

Changing track

Could an Indian Railways deal prove there is light at the end of the tunnel for executive education?

Indian Railways is among the most high-profile corporate turnaround stories of recent times. Over the past four years it has managed to turn a string of hefty losses into a \$5 billion profit—an impressive achievement by anyone's standards, but even more so when your remit is more than just profitability, responsible as it is for keeping the social, economic, political and cultural fabric of that vast country intact.

Much of this success has been generated through a programme of radical change instituted by the charismatic and, at times, controversial railways minister, Lalu Prasad. Now, as part of this makeover, the organisation has embarked on an extensive training project for middle and senior managers among its 1.4m workforce. Just as interesting is where they have turned for help to make this project happen: not to one of the country's top business schools, nor even to the academic corridors of America; rather they've gone to France.

France may have lost its original battle for India back in the 18th century, but it seems that when it comes to business education it is enjoying a renaissance. HEC Paris, which has been working with Indian Railways since 2006, has now signed a five-year contract with the company to broaden the perspective of its fast-track managers. The school will be doing this by taking them out of their day-to-day environment and showing them how their peers handle the job in other rail companies across a range of key markets, including countries as diverse as Australia, China, France, Italy, Japan, the Netherlands and South Korea.

With business schools around the world watching nervously as applications to open-enrolment programmes dwindle, such tailored training may provide at least part of the solution to the downturn. "Our role in this sort of programme is to allow managers to reflect on what they are doing [and] then work out their strategy for the future and how to implement it," says Bertrand Moingeon, HEC's deputy dean of executive education. "And perhaps contrary to expectations, that seems to be an easier sell to companies now than it was a few years ago."

The deal may also offer a wider lesson on the need for schools to refocus their efforts away from the usual suspects in developed countries and onto organisations in the emerging economies. Some institutions, notably in Europe, have been doing this for a while. Spanish schools such as ESADE, for example, have a long history of working with businesses in Latin America. France's EM Lyon has taken up residence in Shanghai, with plans afoot to target Dubai—already home to London Business School. The growth of Russia as a viable commercial power, meanwhile, has led Vlerick Leuven, in Belgium, to develop executive education facilities in the country.

Despite this activity it would be wrong to assume that the BRIC countries are just the province of the European schools. Important players in America are also hard at work exploiting the opportunities offered by the emerging economies. Northwestern University's Kellogg School of Management, for example, has opened a satellite campus in Miami to focus on potential Latin American clients and has based its executive MBA there. One of its professors, Michelle Buck, who regularly teaches on executive education programmes south of the border, has even developed a leadership programme based around that icon of Latin American culture, the tango.

Reach for the sky

The other way for schools to expand their executive education offerings is to apply a little lateral thinking to who actually needs them in the first place. High-potential line managers being groomed for corner offices are the usual targets for practically every business school on the planet, but what about less obvious candidates? Back in Europe, the business school at Nyenrode, in the Netherlands, has developed a programme devoted specifically to airline pilots. Although this might seem a bit odd—after all, shouldn't these people be focused entirely on keeping their planes in the air?—the school argues that pilots need to understand how their actions fit into the overall running of a commercial enterprise if they are going to be as effective as possible. It seems to be persuading some of the great and good of the European airline industry to sign up. So far flyers from Air France-KLM, Ryanair and British Airways have undergone the training.

While the downturn has certainly hurt the executive education arms of the leading business schools reports of their demise are more than a little premature. Indeed, the most innovative may not just survive this year but even thrive. As Professor Moingeon puts it: "2009 could end up offering a whole new range of opportunities."

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