

Business School Research in India: Seeking the *Why* of Management

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### Abstract

Business schools have of late been questioned about the value that they add to society through their research activities. Traditionally research in organizational sciences has been skewed in favor of empirical studies with too little focus on consolidation and theory building. Management education in India is booming and this is the time for young professors to choose their path. There are three options available (i) focus on teaching and consulting, (ii) conduct empirical studies, and (iii) focus on building relevant theory grounded in the Indian context. The choice will have critical implications to the future of management in our country.

## Business School Research in India: Seeking the *Why* of Management

### Introduction

When a nation makes a transition from a protected economy to a market economy, there is a surge in the demand for management education. To match this demand, there is usually an increase in the number of private schools running courses in business management (Kraft, & Vodopivec, 2003). A similar situation has happened in India. Fuelled by the liberalization of the early 1990s and the entry of multinational corporations, there has been a huge demand for professionally qualified managers. Today, an MBA has become a basic prerequisite for employment. Bright young students are lured by the glamour and opportunities offered by a B-school education. Business schools on the other hand are making the most use of this opportunity to increase their capacities and leverage their infrastructure to the best possible extent. First, it was management development programs, then the executive MBA, then satellite education, and now it is the one-year MBA. Obviously, this demand has put pressure on the faculty and there seems to be an ever-increasing demand for full time and part time faculty. While some of the top tier B schools insist on candidates with a doctorate, most other schools are content to hire people with sufficient teaching or industry experience. It is almost as if the B-schools and prospective students want to make the best use of this boom period without worrying about the quality of education and research. In the midst of all this, my article seeks to raise a few questions on the role of research in business education.

### Business School Research

Pfeffer and Fong (2002) summarize the main criticisms of business schools as “an overemphasis on analysis at the expense of both integration and developing wisdom as well as leadership and interpersonal skills, or teaching the wrong things in the wrong ways (and perhaps to the wrong people, or at least at the wrong time in their careers)” (pp. 80-81).

Business schools strive to meet two goals: knowledge exploration through research and knowledge exploitation through instruction. Focusing on only one of these goals can lead to an imbalance and could prove fatal for the discipline (Trieschmann, Dennis, Northcraft, & Nieme Jr., 2000). Research often provides the foundation for greater insight into classroom discussion during teaching (Motes, 1989).

An important function of business schools is to develop important, relevant knowledge, serve as a source of critical thought and inquiry about organizations and management, and thus advance the general public interest as well as the profession of management. In this role, business schools would stand connected to but also somewhat apart from business and other organizations, providing objective research and critical consideration of business, business practices, and their effects on people and society in an effort to serve not only business but also broader social concerns (Pfeffer & Fong, 2004).

Business school professors are part of a community in the real world. They are constantly taking inputs from the real world and everyday life. In turn, the real world expects them to return value added outputs back to the real world. This value added could either be a solution to a problem or a new way of looking at an existing problem.

However, business schools seemed to have failed in this vital task. It has been found that academics and practitioners eventually converge on ideas; however, research suggests that it is practitioners who originate ideas and it is the academics that gradually adopted or accommodated to practitioners' concerns (Barley, Meyer, & Gash, 1988). This suggests that although academics are influenced by practitioners, little influence flows from academics to industry.

Pfeffer and Fong's (2002) study of the most influential business books, revealed that only a small fraction of business books that presumably influence management are written by

academics. In 2001, only two of the Top 10 best business books were written by academics, with the remainder of these books authored by journalists or business people. An analysis of the management ideas and tools identified by Rigby (2001), showed that seven of the 25 tools came out of academia, and 18 came out of either corporations, consulting firms, or some combination. The tools that came out of consulting firms and companies had a higher utilization rate than the tools from academia (49.7% vs. 33.6%,  $p < .10$ ), had a higher level of satisfaction (3.79 vs. 3.71, n.s.), and a lower defection rate (11.9% vs. 20.6%,  $p < .10$ ). Hence Rigby's data suggest that less than one third of management tools and techniques came out of academia and these tools were used less often and were abandoned more often (Pfeffer & Fong, 2002).

If the need for research is so vital for a developed country like US, what is the relevance of this activity in India?

#### *Need for research in the Indian context*

The American business model, which was considered the paradigm for success, has been largely replicated with little or no modification in several developing countries including India. Most management ideas and practices evolved from the west are centered on core American values and hence they cannot and should not be blindly imported to developing countries such as India where the cultural, social, political, economic, and judicial environments are vastly different from that of the United States. In order to beat the west we must look within for our inherent competencies and capitalize on them (Mulla, 2000).

Organizations must account for cultural aspects in the design of people processes. For enduring and sustainable progress of societies, it is important that leaders identify and build on the core components of the cultural ethos and customize some of the cultural artifacts to suit modern times (Krishnan, 2003). Shamir (1991) explains how most theories of work

motivation assume an individualistic-hedonistic bias and have an over-emphasis on cognitive-calculative processes. As such, these theories and their subsequent applications in the form of merit performance schemes may not be relevant in countries, which have a more collectivistic orientation such as India. Studies in the Indian context have at times revealed drastically different results as compared to worldwide trends. For example, Singh and Krishnan (2005) have developed a model for leadership in India based on a study of 250 managers. Among the seven sub dimensions of transformation leadership, three dimensions are of interest to us. Firstly “simple-living-high-thinking” which includes behaviors like simplicity and a focus on hard work. Secondly, “self-sacrifice” which includes behaviors like not taking credit for success and not focusing on ones own interests. And finally the “giving model of motivation” which includes behaviors like focusing on long term goals and not short term performance targets, and highlighting group identity. It seems as if the model of merit pay and personal monetary incentives would go contrary to these three facets of transformational leadership in the Indian context. A high salary and incentive for the individual performance of the leader may actually hamper his or her ability to lead by reducing follower perceptions significantly in these three areas.

Hence, research in business has an even greater role to play in a developing country like India. Neglecting research in Indian management will not only affect the discipline, but will wreck havoc in the lives of thousands of people who will be subjected to alien management practices at work. This could have devastating effects on our culture and society.

#### *The individual as a researcher*

There are three choices open to an individual as a professor in a business school. The first is to follow the traditional teaching of the great names that have gone before, to use the

knowledge of the past, and consider oneself as a channel for the effective dissemination of that knowledge. Typically, this would mean that the professor would be dedicated to a life of teaching and consulting. Considering today's situation in which there is a huge demand for teaching positions, such a person could also stand to gain financially.

The second option is to follow the dominant American paradigm of research involving empirical studies. Empirical studies are not only easier to conduct, but also much easier to publish. This guarantees the professor of respect and recognition in the international community of scholars.

The last option is to take the path of discovery. This is the most difficult, it involves giving up lucrative teaching, and consulting assignments in favor of doing fundamental research into the Indian context. In this path, there are neither monetary returns nor instant recognition. This path is very slow and the rewards are most uncertain.

#### *The argument against empiricism*

Bennis and O'Toole (2005) trace the cause of the current crises in management education to the adoption of the *scientific model*. Management research has almost exclusively promoted research methodologies from other *hard* disciplines like physics and economics. This *physics envy* has led to the obsession with complex regression models and the search for statistical significance.

Saberwal (2000) explains that our perception of any phenomena is necessarily subjective, often idiosyncratic, and prone to error. Besides, all phenomena are embedded in cultural realities and hence it is almost impossible to subject them to objective analysis. In light of this, how much reliability can be placed on empirical studies to model the world of business?

Van Maanen (1995) is very emphatic about the inadequacy of assuming that the objects of the world are logically prior and thus limited and capable of objective description. Hence, most often, our representations may well come first, allowing us to see selectively what we have described.

Perhaps we have a faulty assumption that business is an academic discipline like chemistry or geology, while actually business is a profession like medicine and law calling upon the work of many sub disciplines. For such a field of study to adopt methods used in the natural sciences may not be a good idea.

### A Conceptual Model of Theory Building

As any field of inquiry matures, its theories can be placed in an hierarchy from ad hoc classification systems (in which categories are used to summarize empirical observations), to taxonomies (in which the relationship between the categories can be described), to conceptual frameworks (in which propositions summarize explanations and predictions), to theoretical systems (in which laws are contained within axiomatic or formal theories) (Pason & Shils, 1962 cited by Webster & Watson, 2002). However, one of the issues in the social sciences is the lack of common understanding on what constitutes a theory (Sutton & Staw, 1995).

Bacharach (1989) defines a theory as “a statement of relations among concepts with a set of boundary assumptions and constraints. It is no more than a linguistic device used to organize a complex empirical world” (p. 496). He goes on to distinguish between constructs (units that cannot be observed directly) and variables (units that are operationalized empirically by measurement). The primary goal of a theory is to answer questions like *how*, *when*, and *why*, unlike the question of *what*. In this manner, a theory can be seen as a system of constructs and variables in which the constructs are related to each other by proposition and the variables are related to each other by hypotheses (Bacharach, 1989). The author



provides a simple framework to check the falsifiability and utility of variables, constructs, and relationships in a theory. A good theory is practical because it advances knowledge in a scientific discipline, guides research toward crucial questions, and enlightens the profession of management (Van de Ven, 1989).

Carlile and Christensen (2005) have proposed a model for theory building, which is expected to constitute a template, and a common language that scholars may use to reconstruct how bodies of understanding have accumulated in their own fields. They describe theory building as a two-stage cycle having three sub steps in each stage. The first stage is called the descriptive stage having sub steps of observation, classification, and defining relationships. The second stage is called the normative stage having sub steps of causality, categorization, and observation. Through iterations within the stages and across stages, theory is refined and a body of knowledge is build by a process of anomaly seeking and proving internal and external validity.

A similar argument is put forth by Whetten (1998) who proposes three elements of the theory building process viz. what, how, and why. While *What* and *How* describe, only *Why* explains and hence it is important for a good theory to have a plausible, cogent explanation as to why we should expect certain relationships in our data. The importance of having a good categorization is also highlighted in form of the questions *Who*, *Where*, and *When*, which provide a temporal and contextual boundary to the generalizations of the theory. Lubbe (2004) also highlights the needs for doctoral students to focus on the *why* of phenomena and not limit themselves to *what* while researching for their doctoral theses.

The framework for theory building given by Carlile and Christensen (2005) has been operationalized in the work of Webster and Watson (2002) in the form of the four stages of development of a field as classification system, taxonomy, conceptual framework, and theoretical system. This framework is also applied in the matrix approach to literature

reviews recommended by Webster and Watson (2002) and Salipante, Notz, and Bigelow, (1982).

Other models of theory building include case study research using an inductive strategy (Eisenhardt, 1989), the use of paradox (Poole & Van de Ven, 1989), and disciplined imagination (Weick, 1989).

The need of the hour for Indian researchers is to engage in theory building. To seek out uniqueness in Indian culture, society, and management practices and identify the *why* behind these phenomena. Only through this will we be able to develop our own unique models of Indian management.

### Conclusion

Business schools will continue to grow and business education will continue to be in demand. Perhaps the most pertinent question for us is our choice at an individual level and the need of the hour.

India has always imitated the west; we have not only accepted their standards for development, but have also followed the same path used by the west to achieve those standards. If our strategy continues to be to imitate the west, then by design, we must always remain second to them.

We have already emphasized the need for fundamental theory building in the global and especially in the Indian context. While on one hand, it promises fame to a few successful people; it calls for significant sacrifices at the individual level. Those who have the arrogance to believe that someday they will be great must also have the courage to accept that they may always remain below ordinary. The question is, do young professors have it in them to take

up the challenge and meet it head on? Alternatively, would they rather worry about making their own little fortune while the going is good?

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