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Indian Business Schools:

An Organizational Analysis

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ABSTRACT

Indian business schools (IBSs) have received increasing research attention in recent years. However, this emerging scholarship does not seem to appreciate how the history, evolution, organizational design and organizational environment of IBSs seem to have impacted what IBSs have become and what IBSs have begun pursuing of late. Drawing upon the theories of organizational structure, I highlight the homogeneity in the organizational structure of IBSs. Moving further, I base my analysis on the organizational design features of a business school proposed by Herbert Simon (1967). Based on this analysis, I contend that beneath the homogenous structure of IBSs, the information flows indicate that at least top IBSs have become societally accepted and co-created spaces which meets the separate needs of disjointed stakeholders. Students, faculty and recruiters each have separate goals which IBSs have evolved to provide the platform to pursue. Taking cue from the problematic nature of this equilibrium—in which different organizational routines permit stakeholders to pursue and achieve disparate goals—I focus on two recent organizational responses of IBSs to their environment. I argue that the twin pursuits of globalization and international accreditation by IBSs are curious at the best, and counter-productive at the worst. I highlight the beneficial outcomes of these pursuits, which probably legitimize them. However, organizational rationality does not sufficiently explain why IBSs have chosen to pursue globalization and international accreditation. These arguments prompt me to

¹ There are thousands of organizations in India which offer Master of Business Administration (MBA) or its equivalent

educational qualifications. I refer to them as Indian Business Schools (IBSs).

state—in order to provoke further discussion—that these pursuits could be termed as a mass-scale enterprise in Tonypany. Probably the only explanation for these pursuits by IBSs can be found in the continued influence of coercive and normative isomorphism, as I explain in my paper.

I believe that policy makers within IBSs would find my analysis and conclusions thought-provoking. I hope that my paper spurs more debates around these important yet overlooked issues—of history, organizational design and response to environment—of IBSs.

Keywords: Indian Business Schools, Business Education, Organizational Design, Organizational Environment

INTRODUCTION

India is home to a number of colleges—organizations for my analytical purposes—that offer the Master of Business Administration (MBA) or its equivalent degree. After a sedate, conservative and cautious start immediately after independence, this category of organizations grew rapidly and their numbers ballooned (Bandyopadhyay, 1991; Dayal, 2002; Sheth, 1991). Over the years some of these organizations came to be known as niche MBA colleges—such as Indian Institute of Forest Management Bhopal, Institute of Rural Management Anand, Indian Institute of Health Management and Research—but the vast majority of them grew in their identity as organizations that offer business education. Their growth can be seen in the number of new organizations that opened both in the private sector as well as in the state or government sector (National Knowledge Commission, 2009) and the status they came to occupy (Bandyopadhyay, 1991). In this paper I focus on this majority; the category of organizations in India that purport to groom, train and develop people for careers in business. For easier communication with wider audience, I label these organizations as Indian Business Schools, or IBSs.

Researchers (e.g., Kothiyal, Bell, & Clarke, 2018; Srinivas, 2012; Vakkayil & Chatterjee, 2017) have increasingly highlighted issues pertaining to IBSs. However, this emerging scholarship does not seem to appreciate certain important aspects of IBSs as organizations. Firstly, conditions during the birth of an organization, or even an organizational type, leave a strong imprint on the structure and processes of adopted in future (Carroll & Delacroix, 1982; Carroll & Hannan, 1989; Eisenhardt & Schoonhoven, 1990; Mintzberg & Waters, 1982). In a sense, the environmental factors present at the time of origin of an organization or organizational form shape the destiny of the organizations. Organizations can definitely meander through their future, change drastically and rewrite their destiny, but the early influences are hard to erase and overcome. Hence, I find that the context and logics applied before the prominent IBSs arose as nascent organizations undoubtedly and decisively shaped the future course of IBSs in general in a number of ways.

Next, at the cost of stating a truism, organizational structure impact—even determine—organizational processes and outcomes. Hence, I believe it is important to understand the structure of IBSs in order to understand what they do and what they achieve. Without considering these structural features, the analysis of IBSs may overlook a number of important reasons why they routinely practice suboptimal activities and achieve satisficing results with regularity.

Lastly, I believe that organizational actors are not independent of the context they operate in (Lewin, 1936), and hence it is important to analyze the environment of IBSs and the forces that they bring to bear on IBSs. More specifically, I scrutinize two responses of IBSs to deal with environmental forces, namely globalization and participation in international institutional forces of homogenization such as ranking systems and global accreditation. Here also, I find that the organizational design of IBSs drives—at least partly—the problematic goals IBSs have begun pursuing.

More than fifty years ago, Simon (1967) eloquently argued that a number of problems that beset a business school could—and do—stem from the way they are designed as organizations. IBSs seem to exemplify the organizational design issues Simon (1967) had pointed out. Based on the literature of how organizations respond to their environment (e.g., Dess & Beard, 1984; Hannan & Freeman, 1977), I argue that the responses of IBSs so far have been short-sighted and accentuated in inscrutable directions.

My paper emerges out of a growing belief that focusing on individual actors and their choices do not do complete justice to the understanding of widespread and important social and organizational phenomena. Borrowing even from disciplines such as psychology (Lewin, 1936), I believe that it is vital to understand the context of individual actors in order to have a well-developed picture of phenomena. And in this essay, I find the historical context, organizational structure and design, and responses to environment as those elements of context that aid me in formulating a fuller picture of IBSs and the problems that beset them. I hope that policy makers who shape the directions IBSs take can find my analysis and conclusions thought-provoking. I hope that my paper spurs more debates around these important yet overlooked issues—of organizational design and response to environment—of IBSs.

INDIAN BUSINESS SCHOOLS: A COUNTERINTUITIVE HISTORY

In a significant analysis of the historical context of the dominant class of organizations providing business education to people worldwide—the business schools of the United States (US)—Khurana (2007) finds that the establishment of business schools in the US was a concerted and coordinated response to a felt need. To elaborate upon this point, as the industrial revolution took root in the US, the sizes of business organizations grew rapidly—as compared to any other point in the history of human organization—and gradually but firmly a new class of workers and

managers began to become visible. In another important analysis of this phenomenon, (Chandler, 1977) went so far as to argue that the new class of managers became the dominant “visible hands” shaping the economic activities throughout the country as opposed to the “invisible hands” of market that Adam Smith would have us believe. One may buy or discard the thesis of Chandler (1977), but the prominence of managers in the aftermath of industrial revolution is unquestionable.

According to Khurana (2007), this created the context for business education in the US. A vast number of people, quite successful, powerful and prominent according to a number of accounts (e.g., Chandler, 1977; Kast, 1965) appeared suddenly on the firmament which had no formal training in business. This is not to state that they were completely untrained, but the training was quite vocational in nature, provided through extended apprenticeship and through other more informal means. Many people—both inside the US and outside—found such a system suboptimal. In an illustrative comment on this issue, Khurana (2007, p. 90) mentions the lament of the president of a trade group who bemoaned the fact that young people rushed in to join business organizations without any formal training. This situation, the president mentioned, was in sharp contrast to the other vocations wherein the new recruit would typically have a formal and systematic training.

These contextual features, which point towards the felt need for business education, are not unique to the US. At other places, commentators have pointed out similar features leading to the establishment of business schools—or its equivalents that differed in nomenclature—in a number of other countries. It should be noted that the published historical accounts of business education in some of these countries, for example Germany (Redlich, 1957), trace back the history much before the beginning of business education in the US. Some scholars (Antunes & Thomas, 2007) in fact emphasize that the origination of formal business education happened in Europe, and not the US. Nevertheless, to elaborate upon the contextual elements necessitating business education, Kast (1965) provides information about some countries in Europe. He points out, albeit briefly, the contextual elements surrounding the origin of business schools in the United Kingdom, Sweden, Belgium and some other countries of Europe. Industry gave impetus to the efforts of Lord Frank who recommended setting up two high-quality business schools along the lines of US business schools (Kast, 1965). Paris Chamber of Commerce was instrumental behind setting up a formal school for business education in France in 1819 (Antunes & Thomas, 2007). Redlich (1957)

offers more extensive account of the initial contours of business education in Europe, and more specifically in Germany.

A common theme emerging out of these accounts is the fact that a number of actors coordinated their efforts to respond to a felt need for educating people in business, and housing this education in existing universities. There have been experiments with slight variations in France and Germany as researchers (e.g., Kast, 1965; Redlich, 1957) mention, but the above mentioned theme captures the predominant mode of establishing business schools in a number of countries. As I mentioned, the noteworthy elements of this theme are felt need in business, concerted efforts of existing social actors providing education of other kinds (universities) and businesses, and the fact that such education was housed inside the universities.

However, the prominent IBSs, namely Indian Institutes of Management (IIMs), were not established in that fashion (Bandyopadhyay, 1991; Sheth, 1991). There are important differences in the origins of these IBSs, and consequences thereof, as I elaborate next. Firstly, industry associations took initiative and even funded universities to start B-schools in the US. There was a considerable population of people working as managers—without any formal training in management—which impelled trade associations to push universities to start business schools. More or less the same situation can be seen behind the origins of business education in some countries of Europe, as mentioned earlier. But in India, government took initiative, and US-based foundations supported the initiative (Sheth, 1991). Hence while the business education in other countries—economically and industrially more advanced in India at the time of her independence—began when industry and economy sort of demanded it, in India the situation was reversed. Curiously, the major industrial and economic players after independence—the public sector enterprises—were not the major recruiters of the students graduating from IIMs in their managerial cadre. They had their own entry requirements, entry tests and managerial talent was groomed from within these organizations. As a result, the older IIMs first had to organize several short-duration training programs in order to signal to the private sector that they had value to offer to private sector. And only after a decade or two, the industry saw value in formal management education in India and in fact the boom in the demand for graduates of IIMs began after economic liberalization in 1990s. So while we see that the products of organizations providing business education had a readymade market and MBA graduates were getting employed in established

powerful professions of management (Chandler, 1977, Mills & Jacoby, 2002), in India the situation was different. Hence while the organizations providing business education in other countries arose in a more munificent environment (Bluedorn, 1993; Dess & Beard, 1984), that was not the case with India. In fact, another aspect of munificence can be seen in the fact that business schools elsewhere had at least some degree of intellectual and academic support from existing educational organizations. IIMs were bereft of any such support. One may argue that such a support would have been non-existent due to bureaucratic nature of universities, but my main argument is to highlight the contextual differences surrounding the origin of business education in India. There was nothing like the growth (Chandler, 1977) or triumph (Khurana, 2007) of a managerial class which dominated the market structure. There was possibly neither a considerable set of people to be trained, nor much local material to use in such training.

While the above analysis highlights mainly the problems that the different origination brought about, there were some positive consequences for IBSs too due to these differences. I mention two such benefits next. Firstly, commentators (e.g., Simon, 1967) have routinely concerned themselves with the problem of prestige for the faculty of B-schools in the US which were housed in universities. The colleagues in older departments—such as psychology or economics—often viewed them as faculty not engaging in sufficiently hard intellectual work. As a result, some dysfunctional tendencies took roots in the US business education system which some commentators routinely lament. To illustrate, Bennis and O’Toole (2005) point out the phenomenon of physics envy referring to a futile quest on the part of researchers in business schools to prove that they also do hard science. The seclusion and exclusivity of IBSs shielded them from such suspicion, accusation and unfortunate competition. In fact, the seclusion and exclusivity brought some degree of awe and respect for IBSs as commentaries on Indian business education routinely point out. Despite initial teething trouble, the IBSs came to enjoy a somewhat special status (Bandyopadhyay, 1991; Bhattacharya, 2010; Sheth, 1991). Hence, I argue that faculty members in IBSs were probably immune to the feeling of insecurity or second-class citizen status that US B-school faculty had to contend with (Simon, 1967).

In the next section, I aim to highlight the features of organizational design of IBSs that have significantly impacted a number of important outcomes these organizations have had over the years. Simon (1967) was probably the first scholar to focus exclusively on the idea that business

schools themselves can—and should—be studied as organizations. I believe a lot of clarity can be gained if we extricate ourselves from constant lament or problematization (e.g., Kothiyal et al., 2018) and look at the state of affairs in IBSs as state of affairs in an organization. Business schools are akin to a number of other organizations. They do have a unique organizational architecture, as I point out later, but they also have a lot of commonalities with other organizations. Hence adopting the analytical lens of organizational design seems a viable attempt capable of yielding interesting insights.

PROBLEMS OF ORGANIZATIONAL DESIGN

Hannan and Freeman (1977) posit that as organizations adapt to their environment, their structures change. If adaptive responses indeed change structure, it seems IBSs are not adapting at all to their environment. The structure of IBSs has remained almost identical for decades. Each IBS has a number of units (academic departments) offering compulsory courses in the first year and electives in the second year of their flagship MBA programs. Each IBS has mechanisms which make different departments come together to coordinate matters such as number of courses they would get in the first year, flow of courses, vetting of course outlines across departments before electives are approved, and so forth. Each IBS, therefore, has adopted differentiation and integration (Lawrence & Lorsch, 1967) to conduct its affairs and to respond to environmental challenges. Each has a summer placement after a year, and final placement at the end. So structurally, one cannot find any noteworthy difference across the IBSs.

I take a closer look inside this homogenous structure of IBSs with explicit attention to the principles of designing business schools that Simon (1967) articulated half a century ago. His framework indicates that information flow inside IBSs that help IBSs achieve their organizational goals would be interesting to understand their design. He mentioned two goals for business schools—education and research—which I find applicable for IBSs as well. Borrowing his framework, I find that information flow inside IBSs—purportedly to achieve the twin goals—has evolved to become increasingly atomized and isolated. To illustrate, MBA students mostly converse among themselves and with the stakeholders that matters the most to them, the recruiters. And such a pattern of information flow makes sense from their angle, as students often view entry into a B-school as a career enhancing move. Faculty members exhibit the same pattern; they talk to the stakeholders that matter the most to them, i.e., the colleagues who serve as reviewers for

research. Within research too, the conversations have become more and more specialized. Faculty members talk to students in a preordained and formalized way which can hardly yield any novel ideas. Faculty members typically do not talk to recruiters who matter a great deal for students. And students of course have no conversation with researchers who matter to faculty members. Similarly, the recruiters seldom converse with faculty and exchange ideas or problems. Consulting—which has the potential to make faculty and recruiters talk to each other—has gradually become a lowbrow activity which does not matter much in the incentive architecture of faculty. Hence the prevalent patterns of information flow leave IBSs severely decapitated. I elaborate upon each of these themes in the following paragraphs.

Beginning with early commentators such as (Jones, 1913), people have pointed out the need for effective amalgamation of knowledge base in academia with the knowledge base of practitioners in order to provide better and effective business education. As Simon (1967) suggests, business schools have some ways in which they could aim to bring the world of practice within its walls. These means, in the context of IBSs include mandatory summer training in the middle of program, inviting practitioners for a few lectures in courses, inviting prominent practitioners for standalone lectures, inviting executives for short-term and long-term executive education. In the following sections, I examine the extent to which these practices have served the purpose of integrating the world of practice with the world of education, and making the research in IBSs more relevant for practice and also for discipline (esthetically pleasing outcomes), as Simon (1967) pointed out.

In last few decades, the integration of mandatory internship with academic experience has withered down. There are some emerging trends in this arena that I sense. Firstly, students view these internships more as opportunities to secure employment, and not to learn or integrate the curricular learning with the practice. Interestingly, students get this internship barely a few months into their academic program, and hence recruiters have no access to students' academic performance inside IBSs. Hence recruiters base their hiring decisions—not for final jobs, but for 8-10 weeks internships—on students' academic record prior to their entry into IBSs, and other co-curricular or extra-curricular record. Hence from a rational perspective, a student gets some signals pretty early in her/his stay at an IBS. Firstly, he or she comes to know that the academic performance in an IBS has no relationship with her/his first shot at getting a job. Next, once

students secure their internship, there is hardly any change in the academic input to better equip a student to integrate her/his academic knowledge with the world of practice that s/he would step in after a few months. The curriculum is structured—and structured so much—that there is no change in the academic experience of a student before s/he steps into the organizational reality during internship. Next, I also sense that faculty members have washed their hands off the internship performance of students. Initially, the faculty members used to guide and supervise the students' projects. This was, therefore, an opportunity for faculty members too to get to know the real problems of practitioners of business, besides being able to play some role in the quality control of students' projects. But of late, the internship has emerged to become a standalone entity in the experience of a student. As mentioned, students use internship primarily to secure a job offer, and not so much to learn or integrate their academic inputs with business problems of real life. Hence one structural tool stemming from organizational design that had the potential to make an IBS participate in the social world of practice, which Simon (1967) considered essential for a business school, has become almost defunct.

Now I turn to the two modes of lecture which have the potential to dovetail the academic world of IBSs to the real world of practitioners. One immediately noticeable feature of this facility is its paucity. Probably due to cost containment reason, IBSs typically have a limit in each course for practitioners to come and interact. And many faculty members anyway have not much incentive to teach, as Harley (2018) points out. And coupled with the burden of meeting minimum number of hours, they may not invite many industry experts in their classes. Hence this second option seems to be a meagre and ineffectual tool to achieve the integration, as already pointed out by Simon (1967). While commenting on this avenue of integration and learning, he lamented: "*The outside lecturer is more often used than used well*" (Simon, 1967, p. 9).

Lastly, the avenue of executive education and consulting has become a lowbrow activity. In the penchant to do more research, faculty members are not interested in these opportunities for interaction with practitioners. And the consulting opportunities that do come are more like routine, and not of the non-routine variety that Simon (1967) found useful. Hence this avenue too seems shut as a vehicle to achieve the integration between academia and practice for an IBS.

The upshot of all this seems to be an increasingly alien-to-context kind of research which commentators such as Bennis & O'Toole (2005) bemoan in US context and others (Khatri, Ojha,

Budhwar, Srinivasan, & Varma, 2012) find problematic in Indian context. And this is not a new or US-centric phenomenon, it seems. As early as 1960s, Kast (1965) reported similar divide between industry and academia in another country, UK. Such tenacity of problems almost everywhere points out that there could be factors in the organizational design and environment of B-schools that merit closer scrutiny. We cannot shut our eyes by believing that problems are idiosyncratic to one country or one era.

Simon also pointed out that there are two sources of relevant knowledge for the B-schools. Firstly, he mentioned the different academic departments which would provide advances in the basic sciences such as economics or psychology. And then he mentioned the world of practice, through mechanisms like trade fora, industry associations, which could provide relevant information to B-schools. As one can quickly see, IBS got almost completely cut-off from both. In a way, probably they were designed to fail.

The problem of lack of connection with industry body is even more interesting. If India were to adopt the state dominated economic development, and hence private sector was almost non-existent or grew as per Hindu rate under the license quota raj (Nayar, 2006), possibly the decision makers in government knew that there would be no source to learn the industry practices. And hence IIMs mostly served the purpose of reducing the cost of training for corporates, as most likely they would have to send people to places in UK or US otherwise, as (Masrani, Perriton, & McKinlay, 2018) point out. One also wonders that in the absence of organizations like company-funded business schools serving the management development needs of their funders exclusively (Inzerilli, 1980), to what extent IIMs were expected to provide that kind of service to private sector.

Simon also points out that IBSs needed “effective access” to basic disciplines (p.2) to advances in basic sciences outside the B-schools. IBSs, unfortunately, did not have such an access. They were established as exclusive organizations insulated from the university departments. For a long time, the PhDs from universities in India did not even get jobs as faculty in the IBSs. And hence the cross-fertilization of ideas through information flow that Simon hinted at was rendered impossible from inception due to a peculiar placing of IBSs in their environment. And it would be a stretch to assume that a first-rate PhD in basic sciences would choose to work even in a US B-school, let alone IBS, as Simon (1967) points out. Hence it would not be too far from the truth to assert that the establishment process, rationale and exclusivity granted to IBSs rendered them

destined for intellectual impoverishment from inception. This is, of course, assuming that Simon's ideas about conditions necessary for vibrant research are true. I must also hasten to add that exclusivity *per se* may not have proved to be totally dysfunctional. One immediate benefit, again borrowing from Simon (1967) is that IBSs did not have to face the tension of two social systems clashing inside IBSs. More specifically, Simon (1967) mentions that faculty members trained in more basic disciplines such as psychology or economics would often find themselves at odds with the colleagues who have been trained in applied disciplines such as business or management. As the members of these two groups socialize differently and have their primary identities tied with their original disciplinary or scholarly training, the clashes between them could become a structural problem preventing easier communication and synthesis of knowledge in a business school, as Simon (1967) pointed out. Such clashes could become more palpable for a business school housed in a university where people from basic disciplines such as economics or mathematics may hold joint appointment in the business school of the university. Hence the structural independence and exclusivity of IBSs could be said to have helped also. But once I look at the need for communication, integration and synthesis of ideas and knowledge bases, the advantage flowing from independence and exclusivity becomes a disadvantage, as pointed out earlier.

Simon goes on to elaborate upon the usefulness of having joint appointment for faculty who are in their mother disciplines and also in a B-school inside the same university. His rationale is the synthesis of knowledge as well as borrowing from mother disciplines for the sake of better teaching and better research. All these advantages that could emanate from being inside the university system were annihilated because of exclusivity granted to IBSs. And if the commentators, even after all the structural advantages that US B-schools enjoy, bemoan the impoverished nature of research, teaching and impact (Bennis & O'Toole, 2005; Pfeffer & Fong, 2004), one can only surmise the deleterious impact such structural constraints would impose on IBSs.

It should be noted that certain structural recommendations of Simon (1967) have been followed by IBSs, and yet they have not been able to escape the unfortunate and disappointing outcomes that he anticipated in their absence. To elaborate upon this point, I pick up his recommendations and examine their application in case of IBSs. Firstly, (p. 13) he recommends offices of faculty to be located in such a way that facilitate informal discussion. This is not a new

idea. As long back as 1938, (Barnard, 1938) had pointed out the benefits of informal side of an organization which includes conversation of the type that Simon (1967) recommended. IBSs have done this. The offices are not located as per departments. Hence the compartmentalization that Simon (1967) found deleterious has not taken place in case of IBSs. He also recommends cross-functional integration in important matters such as faculty recruitment and curriculum design. IBSs have such mechanisms in place, albeit the degree of effective integration varies. In the case of faculty recruitment, the departments still have the most powerful—often the last voice—in case of IBSs. But when it comes to curricular integration, the situation is better both on paper and in reality. New courses are vetted by every department, and old courses are occasionally co-taught by faculty from two different departments. At the same time, Simon (1967) was more ambitious in his demands from this integration and synthesis; he suggested topic-wise integration. Unfortunately, such a granular integration has escaped IBSs. Nevertheless, I sense that despite following his recommendations to a significant extent, the outcomes remain dismal for IBSs, as they are for business schools elsewhere (Engwall, 2007; Pfeffer & Fong, 2004; Thomas, Billsberry, Ambrosini, & Barton, 2014). And I contend that at least part of the problem lies not in the internal structure, but in the institutional and environmental forces that have shaped up business education. In particular, I focus on the responses of IBSs to such environment.

Probably this is why IBSs appear as a societally accepted and co-created spaces which meets the separate needs of disjointed stakeholders. Students, faculty and corporate recruiters each have a separate goal which IBSs provide the platform to pursue. Over the decades, an equilibrium of sorts has come about in which these stakeholders pursue their separate goals with minimum interference in others' domains. Such distortions are possibly the reasons behind two curious—and in my view, problematic—pursuits that IBSs have begun in the name of responding to their environment.

An organization set up with clearer mandate and prestige accorded at birth with considerable resources at disposal should excel. This description fits the origin and infancy of IBSs. To illustrate, they did not have to go through the upheaval that (Kast, 1965) reports. They did not have to prove themselves to anyone in their immediate vicinity. And yet the organizational outcomes have not been any better. And as I contend, the answer to this puzzle is found—at least partly—in the organizational responses of IBSs to their environment.

ACCREDITATION AND GLOBALIZATION: THE RESPONSES OF IBSS TO ORGANIZATIONAL ENVIRONMENT

Conceptualizing Organizational Environment of IBSSs

In a review of relevant literature, Bluedorn (1993) postulated that three elements in the organizational environment impact what organizations intend to achieve. Dess and Beard (1984) derived an empirical specification for these dimensions which they named as munificence, complexity and dynamism. Munificence refers to the capacity of environment to sustain organizational growth. Complexity of organizational environment means how varied and manifold the elements in the environment of an organization are. And dynamism refers to the pace of changes in organizational environment (Harris, 2004).

Borrowing this framework, I contend that IBSSs have operated in a relatively munificent, simple, and stable environment for decades. This is not to deny that the initial few decades for IBSSs were not that munificent, as I point out earlier. But such a condition did not impact the IBSSs that came later anyway, and they constitute the bulk of the organizations that operate in the field of providing business education. To illustrate the point about munificence, the number of applicants for MBA programs has remained quite high, and possibly as a result, India witnessed a mushrooming of business schools till recent past². By and large, IBSSs have had to contend with only the regulators such as Ministry of Human Resource Development (MHRD), All India Council for Technical Education (AICTE) or Universities. And the pace of change in the organizational environment has remained low and predictable. For example, IBSSs have secularly been able to increase fees, added more students, and the absorption of MBA students by corporates has not fluctuated much. Hence, I contend that IBSSs have operated in a relatively smoother environment, barring occasional blips and hiccups.

Moreover, even historically IBSSs did not face the kind of resource constraints that (Pfeffer, 1993) mentions. IBSSs did not have to compete with other university departments, and they were

² In fact, the Government of India established many new Indian Institute of Management (IIM) to cater to the growing demand for quality business education.

not competing among themselves for grants or “research prestige.” Given the munificent environment, I contend that IBSs did not even have to compete among themselves much for students and enrollment. The competition, if any, has been limited to recruiters. And this competition did not impact the decision makers of B-schools directly. Placement has been—and remains so—a student-driven activity in IBSs.

Given the above premise, I find two recent moves of IBSs—international accreditation and globalization—curious and even counter-productive. This is what I explain next.

International Accreditation and Globalization of IBSs

Given the above characterization of environment in which IBSs by and large operate, how would the quest for international accreditation and globalization help? What are the avowed benefits of such endeavors, and to what extent they apply to IBSs? This is what I discuss next.

International Accreditation

Several researchers (e.g., Thomas, Billsberry, Ambrosini, & Barton, 2014) acknowledge the homogenizing influences of accreditation. Authors (Lowrie & Willmott, 2009; Thietart, 2009) bemoan the unhealthy impact of international accreditation on several stakeholders of business education across countries. In the light of such a dismal narrative, how would IBSs benefit from its pursuit? Some may argue, as (Thomas et al., 2014) point out, that getting accredited enhances competitive strength of IBSs. But the domestic environment for IBSs does not impose much competition on them, as some researchers mention (Reddy, 2008) and the pursuit of international accreditation is unlikely to bring international students or faculty to IBSs. As the literature on self-initiated expatriates (SIEs)—a category to which students and faculty coming to IBSs would belong—amply shows, SIEs typically migrate from developing countries to developed countries (Tharenou & Caulfield, 2010). The reverse has hardly been the case, unless there are compelling reasons to do so. Hence, I do not find why organizational rationality would drive international accreditation efforts of IBSs.

Globalization

The environmental pressures that prompt US B-schools to globalize (e.g., Doh, 2010) seems by and large absent for IBSs. The presence of international students, executive education

participants and even recruiters is minimal for IBSs. Most likely the business schools in more developed countries were impelled or compelled to globalize (Kumar & Usunier, 2001; Thomas et al., 2014), but IBSs do not operate in such circumstances. Probably the only explanation for these pursuits by IBSs can be found in the theory of isomorphism propounded by DiMaggio and Powell (1983). But unlike what other authors (e.g., Thomas et al., 2014) believe, I find the isomorphic forces not mimetic, but mostly coercive and normative. Going by the pronouncements of key government officials, Indian educational organizations are expected to attain “global standards.” Such societal and cultural expectations might be coercing IBSs to pursue goals which do not make much sense, as I argue above. Similarly, IBSs seem to be grappling with the question of legitimacy. In the absence of any meaningful contribution to Indian society or industry, one major source of legitimacy may come from becoming similar to a successful business school in the West (mostly USA). But mimetic forces, which stem in the face of uncertainty, does not seem applicable for IBSs due to the smoothness of environment I described above. The same kind of homogenization and hegemony is reported by scholars in other contexts such as Nordic countries (Engwall, 2007), United Arab Emirates (Siltaoja, Juusola, & Kivijärvi, 2019) and China (Lamb & Currie, 2012).

CONCLUSION AND DISCUSSION

These arguments prompt me to state that the pursuit of international accreditation and globalization by IBSs could be termed as a mass-scale enterprise in Tonypandy³ (Fuller & Aldag, 1998). Till date, there is no evidence that either of these two have brought any benefit to IBSs. Some top IBSs now routinely feature in the global rankings, but I struggle to find how such “successes” have brought any advantage to IBSs. However, IBSs seem to pursue these goals with vigor (Vakkayil & Chatterjee, 2017), even when their members suffer (Kothiyal et al., 2018). Probably such pursuits bring an element of exclusivity to IBSs. And it is ironic to note that business schools in the West—particularly in the US—pursued globalization to become more inclusive, and IBSs seem to pursue the same goal to become more exclusive.

Considering the nature of IBSs as organizations and the features of the environment in which they operate, I argue that the twin pursuits of globalization and international accreditation

³ These scholars use the term Tonypandy to convey a disturbing phenomenon wherein individuals mutely witness distortions of historical accounts and thereby indirectly help create a myth.

by IBSs are curious at the best, and counter-productive at the worst. Many top IBSs were set up by the Government of India with an explicit mandate to solve the problems of local industry and society. Even after not being completely successful in this original mission, IBSs have begun new pursuits which seem divorced from their structural deficiencies and environmental realities. And this trend is despite the recent concerns raised over the state of management education and its purpose (Chakraborty et al., 2004) as well as management research in India (Khatri et al., 2012).

It is interesting that although there is criticism of IIMs in terms of adopting US-model, the other places, which were free from such founding influences, could not develop an alternative either. Perhaps the culprit is not the US model, but the institutional forces which end up homogenizing the organizations due to mimetic forces (DiMaggio & Powell, 1983). Almost half a century back Fremont E. Kast, who subsequently became a president of the AOM, asserted that due to unique educational system in universities of Europe, American system of management cannot be prescribed for Europe (Kast, 1965). Yet the evolution of B-schools and business education even in the Europe could not escape the larger institutional forces, and hence after decades, commentators (Engwall, 2007; Thomas et al., 2014) pointed out the inevitable homogenization of business schools in Europe and china (Lamb & Currie, 2012).

Before I end, I sense a responsibility to balance my critique. Although I point a number of factors—historical, structural and environmental—that seem to lie behind the not-so-healthy state of affairs in IBSs, I do not agree with some of the criticisms of IBSs, or business schools in general. If arguments like Enron scandal are put forth to malign business schools and their education (Adler, 2002; Beggs & Dean, 2007), I think a part of the blame must lie with the failure of foundational disciplines in the formative years before business education supposedly spoilt students and made them greedy or unscrupulous. Unethical practices are not found only in businesses, and MBA students are not the only perpetrators of these crimes. Doctors, bureaucrats, police officers, lawyers, and many other people engage in such behaviors. But it seems business schools receive more than their fair share of criticism. The other fact to note is that of the foundational disciplines contributing to business education, probably none has so much of immediate connect and vetting as business education has. Its graduates are tested every year, its offerings in executive education are tested again and again. Its teachers are evaluated continuously, its students are evaluated continuously. That is not the case with its foundational disciplines. Psychology or sociology is not

under scanner so much and so frequently. B-schools face pressure on accreditation front as well. Other social sciences do not face that problem or pressure.

Nevertheless, as I argue in my paper, IBSs most likely need to rethink their structural deficiencies and isolated set of activities in their own way. IBSs have been successful in gaining societal legitimacy because their graduates find lucrative employment in India and overseas. They hire only a tiny fraction of applicants and their graduates attain professional success with more regularity and visibility than the graduates of many other organizations in education. But the two facts together—of higher applicant pool and easy employment of graduates—do not necessarily prove that IBSs have been successful *per se*. There are a number of disturbing features and I hope that decision makers will identify them as challenges for future.

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