One More Time: What Makes a Manager?

Baldev R. Sharma

Based on his two empirical studies of MBA students, one carried out in 1973-74 and the other in 2007-08, the author has tried to answer the question as to what makes a manager. The findings show that entry into a management institute is loaded in favour of the urban rich and against the rural poor. The reasons for this inequity lie in the type of schooling, medium of instruction, education of parents, and father's occupation, on the one hand, and admission procedures, on the other. The policy implications of these findings are discussed in terms of the role of academicians as well as academic administration.

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Gainers & Losers

Thirty-seven years ago, I published a paper in which I tried to demonstrate how selection procedures can act as a gateway for some and a barrier for some other candidates aspiring to become the future managers of business and industry (Sharma 1972). Analysis of longitudinal data from a premier management institute revealed that the gainers were candidates from relatively well-off families of urban origin, whereas their poorer cousins from villages and small towns found it difficult even to get called for an interview. The main stumbling block for the rural poor was found to be the so-called objective test used as one of the parameters for short-listing around 10 per cent of the top-scoring candidates and rejecting the remaining 90 per cent. The findings of the 1972 study showed that even though the rich and

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the poor candidates had more or less similar previous school and college achievement record, the rich performed better than the poor candidates in the "objective" screening test because of which the former stood a better chance of getting short-listed for interview and getting selected for admission.

To make sure that the findings reported above were not unique to one particular institution, I took up in 1973-74 a much larger research project on the subject with the help of a research grant from the ICSSR (Sharma 1978). The new study was based on a sample of 1674 students from well known institutions of higher education representing six major professions (architecture, engineering, law, management, medicine, social work). The findings of the 1973-74 study that was much larger in scope were in general agreed with those of the 1972 study (Sharma1976; Sharma 1977).

Except for reservation of seats for the scheduled caste and scheduled tribe candidates (that too only in the government-aided institutions), no remedial measures have been taken so far to make opportunities for higher education more inclusive. More than three decades have gone by since I undertook the two studies mentioned above. At that time, there were only two all-India institutes of management, both financed by the Government of India. Today there are more than 1000 schools of management in India, most of them being in the private sector and self-financed. With this mushroom growth of management education in the recent past, it was decided to revisit this enquiry into the socio-economic background of the future managers.

In the 1973-74 study, two out of the twelve institutions covered were the two IIMs. Together those two government-aided institutions accounted for a combined sample of 238 students. For replicating that study, it was decided to cover two well-known management institutes in the private sector, both located in the National Capital Region (NCR). The combined sample from these two institutes was of 258 students. In each case, the selected sample constituted a representative cross-selection of both first and second year students of the two-year postgraduate programme in management. In both institutions, candidates were shortlisted for interview and group discussion, etc. based entirely on their performance in the Common Admission Test (CAT). Data from the two institutes were collected during 2007-08 with the help of a self-administered questionnaire.

The Findings

The findings from the two studies are presented in a summary form in Table 1. Eight parameters were used to compare the background profile of students from the two studies. The last column of the table shows whether or not the differences between the two samples are statistically significant.

Table 1: Background Profile of Students of Management

	1973-74		2007- 08		
Background Variables	Number	Per cent	Number	Per cent	Test of Association
1. Age Distribution					
Upto 20	21	8.9	1	0.4	
21	44	18.6	32	12.4	
22	43	18.1	72	27.9	$X^2 = 34.624$
23	50	21.1	64	24.8	d.f.= 5
24-25	40	16.9	61	23.6	P < .001
26 & above	39	16.5	28	10.9	
Total	237	100.1	258	100.0	
Mean Age	23.03 yrs		23.23 yrs		
2. Gender					
Male	229	96.2	170	65.9	$X^2 = 72.209$
Female	9	3.8	88	34.1	d.f.= 1
					P < .001
Total	238	100.0	258	100.0	
3. Rural-Urban Background					
Village/Town	46	19.4	46	18.1	$X^2 = 0.137$
City/Metro	191	80.6	208	81.9	d.f.= 1
					(not significant)
Total	237	100.0	254	100.0	
4. Type of School					
Government	25	10.7	43	16.9	$X^2 = 3.851$
Private	209	89.3	212	83.1	d.f.= 1
					P < .05
Total	234	100.0	255	100.0	
5. Medium of School Education					
Vernacular	70	29.8	41	16.3	$X^2 = 12.568$
English	165	70.2	211	83.7	d.f.= 1
					P < .001
Total	235	100.0	252	100.0	
6. Father's Education					
High School or Less	60	26.0	34	13.8	$X^2 = 11.304$
Graduate or					d.f.= 1
Postgraduate	171	74.0	213	86.2	P < .001
Total	231	100.0	247	100.0	
7. Mother's Education					
High School or Less	170	73.0	56	22.4	$X^2 = 123.927$
Graduate or					d.f.= 1
Postgraduate	63	27.0	194	77.6	P < .001
Total	233	100.0	250	100.0	

8. Father's Occupation					
Manual/Clerical	13	5.8	27	10.9	
Semi-Prof./ Supervisory	39	17.6	91	36.8	$X^2 = 30.011$
Professional/ Businessman	170	76.6	129	52.2	d.f.= 2 P < .001
Total	222	100.0	247	99.9	

1. Age

The average age of the postgraduate students of management continues to be the same (23 years) even after 34 years. However, a closer look at the age distribution of the two samples shows significant differences. Both the younger (less than 22) and the older (more than 25) students are fewer today than were their counterparts 34 years ago. The age distribution of management students suggests that candidates with previous work experience constitute only a small fraction of the student body. Instead, a vast majority of them appear to move straight from undergraduate study to postgraduate study in management.

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2. Gender

The population of management students was dominated by males 34 years ago. Although men continue to be in the majority, their dominance is no longer as pronounced today as it was 34 years ago. The proportion of female students of management which was merely 3.8 per cent in 1973-74 has gone up to a more respectable figure of 34.1 per cent today. Even though women have yet to catch up with men, the rapid strides made by them in the last 3 to 4 decades are a remarkable achievement in terms of gender equality in the sphere of management education in India.

3. Rural-Urban Background

The rural-urban composition of the two samples is more or less identical even after a gap of 34 years. Over 80 per cent of the management students continue to hail from cities, while those from villages and small towns constitute less than 20 per cent of the student body. This 80:20 ratio of future managers in terms of urban-rural origin has serious implications from the point of view of equality of opportunities for higher education in India. The fact that this rural-urban divide has continued to exist even after 34 years is a sad commentary on our educational policies and the social order that perpetuates this inequality.

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4. Type of School

There is a slight increase over the years in the number of students who had studied in government schools. The proportion of such students rose from 10.7 per cent in 1973-74 to 16.9 per cent in 2007-08. By and large, what is said above about rural-urban composition of students is also true of the type of schools attended by them in the past. Less than 20 per cent of them continue to be the product of government schools, while those who studied in private schools constitute more than 80 per cent of the student body.

5. Medium of School Education

Thirty-four years ago, the proportion of students with English as the medium of studies at the school level was as high as 70.2 per cent. Today the proportion of such students has further gone up to 83.7 per cent.

6. Father's Education

Father's education in the case of a vast majority of students continues to be graduation, while in many cases it was found to be postgraduation. The proportion of such students was 74 per cent in 1973-74, whereas it has gone up to 86.2 per cent today. As against this, the proportion of students whose fathers had no more than high school education was 26 per cent 34 years ago, which has come down to 13.8 per cent today.

7. Mother's Education

The most significant change that is observed between the two studies is in terms of the level of mother's education. In 1973-74, only about one-fourth of the students (27 per cent) reported their mothers to be graduates or postgraduates. Today more than three-fourth of the students (77.6 per cent) claim their mothers to be graduates or postgraduates. This certainly needs to be applauded as yet another big leap toward gender equality in India.

8. Father's Occupation

The three-fold classification of father's occupation roughly corresponds to stratification of society into lower, middle and upper socio-economic status (SES). Seen in this light, a little over three-fourths of the students (76.6 per cent) came from upper class homes in 1973-74. As against this, the proportion of such students has today come down to 52.2 per cent. Consequently, there is considerable increase in the proportion of students from lower and middle SES families, which has more than doubled from 23.4 per cent in 1973-74 to 47.7 per cent in 2007-08.

Summary of Findings

Barring just two exceptions, very little seems to have changed during the last 34 years in terms of the demographic, social, and economic background of managers in-the-making. The most striking exception relates to the representation of females whose proportion among students has gone up exactly nine times from 3.8% to 34.1%. This trend is likely to continue, which means that the world of management will no

longer be dominated by men! The other change relates to father's occupation. In 1973-74, three-fourths of the students were sons and daughters of businessmen or professionals whereas only half of the students belong to this category today. This suggests that urban middle class families are now able to get their children educated in the field of management, thus making a dent into the monopoly of the urban elites.

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The remaining six background factors suggest either no change over the years or further intensification of the trends observed 34 years ago. The average age of the students of management continues to be exactly the same (23 years). Likewise, the urban-rural composition of the future managers continues to be the same (in the ratio of approximately 80:20). The 80:20 divide also continues in favour of students having studied in private schools versus those who studied in government schools. However, there are signs of slightly more students coming from government schools now (16.9 per cent) than was the case 34 years ago (10.7 per cent). This suggests that over the years the standard of education in government schools has improved somewhat at least in urban areas.

Students with English as the medium of school education were already in the vast majority (72.2 per cent) in 1973-74. Their proportion has further gone up to 83.7 per cent in 2007-08. Likewise, students whose fathers were graduates or postgraduates constituted 74 per cent earlier, whereas the proportion of such students has further gone up to 86.2 per cent. But the most remarkable change is witnessed in terms of mother's education. The proportion of students whose mothers are graduates or postgraduates has gone up from just 27 per cent earlier to 77.6 per cent today.

It seems clear from the findings of the two studies reported in this paper that family background continues to play a vital role in the making of a manager in India. If a person has received his school education through the English medium, specially from a private school, and if he/she also enjoys the guidance and support of highly educated parents, such a person stands a very good chance of becoming a manager in India. Needless to say, such circumstances are to be found largely in urban India, specially in metropolitan cities. That is what explains the 80:20 divide found among the students of management. It is indeed surprising that this divide has remained in tact even after four decades of management education in India.

Discussion & Conclusions

There has been phenomenal growth in India of higher education in general and management education in particular. As the findings of this paper suggest, this growth is certainly not inclusive and that should be a matter of concern to

academicians as well as academic administration. By and large, academicians who witness this problem every day have remained mute spectators of what is happening. There is an acute dearth of research studies of the kind reported in this paper. It is high time that more such studies are undertaken in all fields of higher education not just to pinpoint the problem but also to suggest measures for making growth of higher education more inclusive.

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Academic administration has apparently treated the process of admission of students in a more or less casual and routinised manner. Selection of people, whether for recruitment to jobs or for admission to a professional course of study, is a very serious activity. It calls for the use of psychometric tools to develop selection criteria that are not only reliable but also valid. No sustained and systematic research is carried out by any management institute to develop scientifically valid selection criteria. In case this is being done, its outcome is not to be found in any published form.

As already mentioned, my 1972 study highlighted the fact that "objective" tests used to shortlist candidates for interviews are biased in favour of the rich and against the poor. Till this day, neither any institute has tried to use that finding to modify the selection criteria nor has anyone come up with research evidence to contradict that finding. I give for ready reference data from the 1972 paper in Table 2:

Table 2: Data from the 1972 Study

Elements of Selection	Mean Scores		Difference-of-Means Test		
	Lowest Income Group (N=552)	Highest Income Group (N=1023)	t value	df.	P
1. Application Rating	184.06	186.85	0.911	1573	Not Significant
2. Quantitative Reasoning Test	199.55	223.41	8.608	1573	P<.001
3. Verbal Reasoning Test	65.80	102.28	25.691	1573	P<.001
4. Total Score	449.38	512.70	10.721	1573	P<.001

Notes: (1) Application Rating Score is based on assessment of previous examination marks in school and college, work experience, & extra-curricular activities, etc.
(2) The two tests (QR & VR) were parts of SAT developed by ETS of USA.
(3) Details of the "lowest" and "highest" family income are given below:
(a) Lowest family income: Upto Rs.3,000 per annum.
(b) Highest family income: Over Rs.15,000 per annum.

The so-called "objective" tests used for admission, like management education itself, are an American creation, which have made inroads into India and

the rest of the world. The most widely used test for admission to American colleges is Scholastic Aptitude Test (SAT) designed and administered by a corporation called Educational Testing Service (ETS). This test was first offered in 1926 and today more than 90 per cent of American colleges require lakhs of students to appear for SAT. This is the very same test that was used by the management institute covered by my 1972 study already mentioned. Subsequently, IIMs developed their own indigenous screening device called Common Admission Test (CAT) which is basically modelled after SAT. The two management institutes covered by my 2007-08 study shortlisted candidates for interview based entirely on their CAT scores.

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If these "objective" tests (by whatever name they are called) indeed provide a reliable and valid measure of a person's ability and aptitude, no one should object to their use as the outcome will be selection based on merit. However, there is American evidence to suggest that SAT is biased in favour of the well-to-do White Americans as, apart from other considerations, they are in a position to utilize the services of coaching schools to become test-wise by learning how to beat the test! Studies have also found that the power of SAT scores to predict a student's subsequent performance at college was about half of the power of previous school marks. This is how a scholar from Columbia University summed up his criticism of SAT: "The Scholastic Aptitude Test is a clever attempt to conceal aristocracy and racism behind the cover of science and objectivity. Students, parents, teachers, and administrators who submit themselves to the SAT and believe the lies that ETS tells them are not acting in their own best interest. The SAT is a tool for the privileged to maintain the status quo. Like the razor wire surrounding a gated community, the "reasonable bounds" of the SAT serve to isolate the well-to-do from the rest of society and ensure that the wealthy and powerful are the only ones with access to wealth and power." (Elert 2008).

Much less is known about the efficacy of various "objective" tests used in India for purposes of admission of students or recruitment to jobs. A 1970 study of IIM-Ahmedabad found that while Quantitative Reasoning (QR) test was positively correlated with student performance for two successive batches, Verbal Reasoning (VR) test was significantly correlated in only one of the two batches (Anand 1970).

My own study of MBA students of a management institute in Eastern India found QR test to be significantly correlated with student performance whereas no such relationship was found between VR test and performance (Sharma 1977b). Both of these studies revealed a strong and consistent correlation between past academic record (grades) and the subsequent performance of management students. In 1976, Saiyadain &

Monappa reviewed a number of studies, both Indian and foreign, and concluded that the relationship between tests and subsequent performance was neither consistent nor very strong (Saiyadain & Monappa 1976).

I have recently carried out a validation study of the admission procedure of yet another well-known institute of management in the NCR. In stage I, candidates were shortlisted for interview on the basis of their CAT scores. In preparing the final merit list to be used for admission (stage II), the CAT scores were once again added to the scores based on other criteria like interview, group discussion, work experience, etc. Using the cumulative grade point average (CGPA) at the end of first year as an index of student performance, I found no significant correlation between total CAT score and student performance. On the other hand, previous academic record (grades) was found to be significantly correlated with performance.

The results of various validation studies reported above call into question the validity of "objective" tests like SAT, CAT, MAT (or by whatever name they are called) as sound measures of aptitude or ability of a person. If one person's score on such a test is higher than that of another person, the former is not necessarily more knowledgeable or capable than the latter. It only means that the former person had done more practice or attended a crash course in some coaching school and learned how to score better in such a test. Stung by such criticism and acknowledging the limitation of SAT as a true measure of aptitude, in March 1994 ETS quietly changed the name of their flagship test (SAT) from Scholastic Aptitude Test to Scholastic Assessment Test. This change of name was done so quietly that hardly anyone outside ETS is likely to be aware of it!

This somewhat lengthy detour analyzing the role of the so-called "objective" tests was necessary to demonstrate that these tests are not only of questionable validity but are also biased in favour of the urban rich. De-emphasizing the role of a more reliable measure of merit (namely, past academic record) and overemphasizing the role of "objective" tests of questionable validity have made a mockery of the process of selection of future managers in India for almost four decades. It is high time for academic administration to subject their admission procedures to rigorous scientific research so as to evolve criteria that are not only unbiased but are also reliable and valid.

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Apart from the limitations of the "objective" tests described above, this method of assessing the aptitude or ability of a candidate is alien to the large sections of the Indian educational system. From standard one upward through

school, college and university, students are trained to demonstrate their knowledge and ability through examinations that call for written answers to the questions. It is only in some of the westernized public schools or institutions like IITs, that some of the examinations are through "true or false" and "multiple choice" questions. Candidates who are used to this method of demonstrating their knowledge or ability are likely to do well in "objective" tests used for selection.

Given the limitations of "objective" tests, a more prudent approach would be not to use scores on tests such as CAT as the one and only basis for shortlisting candidates at stage 1. I do not know how shortlisting is done by IIM-Ahmedabad today but, when SAT was introduced there for the first time in 1970, SAT scores were used in combination with scores based on previous academic record. The current admission policy of IIM-Bangalore also states that short-listing of candidates at stage 1 is to be done by combining the CAT scores with scores based on previous academic performance. Such an approach is likely to reduce the bias of the test in favour of the urban rich and against the rural poor.

Much of what is said in this paper regarding the making of a manager applies equally to the making of a whole lot of other professionals who are also selected through the so-called "objective" tests. Both engineering and medical professions fall in this category. The preliminary examination for central services as well as recruitment tests for bank officers are some of the other examples. Since the problem highlighted in this paper is not confined to the sphere of higher education alone, it seems a fit case for the government to intervene. An integrated approach is required to study the impact of "objective" tests on the process of admission of students and recruitment to jobs in different spheres. Only then we can hope to evolve procedures that are not only unbiased and user-friendly but are also reliable and valid.

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