

BY ASHISH GUPTA

WHAT THEY DON'T TEACH YOU AT BUSINESS SCHOOL



**Rapid change in every sphere
has left the curriculum
lagging and inadequate.**

ILLUSTRATION
BY
CHETAN SINGH

THE ONE WORD to define the age we live in could well be 'unpredictable'. Technology is changing almost as fast as it took to type that; politics at every level seems to be full of surprises (and not all of them pleasant, though that's a story for another day); economies around the globe are in a state of flux; the very environment is changing as we live in it.

Through all this, we expect some things to stay constant: the daily delivery of newspapers, milk, bread, and other essentials; the shop around the corner stocking our favourite brands of chewing gum or cigarettes; telephone bills to come in regularly; and our favourite serials to play on television. Now think of the companies behind these products. Yes, many of them are high-tech manufacturing units, manned by the brightest and best in the field. But their top managers say it is only a matter of time before their organisations will be torn apart either by new technologies, new business models, innovative marketing tools, or even fancier products.

Yes, but if a company has strong management, it can weather all this, I say confidently. Most of the CEOs I say this to look at me pityingly and send me off to the top

management schools where they seem to think I'll learn the truth. "The current curriculum is defunct and needs significant changes to stay relevant in the present environment," says Pramath Raj Sinha, founding dean of Indian School of Business (ISB), Hyderabad, one of the premier management schools today. He goes on to explain that B-schools are woefully unprepared to churn out managers who can deal with the new unpredictable world.

"How many B-schools in India today teach the impact or the transformational role of blockchain technology on small and medium-size enterprises, the new growth engines of India Inc.?" asks Tushaar Shah, senior fellow at the Sri Lanka-based International Water Management Institute and former director of the Institute of Rural Management Anand (IRMA) in Gujarat, an institution dedicated to the cause of rural poverty.

As I speak to more and more people in academia and corporate India, I realise that I'm looking at one of the biggest problems India Inc. has to face: educating future generations of managers who can easily deal with change and who look at Black Swan events not as catastrophes but as business problems to be resolved.

"The ability to deal with rapid change will be vital. While some education institutions bring this into the classroom, it may or may not happen automatically in other places. So there needs to be a conscious effort to develop this ability in students and business managers," says Anjali Bansal, investor and board member of companies such as Tata Power, GSK, Voltas, and Bata.

I AM AT A CONFERENCE IN MUMBAI organised by Silicon Valley think tank Singularity University in association with Bengaluru-based INK, which organises inspirational talks. Speakers include Bill Briggs, U.S. and global chief technology officer (CTO), Deloitte Consulting; Brock Pierce, managing partner of venture capital firm Blockchain Capital; George Kembel, co-founder of Stanford University's iconic design school; Larry Keeley, president and co-founder of innovation consultant Doblin Group; and Matthieu Riou, CTO and founder of blockchain infrastructure company BlockCypher. One of the primary aims of this conference is to understand how individuals and organisations can deal with the disruptions caused by emerging technologies.

I meet Joe Paradiso, director, responsive group, MIT Media Lab, and ask him where he thinks education is headed and what it needs to do to arm students to tackle an uncertain world. "The most important thing about education is flexibility and being adaptive in this ever-changing world," says Paradiso. "Education is not going to be formal anymore—you have to learn to roll with it and stay ahead; it is about working with groups and looking at things that will change the world. You cannot have fixed curricula either—it needs to change yearly."

"Business schools in India today rarely teach about different forms of disruptions and their impact, new business models, public policy, regulatory environment, or how to successfully run social enterprises," says ISB's Sinha, who has a sound knowledge of the corporate sector as well, having spent close to two decades at McKinsey. The biggest challenge today for the auto industry, for example, is meeting ever-evolving emission norms. "And if you are not teaching students these things, how can they run the companies of tomorrow?" asks Sinha.

But that's the academic view, I tell myself. Someone who is doing the hiring may think differently. Contrarian thinking, adapting to diverse viewpoints, learning to live with ambiguity and unstructured data, collaborating with others, and an ability to think out of the box are some of the "must-haves" in this age of creative disruption. That's something that B-schools don't seem to be producing, says Ronesh Puri, managing director of Executive Access, a talent search firm. "Students who graduate from the top B-schools continue to have a chip on their shoulder, believe that they know everything, while the outside world has completely changed. Self-awareness or knowing one's limitations is absolutely critical for being a successful leader today," he says.

Industry, clearly, is on the same page. "Unless you start disrupting your talent mix, you can't address your disruptive agenda," says Prabir Jha, presi-



▲ PHOTOGRAPH BY NARENDRA BISHT

dent and global chief people officer, Cipla. Jha has been driving this exact conversation with his top team within the group. He believes that talent sourcing has to move away from conventional ways to bring in a more eclectic, more contrarian, and more cross-disciplinary set of skills. "In addition to traditional skill sets, executives need to have good creative skills and high emotional intelligence. These are also the hardest to find," says Satyavati Berera, chief operating officer, PwC India.

Listening to Sinha, Jha, and Berera, I wonder about the future of organisations. If the new breed of managers is so ill-equipped to deal with this new world, how will companies survive? I turn to the New Economy to see if it holds any hope. And indeed it does. In Bengaluru, 30-year-old Akshay Kothari, heads LinkedIn India. A dyed-in-the-wool techie, Kothari could have spent all his time writing code. But a stint at Stanford Univer-

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LAKH
THE NUMBER OF
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4,000 MANAGEMENT
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— PRAMATH RAJ SINHA, founding dean of Indian School of Business, Hyderabad

sity's D-school changed the way he looked at technology forever, he says. It became more about the user than about the idea, and that changed the way he thought and behaved. The techie then became an entrepreneur, and the entrepreneur soon became a manager.

The way ahead for business schools to stay relevant in today's dynamic and uncertain world is to have many management courses, and not just a single two-year postgraduate degree in management. "Only when you have a variety of programmes

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— **AMIR ULLAH KHAN**, faculty for Indian School of Business, NALSAR University of Law, and Maulana Azad National University

like mid-career executive programmes or a course for returning women, can you bring the necessary diversity of thinking in management education in the faculty,” says Ranjan Banerjee, dean at Mumbai-based SPJIMR (S.P. Jain Institute of Management & Research). “We have to move from being just a business management school to a school of management.” In other words, use management tools to do far more than providing entry-level managers.

At the Singularity conference, I meet Kembel, the Stanford D-school co-founder, and ask him what he thinks of traditional management. It’s no longer the case that a small group of top managers set the direction for a company to follow. “Today, at best, the CEO can give a rough-cut context of a plan or a goal and let the teams work on it, set the direction, identify the needs,



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THE YEAR THE FIRST TWO INDIAN INSTITUTES OF MANAGEMENT STARTED AT KOLKATA AND AHMEDABAD

and figure out how to achieve the goal,” says Kembel.

More important, Kembel says that the traditional division of roles is fast disappearing. Problem-solving, and understanding public-policy issues and their impact, global environment, changing consumer tastes, etc. can no longer be the business of an individual or the leadership team, but of the organisation as a whole. “Such a change will not only require a shift in the way companies are run, but also how they evolve in the future,” says Kembel.



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It is, therefore, imperative that organisations enable their people, and not just leadership, to manage change better, and be more resilient and agile to handle such situations, adds Berera.

And, of course, this means a drastic change in the standard curriculum of a B-school. Theories and concepts that were once considered core disciplines are increasingly becoming irrelevant. “What is the point of teaching at length subjects like accounting and data, which can easily be automated, while ignoring more current issues such as diversity, gender, and political environment?” says Amir Ullah Khan, who teaches at ISB and NALSAR University of Law, as well as at Maulana Azad National University.

“What is missing in the curricula is a deep understanding of the frequent global crises—the East Asian crisis, Eurozone, the Chinese slowdown and the impact of geopolitics of Syria, the South China Sea, Tibet, and NAFTA—on business,” adds Khan, who is also a senior policy advisor to the Bill and Melinda Gates Foundation, and is regularly consulted by the central and state governments on matters of economy and policy.

Bansal adds that B-schools need to move way beyond just subject expertise. They need to “teach ethics,” she says. “Not just about fraud or wrongful activity, but ethical implications of business decisions. For example, in a less private, data-connected world, how do you decide where to draw the line when it comes to accessing, utilising, and selling that data?”

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THE NUMBER OF
INDIAN INSTITUTES
OF MANAGEMENT



Neil Jacobstein, Singularity University

WHY ARE TODAY'S B-SCHOOLS so far behind the curve? The reason is simple. There are just not enough textbooks or published papers or ground-breaking research for faculty members to fall back upon. “The new mediums of study are newspapers, Google, and YouTube, because most of the students who join us are tech savvy. And we are using more and more software tools to teach our students,” says Vijay Mahajan, who holds the John P. Harbin Centennial Chair in Business at McCombs School of Business, University of Texas and was also a dean at ISB between 2002 and 2004.

Today, teaching financial and marketing analytics using structured and unstructured data, such as visual and textual data gleaned from Facebook and LinkedIn, has become an integral part of the curricula to bring students up to speed with the ever-changing world.

“So while fundamental courses in finance, marketing, and organisational behaviour will continue to be taught, management schools will need to explore flexible courses and tie up with colleges with different specialisations so that they are in sync with what’s happening around the world,” says Mahajan.

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THE RANK OF THE INDIAN INSTITUTE OF TECHNOLOGY MADRAS AMONG **INDIA'S TOP INSTITUTES**, ACCORDING TO THE NATIONAL INSTITUTIONAL RANKING FRAMEWORK 2017

Khan believes that one of the differentiators between B-schools will be the number of original papers submitted by these schools. It will be a rarity to find finance professors in any of the B-schools who can teach with a certain degree of authority on how to exactly value startups still steeped in losses or how crowdfunding could impact lending strategies or how international finance is panning out after the financial crisis of 2007-08.

Puri of Executive Access believes that finding the right faculty or top thought leaders to teach in these B-schools will always remain a challenge unless the teachers are adequately compensated, which is not happening today. But, more important, it is time for business schools to move from just theoretical discussions in the class to more experiential learning—teaching students to use their knowledge for enhancing the efficiency and efficacy of an organisation—because knowledge per se is available at the click of a button today.

The problem stems from the fact that while traditional Ph.D.-trained faculty members are slow to change or embrace new technologies and concepts, it is equally difficult to find highly qualified teachers in these new areas. “And even when you do, the existing teachers do not want to give up their classes because they do not want to rush through their courses,” says Sinha, who is a founding member of Vedica Scholars Programme for Women, an 18-month course

Vijay Mahajan,
McCombs School
of Business,
University of Texas



“WE HAVE LESS DIVERSITY IN CLASS, SO THERE IS A LACK OF CONTRARIAN IDEAS... BUT WE HAVE REFRAINED FROM HAVING A QUOTA FOR LIBERAL ARTS STUDENTS. THE SOLUTION LIES IN COLLABORATING WITH INDUSTRY PRACTITIONERS.”

—**SOURAV MUKHERJI**, dean [programmes], IIM-Bangalore

designed to “prepare women with potential to achieve fulfilling careers”.

Banerjee of SPJIMR believes it is time for business schools to set up their own research labs and develop in-house talent for teaching these new technologies. Today, he is dependent on the retired top honchos of the corporate world, although he is categorical that “the institute can only teach them the application of this technology to business while the



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—**RANJAN BANERJEE**, dean, SPJIMR

technology itself will have to be taught in the technical institutes”.

So what does the future of business schools look like? “It will be about unbundling of education, about allowing students to take any courses and from anywhere in the world, allowing them to mix-and-match courses and institution. But that can only happen once three things are taken care of: accreditation, placement, and peer learning,” says Banerjee.

Then there are some fundamental flaws in the system itself—the biggest one be-

ing the complete or near-complete absence of liberal arts students in these management institutes. “How can you teach concepts like design thinking in a class where almost 90% of the students come from an engineering background?” asks Puri of Executive Access. “There is no scope for diverse thinking or contrarian opinions when most of them have similar ideas.”

Sourav Mukherji, dean (programmes) at IIM-Bangalore, admits there is lack of diversity, but adds that the institute has refrained from having a quota for liberal arts students. “We have courses in design thinking, product design, etc. to make up for the lack of diversity. The solution lies in collaborating with industry practitioners,” he says. The bottom line, as he sees, it is to maintain flexibility in courses to keep them as current and relevant as possible.

True design thinking, says Kembel, is about “evolvability, not repeatability”; it’s not just about products, processes, or business models but virtually everything in life. It means unlocking the creativity of everyone in the organisation so that people from different disciplines provide inputs for the final product.

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THE RANK OF THE NATIONAL INSTITUTE OF SCIENCE, BENGALURU, AMONG INDIA’S TOP INSTITUTES, ACCORDING TO THE NATIONAL INSTITUTIONAL RANKING FRAMEWORK 2017

SO, HOW ARE TOP BUSINESS SCHOOLS preparing students and teachers today for the challenges of tomorrow? Banerjee says his institute tries to create a culture of openness to learning and “learnability”—a life-long learning process—to ensure that its students “are grounded in reality, socially conscious, have the right value system and are innovative”. It’s something that Stanford’s D-school does to good effect, encouraging techies and liberal arts students alike to have a bias towards action and also understand the importance of empathy.

The other dimension of this problem, says Banerjee, is to have “application-oriented research and consulting”—doing research that actually tackles the needs and challenges of the corporate sector at the present juncture—which again means a far deeper partnership between academia and the corporate world. “Throw in projects of the corporate world and make them a part of the curricula and you will remain relevant,” says Banerjee.

Also, management schools are only now beginning to use the digital medium effectively, ensuring that a single teacher can virtually teach 1,000 students, taking a leaf out of the experience of online education providers such as Coursera or Khan Academy. The silver lining, says Bansal, is that some schools are beginning to focus on developing the ability to learn rather than just forcing the syllabus down the throats of students.

OF COURSE, IT’S NOT JUST THE SCHOOLS that are changing today. Companies are also being forced to deal with all sorts of disruptions, chiefly in technology. “If today’s business leaders want to keep up with the pace of advancements, they will need to use artificial intelligence as ‘associates’ to process information and accomplish work in totally new ways. But, more important, corporate leaders are not really discussing the potential job losses emanating from these new technologies,” says Neil Jacobstein, chair, artificial intelligence and robotics, Singularity University.

PWC India has increasingly been recruiting talent from diverse backgrounds, including designers, data scientists, communications experts, and technologists, to bring about transformational change and enhance value for our clients. “We are revisiting our policies to make them more aligned with the expectations of our people,” says Berera.

Cipla’s Prabir Jha, who has been a thought leader in the human resources domain, believes that most companies still struggle to change their traditional mindset of looking for cookie-cutter skills. “In a lot of companies, leadership teams are products of their own experience,” he says. “They continue to look at their future by looking at their past. The fact is that if you don’t disrupt classical talent thinking, you’ll not be able to manage realities.”

Which is why, says PWC’s Berera, a candidate’s experience and ability to

deal with “VUCA”—volatility, uncertainty, change, and ambiguity—along with role-model leadership behaviour, is a sought-after attribute for leadership roles. After all, in this age of hyper-connectedness, any unforeseen economic, political, social or other event can create havoc for businesses and organisations, if not managed properly, says Berera.

Along with functional expertise, Jha says that some of the softer skills that have become critical to deal with the constantly changing world are: comfort with ambiguity; learning agility—the ability to unlearn and learn quickly and from anyone; taking a collaborative approach; and a willingness to fail, persevere, and build again.

Sanjeev Kumar, senior vice president, HR at Lalitpur Power Generation, the energy division of Bajaj Hindusthan Sugar, believes that the Indian corporate sector continues to be risk-averse and slow to respond to the changing times, and is always waiting for others to take the plunge first. That is especially true of promoter-driven companies, but he maintains that the trend is changing, especially in high-tech sectors.

“I do not look just at technical competence while recruiting managers today but at leadership qualities like the ability to tolerate dissent, respecting and working with teams, experimenting with ideas and accepting the fact that many of them may ultimately fail,” says Kumar of his recruiting mantra.

The last word comes from MIT’s Paradiso, when I ask what he does to prepare his students for an uncertain future. “I tell my students to do what you want, take the red pill as in the movie *Matrix*, go for the wild adventure, take the path that is a little different and more challenging, because it could well be the safest thing to do in such an uncertain world. They will be at least better prepared for the uncertainties of life.” ■

Additional reporting by Mansi Kapur

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