CHAPTER 3: REVIEW OF LITERATURE

3.1 Chapter Construct

The purpose of management education to the critical stakeholders - business, society & individual is discussed in the subsequent sections. The possible gaps in management education with respect to delivery, relevance and policy are highlighted with a view to bring to light the growing concerns of business with changes in global demography and business landscape. There are changes in the requirement of workplace skills which necessitate relevant changes in the management education process which includes appropriate curriculum and pedagogy. The subsequent sections provide key inputs on the various concerns of businesses and management education experts on the growing gap between B-school & business. These gaps are reflected in the findings of various related work on MBA graduates who come out of these B-schools. Desk / library research provides supporting literature evidence that deals at length with the management education quality with respect to desired quality of MBA graduates, real outcome, curriculum & pedagogy adopted in business education and other critical issues. This forms the basis for the researcher to carry out this research based on the inferences drawn from the literature review.

3.2 Value of Management Education

Over the course of the last hundred years, business has transformed the world. It has been a driving force in shaping society and the catalyst behind extraordinary economic growth and opportunity. Effective management of business has spurred the creation of jobs, the generation of wealth, and access to opportunity for an increasingly diverse population. Management education has produced leaders capable of creating effective organizations that are the core of these profound global achievements. The complexities that global competition has unfolded have thrown up new challenges that threaten the very survival of many organizations and rendering the current business scenario into an Olympics, where the fittest only survive (Singh and Bhandarker, 2002).

The main purpose of MBA education programmes offered by business schools across the world is to provide their students with the knowledge and skills required to function in
this complex world of changing business dynamics. The MBA education has to necessarily combine explicit knowledge of basic disciplines with the tacit knowledge that comes from practice. Many B-schools cater to this complexity by designing their curricula and teaching methods to address this changing need. Various teaching practices like learning by teaching (lectures, case discussions), learning by doing (projects as part of courses and real life projects with industry) and learning by experiencing (workshops, international study projects) are common elements of top business school pedagogy. Along with this, a strong curriculum that is relevant to industry is expected to provide key inputs to MBA graduates. The MBA education also provides a strong platform for a change in the attitudinal orientation of its students who not only learn new knowledge and skills but also understand the importance of attitudes in managerial life.

Successful students of management education acquire the knowledge, skills and attitudes that enhance and enrich their lives and enable them to make meaningful contributions to their organizations. In turn, organizations that are successful in meeting their goals and fulfilling their purposes become enormous assets to societies, fostering greater productivity and a more desirable quality of life. Thus, the value of management education is three-fold: to individuals, to organizations and to society.

Figure 3.1 – Value of Management Education
3.2.1 Value to Individuals

Individuals who pursue management education are typically passionate about the opportunity to “make things happen.” They are convinced that their participation in management will create lifelong rewards including:

- Development of a portfolio of personal skills that will strengthen their abilities to communicate, solve problems, make decisions, and lead organizations
- Professional competence within an individual management discipline, the capacity for integrating and applying knowledge from other disciplines, and a strategic perspective on the management of organizations
- Adaptability that comes from the acquisition of knowledge and skills that readily transfers to different work environments and to other dimensions of productive lives
- Development of a strong attitudinal framework that is in line with ethical conduct of business
- Creation of personal wealth, self-sufficiency, and a sense of well-being
- Ability to assist others through philanthropic donations of the personal wealth created by successful enterprise

3.2.2 Value to Organizations

Management innovation through education and research has been integrally connected to private sector organizations since 1881, when one businessman’s interest triggered the emergence of all business schools. Joseph Wharton, proprietor of American Nickel Works, asked University of Pennsylvania trustees to develop the world’s first school of business. Since that time, business owners and managers have continued to engage management educators on many levels to achieve results that benefit business practice and the greater economy. The value benefits to organizations are:

- Research that advances organizational effectiveness and efficiency and generates new ideas, theories, and knowledge
- Commercialization and effective application of new technologies
• Production of goods and services that enhance the quality of life
• Facilitation of innovation
• Generates qualified manpower

### 3.2.3 Value to Society

A symbiotic relationship exists between business and society. Society depends on business for wealth creation, which leads to improved quality of life, while business depends on society for an environment wherein it can meet its obligation to create that wealth. Management education contributes to society through:

• Creation of organizations that enable richer lives for participants
• Supply of essential products and services
• Creation of wealth and economic development opportunities
• Creation of jobs

The role of management education must be seen from the context of its contribution in the betterment of its main stakeholders – graduates (individuals), recruiters (organizations) and society at large.

### 3.3 Changing Phase of Management Education

Management education has entered a period of profound transition and is predominantly driven by globalisation, technology and demographics besides other socio-economic dynamics. Liberal democracy & free market capitalism, aging, the rise of BRIC countries (Brazil, Russia, India and China), rise of knowledge economy, new governance mechanisms, dominance of English as the language of business are the six exogenous pressures on the management education system (Durand and Dameron, 2008). All of these, besides issues that are country specific, are creating a massive reorientation in the way in which B-schools need to operate to ensure sustainable competitive advantage. However, there is also a growing concern on the quality of B-schools which do not belong to the top league but have the responsibility of imparting management education offering certain benefits which are branded essentials of MBA graduates. The growing demand for business education cannot be leveraged for commercial success alone but more care must be taken to ensure academic relevance. This combination of quality & relevance makes the changing phase of management education very crucial.
3.3.1 Global Management Education Landscape

The rate at which the world is getting economically integrated has several important implications for management education. For the purpose of this study, attention is given to two important implications: the increased demand for management education and the need for greater emphasis on global perspectives in education and skills development.

Any commitment of present resources to future expectations depends entirely on the demographics (Drucker, 1999). The world population will increase from 6.5 Billion in 2005 to 8.1 Billion by 2030. This was the same rate during a comparable period between 1980 and 2005. However, if geography is looked along with this growth, then the analysis becomes interesting. More than 90% of the future growth will occur in developing countries (World Bank, 2007). Asian and African countries already account for 73.4 percent of the world’s total population and that percentage is expected to grow. In contrast, the United States, Canada, and all of Western Europe currently combine for only 11.2 percent, and that percentage is expected to decrease (U.S. Census, 2007). This trend will become informative when combined with age.

### Table 3.1 – Age-wise distribution of world-wide population

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th></th>
<th>2020</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Region / Age</td>
<td>0-39</td>
<td>40 and over</td>
<td>0-39</td>
<td>40 and over</td>
<td></td>
</tr>
<tr>
<td>Asia (excluding Near East)</td>
<td>69.7</td>
<td>30.3</td>
<td>61.8</td>
<td>38.2</td>
<td></td>
</tr>
<tr>
<td>Baltics</td>
<td>52.2</td>
<td>47.8</td>
<td>45.9</td>
<td>54.1</td>
<td></td>
</tr>
<tr>
<td>Commonwealth of Independent States</td>
<td>57.8</td>
<td>42.2</td>
<td>54.7</td>
<td>45.3</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>54.0</td>
<td>46.0</td>
<td>46.3</td>
<td>53.7</td>
<td></td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>71.5</td>
<td>28.5</td>
<td>63.1</td>
<td>36.9</td>
<td></td>
</tr>
<tr>
<td>Near East</td>
<td>77.6</td>
<td>22.4</td>
<td>71.2</td>
<td>28.8</td>
<td></td>
</tr>
<tr>
<td>North Africa</td>
<td>75.6</td>
<td>24.4</td>
<td>67.0</td>
<td>33.0</td>
<td></td>
</tr>
<tr>
<td>Northern America</td>
<td>55.0</td>
<td>45.0</td>
<td>52.2</td>
<td>47.8</td>
<td></td>
</tr>
<tr>
<td>Oceania</td>
<td>61.7</td>
<td>38.3</td>
<td>56.6</td>
<td>43.4</td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>82.8</td>
<td>17.2</td>
<td>81.9</td>
<td>18.1</td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>49.6</td>
<td>50.4</td>
<td>43.5</td>
<td>56.5</td>
<td></td>
</tr>
</tbody>
</table>
### Distribution of global population in the age group 15 to 49

<table>
<thead>
<tr>
<th>Region / Age group</th>
<th>15 to 19</th>
<th>20 to 24</th>
<th>25 to 29</th>
<th>30 to 34</th>
<th>35 to 39</th>
<th>40 to 44</th>
<th>45 to 49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia (exc. Near East)</td>
<td>-7.9</td>
<td>3.1</td>
<td>12.4</td>
<td>14.2</td>
<td>8.1</td>
<td>16.6</td>
<td>43.0</td>
</tr>
<tr>
<td>Baltics</td>
<td>-46.8</td>
<td>-40.6</td>
<td>-14.3</td>
<td>4.3</td>
<td>-0.2</td>
<td>-15.0</td>
<td>-9.3</td>
</tr>
<tr>
<td>Commonwealth of independent states</td>
<td>-34.5</td>
<td>-34.2</td>
<td>-11.2</td>
<td>21.5</td>
<td>23.1</td>
<td>-7.5</td>
<td>-15.3</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>-31.5</td>
<td>-32.9</td>
<td>-25.9</td>
<td>-6.4</td>
<td>9.6</td>
<td>21.4</td>
<td>-0.6</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>-2.2</td>
<td>5.4</td>
<td>11.1</td>
<td>16.5</td>
<td>21.1</td>
<td>28.1</td>
<td>38.8</td>
</tr>
<tr>
<td>Near East</td>
<td>15.6</td>
<td>13.0</td>
<td>17.5</td>
<td>31.2</td>
<td>44.1</td>
<td>55.9</td>
<td>62.3</td>
</tr>
<tr>
<td>North Africa</td>
<td>-1.2</td>
<td>4.4</td>
<td>16.6</td>
<td>31.2</td>
<td>44.1</td>
<td>52.0</td>
<td>56.8</td>
</tr>
<tr>
<td>North America</td>
<td>0.8</td>
<td>-0.3</td>
<td>13.1</td>
<td>13.9</td>
<td>5.7</td>
<td>-9.5</td>
<td>-9.9</td>
</tr>
<tr>
<td>Oceania</td>
<td>7.1</td>
<td>13.2</td>
<td>13.7</td>
<td>7.9</td>
<td>7.8</td>
<td>12.7</td>
<td>20.1</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>37.3</td>
<td>40.9</td>
<td>48.6</td>
<td>56.4</td>
<td>56.7</td>
<td>51.5</td>
<td>44.8</td>
</tr>
<tr>
<td>Western Europe</td>
<td>-8.7</td>
<td>-8.0</td>
<td>-7.5</td>
<td>-13.2</td>
<td>-19.1</td>
<td>-16.2</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Shifts in age distribution of the population will significantly impact management education. It is expected that countries with growing younger populations will experience rising demand for business education and the case of India hence becomes very special.

#### 3.3.2 Global Demographic Trend

From past data, it is reasonable to assume that the most significant population growth will occur in those countries most challenged to support it - politically, environmentally, economically and educationally. Although we know much about management education in developed countries, where it is most mature, it seems essential to learn more about management education in less developed countries, where it has enormous potential and draw a qualitative comparison. This is one of the reasons why in the previous section an attempt was made to compare the growth of American & Indian management education.
Asia accounts for over 60% of the world population with almost 3,800 million people. The People's Republic of China and India alone comprise 20% and 17% respectively (US Census, 2007). Looking at the demographic trends and assuming that the maximum enrolment to B-schools lie in the age group of 25-29 it is reasonable to conclude that the market for B-school lies in the African and Asian countries.

While the future market lies in Asia and Africa, the current market size for business education itself presents the big picture of growth. There are over 200,000 management faculties teaching over 4 to 5 million students every year in about 7,600 management programs around the globe, for a business of about 10 to 12 Billion US dollars. These figures provide the scale and size of the activity conducted in B-schools. The real importance however, lies in the influence of business education on the overall functioning of businesses (Durand and Dameron, 2008).

3.4 Critical Concerns

The most important client of B-schools are the corporations which look forward to MBA graduates with a hope that they would be capable of redefining the way in which business is done. This might come in the form of innovations leading to growth, profitability, new opportunities, etc. These corporations hence are looking to B-schools as their intellectual
partners. To be an intellectual partner of the business community, the B-schools cannot afford to be a closed entity and should open its system to accommodate the needs of the businesses. Proximity to the business has been a key success factor for INSEAD according to its former Dean Jean-Louis Barsoux.

India is becoming increasingly relevant in the global business space and will need managers and leaders adept in working and living in a global world. There is going to be a continuous change in the current chaotic business environment as a result of which more and more corporate leaders should be prepared to absorb and handle change striking a balance with business society. The occasion is right for India to rise and meet the growing demand for qualified managerial persons. When nations worldwide like USA, Canada, Japan and many European countries would accumulate ‘wrinkling population’ India will emerge strong with a ‘twinkling population.’ It will have an estimated 400 Million population in the 25-35 age group emerging as the sourcing hub for human resources. The role of management education in grooming future leaders is hence very critical.

The success of any academic institution lies in its willingness to act as a learning partner along with the industry. This shall give them the tools to build in its graduates the right competencies and an optimal portfolio of knowledge & skills. The fundamental duty of the B-school hence is to impart relevant learning to its students and thereby add value. This value has to be high enough to meet the expectations of the business. Once a B-school understands the needs of business it has to have the right competencies to teach its students what the business needs. In other words, it should have the right mix of knowledge and expertise in its faculty members strongly backed by pedagogical skills. This should go beyond the traditional requirements of research, publication and the popular feeling of University education being a service for a social cause. There are three important gaps that need to be addressed to ensure that MBA education is in the right education. They are: Relevance Gap, Delivery Gap and the Policy Gap. The purpose of any B-school is to ensure that gaps in each of these and hence the aggregate gap is reduced.

**Relevance Gap:** The relevance gap can be seen as the difference between the needs of the industry / ‘corporate clients’ and what the B-schools deliver.
**Delivery Gap:** The delivery gap deals with the competencies within the B-school framework to handle the MBA program which predominantly lies with the faculty and their abilities to understand, conceptualise and deliver the needs of business education using proper pedagogy.

**Policy Gap:** The policy gap is an enabler for B-schools to reduce the relevance and delivery gap. This is essential in the light of a rigid system that has no scope for innovation in curriculum design. The delivery gap may be minimum, but with a huge policy gap that widens the relevance gap, the MBA education offered will still be poor.

![Figure 3.3 – Management Education Gaps](image)

Many management thinkers have felt that the role of business schools is extremely important in shaping talent and developing future business leaders (Baruch & Leeming 1996 and Sheridan 1993). At the same time, management education has also been at the receiving end of criticism from the business world for not adequately aligning themselves with the expectations of the industry recruiting or using MBA graduates. When business schools produce graduates who are unsure of the primary objective of business, how can business survive in today’s globally competitive world? This gap between the business and B-schools can be reduced only if the B-schools understand the needs of the business.
3.5 Business vs B-schools

The business literature is flooded with articles that center on the issue of whether business schools are producing MBAs in line with the needs of the business community. Some authors have expressed deep concerns on the mismatch between industry needs and business schools’ programs (McLeod & Cotter, 1999; Elliot, Clifford, Goodwin & Goodwin, 1994; Porter & McKibbin, 1988; Cheit, 1985), some have taken a serious view on the curriculum and teaching in the MBA programs (Bigelow, 1996; Capon, 1996) and some have highlighted the skill requirements (Bigelow, 1996, Cheit, 1985) as areas of concerns.

The world of business has always been undergoing changes and restructuring itself over the last two decades. Such change in business organizations has necessitated change in the skills required of leaders. Universities will be doomed in the 21st century unless drastic changes to their strategies and structures are made to accommodate the needs of a changing world (Friga, Bettis, Sullivan, 2003). Business schools, one of the areas of greatest growth in the last 50 years, are not isolated from the pressures for change affecting Universities. Given the relationship between management education and business world, market forces like globalisation, technology revolution and new workplace requirements may affect business education more than any other branch of academia. The stakes are huge given that corporations and education institutions spend a combined USD 2.2 Trillion on management education and training worldwide. In addition to financial aspects, the effect business education has on society through trained managers, leaders and consultants is tremendous. The tremendous impact that management education can create is true in an Indian context as India is becoming an integral part of a globalised business agenda. Hence it is extremely important to provide the right direction for management education in India for B-schools in India to remain relevant.

Business educators feel the challenge to meet industry’s need for a workforce that has the ability to adapt and address issues in the ever-changing business world yet also have the knowledge to master changing technological and organizational innovations. Industry not only desires individuals with a generalist breadth of knowledge to handle any business situation but also look to Universities to provide specialists who have a mastery level of training (Gordon and Howell, 1959).
There is a widely prevalent source of literature that strongly criticises the B-schools’ understanding of what the business community wants and the relevance of curriculum and pedagogy in students learning those skills. Though such literature source is less prevalent in the Indian context, one must agree that management education is a global phenomenon and is no longer unique to a particular country. What is applicable to the US or any other renowned B-schools is equally applicable to B-schools in India. In fact the Indian Institute of Management and the recently established Indian School of Business (ISB) have looked to the West for advice on structuring their MBA programs. The Indian Institutes of Management at Ahmedabad and Calcutta took the help of the Harvard Business School and MIT’s Sloan Management School respectively during their formative years.

Collectively, the criticisms of business school curricula represent a wide array, something of a “laundry list”. Major types of criticisms have been on placing too much emphasis on quantitative and analytical skills and insufficient attention to leadership & interpersonal skills. There is also criticism on the inadequate emphasis on international dimension of business and ethics as well as poor communication skills (Porter & McKibbin, 1988).

In 1976, the American Assembly of Collegiate Schools of Business (AACSB) began a comprehensive study to test the knowledge and skills determined to be essential for graduates of accredited business schools. In that study, they specifically developed an assessment tool to measure knowledge across various areas: Accounting, Business Environment and Strategy, Finance, Human Resources and Organization Theory, Marketing, Management Information Systems, and Quantitative Analysis / Operations Management. The AACSB, in this Outcome Measurement Project highlighted a set of skills as crucial for success in the business world: leadership, oral communication, planning and organizing, information gathering and problem analysis, decision making, delegation and control, self-objectivity and disposition to lead. It was noted that these skills were not necessarily taught in business school curricula, but were frequently cited by corporations as required in the business world today.

A longitudinal study conducted by the All India Council for Technical Education during 2002-2004 found similar issues that highlighted the gap between the relevance of MBA education. The study concluded that there was a huge gap between the recruiter’s perception on required competencies and the B-schools’ understanding. While the corporate
world expressed positive views on analytical ability, communication and presentation skills there was criticism on people-centric competencies like interpersonal skills, team work, leadership, etc. This is a matter of concern as these qualities were rated high in the desired list of competencies by the industry.

The issue of business school imparting skills to the MBA students gained focus with more criticism. Eliott, Clifford, Goodwin and Goodwin (1994) described that MBAs are ill-prepared to cope with an increasingly diverse work force. Many perceive the MBA degree as emphasizing quantitative abilities and analytical skills while neglecting the development of other essential skills that enable a person to function in a business organization. Eliott et al., also support the extreme idea of corporations taking over the role of providers of human resources for business if academic institutions cannot meet the needs of the business.

Grimbly (1993) stated that many MBAs are “dimmer” than the gloss of their pedigree. They are slaves to formulas and maddeningly dogmatic. They enter the real world and find that their book learning weighs them down like cement shoes. Grimbly (1993) added that MBAs are generally very slick; they give you the right answers but they are not original thinkers. Linder and Smith (1992) indicated that companies’ biggest concern is the extent to which they have to retrain the MBAs they hire. According to Linder and Smith (1992), businesses have gone from an average of 41 hours of training a year in 1981, to 241 hours in 1991. Other areas of business dissatisfaction include lack of even a rudimentary understanding of information technology, lack of supervisory skills, and lack of management techniques (Linder & Smith, 1992). Businesses wind up putting recruits in a corporate classroom to teach them things they should have learned in business school (Linder & Smith, 1992).

In general these critics express their legitimate concern on the B-schools’ understanding of the needs of the business world and the possible problems that they may encounter. The extent to which management education prepares them to face these problems form the essence of a number of studies done by these critics. With inputs from HR executives, management practitioners, program directors, etc. such studies identify various competencies needed to function adequately in managerial practice. A consistent research finding is that four competencies must be reflected in the management education system that produces MBA graduates – functional (discipline specific), systemic (cross-disciplinary
knowledge), personal (self-management) and organizational (managing others). (Douglas Johnson & King 2002; Giannantonio & Hurley, 2002; Hansen, 2002).

Kleiman and Kass (2007) conclude that the modern MBA is in crisis. Both the academic and business communities have started questioning the value and relevance of the MBA degree.

3.6 Changing Business Environment Workplace Skills

Business is highly competitive. Being good today is by no means a guarantee for a better tomorrow. As business dynamics change the job changes and hence the type of graduates needed by business changes. With rapid changes in technology, the existence of global economics and the approaching dominance of niche marketing, business needs people who can deal with change and be effective (Oblinger & Verville, 1998).

More specifically, global change forces have brought fundamental changes to the way in which business organizations are managed. Hallinger and Snidvongs 2008 find the following trends due to the changing business dynamics:

- Organizations are restructuring their operations a competition is becoming intense and open
- There is a growing emphasis on entrepreneurship and entrepreneurial management as engines of global economic growth
- The recognition that ethical crises and environmental problems located in a single nation or organization are magnified in a global society has led to a greater emphasis on moral leadership and corporate social responsibility among business leaders
- The ability to manage and use information for decision making is now a core competency required of managers throughout business organizations
- There is increased emphasis on linking corporate goals with human resource practices, especially through the use of performance management and measurement
- Knowledge is viewed as a key currency of organizations that requires conscious, proactive management
• Capacities for innovation and change are viewed as competencies that distinguish organizations that thrive vs. others that flounder in a rapidly changing, turbulent environment

These changes have required a cadre of business leaders who possess a broader set of both leadership and management capacities. There is a tremendous shift in the types of skills organizations need. Graduates seeking employment in this new business environment are likely to find that immediate demands are placed upon them to exhibit competency in certain skills areas. For B-schools, a key challenge is to equip students with skills they need in order to be hired and valued by employing organizations (Ireland et.al., 1993).

Today, business organizations are undergoing a tremendous metamorphosis. Recent trends in globalisation and technology drive and reflect the prevalent demands of employers’ workplace skills (Bennis, 1997). While there are numerous explanations for the change in criteria for workplace skills, the impact of globalisation appears to be one of the most significant causes that appear in many analyses (Rhinesmith, 1996). In response to such increased global competition and expansion in world economy, businesses are seeking workers highly skilled in soft skills. New sets of skills have evolved in response to changing needs of the organization. Gone are the days of relying on a single set of technical skills to ensure highly quality performance for employees (Reid, 1996).

As the business environment changes, the desired skills and abilities of business school graduates also change. “Today’s business environment can be characterized as keenly competitive, global, technology intense and dynamic” (Tanyel, Mitchell & McLaum, 1999). Management educators must revise and update curricula to produce graduates with the skills and abilities they need to enter the business world and contribute effectively to their organizations.

Globalisation has added a new dimension to the complex management education scenario in India. As business, industry, services, technology, etc are getting more and more globalised the graduates from the B-schools must also have a global mindset. The key to successful globalisation is the need for capable global leaders (Black, 2005). In a global survey of CEOs and top management personnel it is found that 85% of the companies do not
have leaders capable of operating in a global scale and in the remaining 15% only 33% of the leaders have the required capabilities of a global leader (Black, 2005).

Andrews and Tyson (2004) identified global capabilities based on a survey of executives from over 20 countries. The survey brought out some issues, viz:

- Executives have to move from the cheap seat to the front row of business leadership, and business schools must develop a new approach to teaching and learning.
- Business schools have traditionally provided a reflective learning space, a place to absorb information and knowledge.
- Globalisation is an art – an art of human relations that, like other arts, is presented through insights gleaned from teaching and from experience, and honed by continual practice, day in day out, in the executive suites of the world’s corporations. The issue is to create executives with management and leadership capabilities on a worldwide scale. The study shows that there has been a shift in companies recruiting and development emphasis from knowledge to skills and attributes. This means that each business school must pick the place it intends to compete, creating a differential mix of teaching and training opportunities drawn from the three sets of meta-attributes that companies require of their executives.

3.6.1 New Global Competencies

Business schools in India should prepare their graduates to meet the job demands of a global marketplace. The existing system of accreditation and benchmarking in India is insufficient to make the B-schools respond to the new context (S.L.Rao, 2005).

The Indian economy is turning out to be not only a key driver of global economy but also becoming an indispensable part of it. International companies are investing in India and Indian companies are going global and this new paradigm makes it necessary for businesses to have different knowledge and skill sets. Business schools hence must realize the dire need for preparing graduates who can adapt easily to a global environment.
The table below shows the elements of knowledge, skills and attributes to succeed in a global marketplace.

**Table 3.2 - The New Global Capabilities**

<table>
<thead>
<tr>
<th><strong>Knowledge</strong></th>
<th><strong>Skills</strong></th>
<th><strong>Attributes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Global macro economics</td>
<td>Managing diverse cultures</td>
<td>Unyielding integrity</td>
</tr>
<tr>
<td>Global Finance</td>
<td>Dealing with ambiguity, uncertainty and paradox</td>
<td>Worldly awareness</td>
</tr>
<tr>
<td>Global Strategy</td>
<td>Decision making</td>
<td>Thrive on change</td>
</tr>
<tr>
<td>Organization structure and dynamics</td>
<td>Accountability</td>
<td>Judgment and intuition</td>
</tr>
<tr>
<td>Competitive microeconomics</td>
<td>Managing performance</td>
<td>Demanding excellence</td>
</tr>
<tr>
<td>Decision sciences</td>
<td>Project management</td>
<td>Perseverance and tenacity</td>
</tr>
<tr>
<td>Global marketing and management</td>
<td>Ability to make complex simple</td>
<td>Adaptability and responsiveness</td>
</tr>
<tr>
<td>Sales and account management</td>
<td>Presentation skills</td>
<td>Curiosity and creativity</td>
</tr>
<tr>
<td>Technology management</td>
<td>Listening and observation</td>
<td>Self awareness</td>
</tr>
<tr>
<td>Accounting</td>
<td>Networking and collaboration</td>
<td>Self confidence to involve others</td>
</tr>
<tr>
<td>Human Resource management</td>
<td>Teambuilding and teamwork</td>
<td>Boundless energy to motivate and energize</td>
</tr>
<tr>
<td>Corporate governance</td>
<td>Talent assessment</td>
<td>Judging performance</td>
</tr>
<tr>
<td></td>
<td>Interpersonal skills / giving feedback</td>
<td>Capacity and desire to learn, coachable</td>
</tr>
</tbody>
</table>


Graduate business schools must take a careful look at their business programmes to prepare MBAs to face the challenges of the changing business environment (Neelankavil, 1994).

### 3.6.2 MBA Graduate Skill set

The critical issue is on the skill set that MBA graduates are required to possess. There are a number of studies that have enumerated the various skills needed. Apart from the list of skills there are also various studies that have characterized them under different types. An attempt is made to enlist all those skills and categorize them for research purposes.
Before enlisting the skills the definition of skills must be understood in the context of the research purpose. Webster’s Dictionary defines a skill as an ability that has been acquired by training. Mintzberg, 2005 uses competency as a substitute to the word skill from what it appears in his book “Managers and not MBAs.” For the purpose of this study skills and competencies will be treated as same wherever the terms appear.

3.6.2.1 Three-Skill Approach

Katz (1955) developed a three-skill approach for managers and suggested the relative importance of these skills with varying managerial levels. He assumed that business administrators must be capable of directing activities of other persons and undertake the responsibility for achieving certain objectives through these efforts. With this assumption, successful business administration rests on 3 basic skills – technical, human and conceptual.

Technical Skill – Technical skills involves specialized knowledge and the ability to use the tools and techniques of the specific discipline effectively. This skill calls for an understanding of and proficiency in a specific kind of activity involving methods, processes, procedures or techniques. Such skills are similar to those of surgeons, musicians and accountants.

Human Skill – Human skills involve the ability of a manager to work effectively as a group member and to build co-operative effort within the team that he leads. Human skill is concerned with working with people just as technical skill is primarily concerned with processes. This skill is reflected in the individual’s perception of his superiors, peers and subordinates and in the way he behaves subsequently. This skill must be naturally developed and unconsciously and consistently demonstrated in the individual’s managerial action.

Conceptual Skill – The ability to see the enterprise as a whole lies in the extent to which an individual possesses conceptual skills. Conceptual skills include recognizing various functions of an organization, their interdependence, relationship between individual business and the industry, community, political, social and economic forces of the nation as a whole. The success of a manager lies in the recognition of all these relationships and then act in a way that advances the overall welfare of the organization. This overall success is
dependent on the conceptual skills in establishing and carrying out policy decisions and hence this skill is the unifying, coordinating and important ingredient of a successful manager.

3.6.2.2 Relative Importance of skills with career growth

There is a need to distinguish between the three skills of performing the technical activities (technical skills), understanding and motivating individuals and groups (human skills) and coordinating and integrating all the activities and the interests of the organization toward a common objective (conceptual skills). Though in practice all these 3 types of skills is interrelated and is difficult to separate based on their importance, it is essential to understand the varying importance at different levels of responsibility.

Lower Level – Technical skills is considered very essential at the lower levels of managerial administration. As a manager moves further and further the technical skill becomes less important provided he has subordinates skillful to solve their own problems. Hence, at the top, technical skills become non-existent and the manager will perform effectively if his human and conceptual skills are adequately honed.

Every Level – Human skill is essential for managers at all levels. 3 independent studies have found that human skills are important at lower, middle and top management levels. It is only the emphasis changes as managers move up the ladder. Human skills is most important at the lower level and as one goes higher and higher in the administrative echelons, the number and frequency of personal contacts decrease and the need for human skills proportionately decreases. At the same time, conceptual skills become increasingly important with the need for policy decision and broad scale actions.

Top Level – The effect of conceptual skills is maximized and more observable at top positions as it becomes increasingly critical in more responsible executive positions. This skill is essential for coordinating the various departments whose needs keep changing from time to time. The leader of an organization must possess conceptual skills to understand and realise the changing emphasis of various business and departments and their relative importance to the organization as a whole.
The MBA program must recognize the relative importance of the three skills in various stages of managers and must design curriculum to address this changing needs. At the top level, conceptual skills become more important and a chief executive officer can succeed without human or technical skills if his subordinates have good technical and human skills. Likewise, at the levels of lower administrative responsibility, there is more need for technical and human skills. This realization on the relative importance of skills is essential for a successful MBA programme.

3.6.3 Managerial Competencies & Skills

Based on a detailed literature review a set of skills have been arrived. Mintzberg, (2005) has given a list of managerial competencies as listed below:

PERSONAL COMPETENCIES

- Managing self, internally (reflection, strategic thinking)
- Managing self, externally (time, information, stress, career)

INTERPERSONAL COMPETENCIES

- Leading individuals (selecting, teaching/mentoring/coaching, inspiring, dealing with experts)
- Leading groups (team building, resolving conflict/mediating, facilitating processes, running meetings)
- Leading the organization/unit (organizing, building culture, managing change)
- Linking the organization/unit (networking, representing, collaborating, promoting/lobbying, negotiating/dealing, politicking, protecting/buffering)

INFORMATIONAL COMPETENCIES

- Communicating verbally (listening, interviewing, speaking/presenting/briefing, writing, information gathering, information disseminating)
• Communicating non-verbally (visual literacy, visceral literacy)
• Analyzing (data processing, modeling, measuring, evaluating)

**ACTIONAL COMPETENCIES**

• Scheduling (chunking, prioritizing, agenda setting, juggling, timing)
• Administering (resource allocating, delegating, authorizing, systematizing, goal setting, performance appraising)
• Designing (planning, crafting, visioning)
• Mobilizing (firefighting, project managing)

Various studies have been attempted to identify and measure the skills and attributes needed by business graduates (Baruch & Leeming, 1996; Boyatzis & Renio, 1990; Capowski, 1994; Eberhardt McGee & Moser, 1997; Jenkins, Reizenstein & Rodhers, 1984; Kretovics, 1999; Levenburg, 1996; Neelankavil, 1994; Porter & McKibbin (1988); Tanyel, Mitchell & McAlum, 1999).

A study by the American Council on Education found that MBA graduates are not well qualified to lead in the workplace. Also, in an interview with the Director of a leading B-school in India, it was revealed that MBA graduates even from the best of the business schools skills lack adequacy of critical skills and there is a lot to be done to improve management education in India. It is not that today’s graduates are less skilled than previous generations, but the expectations for performance are higher today than ever before. One aspect of raised expectations is that graduates need not only a broad education but specific skills as well (Oblinger et al, 1998).

Porter & McKibbin (1988) in their landmark book “Management Education and Development: Drift of Thrust into the 21st Century” studied the extent to which curriculum for management education should emphasize the development of various skills and personal characteristics (SAPCs). The nine skills identified were analytical, computer, decision making, initiative, leadership/interpersonal, oral communication, planning/organizing, risk taking and written communication.
Kretovics (1999) surveyed over 300 MBA students to measure the learning outcome of the MBA programme using a learning skill profile that measured 12 learning skills important in business and management education. These 12 learning skills were grouped under 4 major skill areas: interpersonal skills, information gathering skills, analytical skills and behavioral skills. The groupings and definitions of each of the skills are as follows:

**Interpersonal Skills:**
- Help skills: the ability to be sensitive to others in gaining opportunities to grow, to be self-aware;
- Leadership skills: the ability to inspire and motivate others, to sell ideas to others, to negotiate, and build team spirit;
- Relationship skills: the ability to establish trusting relationships with others, to facilitate communication and co-operation

**Information gathering skills:**
- Sense-making skills: the ability to adapt, to change, to deal with new situations and to define new strategies and solutions;
- Information gathering skills: the ability to be sensitive to and aware of organizational events, to listen with an open mind and to develop and use various sources for receiving and sharing information;
- Information analysis skills: The ability to assimilate information from various sources, to derive meaning and to translate specialized information for general communication and use

**Behavioral skills:**
- Goal-setting skills: The ability to establish work standards, to monitor and evaluate progress towards goals and to make decisions based on cost-benefits;
- Action skills: The ability to commit to objectives, to meet deadlines, to be persistent and to be efficient;
- Initiative skills: the ability to seek out and take advantage of opportunities, to take risks and to make things happen.

**Analytical skills:**
• Theory skills: The ability to adopt a larger perspective, to conceptualize, to integrate ideas into systems or theories and to use models and theories to forecast trends;

• Quantitative skills: The ability to use quantitative tools and analyze and solve problems and to derive meaning from quantitative reports;

• Technology skills: The ability to use computers and computer networks to analyze data and organize information and to build computer models or simulations.

Levenburg (1996) researched two populations: academic faculty who develop and teach courses and business practitioners to identify the general management skills desired in business school graduates. The variables evaluated included oral and written communication skills, presentation skills, teamwork, reliability, honesty and integrity, problem analysis skills, self-initiative, decision making skills, computer skills, leadership skills, statistical analysis skills, project management, global awareness, diversity or multicultural appreciation, technical report writing and research/library skills.

Capowski (1994) in a survey of academics and experts identifies ten skills of leadership required for the new millennium. They were: vision – for effective leadership, integrity – for values, trust – for being ethical, selflessness – to serve the followers, commitment – to care and nurture, creative ability – positive change, toughness – to make unpopular decisions, communications – to send and receive ideas and thoughts, risk-taking – question assumptions and visibility – personal appearance.

Baruch & Leeming (1996) conducted a study to evaluate the impact of MBA programme on the competency development of its graduates. They proposed a list of skills that would be affected by MBA studies and evaluated the self competencies, need for them in business life and the contribution of the MBA studies to these competencies. The skills surveyed were effective reading, oral presentations, written presentations, time management, interviewing, personal computing, stress management, career management, research inquiry, team leadership, negotiating skills and learning skills.
Boyatzis & Renio (1989) studied the MBA programme’s role in developing students’ abilities needed to be an effective manager. The skill scales used were leadership, relationship, communication, helping and delegating, adapting, information gathering, information analysis, planning, quantitative data analysis, technology management, setting and managing goals, action taking and entrepreneurship.

Eberhardt, McGee and Moser (1997) conducted an empirical study to systematically identify changes necessary in MBA education. They identified various concerns of business that appeared in the press affected recruiting practices. The various factors that were identified as important to companies hiring MBA graduates were oral and written communication, interpersonal skills, leadership skills, decision making ability, analytical skills, teamwork skills, previous work experience, financial skills, technical skills and scholastic achievement.

In a famous Harvard Business Review article titled Report Card on the MBA, Jenkins, Reizenstein & Rodgers (1984) conducted a survey of Fortune 500 executives, Deans and Directors of Business schools and alumni to assess the preparedness of MBAs for the responsibilities their jobs present. On the area of skills and attributes the various factors considered important were administrative skills, oral and written communication, poise and maturity, interpersonal skills, managerial skills, ability to conceptualize, work ethics, analytical ability, level of initiative, leadership skills, specific functional knowledge, short-term operational decision making skills and strategic planning skills.

Pfeffer and Fong (2002) and Mintzberg (2005) question whether any worthwhile business skills can be developed by traditional MBA programs. Stolzenberg, Abowd and Giarrusso (1986) in a study of 10 attributes found that only one – communication skills – was perceived by more than 50% of the respondents as being important and something that business schools improved.

On the other hand, Baruch and Leeming (1996) found an increase in managerial skills and self-confidence as a result of the MBA program. Also Carmichael and Stacey (2006) found that a range of critical skills were developed during MBA studies, including the ability to solve problems, apply information and systems thinking. Baruch and Peiperl (2000) and Boyatzis and Renio (1989) also demonstrated that the MBA had a positive impact on
managerial abilities, while Kretovics (1999) found that the MBA program increased the learning skills of its participants. Additionally, in the 2003 GMAT global MBA graduate survey, along with improvements in the ability to think strategically and integrate information, graduates also noted improvements in skills such as oral communication, networking, and written communication (GMAC, 2003).

However, while supportive of an MBA, some of these studies have caveats. Baruch and Leeming (1996) for instance, found that while the MBA had a positive impact they attribute only a moderate contribution coming from the program itself. In Carmichael and Stacey’s (2006) study, while skill development occurred on the program, it was unclear whether this stemmed from the emphasis placed on the skill by the lecturer, subject or student. In Kretovics’ (1999) study there was no significant improvement in the critical areas of initiative, leadership and relationship skills.

The skill areas with the greatest need for attention among business deans were written communication, decision making, oral communication, and analytical (Auken, Wells & Chrysler, 2005). Additionally, the Wall Street Journal/Harris interactive survey of recruiters rated business schools as to student and school attributes. The skills that were rated to be very important were, communication and interpersonal skills, ability to work well within a team, analytical and problem-solving skills, leadership skills & strategic thinking skills (Alsop, 2004)

Tanyel et al. (1999) surveyed University faculty and employers to determine the most important attributes to be possessed by newly hired business school graduates and the skills tested were ethical values, responsibility and accountability, interpersonal skills, oral communications, time management and punctuality, team work, decision making, analytical ability, global awareness, persuasive ability, computer skills and presentation skills.

Asian Business conducted a survey of the views of the top executives in 8 Asian countries. Syrett (1995), who administered the survey found out that change management, creativity, innovation, communication, leadership and entrepreneurship are on top of the list of qualities that respondents considered most important while recruiting MBAs.
Neelankavil (1994) on a study of specific criticisms of graduate business programmes highlighted the need for communication skills, leadership, creativity, entrepreneurship, teamwork, global perspective, oral and written communication, long-term planning and negotiating skills.

Business needs people who are “successfully intelligent” (Sternberg, 1996). To be successfully intelligent, people have to think well in three different ways: analytically, creatively and practically. Analytical thinking is required to solve the problem and judge the quality of the ideas. Creative intelligence is required to diagnose significant problems and formulate good ideas. Practical intelligence is needed to use the ideas and analyse in an effective way.

3.7 Significance of Attitudes

It has been an intense question for debate as to whether attitude can be taught or changed in a 2-year MBA programme? One school of thought believes that attitude is a part of the upbringing and hence it is not reasonable to expect B-schools to bring out a sea-change in attitude. On the other hand, some believe that the purpose of business education is to change the attitude that managers have towards business conduct. Self-management is a key to build attitudes and hence B-school must be responsible for creating an environment for its students to self-manage themselves. Both the groups however have to agree on the need for right attitude amongst graduates of B-schools to succeed in the workplace.

There has always been a perennial quest to identify the right attitudes for an MBA graduate and researchers have identified various attitudes required of a leader. Boal & Whitehead (1992) highlight the need for flexibility as an important requirement for competent leaders. This was part of their study on emerging leadership theories. Flexibility is an essential characteristic requirement for leaders who should be capable of adapting themselves to changing managerial environments. The change could be in people, ideas, business climate, etc and hence flexible managers should possess a mindset to quickly adjust to any form of change. A leader of an organization should manage paradoxes and solve dilemmas and for this, he should be mentally flexible. Problems in organization do not come with an “either” and “or” solution rather between “or” and “or” and hence managers need to be flexible to accommodate diverse opinions.
The ability of leaders to recover from sudden downturns or unexpected misfortunes is part of their attitudinal framework. Researchers have found that a person who is resilient and is able to cope with anxieties and risks have a better sense of commitment and react positively to events under stress (Maddi & Kobasa, 1984). Such an attitude to bounce back from adversity should be an integral leadership quality to deal with business challenges.

Management education is also trying to experiment with more courses, more research, and more centers devoted to ethical leadership. Despite these efforts, there is still doubt on how much will this help in making the students more honest and prevent corporate scandals of the past from happening in the future. Such an uncertainty should however not reduce the sense of purpose of B-schools to teach Ethics and create an ethical value system in its graduates.

B-schools should alleviate this uncertainty by offering students a larger vision of what business can, and should, accomplish for the world and the business schools must create an identity and sense of shared purpose for the profession they represent (Khurana, 2008).

Ethics and ethical behavior are the essential parts of healthy management. From a management perspective, behaving ethically is an integral part of long-term career success. Wide access to information and more business opportunities than in the past make ethics a need in modern business world. There should be a strong need and willingness to build an indigenous management ethos that will enable and support sustainable development of the organisation and its people (Chakraborty, 2001). Businesses cannot insulate itself from the growing need for a socially responsive business and this should start right from the B-school level where the students need to understand the relevance of ethics.

Business students need to think more broadly about the primary responsibilities of a company and of being a successful MBA graduate themselves. In addition to citing shareholder maximization and satisfying customer needs, more students must understand the need for creating value for the communities in which they operate as a primary business responsibility. Hence the need to appreciate an organisational culture that carries such values becomes essential. Many students will face values conflicts on the job and hence should be
well prepared to handle them. B-schools should provide opportunities to practice ethical/responsible decision making as part of my MBA program. Such practises in the MBA program will prepare them to manage value conflicts at work.

There is also a growing opinion that MBA graduates fail to understand their real worth and at times go overboard in their display of an arrogant attitude. Many recruiters cite arrogance and ego as major shortcomings of MBA graduates and need to be addressed during this time of economic crisis. Many expansions for the acronym MBA have been coined to prove the arrogance factor – Mediocre But Arrogant, More Bad Advice, Management By Accident, Mighty big Attitude, Masters of Business Apocalypse. However, many feel that MBA graduates should understand the reality of business and build self-restraint in their expectations from business and business processes for which they need to be emotionally intelligent with self-awareness and realise their own strengths & weaknesses.

A leader of an organization is at the center stage and decisions taken have a huge organizational impact and hence there should be prevail an empathetic mindset. Some people have a poor sense of how others feel and do not have the capacity of making others feel comfortable. The MBA graduates must imbibe a sense of compassion and respect for peer group and superiors. They should understand the human dimensions at work.

There is no doubt that MBA graduates have gone through a tough selection process, two stressful academic years, learnt new concepts and rewarded with promising jobs. While they can take pride in their abilities and achievements they should also develop a very strong value and attitude framework that is conducive for personal and organizational growth.

3.8 Curriculum Balance – Business vs Academics

The theoretical courses offered in the curriculum of an MBA programme is the best reflection of the knowledge that is being imparted to the MBA students. There have been a number of changes in the MBA curriculum in its history and yet there is always a constant struggle to provide the right MBA program that is relevant to business. The mix between the theoretical-academic approach and the managerial-professional content in business education can be tracked to Wharton’s original proposal wherein a mix of both was proposed to prepare future leaders for a career in industry (Risi, 2005). However there is always a constant shift
from one extreme to the other and the method chosen for proper business education is often debated.

Critics do not prescribe an ideal model that is a cure to the ailments confronting management education; they provide substantial inputs on how business curricula can contribute to the students’ acquisition of managerial competencies. Isenberg (1984, 1986), Wagner (1991, 2002) and Walsh (1995) address the practical aspects of managerial work and build a strong basis for MBA curriculum. Mintzberg (2005) and Bennis & O’Toole (2005) have argued that B-schools follow a curriculum that over emphasizes management as a principled framework. Bennis and O’Toole are inspired by law and medical school model which creates a happy synthesis between reaserch, teaching and practice. Academic medicine is setup to allow researchers and teachers to carry on productive clinical practices that inform their research with practitioner relevant problem statements and their teaching with practice-based examples and stories. Academic law is set up to allow law professors to carry on legal practice in government or privately and it is this practice that informs the theoretical arguments put forth in their scholarly pursuit. Bennis & O’Toole (2005) call for such systemic curriculum changes in the institutional rules that govern business schools. They encourage practitioners and practice oriented academics to teach in business schools and enjoy decision rights that tenure faculty have based on pure academic achievements.

The MBA is a postgraduate and post-experience degree which equips individuals with general management skills. The graduate is exposed to a full range of skills requirement for general management (Owen, 1997). Three vital issues have to be addressed in developing a curriculum that provides such management skills:

1. Integration of theory and practice to understand complex management skills
2. Internationalization to avoid cultural conflicts in management decision making

Several models for curriculum in business education exist but are largely missed by faculty writing about their curricula (Ball, 2000). Of the many models prescribed after empirical studies the most comprehensive one is the “academic plan” developed by Stark &
Lattuca (1997). This model is an outcome of Stark’s and her colleagues’ synthesis of years of research. There is a need for a holistic approach towards curriculum for better effectiveness.

Stark & Lattuca (1997) suggest a systematic approach towards curriculum design in which they identify eight integrated elements and no element can be ignored whenever curriculum change is made. These eight elements are:

1. Curricular purpose
2. Content
3. Learners
4. Instructional Resources
5. Sequence of presentation
6. Instructional processes
7. Evaluating: Adjusting Academic Plans
8. Educational Process and Outcomes

Relationships amongst these eight elements have not been properly explored with two exceptions. Linkages are suggested between 1. Purpose & Content and 2. Content & Sequence.

**Purpose of Curriculum**

Mintzberg (2005) argues that almost everything that a B-school decides to do, takes place in terms of specialized functions. This is applicable to an idea being researched, program designed, course taught or a professor hired. There is no relevance of these with any proven way to conduct or manage business less with the structure of the B-school itself. Each functional department get a share of the action in whatever form they think they can fit. This only shows that B-schools do not teach materials that cut across the specialized functions but do so within particular function. For example, collaborative team working is taught in organizational behaviour and new product development is taught in marketing or strategy. As a result of this, the MBA graduate never gets a wholesome experience of new product development.

In the above process, the entire exercise of teaching management gets lost as what happens is that each functions namely accounting, marketing, finance, etc is poured into an
empty vessel called MBA student, stirred lightly and they end up with a set of specialized stripes and not a blended manager (Mintzberg, 2005). As a result of this there is a shift from policy to strategy and from analysis to technique. In other words, management can be found in contemporary B-schools as a specialized function – by disappearing once again.

The purpose of business curriculum must be to transmit knowledge, skills and attitude (KSA) to the members of the new profession. These reflect the collective faculty beliefs on what needs to be learnt and the outcomes of the program. Stark, Lowther, Bentley, Ryan & Martens (1990) notice six purposes, commonly held faculty beliefs, that differ by discipline. They are societal improvement, effective thinking, providing a set of knowledge and skills for a career, personal enrichment, understanding discoveries and knowledge of the past, strong belief and value structure. The literature in the 1990s reported very little on purpose and hence worrisome as lack of purpose permeates other curricular elements.

**Content**

Decision on what to teach is largely self-serving – either at the institution or faculty level. There is no strong professional group providing oversight on what is taught, unlike law, medicine or nursing. Hence decisions on content are driven largely at the local level. The business education literature of the 1990s found only calls for more communication, conceptual and technical skills and absent were calls for more attitude, adaptability and context (Ball, 2006)

**Sequencing**

Sequencing of curricular contents refers to the order in which content is arranged to facilitate learner’s contact with it. Options for sequencing include systematic work through of difficult material as well as the more student-choice approach. This arrangement of courses in professional education is more influenced both by the realities of practice and the efforts to design the program to anticipate the work environment. Business literature shows debate between structure and sequence.
Learners

The learners or students enroll in business education programs with their own goals, ambitions, motivation and effort. Faculty rarely pay attention to learner issues in the planning phases and hence direct expression of student needs receive minimal attention (Vogelstein, 1999). Goals and motivation can be incorporated through increased communication between faculty & students using the “Students Goals Exploration” instrument (Stark, Lowther, Shaw & Sosen, 1991).

Instructional Process

Instructional processes or pedagogy is often left to the choice of the faculty handling the course and is rarely discussed at the program planning level. They are never discussed in curricular debates and even if discussed is limited to class size, seminars, capstone courses, etc. Stark & Lattuca (1997) clearly suggest that internal influences of faculty, students, disciplinary structures, programme mission and leadership are more likely to influence instructional process than are organizational or external influences.

Instructional Resources

Both the materials and settings in which instruction takes place constitute instructional resources. Faculty is also to be included and is a huge area for curricular discussion. Though commonly text books and syllabi are thought as instructional resources, there is tremendous outside influence in the form of changes in communication and computer technologies, field settings, etc. and other emerging resources issues. Literature of the 90s cited technology as a significant resource and was silent on other resource issues.

Evaluation: Adjusting Academic Plans

There are two major outcomes that graduate management education focuses – professional competencies (knowledge & skills) and professional attitude. In the further sections, more details are provided on the competencies and attitudes required amongst management graduates. These competencies provide a good starting point for discussion by faculty during curriculum design and the academic plan need to be adjusted to develop such
competencies. Conventional evaluation mechanisms have always dealt with students’ achievements in exams and never with periodic program reviews. This is because evaluation is always viewed away from the curriculum and still expecting a natural relationship between both (Ball, 2006).

**Educational Process & Outcomes**

The last element provides the bigger picture which is influenced by processes and systems which are purely external to which faculty does not have any control. Faculty tend to have lower personal involvement if changes occur due to pressures from external stakeholders, society at large, etc. Faculty hence pay less attention to bigger trends outside. One example is the University of Phoenix model. This online University has a centrally planned curricula that use tangential faculty and operates largely outside of sight of the faculty at more traditional institutions (Himelhoch, 2002).

Any discussion in a balanced curriculum must hence consider the integrated effect of these eight elements.

Leavitt (1989) points out that faculty teach quite well and at times overteach analytic method and also fail on teaching interpersonal and persuasive skills. Faculty teaches descriptive things but do not teach students to think globally. Students are not taught habits of lifelong learning, action, being a critical visionary and entrepreneurship. The process of educating managers is subject to constant curriculum change. Continuous improvement will enrich the students’ learning experience and help them become more effective (Ehrhardt, 1992).

Many of the old MBA curricula models are based on building four fundamentals: quantitative techniques, psychology, economics and financial accounting. Built on these flat foundations are the vertical columns like marketing, finance, operations, human resource, etc and allows specializations through electives. But such curriculum is reaching the end of its life-cycle and there is a need to incorporate an understanding of the importance of a broad education (De Meyer in Linder & Smith, 1993).
There is a great need to ensure that the academic rigour in a MBA curriculum must also be relevant to real world business and in many cases both are diametrically opposite (Crainer & Dearlove, 1999). This suggests that thought the curriculum keeps changing, the factors that make it change are not clear. The future of MBA depends on how academic innovations are made in response to various influencing factors and how sustained efforts are taken to improve the curriculum (Hasan, 1993; Zolner, 1996).

Criticisms on the nature of business education are primarily driven by two leading arguments (Gijselaers et al, 2006). The first argument raises the question whether B-school curricula over emphasis management as a science and not a profession based on best-evidence practices. Some believe that B-schools are over-scientific and are not in touch with business realities and concentrate on research which also has little relevance to the needs of the business. This is also true in the leading Indian management institutes and much of the research done by leading institutes has no direct relevance to business requirements and purely academic. Perriton and Reynolds (2004) are emphatic on the losing relevance of academic research to business realities and also on the scientific rigour with which management education is being offered. The second arguments stems from findings that business graduates do not have a realistic understanding of the business world (Crainer & Dearlove, 1998). The complaint is that graduates lack problem solving abilities and also demonstrate poor decision making and leadership skills (Hansen, 2002). Critics argue that graduates do not respond to the work situations in ways that employers are calling.

Another complaint is that management graduates lack the ability to face today’s problems and acquires new knowledge. They do not question the specialized knowledge that graduates possess but the inability to adapt to new knowledge requirements. That is why employers prefer graduates with generic skills as current knowledge has a short life cycle and accumulates more rapidly than ever (Boshuizen, 2003).

Giannantonio and Hurley (2002) concluded that the most important challenge that HR executives face is “management of change.” The students must be prepared to fill in the gaps to be adequately prepared for more challenging employment opportunities.

In an important article in the California Management Review (1985) Earl Cheit, Dean of the School of Business at Berkeley, dated the criticism of business schools to a 1980
article in the Harvard Business Review. In that article Hayes and Abernathy argued that business school curricula encouraged a preference for analytic detachment rather than the insight that came from “hands-on” experience. Cheit developed a list of 13 complaints against business schools, grouped under four major headings, from a review of more than 200 articles. According to Cheit, business schools:

- Emphasized the wrong model – they produced technical staff specialists rather than leaders and were too quantitative, too theoretical and too removed from real world problems.
- Ignored important work – they overlooked important human, organizational and communication skills; gave inadequate attention to entrepreneurship, technology and productivity; neglected important international concerns; and failed to deal with managerial obsolescence by not providing continuing education.
- Failed to meet society needs
- Fostered undesirable attitudes in their students – including short-run, risk-averse perspectives; and encouraged a variety of undesirable personal characteristics.

Cunnington (1985) stated that the weaknesses of management education are the two conflicting expectations of managerial culture and academic culture in which each has its norms and values. Unfortunately business faculty has found themselves at the intersection. Furthermore, an analysis of those conflicting expectations is quoted as follows:

**Academic Culture**

- Importance of knowledge understanding
- Focus upon theory
- Emphasis upon cognitive skills
- Should have freedom to teach what the academic wishes
- Research orientation towards academic journals
- Faculty performance evaluated in terms of research publications and in other mediocre B-schools in terms of pass percentage of students whose performance is evaluated in terms of their performance in structured exams
Managerial Culture

- Importance of demonstrating skills
- Focus upon practice
- Emphasis on action based skills
- Should teach only related knowledge
- Research oriented towards managerial problems
- Performance in terms of ability to get the job done
- Importance of general research findings
- Importance of specific research findings
- Outcome based on learning experience

To produce competent managers, balancing both requirements is important.

McLeod and Cotter (1999) add more fuel to this issue by stating that the continued separation of the MBA core curriculum into functional areas, according to critics, is out of step with current business practice. The fastest growing trend in organization design and structure is centered on processes and markets rather than functions. Critics assert that graduates from traditional MBA programs are ill-prepared to face the management challenges involved in integrating across functional areas.

The breadth of criticism of business school curricula spawned several survey research studies seeking empirical data that could provide focus for curriculum redesign. In a 1982 study, Jenkins, Reizenstein and Rodgers surveyed President and Personnel Directors of Fortune 500 companies, recent MBA alumni and business school deans and faculty to determine how satisfied these groups were with MBA education. Respondents believed that graduates’ analytical skills were strong but disagreed on the weaknesses. Educators were highly critical about the MBAs communication skills and strategic planning skills; employers were more critical about day-to-day decision making and team work skills. These findings, the authors believed, made a compelling argument for reevaluating and perhaps restructuring graduate business school curricula.

In South Asia, a survey conducted by COSMODE revealed that business leaders expect the following from B-schools and its graduates:
• B-schools must be responsive to the changing environment of business
• B-school faculty must have contact with real world business trends. Currently the business is ahead of B-school curriculum and while business is forced to change as the environment changes the B-schools should not continue to live with criticism regarding irrelevance of B-school curriculum
• The B-school graduates must be equipped with skills as desired by the business and should successfully perform in their real world activities. Such success is questionable nowadays as the curriculum is hardly for any skill development and reflects more on developing structured thinking patterns

Pierson (1959) noted that the curriculum serves as a useful and logical starting point to examine academic degree programs. What universities do with – and to – students is in large measure a function of the curriculum. The curriculum specifies what is taught to students and in what order or sequence. Thus the curriculum provides the structure for the educational delivery system of an institution. If the faculty can be thought of as the “senders” and the students “receivers”, then the curriculum, along with teaching can be considered as an essential part of the transmission process (Porter & McKibbin, 1988).

![Figure 3.4 – The MBA Transmission](image)

The curriculum also serves another very useful purpose. For observers, it provides excellent diagnostic indicators of several key features of the academic program, particularly the kinds of educational objectives that a given set of faculty thinks should be pursued. Considerable importance is given to curriculum while assessing the overall value of a degree program in business/management.
It is a well known fact that American business leaders have been uninvolved in
developing curricula in premier business schools of America and hence the program little
helped the graduates succeed in business outside (Aaronson, 1996). Business school deans
have pointed out that their schools do not respond well to the needs of the market in terms of
curricula. Pincus, Reyfield and Ohi (1994) suggest that MBA programs are remiss in
reshaping curricula to conform to new requirements and skills.

3.9 Pedagogy in Management Education

The teaching methods employed by faculty have a great impact on student learning.
The instructor is the force that has an effect on the level and type of achievement, the rate of
learning and the student’s perception of his or her teaching. Students are also an integral part
of the teaching-learning process (Gaff, 1991).

Bigelow (1996) suggests that “traditional business education,” which emphasizes
lecture as well as case study format can have a “de-skilling” effect on students by teaching
them to be passive, rationalistic, and individualistic. Rossi (1996) is concerned with the
traditional lecture and the ageing case study that teaches only technical and administrative
skills. On the other hand, the business is not interested in these technical skills only.

McCord (1985) emphasizes that experiential learning should take place outside the
class room in the context of practical experience rather than through study alone. Problem-
based learning and action learning are two new methodologies that offer the promise of
teaching the soft skills. Mintzberg (1980) felt that schools of management influence
management practice significantly only when specific skills are taught. He identified such
 teachable skills: peer skills, leadership skills, conflict-resolution skills, decision making under
ambiguity, resource-allocation skills, entrepreneurial skills and skills for introspection. These
skills may be learned in three ways: simulation, lecture or reading and on the job experience.

Responding to criticisms being levied against business education, the AACSB created
the Faculty Leadership Task Force in Spring, 1995. One of the goals was to identify the
problems and issues affecting the faculty. The primary problem, according to the committee,
was faculty skills were not aligned with the rapidly changing needs of the business. Over
time, business practice had advanced quickly and although school and faculty competencies
had advanced, the gap between practice and academic research and teaching had widened. Various committees that have studied the Indian management education have consistently pointed out the lack of quality faculty and quality faculty development programmes. Despite this, no clear policy has emerged in the direction of improving MBA education through improved faculty.

**Figure 3.5 - Gap between Business practice and B-school delivery**

There are four popular pedagogical tools that are found across various B-schools globally.

**Lecture:** In the lecture method the faculty takes centre stage and delivers the majority of the class room talking. Such a concept provides a direct flow of theoretical and conceptual knowledge from the faculty inside the class-room. There is no scope for the students to interpret concepts on their own as they do not come to the class with any prior preparation as in the case study method. A majority of the Indian B-schools (more than 95%) follow this method of teaching as a convention.

**Case study:** A case study methodology resorts to the practice of allowing students to read and analyse class room teaching and case material and be prepared for a discussion in class. The role of the faculty becomes a facilitator’s and the faculty will then conduct the class discussion encouraging a healthy debate inside the class room. The Harvard Business Schools is a pioneer in case-study methodology and is also practised by other B-schools like University of Virginia (U.S.A), Asian Institute of Management (Philippines), Indian Institute
of Management (Ahmedabad, India), etc. The advantage of this method is that the students are encouraged to think real-time and offer various solutions to the same problem and the solutions are discussed in class.

**Experiential Learning:** Confucius wrote: “Tell me, and I will forget. Show me and I may remember. Involve me, and I will understand.” Experiential learning is based on this Confucian quote which uses the theory for real world applications and provides an opportunity for the student-learner an in-depth training on management issues in workplace. This form of learning, though present in various forms like projects, internship, etc. in almost all the Indian B-schools, lack the seriousness in approach and implementation.

**Simulations:** Simulations provide the ‘real-world feel’ inside the classroom through artificial instruments like games and simulation exercises that mimic business world. Using simulation exercises, students, either individually or collectively involve in managerial decision making to solve business problems in the environment that they are placed. The Thunderbird International Management Simulation (TIMS) developed by University of Arizona is a popular management game used by many B-schools outside India. Chanakya is another management game developed by an Indian academic and is rarely used for the purpose of management education but used more for the purpose of management competitions.

Mintzberg (2005) identifies four forms of pedagogy – lectures, cases, exercises and projects. He considers these in terms of four basic dimensions of learning, from shallow to deep: absorption (internalizing knowledge), application (using it in some limited way to solve a problem), execution (gaining experience with the knowledge as in role playing) and reflection (finding the meaning in experience). Experienced reflection is a process by which managers bring in experience to a class room, where the faculty introduces various concepts, theories and models. Experienced reflection can blend with all the pedagogies but around the learning of the manager rather than the teaching of the professor. The figure below shows the level of authenticity against the method of experience.
Figure 3.6 - Pedagogical experience and authenticity

Experienced reflection by itself can be another pedagogical technique which will be powerful if blended properly with other sources of input for reflection: concepts through lecturing, experience of others through cases, new experiences through field studies and projects.

Figure 3.7 – Understanding Experienced Reflection

There is a growing body of literature which is concerned about teaching methodologies in B-schools. Many teaching methodologies are counter-productive to the goals of the B-school and failing to meet the needs of business (Mintzberg, 2005). As a result, there is a need to constantly innovate the teaching processes with changes in business needs. Many methodologies like case study, action based learning, problem based learning, etc. are results of changes in conventional lecture based learning. Each method has its own
limitations and cannot be prescribed as the only right method. In the interest of better learning experience for the students, the B-schools must ensure a fair mix of all possible pedagogical practices.

3.10 Concerns on the growth of Indian Management Education

The previous sections present the changing global demographics and business profile and its impact on management education. The way in which business is getting globalised is an indication to B-school leaders to prepare its graduates to handle globalisation. Organisations will reorient their existing structures to handle globalisation and hence expect its managers to be qualified to handle this change. Moreover, a growing economy like India, cannot afford to ignore this change in requirement and hence needs to prepare its management graduates from B-schools effectively. The expected economic growth presents a positive growth in the need for MBA graduates in the country. This section also identifies the growing relevance of management education in business and the acceptance that management is a global phenomenon and management education is also getting globalised. In this context, this section also gives a brief overview of the management education in India and in the USA. Only one feature that is strikingly common is the rate of growth in the number of institutions. There are a number of important areas in which there is considerable difference between the two countries which are issues of concern and need immediate attention. Some of them are:

- The growth of graduate schools of business in the U.S. has been very thoughtful and gradual as against the ones in India where the growth has been sudden and unplanned.
- A significantly large number of MBA programmes (465) are accredited by the Assembly of American College and Schools of Business (AACSB). Only 65 B-schools have been accredited by the National Board of Accreditation (NBA)
- The AACSB which is the accrediting agency has taken up the task of maintaining quality in management education and appears to be fully committed to it. The AICTE’s role in maintaining standards in management education in India is diluted without any focus. Very little role in upgrading the quality of management education by the NBA as more focus is only in engineering education
- The corporates in America play a key role in shaping the management education. The Ford and Carnegie reports have remained the trendsetter for improving the
quality of business education in U.S. In India, the role of corporates has been very limited. Even the model curriculum for M.B.A prescribed by the University Grants Commission lacks participation from the industry who are the ultimate consumers of the MBA graduates

- Three landmark reports were chiefly responsible for restructuring the management education and came at two different periods of time thus proving to be very timely. Major recommendations by various committees in India on the quality and other critical issues are still ‘under consideration’

- Management Educators in the U.S. are responsive to important reports and committee recommendations and are sensitive to the changing requirements. In India, due to lack of pressure from the regulators, not much significance is given to the minimum standards of MBA programmes

- There is no interference from regulators in the administration of the MBA program and it is left entirely to the market forces to decide on the worth, value and utility of a MBA program conducted by an institution. However, in India there are stringent regulations which on one hand ensure equity in the admission process but offer no room for innovations in curriculum, pedagogy, etc

- There is also a growing trend in corporate universities as an alternative to the formal B-school mechanism

### 3.11 Conclusions

The literature review elaborately discusses the need for understanding the qualities of MBA graduates and identifies various skills, knowledge elements and attitudes required as competencies of MBA graduates. Such a requirement will be addressed by B-schools only if the curriculum and pedagogy is capable of absorbing and updating the changing needs of business. To understand this changing need, business and B-schools must get together and act in a collaborative fashion to ensure that maximum synergy is obtained from such collaboration. It is also essential that regular inputs from industry and B-schools are obtained from the MBA graduates at work in addition to industry inputs on the requirements of MBA graduates. Based on such inputs, there must periodic curriculum reviews and changes and upgradation of pedagogical practices. To ensure that such a system works cohesively, the policy environment must enable innovations and encourage such practices by providing reasonable academic freedom to the B-schools. The model below captures the need to
understand the purpose, process and synergy between the providers and policy makers. The literature review has dealt with these 4Ps.

![Diagram of the 4Ps of MBA](image)

**Figure 3.8 – The 4Ps of MBA**

The literature review highlighted various criticisms on the MBA curriculum. A common criticism is that the MBA curriculum is predominantly analytical and functionally based (Leavett, 1989; Mintzberg & Gosling, 2002; Pfeffer & Fong, 2002; Mintzberg, 2005). There are several possible reasons why this criticism still abounds. One reason is related to an academic system that still largely rewards disciplinary focus rather than integration or multidisciplinary activity. Cross-disciplinary activity is increasing, but the emphasis is still very much on developing disciplinary depth. It is not surprising then that many academics argue that their subject is the most important and requires the greatest emphasis on the MBA program. This subject-centric approach, rather than program approach, is arguably a contributory reason for the improper composition of the curricula of many MBA programs.

Secondly, some skills are much easier to incorporate into an MBA program and indeed have much more academic ‘credibility’ than others. Not surprisingly these end to be the ‘harder’ cognitive, analytical and quantitative skills. In general it is the ‘softer’ more interpersonal skills that have been lacking in the MBA programs. But not only do these lack
academic credibility in some quarters, but also there is considerable debate about how soft skills can even be developed in the MBA programme. Despite such difficulties some Schools have introduced soft skill courses. For instance, Fisher (2007) argues that there has been a curriculum shift at MIT, Wharton, Tuck, Chicago, Darden and Berkeley’s Haas schools. These schools have started stressing teamwork in their MBA programs and paying more attention to skills like listening to colleagues. At Chicago students must take a communication and team building course in order to graduate. Wharton offers a leadership program that includes one-on-one counselling from professional coaches while Yale has a required course for 1st year students that teaches them how to plan their career.

One problem with these approaches in Indian B-schools is they tend to be piece-meal responses, ‘tacked on’ to the mainstream MBA programs and often run by non-faculty staff such as career departments or even students themselves. When it comes to practice and the development of skills rather than theory alone, most approaches tend not to be thoroughly grounded into the curriculum, nor integrated into the school’s academic consciousness.

The literature review provides the researcher with the following inputs which are significant for the study:

1. There is constant criticism about business education not preparing graduates as per the industry requirements. This could possibly be because of the lack of understanding on part of the B-schools on the businesses’ requirement.
2. The literature review also highlights the need for knowledge, skills and attitudes to be integrated in an MBA programme to prepare successful MBA graduates.
3. Curriculum and pedagogy are important factors which need to positively influence the teaching-learning mechanism in any MBA programme.
4. There is a mismatch in the understanding of the need to integrate functional knowledge and align the purpose of the MBA programme with a view to develop knowledge, skills & attitude.
5. Faculty and B-school Deans must be responsive to business needs and a gap between these two constituencies will lead to poorly trained MBAs entering the business world and such gaps need to be minimised through interventions emerging from constant & meaningful interaction with the business community.
6. There is vast difference in the policy level approach towards development of management education in the USA and India.
All these put together provide an interesting problem for study of the B-schools in India and tries to answer the research questions which are dealt in the next chapter. The researcher has used this extensive literature review as a key input in designing the questionnaire. There is a need to obtain viewpoints from the industry and senior academics on the emerging issues concerning quality of MBA graduates. Such feedback is normally obtained in conventional studies based on surveys which usually adopt the Likert Scale approach giving minimum room for open responses from the respondents. In this study, the researcher ensures that the freedom of response is not restricted by the questionnaire design and hence designed the questionnaire is designed to be open-ended. Such a method will draw more candid responses than the traditional approach that restricts the responses due to rigidity in design.