

## Why don't MBAs mind their own business?

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### **Truth or Myth?**

"I do not really agree that management education kills entrepreneurship; in fact, my own entrepreneurial abilities sharpened because of my MBA!" opines Nisaba Godrej, President, Human Capital and Innovation, Godrej Industries. So why this popular myth that management courses teach you to run someone else's business and not your own; one wonders.

One reason for this strong perception is probably because most b-schools are placement-driven. They take pride in splashing big advertisements claiming hundred percent placements so as to attract students. These are not just claims; in most cases they also succeed in placing a majority, if not all. They make special efforts to prepare their students for the placement process, they earmark a separate budget for the placement activity, appoint an independent person -with a fancy designation in some cases- to liaison with the corporate world and what not. So the perception that is created through all these efforts is that the b-school is a preparatory ground for a corporate job.

From the student perspective, most students these days go for an educational loan to fund their post-graduate studies because of the huge costs involved. It becomes imperative for them to start earning as soon as they step out of the b-school and service the loan. There are of course others who join the course after a few years of work experience. But they already use-up their savings to fund their education, so they too find it difficult not to take up a job soon after their post-graduation.

So whether it is from the b-school perspective or from the student perspective, the very objective of the course seems to be a ticket to immediate return. Now this goes against the very nature of an entrepreneurial venture where returns are not just delayed for an uncertain period, they might never come. In fact, you might just end up losing what you had put-in and more!

### **What do entrepreneurs say?**

Then what about people like Devendra Deshmukh, co-founder and Director of Pune-based

e-Zest Solutions Ltd. and Vikrant Bhujbalrao, co-founder of Pune-based health food joint 'Dr. You'? They stepped out of the same b-schools as all their happy classmates with the same degrees. The difference was that while their classmates left the b-school with a job in their hands, people like Devendra and Vikrant left with a dream in their eyes and hope in their heart to create a job for themselves. In fact, not just for themselves; for other as well!

Did they join the MBA course having made the decision to become entrepreneurs or did the decision happen during the course? Incidentally, both have one commonality and one difference. The commonality is that both started their businesses with their like-minded friends as partners. The difference: Devendra knew all along that he wanted to become an entrepreneur. "During my childhood, my father introduced me to some of the biggest personalities of the Indian industry by telling me stories about them. I aspired to be like them. The thought got stronger in my college because I had to pass these rows of factories to get to my college and I would tell myself that I want to own one of these someday!" says Devendra. For Vikrant, it is a different story; it was through his interactions over the two years of MBA with some of his classmates that they came up with this idea of a health food joint. "I was fortunate to find like-minded people as my classmates," admits Vikrant.

Going by the stories of Devendra and Vikrant, one can reasonably conclude that management education does not at least play a spoilsport in someone's entrepreneurial aspirations and ambitions. But then the next -and probably more important- question is whether it inspires people to look at entrepreneurship as a viable -or at least, probable- career option. Going by plain numbers, it seems unlikely that management education is succeeding in doing it. A miniscule minority of management graduates seem to be taking the plunge into entrepreneurship.

### **Is there a mandate?**

One might ask whether management education is supposed to do it in the first place. Well, one cannot say for sure whether that is the mandate of these courses. But looking at the nomenclature of the degrees like 'Master of Business Administration', 'Master of Business Management' one cannot even say that the education is meant for managing other people's businesses alone. So a reasonable inference one can draw is that the mandate is to teach 'how to manage a business' - whether it's someone else's business or your own. If that's the case, the percentage of management graduates starting their own businesses and ones going for jobs should at least be comparable. It would obviously be naïve to expect them to be equal or even very close; but at least some parity?

The reason for the lack of parity probably lies not so much in the mandate of the courses but in the mandate of the b-schools. There doesn't seem to be any attempt to pitch the management courses as ones preparing students for an entrepreneurial career. Moreover, some b-schools -especially the tier II- actually shy away from promoting any entrepreneurship development activity on the campus. They even go to the extent of saying that any entrepreneurship development activity promoted by the school is perceived by the

students as an attempt to reduce its burden of placement effort. The students feel that the school is finding it difficult to bring jobs to the campus. So it is actually counterproductive in terms of the student response- it is negative; not even neutral. It would be difficult to assess without a proper survey where the truth actually lies.

### **What about second generation entrepreneurs?**

What about the set of students who come from family business background? It would be interesting to check their perspective. Most of them come and go quietly- neither looking for a job, nor necessarily thinking of a new venture. Broadly, there seem to be five sub categories within this community. Some join these courses to simply acquire a Master's degree as it is considered a huge value-add in the marriage market. There are some who join because they wish to bring sophistication to their family business. There is a third category that is somehow not comfortable joining the traditional family business and would rather go for the apparently more glamorous corporate life. There is another category of such students who join a 'college', not a 'course'; they don't want to lose out on all the fun of college life just because they have a business waiting for them to join. And then there is the fifth category that wants to start their own business in addition to or in spite of joining their family business. Skeptics might say there one more category- that of students joining these courses merely at their parents' insistence, with none of the above express objectives.

While it might be absolutely fine to treat all other students as non-entrepreneur material, it might just make sense for the b-schools to focus on this lot coming from business families and bring entrepreneurship development on their agenda only for this select group

### **Is there a way forward?**

There is practically no risk of these students coming from business families perceiving this focus as an attempt to reduce the placement burden. It is also likely that they would feel 'special' with all the attention they would be getting. In fact, even their families might feel good for all the special inputs their ward is getting. One cannot even ignore the possibility that the other students might just get attracted towards entrepreneurship because of these efforts. It's then that the entrepreneurship agenda can become more demand-driven than forced.

The essential quality of entrepreneurship is innovation. Innovation leads to creation of new and better products which improve lifestyles of people. Peter Drucker<sup>1</sup> argues that most innovative business ideas come from methodically analyzing impending areas of entrepreneurship, some of which lie within particular companies or industries and some of which lie in broader social or demographic trends. So aren't the management students coming from business families innovative enough to achieve this? They most certainly are. After all, many of these students come with an engineering background and certainly have the technical prowess and creativity and are then equipped with an analytical approach by the b-school.

Finally, there seems to be another hook these days- Social Entrepreneurship. Youngsters have started showing signs of not just social awareness but also of social activism. And 'opportunities, the core of entrepreneurship, is one of the commonalities between business entrepreneurship and social entrepreneurship' according to Drucker<sup>2</sup>, Opportunities are recognized where 'unmet' needs exist, whether these are social needs or economical needs<sup>3</sup> If youngsters are good enough to identify social needs, it would be reasonable to assume that they are also good enough to identify needs that can give rise to viable businesses.

To conclude, one might say that MBAs would probably love to mind their own business, if only the b-schools made it their mandate. So the onus seems to be squarely on the b-schools.

### References

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