



Master of bombast and attitude?

Not here. The MBA degree may be under fire in the rest of the world, but it is still sine qua non for India Inc

Business education is a relatively young field of study. The first master's degree (in commercial science, not business administration) was offered by Dartmouth College only in 1900. And it was another eight years before the MBA came into existence at Harvard University. The history of business, on the other hand, goes back much further. Kongo Gumi, a Japanese family-owned construction company that folded a couple of years ago, could trace its origins to 578 AD; and Sweden's Stora Kopparberg Bergslags Aktiebolag is probably the world's oldest industrial corporation, chartered in 1347. So here's proof, if ever you needed it, that you don't require a management degree to run a company – these ventures were managed successfully for centuries by people with no such formal qualification.

But does an MBA help? Depends on who you ask. In his 2004 book, *Managers, Not MBAs*, management guru Henry Mintzberg declared that an MBA is “business education that... distorts managerial practice”. “The typical business school today is about specialisation, not integration, concerned with business functions, not the practice of managing.” A year later, in a posthumously published article, eminent management thinker Sumantra Ghoshal wrote that the “worst excesses of recent management practices have their roots in a set of ideas that have emerged from business-school academics over the last 30 years”.

That viewpoint is still popular, especially among people looking for someone to blame for last year's financial meltdown. In an interview last month, around his just-released *Management Myth*, Matthew Stewart worried that, “B-school professors have been forced to invent subjects called strategy, organisational behaviour and so on. They're pretty much pseudo sciences, and when you use them as a basis for instruction, you're really teaching people how to master arcane jargon that has minimal connection to the real world as opposed to teaching them to really think.”

The pet peeve: management graduates may be near geniuses in terms of quantitative and analytical abilities, but they're bordering on Neanderthal when it comes to the softer skills. Creativity, communication (verbal and written), negotiation and leadership are given the go-by in the rush to ace the quant courses. “MBAs want to blind you with numbers,” complains a Delhi-based HR consultant. “They overcomplicate issues.”

Not everybody is party to the witch-hunt, though. There are those who are equally fervent in their belief that an MBA is a force for good. Responding to a 2006 article by Stewart on the same subject, Paul Danos, the dean of Dartmouth's Tuck School of Business, wrote how an MBA “gives you a solid foundation in quantitative fields like accounting and finance; it gives you the terminology, the



underlying theories, and the best practices; and it allows you to expand your understanding of how that all works in actual business settings. It also explores the ‘soft skills’ that are so important, from ethics to leadership to communication”.

How does India Inc vote? Almost overwhelmingly in favour of MBAs, as it happens. The management degree helps create knowledge as well as capability, insist recruiters who routinely visit the country's top B-school campuses. MBAs get insights into how different functions operate, in different industries and different environments; they get an early introduction to the breakneck speed of business life and an unsurpassed opportunity to build sustainable networks. “B-schools offer access to the best talent pools in the country, especially by virtue of their stringent selection processes,” points out Ravi Srivastava, partner and director at management consultancy firm, Boston Consulting Group (BCG). “MBA graduates have a fairly good grounding of business fundamentals, and their experience on campus teaches them to collaborate and cope with high-pressure environments.”

There are ringing endorsements from blue-chip



employers from other sectors as well. "People who've gone through MBA degrees have the ability to respond quickly to situations. Their formal education of different models and market frameworks hopefully teaches them to look at the world in different ways," says Ian Gore, head, human resources, Citi South Asia. "Our assumption is that educational institutes have taken care of the basic skills and knowledge. Any additional skills required, we can teach. We recruit for 'will' – it is important that they are internally driven and want to achieve greater heights," adds Ashutosh Telang, head, HR and OD, Marico Ltd.

The high regard for management graduates doesn't necessarily always translate into a corporate environment where freshly-minted graduates can grow and flourish. That has less to do with the company, believe recruiters, than with the sector in which it operates or the role it offers the young executive. "MBAs thrive on high levels of intellectual challenge, so industries like consultancies, FMCGs and banking, where the time cycle is smaller and innovation and branding play an important role, see a greater incidence of MBAs. It is probably of less importance in industries where return on capital is over a longer period of time – like construction, heavy engineering or even pharmaceuticals," points out Telang. Srivastava, though, holds a different view. "The nature of the job – whether it involves managerial and business skills – will be an important determinant of whether an MBA will flourish or not," he says.

From the students' perspective, only a handful of the hundreds of companies that flock to B-school campuses every recruitment season are considered truly "MBA-friendly". You can spot them easily enough – they are the ones filling the slots on Day Zero and Day One, the companies allowed first dibs on signing on the graduating class. The pecking order may vary year on year, but there's been little change in the list over the past decade. Consultancies, foreign banks, i-banks and private equity funds, traditional FMCG heavyweights and some software and IT majors still crowd the corridors at the start of campus placements: McKinsey & Co, BCG, Bain & Co, Accenture, PricewaterhouseCoopers, Citi, Deutsche Bank, HSBC, ICICI Bank, Goldman Sachs, Hindustan Unilever, Procter & Gamble, Nestlé, Marico, Wipro, Infosys, IBM, Google...

It would be easy to dismiss the "dream employers" lineup as merely a listing of the best paymasters and those offering meaty, international postings. But, although compensation and location are important considerations, they aren't the only factors that decide whether a company is MBA-friendly or not.

Culture is key here. Many of these companies are known meritocracies, with stellar reputations for building talent. They invest constantly in identifying, training and grooming future leaders; detailed induction programmes,

empowerment and early responsibility form the bedrock of their talent development strategy. "These companies have established traditions of hiring management graduates and have given a lot of thought to the professional growth of new recruits," says Anita Ramachandran, CEO of HR consultancy, Cerebrus Consultants. "The structured learning process, the quality of peers and superiors and a mentor to help connect with the company ensures a very good cultural fit for the new manager."

Increasingly, though, the choice of employer is being driven by other considerations. The Nielsen Company's annual Campus Track survey has been studying students' perceptions of potential employers since 2001. Vatsala Pant, client solutions director at the research firm, points to some interesting shifts in the past five or so years. The Class of 2004 made its career decision based on compensation, knowledge of the company, job content, location and whether the industry was in a growth phase. The Class of 2009 was more concerned with how the job would fulfil personal growth prospects, the degree of independence in the role, the learnings to be had, the take-home salary and the company's standing in the market. "It was all 'me, me, me'," she points out. Going forward, Pant

expects to see some of the drivers change yet again. Job security may increase in importance after the experiences of the past 18 months, while work-life balance will certainly gain in importance. "Students in 2004 didn't expect to have work-life balance. The newer batches will demand it," she predicts. "It will still be about me and mine."

Which highlights another major strike against MBAs: arrogance. Telang speaks of MBAs' strong "orientation towards power and achievement", adding "They have been groomed to lead, after all." Among the non-technical skills that Citi seeks in potential employees is the "ability to work with others in a way that adds value". But, adds Gore, it is "a skill that is not always developed in B-schools because the environment is so competitive".

Are MBAs arrogant? Well, yes. But they are entitled – sort of. MBA graduates have gone through some of the toughest selection processes and survived two incredibly stressful years to get where they are – their pride in their abilities and achievements, then, aren't completely unjustified. "They have classic type-A personalities: ambitious, achievers, aggressive and yes, arrogant," says the HR consultant from Delhi. Considering the number of jokes about MBAs – did you know MBA stands for mediocre but arrogant, more bad advice, management by accident, mighty big attitude, me before anyone, and more recently, masters of business apocalypse? – it's surprising they've managed to hold on to that sense of superiority. Perhaps the degree helps develop a thick skin as well.

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Preferred employers*

Now:

Boston Consulting Group
Citi
Goldman Sachs
Hindustan Unilever
McKinsey and Co.

Then:

Asian Paints
HLL
Hongkong & Shanghai
Banking Corporation
HTA**
P&G



*In alphabetical order. **Now J Walter Thompson