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'India can emerge as a management education hub in the region'

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The students listen intently to a lecture on strategic financial decisions by Shyam Sunder, Yale University's professor of accounting, economics and finance. He is explaining the effect of high incentive compensation on managerial performance.

A student raises his hand and challenges a point made by the professor. Sunder acknowledges the observation and invites another student to offer a rebuttal.

This engaging discussion, where students are learning to exercise their skills based on a real-life scenario, is not drawn from a hallowed lecture hall at the Yale School of Management on the northeast coast of the US, where Professor Sunder teaches.

It is taking place at a school on the southeast coast of India - the Chennai-based Great Lakes Institute of Management. Like the Hyderabad-based Indian School of Business (ISB), Great Lakes has brought to India the collaborative business education model, which draws on the research and teaching expertise of venerated US institutions like Kellogg, Stanford and Yale.

The effort to partner the best of the US business education with Indian B-schools began in the 1960s when Harvard and MIT played a role in establishing the IIMs.

This was halted in the '70s and '80s largely due to India's economic policies which questioned the principles of free market economics on which the US business schools are built. The '90s economic liberalisation gave a fresh breath of life to India's quest for augmenting management education through collaboration.

The first such effort was initiated by current Finance Minister P. Chidambaram, who was instrumental in establishing the National Management Programme at the Management Development Institute (MDI), Gurgaon.

Kellogg School played an important role in defining the curriculum and training the MDI faculty. This was followed by the setting up of ISB, championed by former McKinsey CEO Rajat Gupta.

ISB aimed to distinguish itself by creating a world-class institute through its partnership with three premier business schools in the

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world-Kellogg, London Business School and Wharton. Recently, Michigan and Harvard have set up research centres in India as part of their effort to establish a global presence.

In July 2003, Great Lakes was founded on the collaborative teaching model initiated by ISB. Great Lakes has tied up with Yale and set up a research centre spearheaded by Professor Sunder. The school's USP is to provide an affordable, no-frills one-year programme.

The collaborative management education model is here to stay for many reasons. First, the education provides a global perspective to the Indian students. More than 50 per cent of the faculty at Great Lakes and ISB is from the US or other countries and has a broad international experience. This helps them enrich the learning experience of the class with a wide array of examples and cases that focus on business problems which mirror today's global market place.

Second, the collaborative model creates a virtual portfolio of faculty members by pooling intellectual capital from leading institutions around the world. For instance, students at Great Lakes can choose from professors ranging from the Nobel laureate in economics Finn E. Kydland of Carnegie Mellon University to Seenu Srinivasan from Stanford University in the same term. With improvements in communication technology, the avenues through which this model can tap into the brain banks of the world will only increase.

Also, for the first time, B-school students in India can use a teaching method that is closely tied to the business world. The visiting faculty includes CEOs of leading companies and professors who act as advisers to the senior management of companies.

This allows them to bring knowledge to the classroom that is practical and constantly evolving with changes in the business world. Overall, the collaborative model offers a compelling value proposition. A business degree from a top institution like Kellogg costs \$78,000 (about Rs 34 lakh).

The collaborative model enables similar education at only about 15 per cent of the cost. The initiatives of ISB and Great Lakes have given India an opportunity to establish itself as the management education hub of the eastern hemisphere.

By finding synergies between western efficiencies and Indian ethos, the collaborative model is on its way to defining new frontiers in management thinking.

The author is J.L. Kellogg Distinguished Professor of Accounting at the Kellogg School of Management, helped set up IIM-A, IIM-B and ISB, and was awarded the Padma Shri in 2001. Vijay Nallan Chakravarthi of the Kellogg Class of 2005 has contributed to the column.

...Globalisation of business is leading to innovative models of B-education.

...Great Lakes and ISB are examples of collaborative management education.

...They bring research and teaching expertise of the US B-schools to India.

...The visiting faculty also includes CEOs of leading global corporations.

...Students get first-hand knowledge about the latest and most relevant trends in global businesses.

...India can emerge as a management education hub in the region.