

# Executive Education: A study of the Indian landscape

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Abstract: Purpose

- The purpose of this paper is to analyze the advantages and the constraints of the existing executive education programs in India in order to understand the industry's present and future dynamics. The paper also attempts to understand the skills relevant in the VUCA environment and the impact of digital disruption and the possible change in the offerings by the providers of executive education.

Design/ methodology/approach

- The study can be classified as a working paper which benefits from qualitative data through a study of the executive education programs offered by various service providers and understanding the differentiators, the value drivers, challenges and constraints.

Findings

- The analysis indicates that the traditional executive MBA programs need to re-invent themselves to be relevant in this digital era. The focus has to be on how skills are learned, developed, applied and transferred by various modes of learning.

Research limitations/Implications

- In future research, more in-depth analysis of the motivations of executives and organizations to opt for executive education may be useful.

Practical implications

- Through an analysis of the existing programs, the study provides useful information to executive education service providers to combat the challenges faced by digital disruption and the skills gap in the new economy.

Keywords: executive education, online, India, digital, Challenges and emerging trends in executive education

## Introduction:

Executive education is big business which attracts the resources and attention of senior management in organizations. The earlier concept of Management development programs has now evolved to executive education (Vicere and Fulmer,1997). Currently, the Indian economy is witnessing an increasing demand for managerial skills to power India to the next level of growth. Organizations require a variety of managerial and executive capabilities to cope up with a plethora of challenges. Management education in India has gone through interesting phases of demand and supply. A decade ago, the learning environment and the pedagogy was tailor

made for fresh graduates, the traditional B-School aspirant. Graduates aspired for an MBA as a gateway to better paid jobs. This resulted in a massive boom in management education with Institutes offering MBA and PGDM courses springing up at virtually every nook and corner. This mass production of management graduates resulted in the dilution of quality and employability concerns. However, in case of working professionals, it is observed that as an executive completes 8-10 years of professional life, stagnation starts to set in. Also, the Indian economy has seen the rise of new sectors as a result of globalization. Both these factors have led to the need for skill enhancement at par with the global standards. The evolving competitive landscape has necessitated a change in the way the higher education is perceived. Institutions have been forced to become market driven (Day, 1990), and to re-define their strategies so that they continue to remain relevant in a frenetic market place.

**An overview of Executive Education in India:** The executive education market in India has primarily targeted the middle and senior management executives and has designed programs catering to this segment. The demand for customized programs is more as compared to open enrolment programs. There is also a huge demand for Management Development Programs (MDPs) for working professionals. These are usually customized to the requirements of Companies seeking such programs based on certain number and type of employees. Certain general management courses are also available, especially for executives aspiring to take up leadership positions in their Companies.

- I. Objectives : The main objectives of this study is :
  - a. To analyze the advantages and constraints of the existing executive education programs in India
  - b. To examine the impact of digital disruption on the future of executive education programs
- II. **Literature Review:** Though executive education in India is not a recent phenomenon, not much research has been carried out on the service providers, their effectiveness and the challenges faced by them. Some amount of literature exists on the motivations for executives to enroll in these programmes which include: personal development, opportunity for career change and a better understanding of strategic challenges faced by organizations (Farris, Haskins & Yemen, 2003). Being able to bridge the ‘corporate education security gap’ is another key reason for companies to encourage their employees to enroll in executive education programmes (Goodwin & Fulmer, 1995). Executive education to be successful must be market driven and be able to satisfy the needs and expectations of the programme participants (Farris, Haskins & Yemen, 2003). In case of customized programmes, it is important to ask the right questions and make good decisions during the design of the programme (Conger & Xin, 2000).
- III. **Methodology:** The words ‘executive’ and ‘education’ have been used to primarily distinguish it from training programs that are by their very nature designed to transmit skills and techniques that are usually temporal in nature often requiring updates as and when the skills base evolve or changes

over time. The study seeks to map the landscape of the Service Providers of executive education in India which has historically been associated with the premier management Institutes such as the IIMs and the Indian School of Business, Hyderabad. However, in recent times, there have been an increasing number of organizations ranging from B-Schools, consultancies, on-line certifiers, HR organizations and talent management firms offering a virtual bouquet of courses to choose from. The products that they offer range from an Executive MBA program, short term certifications to MDPs. Since the cost structure, duration and the value proposition offered is different in each case, they usually enjoy different positions in the executive education market.

#### IV. Relevance and contribution of executive education in India:

The Indian education system largely focuses on the academic curriculum without practical business exposure. While the MBA programmes are general in nature, executive education aims at equipping managers transform into business leaders. Executive education and management education are also different in their approach, content and expected results. MBA is more generic in nature whereas executive education programmes are meant for executives who want to learn new skills and move up the hierarchy.

During the 1980s and the 90s, promising employees were given a leave of absence on the execution of a bond, to pursue a management degree. While they returned to their jobs after the completion of the course, they had to wait for the bond duration to be completed before they quit their jobs. Else, there were some monetary compensation that had to be paid. Till about a decade ago, executive education consisted mostly of university /Institute based programs. Participants learnt the theories of management and understood the application of techniques through case studies and classroom discussions. “For the attending executive, the experience itself was seen as both a reward and as preparation for their promotion to senior levels”, (Conger and Xin 2000). Companies relied on these programs to develop executives in functional areas, such as marketing or finance, as well as in broader policy-related issues (Crotty and Soule, 1997)

**Business Schools’ EMBA Programs:** The B-Schools through their selection criteria send signals to the employers regarding the skills acquired by the executives from the Courses that they have taken. At another level, they also provide an opportunity for the participants/students to form relationships among their peers in the same industry and across sectors as well. The programs offered include a mix of classroom sessions and online courses. The duration of the Courses also ranges from one to three years. The One -year program is a compact program with a very tight schedule. A two or a three-year part time Executive MBA program is also offered by University affiliated B-Schools. These would involve contact sessions held over the weekend. A third type of EMBA program is the correspondence program where the candidates have access to prepared study material and also have access to contact sessions at specified study centers. Online learning has become very popular and this is another mode of acquiring a degree with the added benefits of saving time and money.

**Differentiators and Value Drivers:** The B-School programs differentiate themselves from the other service providers primarily through their intellectual capital and the pedigree. Nearly all of them boast of academics with impeccable credentials with doctoral degrees. These academicians have proven themselves in their respective areas of discipline or cognitive jurisdiction (Moldoveanu, 2009) over the functional disciplines such as marketing, strategy, finance, human resources and organizational behavior. Since most of the B Schools offer standardized curriculum largely taught on disciplinary lines, the differentiating factor among them tend to be their pedagogical tools and tropes. Some of them offer a foreign degree to add to the exoticism of the course. Importing of academicians from reputed foreign Universities also adds glamour.

The Business Schools have also differentiated themselves by the selection criteria that they employ with respect to the candidates. Most of them use the Graduate Management Aptitude Test (GMAT), a universally recognized test for admission to management programs or the Common Admission Test (CAT), a popular national level management entrance test exam conducted by the premier Indian Institutes of Management. The Tier II Institutes such as NMIMS and SCHRMD use their own aptitude tests for selection. These Schools have also developed expertise in developing tests (exams and quizzes) that evaluate the acquisition and transfer of cognitive and technical skills by formulating questions that provide the “right” spread among the respondents’ scores.

### **Challenges and Constraints:**

A Business School’s delivery of the open enrollment programmes currently faces many challenges and constraints. Firstly, the programmes pedagogical and teaching tools are designed to develop the cognitive, technical and quantitative skills associated with functional disciplines; Also, the focus on teaching the canonical models and methods constitute a part of the standard managerial toolkit which is usually suited to address well- structured and defined business problems (Moldoveanu and Leclerc, 2015). Secondly, the combination of learners, content, context and instructors usually fit in with the academic machinery of the Institute and therefore are not easily adaptable to demands for new skills or new ways of learning. Thirdly, the B Schools have high fixed costs in terms of workforce. Therefore, the response of these schools to disintermediation, disaggregation and de-coupling as a result of the digital economy seems to be greatly constrained. Fourthly, the open enrollment programmes may be susceptible to demand erosion because they are not aimed at building organization specific managerial and leadership capital or skills. It is quite likely that the demand in future may shift to customized programmes or shorter capability building training programmes offered by HR and training consultancies.

**Customized Programs:** A significant part of a business school’s portfolio consists of constructing and conducting customized executive education programs for different organizations including corporates, governments, public sector undertakings, educational institutions, regulatory bodies etc., The intent is

to bridge the gap between skill acquisition and skill application by adapting the academic content and learning tools to the specific challenges faced by each organization.

**Differentiators and Value drivers:** The customized programmes are designed based on the requirements of the corporate client. The design methodology usually comprises of a diagnostics study involving discussion with the top management and in-depth interviews with the stakeholders to understand the programme strategy. An in-depth learning need analysis is conducted in order to frame the academic content, research and development, curriculum design and faculty selection. The programme delivery involves pre-programme study, actual delivery and feedback sessions. The customized programmes also focus on a post-programme follow up. The primary goal for any customized programme is to design and deliver learning solutions to specific strategic needs of organizations which may range from developing a leadership pipeline to creating a high performing sales force.

**Core Differentiators and Value Drivers:** The differentiators of the customized programmes offered by the Business Schools are their faculty, research and the assessment practices. Also, the faculty are engaged in various consultancy assignments which provide them with a rich repository of case studies.

**Challenges and Constraints:** The skills that the B Schools purport to cultivate are constrained by the capabilities and methods developed by the faculty for acquisition of skills and dissemination of knowledge. These skills are likely to be those whose development can be measured using instruments such as tests and exams. However, that results in a widening gap between “customized” education rather than “personalized” education that is necessary for skill development. Since the customized courses are co-designed, the business schools may be constrained by their Institutional structures and skill bases. Also, it is likely that the capabilities of the faculty are often challenged since the problems faced by organizations may be ill-defined.

**Personal Learning Platforms:** The fourth generation learning management systems along with online learning hubs such as Coursera, EdEx – has seen a rapid growth in on-demand, massive online open courses and certificate based, small private learning experiences (courses, classes and modules). Institutes also offer online executive programmes through highly interactive and live sessions. The primary aim of these programmes is to provide knowledge and learning support to executives in real-time with the help of technology. Nearly all major B-Schools in India have a robust online executive education programme. Personal learning platforms impart knowledge and competencies whose acquisition can be measured using remote standard testing procedures. These programmes may be curated or un-curated and is interspersed with field projects to create a baseline of conversational and intellectual capital. The Business Schools in India usually tie up with technology companies who provide the technical support for content delivery. For example, IIM Ahmedabad offers a two year executive programme in Management through an interactive onsite learning platform with a tie up with Hughes Global Education. These courses are typically targeted at junior and mid-level employees and

entrepreneurs seeking skills and strategies to take their organizations to the next level. These learning platforms usually embody content jointly owned by instructors.

**Core differentiators and value drivers:** Massive, open, online courses (MOOCs), small private online courses and the mixed blended programs are different from the other executive education programs. Firstly, they are a low-cost option to the open enrollment and the customized programs. Secondly, they offer an option to individual certification at a far lower cost both in terms of the real and opportunity cost. Thirdly, these courses are open and they can be appropriated by other providers, yet they provide enough incentive for the providers to continue operating.

**Challenges and Constraints:** The online courses are mainly challenged by the need to develop and transfer the skills such as communication, dialogical, relational and other X-skills that organizations look for in their executives. There is also a bias from participants who came of age before e-learning did and may not take easily to learning through these courses. Also, the absence of face to face discussions poses a significant challenge. However, the growth of these online courses is based on tipping points in the base of broadband connections, scalability of the courses and the availability of content, so too will the increasing number of executives taking up online courses create the tipping point for the acceptance of e-learning.

**Management Development Programs (MDPs):** Management is more applied since than theory and in today's fast changing world, have recognized the need to upskill and reskill the employees for the future. MDPs have a significant contribution to make as they are application based and cater to the needs of businesses at that time. MDPs are essentially programmes conducted by B Schools for working executives. These are usually company sponsored, customized and vary according to the needs of the organization.

**Core differentiators and value drivers:** MDPs offer short programs usually on key business fundamentals such as managerial effectiveness, team building, sales and marketing skills etc. In recent times, MDPs are being conducted on topics such as Big Data, Creativity and Innovation and Leadership. The pedagogy is a mix of various teaching methods such as case studies, role plays, group discussions and applied learning projects. MDPs also cater to the junior and middle management levels. Soft and behavioral skills see great demand from companies and so do niche and specialized areas of management.

**Challenges and Constraints:** The open MDP programs have received mixed response as it is opined that no two companies are the same even though they may operate in the same sector. The training needs should be tailored to each organization. Also, the effectiveness of the MDPs not only lies in the number of people trained and the subject of training but also on the constant engagement with the Companies after the program is completed.

**Corporate Universities:** Nurturing human capital continues to be the most important driver of value, productivity and resilience for a modern organization. Corporate Universities is still at a very nascent stage in India. The largest player in this market is Infosys at Mysuru and the most effective is the Oberoi Hotels in Delhi. Globally, GEs campus at Crotonville is the first and a high profile Corporate University.

**Core differentiators and value drivers:** Learning while earning and learning while doing is the main value proposition offered by Corporate Universities. These campuses mainly serve as a training ground for new recruits especially in the field of Information Technology. The training programme at the Infosys Campus in Mysuru is designed to aid students' transition from the academic world to the corporate world as qualified professionals. The focus areas include training on various generic and stream specific skills in various technology areas alongwith soft skills and leadership programmes.

**Challenges and Constraints:** The primary constraint for Corporate Universities is the huge investments in physical infrastructure. Also, most organizations do not have the size for them, many find them financially unviable.

**V. Impact of digital disruption:** Digitalization has resulted in disintermediation, disaggregation and decoupling thereby affecting the cost structure, competitive landscape and innovations in the executive education programs. The first most likely impact is in a drastic reduction in costs of instruction. A student seeks skills through guidance, content, practice and feedback. Currently, instructors mediate by selecting, curating and adapting content to participants' requirements. The content may be the aggregation from various courses and learning experiences. However, digitalization has given access to the personal learning cloud of cases, lectures and modules. There will be a quantum reduction in costs that organizations will incur while searching for content and experiences from education providers. Secondly, content that matches the pedagogy and the learning outcomes are also available in customized forms. With the right content available in terms of relevant lectures, discussion and training materials, the physical presence of the instructor is no longer necessary to deliver content.

The bargaining power in the market is likely to shift from providers to the large-scale aggregators – such as EdX, Coursera, Harvard Business School Publishing, McKinsey etc, will become the marketplaces for content learning and experiences. Content will be commodified and learning as an app or on demand learning. The aggregation of cloud services has evolved to a point that on demand skills and training can be provided to any executive at any time for a fraction of the original cost.

One of the primary functions served by executive education programs is the signaling of the participants' new qualifications to their employers and the prospective employers, selection into an elite group and opportunities for networking.

Designers of executive education programs must develop an understanding of how skills are acquired and applied. For the program to be effective it is important not only for the skills to be acquired but it must also be applied in the context of the organization that has invested in its development.

*Algorithmic vs Non-algorithmic skills:* Algorithmic skills are related to a step by step solving of a problem. Basic calculations in finance and accounting, microeconomics etc., require algorithmic skills which are easily and more readily 'digitalized'. Therefore, these skills are more amenable to the online, do-it-yourself (with outcome and output measures). On the other hand, non-algorithmic skills require an interaction between the learner and the facilitator and these are best developed in a coaching relationship with feedback. Therefore, online learning does not provide an opportunity for the acquisition of such skills.

*Always teachable vs always learnable skills:* Not all skills are teachable and it is likely that not all skills are learnable. But there are important skills that are learnable but not teachable. For example, giving 'effective face to face negative feedback' is a skill highly relevant to executives but cannot be taught using a set of methods. But it can be learned under the guidance of a coach or a guru.

*Cognitive skills:* Functional. The skills associated with methods and processes of different functions of a company may be viewed as technical skills. Conducting a demand analysis for a new product launch based on the understanding of demographics, buyer characteristics and competitor analysis; mapping of cash flows into a Balance sheet or an Income statement; testing the effectiveness of a training program relative to other training programs in other companies are some of the 'technical' skills that may be imparted through MBA courses or professional education courses offering online certificates and diplomas.

*Cognitive skills: Meta-skills:* Organizations today come across challenges that require executives to have skills beyond mere functional expertise. Problems differ not only in difficulty but also in terms of context. For example, there is a difference in conducting a market research for launch of a new product and getting a motley group of marketers, financiers and engineers to agree to a set of assumptions underlying the analysis. These skills are less likely to be available on a digital platform.

**VI. Conclusion:** The study was carried out to understand the constraints and challenges faced by executive education programs in India and the impact of digital disruption on the executive education landscape. From the above analysis, it can be seen that the primary challenge facing the executive development programs is addressing the gap between the skills that are to be applied by executives in their roles and the skills that they acquire through participation in executive programs. Executive education providers can adapt either by curating content in the context of the executive's experience and job requirements or by re-designing the learning experiences in different settings for example, lectures, quizzes and exams can be administered through digital platforms which has an option of learning at convenience. On the other hand, case discussions and simulations can be contextualized to organization specific issues. The executive education landscape is at the crossroads, where it might have to examine



the building blocks of executive education programs – lectures, cases, simulations and their value to the skill and capability formation dimension.

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