Masters in the business of education

Bala V Balachandran, professor of accounting, information and management, and director of Accounting Research Centre, Kellogg School of Management, Northwestern University, US, was in India recently. He spoke to Manish Pratim Gohain on diverse issues on business education.

Q & A

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What about the regulatory mechanism? Is it responsible for such educational institutions spreading across the country? ACTE (All India Council for Technical Education) can definitely regulate a little more. B-schools should get out of the gall of universities. ACTE should ensure that B-schools create value to students and end-consumers. Doing so would ensure they meet the required standard.

What is the primary difference between a premier B-school in India and one in the West?

If we single out say IIM-Ahmedabad (IIM-A), which is probably the best here. And let us compare it with Kellogg School of Management (KSM). IIM-A students, as a bunch, could easily take on anyone anywhere, in terms of intellectual quality. The real reputation of an institution is its people and if you consider GMAT as the base, IIM students are above 99 percentile whereas Kellogg students are on 97 percentile. The only way forward for these B-schools to sustain themselves in this highly competitive market is to understand the corporate need like the Indian Institutes of Management (IIM) do. If they manage to do so, they will flourish.

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But, infrastructure-wise campuses in the US are much more modern and they keep improving.

Students at KSM are also bright, but it's the faculty which constantly keeps on creating knowledge, publish articles, distils knowledge and bring the students up to the required standard. However, IIM-A doesn't have much cutting-edge thinking going on. For the simple reason that faculty here has to devote 180 hours of teaching whereas in KSM, it is fixed at 120 hours. This allows 60 hours of built-in time for research work. Another important aspect is that in KSM, 65% of the consulting revenue is for the faculty, whereas at IIM, nearly 60% goes to the school itself.

While I'm not saying which is right and which is wrong, these facts still remain. The environment in India is not recognising knowledge creation and this is one of the reasons why none of the IIMs are even in the first 200 B-schools in International rating.

Do you see any B-schools practising such international standards?

That is why Indian School of Business (ISB), Hyderabad is there, to plug this anomaly. We have put a system in place, now the future will tell us how it develops. I have a feeling that when the world demands analytics, IIM-A graduates will win and when soft-skills are the need, students from the US would emerge victorious.

What do you think of the executive programmes in management being offered in India?

Executive management is to understand relationship management. It is also called L.O.V.E or leveraging our value experience. Most of the best B-schools in the West have an executive programme where one has to study in the campus and go back to his/her workplace and implement whatever they learnt and return to the campus with results. I believe only a couple of Indian B-schools have such an executive programme.

These days MBA is being offered online and through distance learning mode. Your view on this?

I am a strong believer of Indian values and the guru-kul system. But this is not one of them. Online or MBA through distance learning is like, something is better than nothing. We have to remember that 'nothing is better than nonsense'. In business education, there is no one right answer and it is the class that decides the pros and cons of an answer. In case of management education, no effective learning can take place through online or distance mode.

Which is the B-school you like the most?

I like quite a few of them for their unique way of imparting education. IIMC for being amazingly scholar-centric with a lot of dynamic people on its rolls. Harward for being one of the largest B-schools, with over 960 students; Stanford for its quality, it had an intake of 166 students 26 years back, and despite getting $2.29 million their intake remained 166.