

# MBA programmes need to focus on leadership and ethics, says new SP Jain dean

Many graduates of MBA programmes don't have what it takes to be good leaders, says Mark Crosby, the new dean of the Global MBA programme at business school SP Jain Center of Management. "There are many MBA graduates who lack leadership capability and communication skills."

At a recent interview at the institute's Hyderabad Road campus, Crosby tells *Management@Work* how business schools increasingly have to take note of the changing environment, particularly the globalisation of business, and put in place a broader curriculum. Furthermore, the role played by MBA degree holders in the financial crisis, as leaders of poorly managed or scandal-hit financial-services firms, means a lot more attention needs to be given to cultivating ethical leadership and business practices.

Fortunately, there has been a shift in how MBA programmes are structured and run in recent years. SP Jain's curriculum is among those that are focusing on more complete leadership skills, as students are drawn into discussions about current global economic and political trends and how they impact business. "Globalisation is one aspect of leadership that's really being emphasised now," Crosby explains. "And ethics. We are not trying to teach morality, but we are trying to teach people what ethical business behaviour is and why it's good for business leaders to be ethical."

SP Jain was founded in 1981 in Mumbai as part of Bharatiya Vidya Bhavan, an Indian education trust. The institute was named after Shreyans Prasad Jain of the Jain industrial family, who is also the grandfather of the institute's current president, Nitish Jain. In 2004, the institute opened a campus in Dubai to focus on global learning. Two years later, the Singapore school was established and next year, SP Jain will have its fourth campus in Sydney.

Crosby joined the management and business school in October to head the Global MBA programme, which was ranked the ninth best in Asia in 2011 by the *Financial Times*. An economist by training, he spent eight years as associate dean of Melbourne Business School and lectured in economics at the University of Melbourne before that. He had also been a consultant at Hong Kong's central bank and here at the Monetary Authority of Singapore.

Crosby had first come to Singapore after the Asian financial crisis to lecture on the lessons learnt, particularly the regulation of banks. "Banks are inherently volatile if they are not regulated; they are tempted to gear up too much when the going is good and not lend enough when the going is bad," he says.

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the economies have been very stable and have done very well since," he says. "In North America, where the International Monetary Fund is situated and was giving all this advice, no lessons were taken and they will continue to have a lot of problems until some of those in the financial sector are resolved."

These issues are discussed with students who attend his classes on the global economy, which focus on understanding the events of the past decade and being aware of possible pitfalls in the future. Indeed, he says the curriculum of MBA classes has evolved significantly over the past decades.

## Broader learning

The world's first MBA degree was offered by Harvard Business School in the early 1900s. The course concentrated on the techniques of management. "MBA degree courses were very practice-oriented; they focused on how business leaders make decisions," Crosby explains. "Then, there

was an enquiry into MBA education in the 1950s, which criticised MBA programmes for not being academic and rigorous enough."

As a result, the curricula in most programmes changed to become more focused on accounting, finance, marketing and economics to reflect a certain degree of academic rigour and to give students more in-depth knowledge of the basic business disciplines. But this led to a very structured curriculum that would not always apply in the real world, Crosby says.

Subsequently, there was a realisation of the need to nurture leaders instead of simply technically competent managers, by adopting a broader leadership-based learning context. "Traditionally, business school subjects had been siloed. So, the students, when they graduate, think of problems in a silo framework. But real business problems aren't in silos; they are about a customer or the local community or employees, and you do need to bring in understanding and knowledge from a lot

of disciplines," notes Crosby.

Of course, the different business schools would have adopted various programmes. Some focused on the traditional, technical curricula, with graduates taking up jobs in the financial-services sector as chief financial officers and hedge-fund managers, for example. "But in most places, the curriculum has changed to emphasise leadership and globalisation more," says Crosby. Now, MBA students are given some form of global orientation. Crosby says he had taken groups of Australian students to China to help them understand a very different business environment. Students at SP Jain in Singapore have the benefit of spending some time at its Dubai campus for some Middle East exposure.

Some business schools have revamped their courses quite radically. Yale University, for one, no longer has marketing or economics as standalone subjects in its MBA programme, Crosby says. "They have stakeholder analysis. Instead of tak-

ing traditional business school problems and saying, 'Here's a case we're going to take from a marketing angle', we need to bring in marketing, economics and maybe think about analysis, so bring in statistics," he explains. "You start to integrate the cross-disciplines and that's a very powerful approach."

## Ethics for good leadership

Increasingly, MBA programmes are also more focused on people management and communication skills. In this context, students are being helped to understand what changes are necessary to become inspiring leaders, and what good business practices are.

Crosby notes that MBA graduates typically end up in a variety of sectors and industries. "[And] in many cases, they have very different ethical foundations. Unfortunately, those foundations are not always strong," he says. "One of the things we're working much harder on in the programme is emphasising ethics and what is good behaviour and trying to get the students to understand that being an ethical leader is, in the long run, the best way to advance your career and organisation."

At SP Jain in Singapore, MBA students spend a minimum of three hours a week on ethical issues. They also discuss case studies of corporate scandals such as Enron's fraudulent accounting that led to a shake-up in the accounting industry, and investment bank Goldman Sachs and its alleged defrauding of investors.

Crosby says some students may not take the course seriously, simply because of the misconception that the class is about morality. "[Students may think] 'I've got my beliefs and I don't need to be told what to do'," Crosby says. "It's not about morals but understanding firstly, what's legal; and secondly, what are sustainable business practices and why ethical behaviour is more sustainable than unethical behaviour."

Obviously, the MBA classes can only go so far in influencing how future corporate tycoons or bank chiefs and their closest advisers think and operate. "We can only expose students to this knowledge; once they graduate, we are not able to look over their shoulders and help them manage. So it does, in some sense, come back to the morality and principles of the person involved," Crosby acknowledges. "But I do think that by exposing students to some form of ethical learning, they are likely to make better decisions."

Whatever the case, MBA degrees continue to be attractive to ambitious executives seeking to climb the corporate ladder. "MBA graduates do well because they have a much better understanding of accounting, finance and economics," Crosby says. It now remains for newer graduates to demonstrate the ethical leadership skills and broader understanding of the global business environment they learnt in business school. ■

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