

Looking Ahead: Management Education

It would be appropriate to discuss the tasks ahead in respect of management education with people whose life goal is development of people through education. I will concern myself with three aspects that I believe are necessary for achieving excellence in management education. Excellence is seen here as high level of performance over a sustained period of time. The three areas of concern are:

- The academic programmes
- The orientation of educational and research institutions
- Recognition of the contribution of individuals.

The data for the discussion that follows is drawn mainly from three sources: (a) a recently completed project on management of innovative institutions; (b) published material in India on the subject of management education, and (c) my personal experience of being a teacher and administrator since 1963 when I left a business career to come to teaching.

The Academic Programmes

Having a bias towards applied sciences, I view education not as an end in itself but one that must serve a purpose. Effectiveness of management education is seen in terms of how it helps management improve their system and the manager's effectiveness. Sporadic or erratic high level performance may earn praise but it will not qualify as excellence for my purpose. These are the criteria I have used for my analysis. The purpose of the analysis is to determine the nature of tasks ahead to realise our capability for excellence.

Note: Keynote address at the conference of Heads of Business Schools held in Delhi in 1990.

The programme development is discernible in three phases.

- Phase I covers the period of the 50s and the 60s
- Phase II covers the period of the 70s
- Phase III covers the period of late 70s and the 80s.

In Phase I, the major influence came from postexperience training institutions in the U.K, The Administrative Staff College at Henley, consulting organisations such as Urwick Orr, the British Institute of Management and leading multinationals which were under pressure to replace their expatriate staff by Indians and were obliged to set up training centres. The leading companies in this respect were Burmah-Shell (now Bharat Petroleum), the ICI, Hindustan Lever, the Imperial Tobacco (now ITC), Metal Box and US based companies like Esso (now Hindusthan Petroleum) and Union Carbide. There were stray attempts by Indian consulting organisations such as Personnel and Productivity Services, N H Athreya, P S Chohan and others to organise courses for executives. In late 50s, international organisations like ILO brought in several packaged programmes. After the All India Management Association and its chapters and NPC were set up, they organised several programmes for practicing managers. While three universities had started MBA level courses, the major development in university type programmes followed the Ford Foundation Report of Dean Robbins in December 1959. The two Institutes of Management at Kolkata and Ahmedabad were set up in 1961 and 1962 respectively with a formal collaboration with Sloan School of Management at MIT and the Harvard Business School. This association, together with the availability of economy edition books as a part of US Aid package ushered into India the US thinking as it did in Europe, Japan and almost all other countries in the world. The American experience was used well in developing postgraduate level studies and post-experience programmes.

During Phase I, a number of institutions tried new experiments in teaching methods, case writing, experience-based learning, etc. Special effort was made to involve the top management of business organisations and many of them were closely associated with several teaching institutions. Faculty members were drawn from business and government. There were clear signs of development.

Phase II, in the 70s, saw rapid expansion of management education. There was shift in interest of business organisations towards the end of the decade of the 70s. The participation of private sector organisations declined, and that of the public sector organisations increased considerably. The development of teaching material and experimentation with methodology

became confined to small groups. This phase saw the beginning of company based training in larger number of organisations. Increasing concern was noticed for spreading management education to non-profit organisations and, in some cases, it became a matter of prestige to develop programmes for non profit organisations and public systems.

Phase III saw further effort to use management concepts for priority sector and growth of many sectoral institutions. There was evidence of staleness in terms of experimentation in teaching methods except in isolated programmes and confined to small groups of teachers. The last five years have seen greater use of computer and computer science in programmes.

The brief discussion of educational programmes highlight dominant characteristics and does not mention the contribution of individuals. An overall assessment of the educational programmes and their impact would seem to be as discussed below.

The Impact

- Greater awareness of management systems has been created in a large number of Indian organisations. Thoughts and ideas among participants in post-experience programmes is now very different from the early 60s. The range of familiarity is wider and the acquaintance of management language is deeper.
- Many organisations have undertaken development programmes. Many of them are impressive and the experiences make significant contribution to the understanding of organisational change. Some organisations have made significant contribution in the understanding of organisational processes.
- A steady stream of young graduates is available and some of them have done well both in managerial positions and as entrepreneurs.
- Generally the management style has not changed much. Decision making and management practices, both in business and public systems, are basically the same as before.
- The faculty has grown in numbers but the contribution to knowledge has not grown in the same proportion.
- The availability of teaching material has remained poor. Books and articles have increased in number but not in originality, with few exceptions.
- There is no significant research contribution to management thinking.

- The link between the organisation and teaching institutions has not been institutionalised—the contact is limited and casual with few exceptions.

The reasons for lack of growth are about the same as they are in many other areas of work: rapid growth without setting standards of quality; market for the product does not discriminate between good programmes and poor, it is not sensitive to quality; institutions can neither reward nor punish good or poor performance. In addition, the decision makers have given confused directions to institutions. The leading institutions of management education were asked why they have not contributed to non-profit organisations and public systems. Instead of developing knowledge systematically, efforts were diffused and we had little significant contribution in either area. Little serious research, either in the corporate sector or the non-profit public systems, has been done. The contact with corporate management became selective. There has been intensive contact between some faculty and some organisations, but very little contact with a large number. Another significant consequence of the developing trend in management education is the teaching that has been described as textbookish rather than problem solving or experience-based. The Management courses tend to lose the 'professional' approach.

Institutional Orientation

It would be useful to identify some findings of innovative organisations. Some distinct trends in the management of innovative organisations are summarised below.

- (a) There is both goal setting or direction and autonomy for the individual in the choice of project.
- (b) There is freedom to explore for individuals but there is strong expectation of results.
- (c) Interaction among people and professional association within and outside is encouraged.
- (d) Informal relationships at all levels are considered necessary with particular emphasis on openness. Face-to-face rather than paper communication is preferred. Rules and regulations are kept to the minimum—greater reliance is placed on culture and tradition rather than rules.
- (e) Both long and short-term projects are encouraged.

The significance of these patterns is that they create and support an innovative environment. They encourage individuals to develop mutually supportive relationships and responsibility for the tasks.

Organisations have to develop an identity of their own—a culture—a tradition, and most people must share this. The process of developing a culture includes identification of patterns of behaviour, decision making and common symbols, and people within must contribute towards developing them. Culture binds people together; absence of recognisable culture makes an aggregate of so many people but not an institution. In early years of developing such a culture at Indian Institute of Management, Ahmedabad Vikram Sarabhai, Ravi Mathhai and many others had played a significant role—they protected the institution from outside influences and encouraged uniqueness.

Lack of distinctive organisational culture is perhaps the greatest weakness of Indian institutions. Members should take pride in their institution. Such an exercise would require the institution to develop systems that are most suitable for its own task requirements. My study of innovative organisations suggests that the managerial patterns in such institutions are ill suited to its purpose.

I have elsewhere summarised three dominant characteristics of educational and research institutions as follows:

- (a) There is orientation towards standardisation.
- (b) There is minimum autonomy to develop administrative practices that are most suited to its task system .
- (c) The interaction among people is more on personal matters than on work. Achievement of any one person threatens others leading to low performance norms.

Characteristics of Innovative Organisations

Patterns of management and behaviour are guided by the circumstances in which they are required to operate. The patterns of standardisation, low autonomy and conforming are developed by the considerations discussed below.

Most educational and research organisations in my study encourage standardisation. When practices of one organisation are imposed on another, which has to perform a totally different nature of work, the phenomenon is termed 'in my study' as standardisation.

The other characteristic of most innovative institutions in my study is lack of autonomy. Autonomy is defined here as the discretionary powers to decide on those aspects that influence achievement of results. The institutional management must have powers to decide on matters that would generate the kind of environment needed to achieve sustained results. As all important decisions concerning institutional management are taken by the government, the formal governance system of the institution makes only a marginal contribution. The board does not contribute to the development of uniqueness which is a desired characteristic of such institutions. When control is exercised by a central agency such as a ministry, it promotes uniformity and not uniqueness.

Another factor that I would like to mention here has to do with the orientation of employees—need for dependence, nurturance and self-centeredness. These characteristics induce two different kinds of forces in an organisation : one, individuals seek structure, security and mentorship. People feel secure in rule-bound patterns of administration and contribute greatly to the evolution and strengthening of the bureaucratic or systems. The second feature is that individuals are neither able to develop independent goals, nor are they able to work as a team. The bureaucratisation of institutions is induced by the phenomena of standardisation and low degree of autonomy as mentioned earlier, but they are made stronger by internal dynamics of the organisation.

I have highlighted these three phenomena in Indian organisations because I believe that we would have to pay particular attention to these factors to achieve sustained performance at a high level of excellence.

Recognition of Individual's Contribution

A third aspect of organisations is that institutions are unable to recognise the contribution of individuals. Most people have to gain recognition abroad and then at home. In this process individuals have to at least partially work on projects that relate to conditions abroad and not in the home situation. In some other cases individuals are recognised as consultants or teachers by business organisations but rarely by the employing institution. One significant factor contributing to non-recognition is that institution's are unable to deviate from rigid and rule-bound practices. One institution attracted a scientist to come back to India. He could not be given a P C or a telephone or a higher salary because these facilities were not given to anyone else. A high contributor has to be treated exactly the same way as those who

contribute much less. Innovative organisations would have to develop some ways of differentiating exceptional performance from the mediocre and recognising it in concrete terms.

Where Do We Begin

Three basic things may appear necessary. First of all, greater involvement of user organisations is necessary in the education for management. In European and some of the leading management schools, business has become a partner in education. Courses are developed in a way that students are constantly engaged simultaneously in classroom study and project work in industry. Peridine in California is an outstanding example of this kind of organisation which serves as also an extended university. Industry would have to be involved in the process of education and not merely provide financial support and facilities of research. Concepts should ideally develop from problem-solving orientation and not from abstractions.

The second aspect has to do with institutional effectiveness. Innovative organisations would have to be freed from the culture of standardisation and low autonomy. They would have to develop uniqueness. The board of governors and the governance system would have to play a significant role in preserving the autonomy of institutions. At present they have very little contribution to make in this process.

The government's entrepreneurial role would be necessary in the Indian situation. Its controlling practices would however need re-orientation. This aspect was visualised in the New Education Policy but the idea has yet to be given concrete shape.

Public administration theory has made a distinction between policy, enabling and directional role of government, and the operating role. The ministry of education, science and technology, public works, home and few others have, in the past, separated policy functions from the operating. The managerial or the operating tasks were primarily handled by the field organisation or attached offices. This distinction has now become diffused. This position will have to be examined.

We have generally failed to attract the right kind of people to manage innovative organisations partly because the task has become one of liaising with controlling offices than developing and creating knowledge. The Director is more engaged in fire-fighting operations which are avoidable.

Another aspect that limits autonomy is the system of budgeting and funding. The institution becomes dependent on the government and not its

client system. Institutional management, at present, has little need to develop closer links with the user organisations. They have closer links with fund giving departments in the government than the clients. This may be one important reason why links between the innovative and user organisations are weak. We need to strengthen them.

A third area of concern for tasks ahead would be the development of people. The institutional management would have to develop two aspects: one, greater awareness of individual responsibility—a shift from dependence, self centeredness and need for nurturance to one of greater self reliance. This would mean greater adjustment to institutional tasks; and two, recognition of individual performance. A person has to contribute to one's own development and that of the institution. The two are interlinked and one cannot develop without the help of the other. Strengthening this link and developing practices that would effectively translate the idea into practice would need time and attention of the governance system.