

Knowledge-Bar

In Depth

*Management Education 4.0 and the
changing landscape of business
education in India*

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Introduction

Business schools globally are facing major challenges that are a function of tectonic shifts in the landscape of management education. These include the rising importance of rankings and accreditations and the full force of a digital revolution that is ushering in Industry 4.0. The next few years are likely to witness a rebooting of business education, the fourth since the first business school that was established in Europe in the year 1819.

This new (*fourth*) era may be termed as **Management Education 4.0 (ME 4.0)** and comes in full sync with the Industry 4.0 phenomenon. The term 'Management Education' is chosen purposefully, as management today encompasses organisations (from corporations to SMEs, from the public sector to NGOs) that contribute towards grooming professionals who positively impact their businesses, communities, and the world.

This new phase in management education follows three distinct periods in management education history over the last 200 years. The first phase (1819-1945) was characterised by initial institutions driven by demand for a new type of business professional or 'manager' that conventional universities were not able to fulfil. The second phase (1945-2000) saw institutions become more scientific in their approach and push to make business administration and management standalone disciplines. In many respects, this was triggered by the report written by Robert Gordon and James Howell in 1959 for the Ford Foundation. The third phase (2000 until today) represents the era of globalisation with the rising importance of accreditation frameworks such as AACSB and EQUIS. This phase also marked the emergence of international rankings with the influential Financial Times ranking first published in 1999.

Management education in India – a brief history

As such, management education in India is a relatively new phenomenon born in the second phase of this global history. The Indian Institute of Social Welfare and Business Management (IISWBM) was set up in 1953 as India's first official management institute in Calcutta. The government of India applied for and received a grant from the Ford Foundation in 1961 to launch IIM Calcutta and IIM Ahmedabad. IIMC was established in collaboration with the Sloan School of Management at MIT and IIMA with Harvard Business School. IIMC adapted Sloan's incident method and laboratory training and pursued a research and teaching philosophy more focused on quantitative aspects of management. In contrast, following HBS, IIMA pioneered the case method of teaching in India and conducted research oriented towards qualitative strategic integration. With the support of expertise developed by the pioneering IIMs, two more IIMs were founded – IIM Bangalore in 1973, and IIM Lucknow in 1984. In 1991, the number of approved management education institutions in India was only about 130, with an annual MBA intake of about 12,000, comprising of 8000 full-time, 3000 part-time and 1,000 distance education students. Only in the late 1990s, two additional IIMs, IIM Kozhikode and IIM Indore were established.

Indian management education today

Indian Business Schools today are in a difficult situation as there is a continuous pressure to achieve global standards. This is in spite of them being relatively new entrants compared to their global counterparts.

First, they are faced with the emergence of ranking bodies and international accreditations. Here there is reliance on standardized assessment criteria, for which schools need to fulfil key performance metrics. For example, schools need to have at least 50% of courses to be delivered by research productive permanent faculty. This entails recruitment of research active permanent faculty, which pushes up the cost of education.

Second, the requirement for faculty to publish more heavily in academic journals results in faculty often focusing on research that may not always be relevant to practice or best prepare graduates for the job market.

Third, the emergence of Massive Open Online Courses (MOOCs) disrupts the market on the supply side and places business schools in a world where the very basis of knowledge transmission is fundamentally altered.

Finally, we confront the changing nature and needs of industry. The World Economic Forum in their recent report on *'The Future of Jobs'* states:

'...the fourth industrial revolution, which includes developments in previously disjointed fields such as artificial intelligence and machine learning, robotics, nanotechnology, 3-D printing, and genetics and biotechnology, will cause widespread disruption not only to business models but also to labour markets over the next five years, with enormous change predicted in the skill sets needed to thrive in the new landscape.'

If we look at the top ten global companies in terms of market capitalisation over the last decade we see the entry of new digital companies (like Google, Apple, Amazon, Facebook) into the elite league. Our own industry must not simply respond in terms of the reorientation of research and education but it is clear that these same digital giants can compete with certain elements of what business schools do and provide.

Bringing this together, it is clear that business schools in India are forced into a race for prestige as reflected in international rankings and accreditations. Simultaneously they are coping with the changing character and demands of industry through realignment of their curriculum, pedagogy, and approach to knowledge creation. They are pushed towards research, as a requirement for international accreditations and to enhance their brand equity. This is an expensive activity, which makes varied sources of funding necessary and given the cost pressures, tuition fees at most institutions have risen exponentially, even in public-funded institutions like IIMs.

ME 4.0 and the future of management education

Looking ahead, it is clear that the pedagogy of the teaching-learning process will undergo a shift. Transmission of knowledge in the form of lectures will become less important as information will be available online. This will shift the focus from information transmission to the development of know-how and skills. Students will become active co-producers through the rising importance of group works, simulations, games and role plays. Teachers will need to adapt their styles and will be required to act in front of a

camera and to manage discussions in the class. The focus of schools will need to shift towards the development of soft skills, analytical skills and know-how. Faculty will need to evolve from knowledge professionals into coaches and facilitators. It may also be that pressures intensify to translate academic research and contribution into articles that can be published in the high circulation business press. This will help to reconnect academic research and management practice in the new ME4.0 paradigm along with new forms of engagement between academia and industry.

The good news is that forward-looking schools have initiated action in this direction. IFIM Business School, Bangalore in association with National Human Resources Development Network (NHRDN) undertook an exhaustive initiative to reach out to 300 industry executives to find out the skills required for Industry 4.0. According to the IFIM-NHRDN study, successful future professionals will be 'T' shape professionals that combine both width in general management areas, and depth in specialized areas. In this 'T', the top bar represents the broad skills such as the people skills, the social skills, and an appreciation of multi-functional capabilities and how the functional areas play among themselves, whereas the pillar on which the top bar rests, represents deep knowledge and skills in an area of specialization. The newly launched curriculum of the school is an outcome of the study.

It is interesting to note that these efforts have started yielding results and Indian business schools have started making a mark in the global arena with ten AACSB accredited schools and four schools accredited by EQUIS - IIMC and ISB being the ones accredited by both. Four of the business schools with AACSB accreditation from India, namely IFIM Bangalore, IIM Udaipur, IIM Indore and ISB have been in existence for less than twenty-five years. Their achievements can be considered remarkable even by international standards. However, the future winner will be the one who can embrace **Management Education 4.0 (ME 4.0)**, which will entail the adoption of new curriculum, new pedagogy and new paradigms of research and engagement.

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