” There is an ironic echo here of NMIMS student Choudhary finding the Harvard cases irrelevant.

Rajesh Chakrabarti, assistant professor, finance, ISB, is on the other side and can afford to be brutally frank. “They (the B-schools) admit students with questionable aptitude, allow ill-trained faculty to teach them and produce students that know little beyond textbook matter with hardly any ability to think for themselves in a problem-solving situation,” he says. (He is talking principally about the B-schools of a lesser God, or perhaps no God at all.) Adds Priya Chetty Rajagopal, vice-president and partner, Stanton Chase: “The MBA degree is seen as a pathway to cushy corporate jobs and private colleges are cashing in without adequate quality of faculty, curriculum, facilities, industry linkages and students. They are churning out unemployable ‘managers’ who don’t have any hard skills or managerial potential.”

Such is the regulatory environment that no one is quite sure how many B-schools there are in India. “We have over 4,000 B-schools with no benchmark to follow,” says Samir Barua, IIM-A director (see page 188). Barua points out that the AICTE (All-India Council for Technical Education)

“simply ticks off certain qualifications that the B-schools need to obtain for government recognition. There is no system of accreditation.” This may be the reason the estimates of the number of B-schools in India varies from Barua’s 4,000 to the 1,200 quoted by his IIM colleague Dheeraj Sharma.

“There are now over 1,700 B-schools in the country,” says Prakhar Sharma, a student at IIM Bangalore. “The mushrooming leads to issues in quality of education, courses offered, research, and techniques used. It is important to shape management education according to global changes to improve our competitiveness in the global scenario.” Adds Kishore Biyani, group CEO, Future group, “The quality of the faculty, the quality of research, the quality of infrastructure – everything has to improve.”

But this was always true. Seeing a lucrative prospect in management education, moneybags of all hues – from politicians to industrialists – have been setting up shop. (It can also be flaunted as philanthropy.) These B-schools are popularly known as degree factories. But the assembly-line operations existed even 20 years ago. So, why has quality come to the forefront today?

There are some very obvious reasons. First is globalisation. As Indian companies expand abroad, they appear to be more comfortable with Indian managers. An Indian MBA therefore needs to be ‘international’. Sadly, even from the best of Indian schools, they aren’t. There are, of course, several Indian managers in high places abroad. But they have learnt the ropes by working in a multinational in India or by going abroad for further studies and getting absorbed in the system.

A second reason is the meteoric rise of ISB

in global rankings. In the latest *Financial Times* B-school scorecard, ISB is No 13. And, after years in the wilderness, IIM-A is actually ahead at No 11. Earlier, the IIMs didn't give a hoot about global rankings. "Indian institutes (the top few) are not on any global rankings because many of them choose not to participate," says Sharma of IIM-A. "The entire world, including Harvard, functions on the model of bringing students in. They want students. Our entire model is keeping students out because we have so many. We have 4,000 applicants for one seat. Hence, we do not have to resort to marketing ourselves in a big way. Most rankings are a marketing tool."

For many years, there was no threat on the horizon. The newer IIMs were a washout. But then came ISB, and proved that the IIM stand that India was different – no work experience, no faculty research, no emphasis on the cultural values of the institute – was not tenable. Add to this the potential game changer – the Foreign Education Bill. This has met with resistance in Parliament and is yet to be passed. But some Indian B-schools are running scared.

Opinion is divided on what the impact will really be. "B-schools will pull up their socks and get better," says Prakash Iyer, managing director, Kimberly Clark Lever. "But that may have nothing to do with the entry of foreign B-schools. It will have more to do with introspection and industry feedback. The better B-schools are showing a refreshing willingness to listen and change." Gopal Shrikanth, CEO coach and strategist, says that the top schools will be unaffected. The Tier II schools – the newer IIMs, the management department of IITs and the leading private B-schools – will see lower demand for their services as applicants will have a wider choice. "Ironically, I visualise little impact on the Tier III B-schools that dot the Indian landscape," adds Shrikanth. "They cater to students with mid-range academic records at a significantly lower price point."

The stipulations of the Foreign Education Bill (see page 80) make it unlikely that the top foreign universities will come in. The objective of these B-schools is not to educate Indians (that is left for the MNCs of the world). They want to expose their own US student community to India, the place where much of the action will be in the coming years. China, the fastest-growing economy in the world, has a language and food problem. So, India is the country of choice. But exposure can be organised through joint

ventures and student exchange programmes; there is no need to set up a campus. Foreign schools that are coming here simply to make money will find that the Indian middle class is as discerning about education as it is about Tang and Double Cola.

Among the myriad issues that affect quality at B-schools – many of which you will encounter in the following pages – a couple deserve discussion upfront. The first is infrastructure. Many rate this as very important but, if truth be told, it is the grade-3 institutes set up by people with money but no motive beyond profits that can afford the best infrastructure. At some of these schools, every student gets a laptop. (It is built into the fees, of course.) The older IIMs come out relatively poorly when it comes to infrastructure because of their very age – even though they continue to receive capital grants from the government. One advantage they had – the library – has been nullified by the entry of the Internet. Sums up independent CEO coach Shreekant Gupte: "Infrastructure is something that is nice to have but it is not critical."

The other key issue is culture. This is something very difficult to explain or to understand. How do the annual boat race between Oxford and Cambridge (the first was held in 1829) or the pant-less dance at Wharton's Walnut Walk matter? In India, B-school faculty and students don't like to let down their hair, far less parts of their attire.

Indian B-schools have relegated their history to the dustbin of time while Western B-schools have glorified even dubious events of the past. People visit Wharton to sit on a bench with Benjamin Franklin. At Joka or Vastrapur, they will escort you around the new classrooms. At IIM-C, the White House (as the Tagore Hall of residence is called) was once an attraction. Today it has turned yellow – literally. Painting costs money.

Small things combine to create a culture and a heritage for students to identify with. Stanford started life because of a spirit; it is believed that Jane and Leland Stanford's dead son told them to fund a college. The Ohio State University campus is haunted by its first president Edward J. Orton. Washington and Lee University has a spectral horse, which once belonged to General Robert Lee of Civil War fame.

The trouble with the IIMs is that they have no ghosts – as yet. ♦

