



The flat world MBA

As courses and curricula head towards a mean, the culture on campuses makes all the difference

The battle of Waterloo was won on the playing fields of Eton. The battle for the mind of the Man from Mar-tunga or, more appropriately these days, the Matron from Malad will be won on the football grounds of Gachibowli and the golf greens of Nongthymai. Lord Wellington didn't

think too highly of the classrooms of Eton where inky-fingered schoolboys learnt how to make multilingual puns with 'peccavi'. He felt that character was formed more in the company of flannelled fools and muddied oafs.

In the savvier boardrooms across India, they don't swear by the classrooms of the Indian School

of Business (ISB), Hyderabad or the Indian Institute of Management (IIM) Shillong. But these are highly-rated institutes. Their superiority comes from the intangibles: what they don't teach you at business school. "MBA programmes are as much about an experience as they are about education," says Karthik Reddy, an MBA who has recently set up an early-stage venture fund styled Blume Ventures.

Culture has become more important these days because the more physical aspects are levelling off. New schools are, in fact, often better on this score. Their infrastructure, built just a few years ago compared to the 50-year-old Louis Kahn Plaza at IIM Ahmedabad, is superior. The facilities, set up in an age when a B-school is a business proposition, are modern. Even the libraries house more books.

At another level, course material provides no particular edge. Harvard case studies are available to everybody for a price; this is one of the US school's revenue-generation methods. The textbooks are the same. Tie-ups with foreign universities are commonplace. The Ivy League variety may be choosy. But lesser schools are keen to rush into a market that is all set to boom. Education is the new growth sector.

Cross-pollination opportunities come everywhere. There are student exchange programmes, faculty exchange programmes... You can spend a full semester or year in China

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♦ ESSAY ♦

or Canada. “Many schools across the world have access to similar course materials, teachers and infrastructure,” says Vinayak Prasad, president & country head (cards management), Yes Bank.

Yet, the more the courses and the curricula converge, the final product – the MBA – doesn’t seem to be going through any cloning laboratory. Almost everyone agrees that we are getting to a flat MBA in terms of physical parameters. Add the human dimension and they couldn’t be more different.

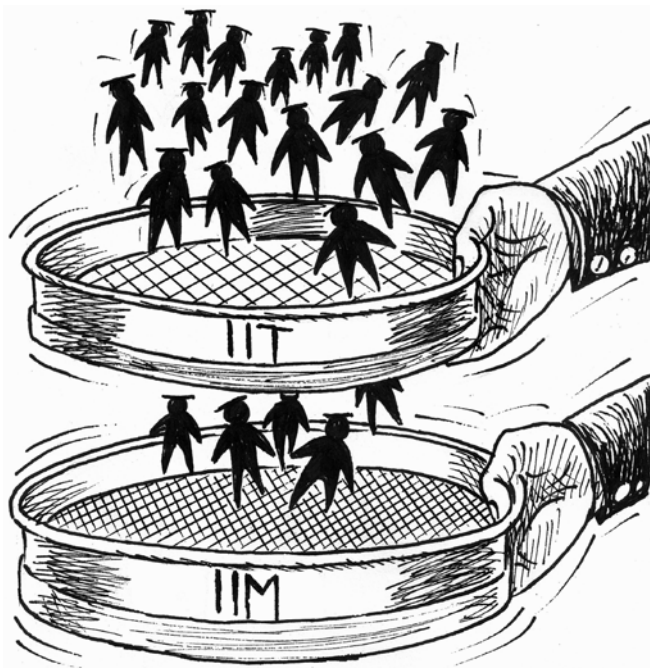
Consider the issue first at the wholesale level. Why are almost all Indian MBAs different from the products of the West? This is so pronounced that many local MBAs have found it necessary to do a second MBA from the West (see *Dual distinction*, page 56).

The biggest issues are age and experience. In India, the top B-schools attract graduates fresh out of college; a large number come from the Indian Institutes of Technology (IITs). “More than 70 per cent are engineers,” says Prasad. They are green behind the ears; they lack perspective. Abroad, people get into B-school with around five years’ experience. It makes all the difference to classroom participation. (In India, only the Hyderabad-based ISB gives adequate weightage to work experience, which is what gives them an edge over the IIMs in overseas rankings.)

In India, the IITs and the IIMs function as sieves. The best students get into the IITs and the best amongst them (leaving aside the IIT diaspora that heads abroad) join the IIMs. It is a system that companies love; they are guaranteed a good product when they go recruiting. But the very institutionalisation of this system makes the MBA weaker. Abroad, in any class, you could have brokers rubbing shoulders with bakers or footballers with fund managers. “This diversity makes for richer

interactions between teachers and students and amongst students as well,” says Bharati Jacob, managing partner at venture capital firm Seedfund.

“Personally I believe what differentiates a great school from a good one is the diversity of the student pool; not just the cultural background, but geographical, value systems, religious, economic, as well as experiential background,” says Prasad of Yes Bank.



At the same time, research gets high priority in US schools. Ravi Bapna, who teaches both in the US and ISB, feels that it will take time and a serious long-term commitment to develop the research culture in India. The entire ecosystem has to be created. Unfortunately, short-term priorities always tend to win when it comes to allocating key resources and investments in longer payoff PhD programmes, he says.

High-quality faculty

“Indian schools have a significant number of high-quality faculty,” adds Charles Dhanaraj, who also teaches both in the US and ISB. “A high percentage of them are outstanding teachers and admired by students and executives. However, the emphasis on research has been traditionally absent.

More than 50 per cent of the investment in faculty salaries in US schools goes towards enabling them to build a research agenda.” In India, there is hardly any spend on this.

“The best foreign business schools have excelled by placing their emphasis on thought leadership through cutting-edge research, not just teaching, which is a less unique source of differentiation and competitive advantage,” says Saikat Chaudhuri of Wharton and visiting faculty at ISB. The IIMs started that way too, but lost the plot somewhere down the line. However, there are signs that they may be back on track soon, feels Chaudhuri.

Research conjures an image of greybeards and dusty tomes. The reality is very different. Says Prasad of Yes Bank, “Mike Useem at Wharton, who took a class on leadership and ethics, has met and interviewed each of the leaders of the corporations whose case studies were discussed or taught. I was in class with Jeremy Segal, also known as the Wizard at Wharton, when the market crashed in early 2001. We had all the trad-

ing screens up on the wall, and were getting a running commentary from him as the US witnessed one of its most devastating days on the bourses. The key is not that the courses are all the same, the key is in the quality of interaction both from the teachers as well as the students.” Adds Jacob of Seedfund, “I remember many of our professors would pick up the day’s newspapers and relate the classroom teaching with what was happening in the real world.”

“In foreign B-schools, students are ‘exposed’ to subjects. In Indian B-schools, students are ‘taught’ subjects as in school,” says Gopal ‘G.D.’ Shrikanth, CEO coach and strategist. “I think the Western student is typically more mature than his Indian counterpart,” adds Anup Kumar Sinha, professor of economics at IIM Calcutta. “The

Indian student (especially if he perceives that his placement chances are bright) looks for a shortcut to success, with less emphasis on serious learning. In the West, the relative glamour of a B-school graduate is less, and they do not normally get salaries way out of sync with the median level. Perhaps that is the reason why they seem to be a bit more motivated to learn."

Western schools are very flexible. People build on their strengths; in India, one size fits all. There is flexibility also in terms of administrative and academic issues. Former Citibanker Jerry Rao, a dual MBA from IIMA and Chicago, gives an example. "I went to Chicago to do a PhD which I did not complete," he explains. "Since I had completed all my PhD courses and my exams (I did not complete my dissertation) they gave me an MBA."

The well rounded MBA

There is a growing realisation in India, however, that one needs to go beyond the classroom. This is not so much at the IIMs and other top institutes which have tasted success and are now busy keeping the barbarians (read B-schools that plan to come in when the Foreign Education Bill is passed) at the gates. The B-schools that aspire to make it big one day are doing all they can to introduce that cultural dimension. But these are things you can't ordain; they happen.

It takes time. Most Ivy League colleges in the US have a ghost or two hidden in the shrubbery. It adds class. That's where Indian B-schools like the Vinod Gupta School of Management at IIT Kharagpur enjoy an edge. It came with a readymade ghost at the nearby Hijli Tower, which served as a detention camp during the British era.

Ghosts are a trivial issue. But they are part of the mosaic of traditions that make up the culture of a school. If you visit Wharton, for instance, even if you aren't a student, you should rub Benjamin Franklin's tummy. Not the

man, of course, a statue; he sits on a different bench at different times. If you are a student, don't step on the compass on the 36th; you'll flunk your first mid-term.

These intangibles contribute to the ratings, even though they would seemingly not matter. In the US, where B-schools think out of the box, there are rankings of all sorts. The Princeton Review grades schools by



62 parameters which include Most Religious Students, Lots of Hard Liquor, Lots of Beer and Stone-Cold Sober Schools.

That wouldn't work in India, though there are plenty of schools which consume a lot of beer and hard liquor. Officially, drinking is banned on campus and religion and sexual orientation are unmentionables.

In this edition of India's Best Business Schools, we have made a beginning with such subjective ratings. B-school lists so far have dealt with hard numbers – a formula in which you fill up data like the number of students, faculty, research papers, starting salaries and what have you. It has always been our endeavour at *Business India* to look behind and beyond the numbers. (At the IIMs, you get three shots at passing Qualifying Mathematics, a paper most engineers can do in

their sleep. So why should we bother overmuch about numbers?) We have produced 18 categorisations. Other B-school rankings – we have inspired several clones – may wonder why they didn't do it. They will.

So are Indian MBA students going to lap up these virtues (and vices) and emerge well-rounded? It's not that simple. Says Reddy of Blume Ventures, "At Wharton, I waived a bunch of credits (they allow you to if you know the subjects); bagged my Finance major (as insurance) as I finished first year; did company treks (visits to companies in other cities); met, wooed and married my wife between the start and the end of the programme; spent the second year taking diverse electives that got me E-commerce and Entrepreneurship majors to add to my Finance one; listened to dozens of eminent speakers; and interviewed across sectors and across geographies. In contrast, the IIM Bangalore MBA seemed like a rat-race for grades, a weekly Bollywood party and bike rides in Bangalore. I had a great time at both. But I can't say the first (Bangalore, which he did before Wharton) was well rounded."

Is a well rounded MBA in a flat MBA world an unattainable goal in India? As usual with something seen from a new perspective, there are people who disagree with the very concept. "There are so many nuances that show that the world is more round than I thought," says Debashis Chatterjee, director of IIM Kozhikode. "MBA is not engineering; it's a special science that must be rooted in its context – importing something from Stanford wouldn't work in Kerala."

Switzerland-based Vivek Dogra, an executive with Nestle S.A., half agrees. "The world is flat, yet the East will remain East..." But didn't Kipling also say that the Colonel's Lady and Judy O'Grady are sisters under their skins.

♦ PARTHASARATHI SWAMI and MEENU SHEKAR