

KNIGHTS OF THE TIMES OF GLOOM

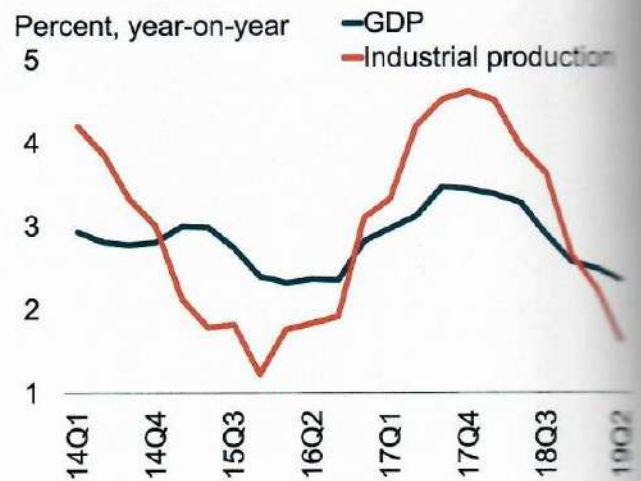
MANAGEMENT SCHOOLS groom talent to run enterprises, which in turn create wealth for an economy. So, in a round-about way business schools do play a role in determining the strength or weakness of an economy. After all, the minds that take crucial decisions in the manufacturing and services sectors invariably have names of the major B-schools emblazoned on their business cards.

So in a year in which the index of industrial production (IIP) is at the lowest in recent memory, should we laud or berate the plethora of management institutes that have sprouted up across the country? To be fair to the professional managers and the trade and industry they run, the slowdown is global. In its October report, the World Bank Group announced that the global GDP had fallen to a three-year low of 2.4 per cent in the second quarter of 2019. "Global goods trade has continued to contract, reaching a new post-crisis low, while services export orders have started to show signs of easing," the report said. It also spoke of "subdued inflation and slowing activity" in the emerging markets, which includes India.

Meanwhile in its Quick Estimates of the Index of Industrial Production for the April to September period, the Union Ministry of Statistics and Programme Implementation shows a "cumulative growth" of an abysmal 1.3 per cent. As many as 17 of the 23 industry groups monitored by the ministry have recorded a negative growth in the first half of the 2019-20 financial year.

Ironically management studies as a discipline have

Global GDP and industrial production growth



Source: Baker, Bloom, and Davis (2016); Haver Analytics; World Bank.

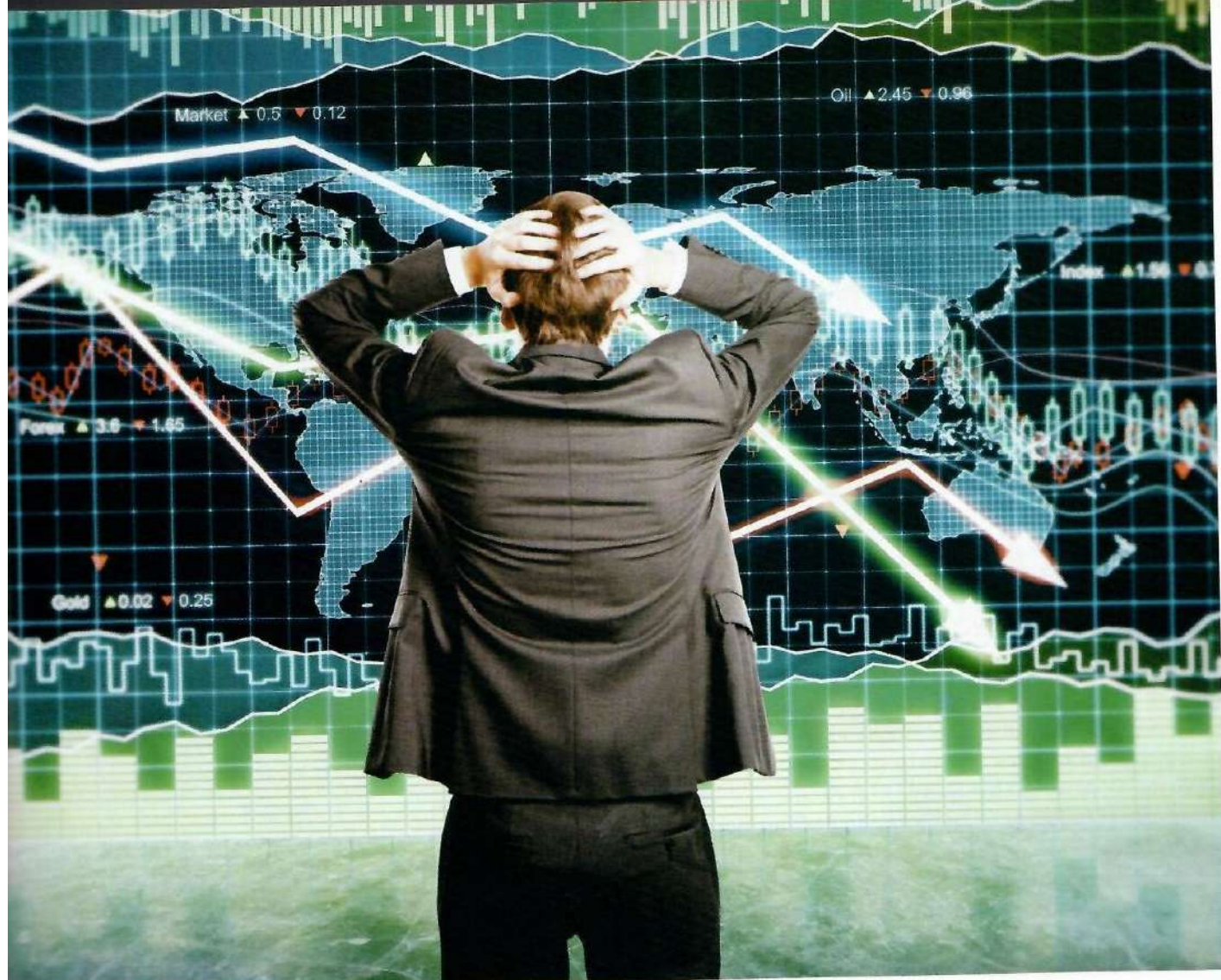
Do B-schools need to tweak their syllabi to create more imaginative leaders now that the world is in the throes of a slowdown?

By Mrudul Sharma

their genesis in the most overwhelming recession in human history – The Great Depression – that began in 1929 and lingered on till 1946. Perhaps, the first tome on management theory and organisational studies was Chester Irving Barnard's *The Functions of the Executive* published in 1938. The other icon of the discipline, Peter F. Drucker's path-finding treatise, *Concept of the Corporation*, based on his study of General Motors, appeared in 1946.

It was Drucker who first laid down the golden tenets of effective management. The maxims that mega corporations subsequently adopted as a thumb rule for good business, namely that the customer was king and the real asset of an enterprise was a loyal workforce, are offshoots of ideas that Drucker first talked and wrote about.

Now that the whole world is heading toward another all-engulfing slowdown, perhaps it is time for new punditry on management practices. "The business schools play a very important role in creating disruptive business models," admits Professor Bharat Bhasker, Director, Indian Institute of Management, Raipur. "While the



technology capable of causing disruptions is created in technical schools, the business model that exploits the technology and causes disruptions in the marketplace are created in business schools," he says.

Disruptors of the day

Do the plethora of business schools that have spawned across India have the wherewithal to churn out new and disruptive ideas that could steer Indian enterprises out of the impending economic malaise? After all the demand for a degree from a management institute has not waned and the B-schools continue to attract India's growing talent pool of bright young minds.

The system of education at these institutes has not evolved much beyond the case study structure, while the business scenario has changed altogether. Perhaps, there is a need now to create disruptors, by disrupting the way business is taught in these management institutes. Should not B-school mottos of the day be: Create disruptors to avoid disruption (of the business)? But are these schools producing the disruptors who could steer an enterprise out of a recession?

Professor Jyotsna Bhatnagar, Dean, Graduate Programmes & Students Affairs at the Management Development Institute (MDI) says, "Talent lies in the

learning agility and acts as a disruptor, besides our talent is resilient and is trained to work under pressure. Most of our students are high achievers and create history by winning high-end corporate events."

We prod her on whether MDI as an institute was creating disruptors. Business schools, after all, are supposed to not just create proficient managers but also disruptors. "We are creating disruptors through Idea-innovation, startups and entrepreneurs, mainly through our alumni," says Bhatnagar, adding, "Startups are disrupting age-old traditional companies."

The disruptors of the day need to have the wherewithal to create markets that do not exist, create products that could disrupt the status quo and nurture a new breed of companies that could lead the pack. This wherewithal could only come from the curriculum of the B-schools, including the lesser known ones.

Management strategies now need to look beyond profit making and into creating a social impact. They need to address problems like poverty alleviation, global warming, the energy crisis and the population explosion. Do the B-schools teach these strategies to the future industry leaders of the morrow? **BW**

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