

## Teaching Organizational Behavior to Indian B-School Students in an AI World

I am a young professor of organizational behavior (OB) at a business school in India, an emerging economy. Organizational behavior had its beginnings in a *pro* human, *post* machine-centric worldview, beginning with the Hawthorne studies and exemplified by Peter Drucker's philosophies. My essay is the result of my reflections and research about how current organizational behavior syllabi (and professors!) must now reverse-adapt, to help business graduates in emerging markets meet the challenges of a new machine-enhanced world, popularly referred to as artificial intelligence (AI). In true Druckerian tradition, my essay attempts to ask the right questions and point to areas of relevance, even when I do not have all the complete answers.

### *The Indian Context.*

Graduates from Indian business schools are awarded a masters in business administration (MBA), or equivalent degree. Popularity for the MBA degree surged in the 1990s and 2000s, as western multinational corporations leveraged technology and globalization to outsource two categories of jobs to India, namely (i) back-office-processing jobs and (ii) customer services. Thus began India's great middle class boom, with increasing incomes, a transition to formal white collared jobs and Indians connecting with the global business world.

However, this means that today, most Indian MBA graduates working in Fortune 500 companies are employed, not in the upper echelons of management in these companies, but in jobs such as payroll, accounting, call centers and so on. Unfortunately, these jobs are invariably "routine" and companies have sufficiently large data with regard to these jobs to make them susceptible to machine learning<sup>1</sup>. This means that the job market model that kickstarted and sustained India's economic boom for the last quarter century will be disrupted.

Thus, in India and other emerging markets, AI will affect not just unskilled workers, but our highest qualified workers – because of the way transnational companies have distributed their jobs globally. Already before AI, India lacked employment opportunities, with just over 47%

---

<sup>1</sup> Nazmus Sadat Khan in "Can machines sabotage the pattern of economic development in Asia?", 27th February 2018

percent of MBA graduates finding employment<sup>2</sup>. Academia, especially in the organizational behavior area, must provide concrete solutions for management education. Unfortunately, the conversations around AI and the business world have focused inordinately on the developed world.

I share the belief that the future of businesses lies in an AI-augmented world, rather than a human-less world. The number of jobs for human workers will probably remain unchanged, or even increase<sup>3</sup>. But individual MBAs will find that the nature of their jobs and the skill sets that they need will change drastically. Our task as academicians is to train our future managers to be able to do the things that machines cannot do, using attributes that machines do not yet have.

#### *Organizational Behavior as an MBA discipline.*

A typical OB course introduces the role of the manager as organizing and coordinating business efforts, using primarily human and conceptual (rather than mere technical) skills. In order that a manager be able to influence individual and group behavior and organizational outcomes, we introduce MBA students to theories of how humans learn, theories of intellectual and physical abilities, personality research, research on emotions and moods and demographic and biographical characteristics and how these influence organizationally desired outcomes. When doing so, we have conversations about diversity and cultural differences, of perceptual errors and stereotyping, and of the role of organizational culture in shaping organizationally-related attitudes. We examine people working together in organizations, dynamics of effective groups, and the power, politics and skewing of group functioning. We study theories of leadership and motivation so that MBA graduates can manage the performance of different sets of workers, in different situations.

#### **Teaching OB to Indian students in an AI-enhanced world**

##### *Enhancing human capability through coursework.*

Even before the advent of AI, it was acknowledged that most Indian graduates are unemployable, and need upskilling. In the developing world, the emergence of AI can actually provide greater clarity to organizational behavior professors regarding which specific skills our young managers

---

<sup>2</sup> Data by All India Council for Technical Education (AICTE), 2016-17

<sup>3</sup> Gartner in "*Predicts 2018: AI and the Future of Work*", December 2017

should be inculcated with. Our students need to be familiarized to working with machines, but not just limited to working with Excel, or front-end interfaces. Tomorrow's business world will reward those who have basic understanding of coding, can manage devices and grasp issues of privacy and security<sup>4</sup>. These skills are imperative, as Drucker famously said, not for future managers to find the right answers, but rather, so that they can ask the right questions<sup>5</sup>.

It will also be a world that rewards skills that machines do not yet have: the human and conceptual skills that Katz talked about decades ago. Computational thinking is important, as are attributes such as perseverance, sociability and curiosity – and OB should introduce these to students not as inherent abilities or personality traits, but rather as roles and behaviors managers have to enact<sup>6</sup>. In Mintzbergian terms, OB professors should reduce classroom emphasis on managerial roles such as monitoring, dissemination and resource allocation, and strongly emphasize roles such as the manager as an entrepreneur, disturbance handler, leader, liaison and negotiator.

*Maintaining the human face of society.*

It was almost comical when Tay, Microsoft's artificially intelligent chatbot, began tweeting offensive and racist images and statements after interacting with real Twitter users online. In firms, AI and big data will increasingly be employed to suggest marketing and employee related decisions to managers. Writing in the thirties and forties, Drucker pointed out the dangers of planning on an industrial scale, while denying each individual's freedom and humanity<sup>7</sup>. This makes organizational behavior a crucial discipline in the years ahead.

As algorithms driving AI become increasingly complex, our OB classes should train our students to recognize when AI-aided decision making might suffer from a machine version of human perceptual errors. We should also train our students to detect when AI is making erroneous assumptions based on codified data about certain demographic groups' intellectual and physical abilities. In a country such as India, initiatives supporting diversity and inclusion have commendably been based on moral, rather than data driven, motives. Drucker too emphasized

---

<sup>4</sup> Ruediger Stroh in "*Work will remain in the digital age*", 12th June, 2018

<sup>5</sup> Peter Drucker in "*The Practice of Management*", 1954

<sup>6</sup> James Heckman and Tim Kautz, National Bureau of Economic Research, 2013

<sup>7</sup> Peter Drucker in "*The End of Economic Man*", 1939 and "*The Future of Industrial Man*", 1942

the social responsibility of the organization beyond the economic<sup>8</sup>. In a world that is sadly becoming increasingly narrow-minded, we should, in OB, train our students to recognize when machine-enhanced decision making is perpetuating oppressive and stereotyped structures and how to reject them.

*Create people-oriented managers so that workplaces stay human.*

As we become increasingly more reliant on the virtual world, both in the workplace and in our personal lives, studies have shown the emergence of new psychological phenomena, cognitively, behaviorally and emotionally. Managers are faced with the delicate task of managing the same OB constructs as in yesteryears, but for employees who are only visiting the “real world” once in a while each day<sup>9</sup>.

Several OB theories, such as the most widely studied motivation theories are surprisingly resilient to the changes in technological contexts our employees find themselves in. For example, Drucker’s prediction that workers will be demotivated<sup>10</sup> if they cannot see the big picture is all the more relevant in the context of AI-enhanced workplaces that obscure linkages about how an individual employee’s task is relevant to organizational goals. However, OB classes should also be honest about how some theories, such as motivation through job design through job rotation, enlargement and enrichment, no longer hold true in the conventional sense. Today, job design should incorporate meaningful rejuvenation when employees revisit the real world, say, every lunch break.

OB classes should also give managers the tools to deal with the emotions and moods brought about by employees having virtual interactions with people and machines for extended periods of time. They should help managers create or sustain organizational values and culture in workplaces that have less human connect, and enable managers to maintain job satisfaction, organizational commitment and perceived organizational support in a robot-enhanced organizational setting.

---

<sup>8</sup> Peter Drucker in "*Concept of the Corporation*", 1946

<sup>9</sup> Tomáš Sedláček and Manouchehr Shamsrizi in "*Work as an homeopathicum, or: Will we share the (blessed?) destiny of horses?*", 17 April 2018

<sup>10</sup> Peter Drucker in "*Concept of the Corporation*", 1946

*Human leadership in an AI-driven world.*

For a sense of how influence, power and politics are going to look very different in workplaces, we only need to look at the world of international affairs, and how complex algorithms have been used by nations of the world to interfere in each other's elections and referendums. When we organizational behavior professors teach leadership, power, politics, motivation theories and conflict resolution to our students, we must introduce them to how these will look very different in a big data, AI assisted workplace. For example, we currently teach our students about the dark triad of personality – narcissists, machiavellians and psychopaths – and of how they are over-represented in the top levels of management. We teach students how to detect them, and how they manage to mask themselves so well. But OB professors must also keep track of, and convey to students, new ways in which the dark triad personalities will themselves harness AI to increase their own influence and wellbeing, at the expense of others and the organization.

Drucker held that organizations are social systems, and individuals are connected with organizations<sup>11</sup>; this connection hitherto was mediated through teams and managers. AI-assisted decision making and increased “virtualness” will also change the dynamics of teams, and the tactics used to manage them. For example, the illusion of “machine infallibility” will probably increase the level to which teams engage in groupthink and groupshift, or the tendency for the entire group to conform to one mode of thinking. It falls to the leaders we train in our OB classes, then, to manage the process of group development and group decision making, and they cannot do this if they are not exposed to *how* to do so in our classrooms.

*Role of Institutions.*

In India, as in other emerging economies, business education is regulated by a strong centralized federal government authority, which monitors an institute's infrastructure and syllabi. This is primarily to protect students from unscrupulous and low-quality education. Drucker, when faced with the impact of new technology, advocated privatization and decentralization, holding that governments are generally ineffective in leading and stimulating change<sup>12</sup>. This is simply not feasible in business school education in India, in the interest of students.

---

<sup>11</sup> Peter Drucker in "*Concept of the Corporation*", 1946

<sup>12</sup> Peter Drucker in "*The Age of Discontinuity*", 1969)

However, as AI-enhanced businesses progress at a tremendous rate, regulatory bodies must find ways of allowing institutes the latitude to experiment and have flexible syllabi, so that business schools can quickly incorporate (and drop) the necessary skills and infrastructure they need. As nanodegrees and flexible learning become more essential<sup>13</sup>, regulatory bodies must realize that not all knowledge can be tested through a three-hour essay-format closed book examination.

Finally, higher education takes investment. Emerging economy governments will do well to reduce welfare subsidies and invest far more in higher education than they currently do. If not, the long-term effects of a huge unskilled Indian population vis-à-vis a globally upskilled workforce will, in effect, erase the economic advancements India has made in the last few decades.

*Research in an unconventional world.* Research about OB education and pedagogy could benefit with addressing topics that are currently grossly under-researched, including:

- (i) In a world constantly evolving in technology and business models, how will OB academicians decide in which areas they can upskill themselves, and what infrastructure business schools ought to invest in? An emerging economy, already struggling with lesser budgets than their western counterparts, pay substantially more for the same academic content or technology in purchasing power parity terms, and such questions assume importance.
- (ii) If there is only one thing a b-school inculcates in its students, it should be that MBAs should “learn to relearn”<sup>14</sup>. Decades ago, post-war Japan paid heed to Drucker’s maxim that managers should take the initiative for continual learning and developmental<sup>15</sup>. We could expect that our students will undertake nanodegrees and flexibly structured courses more frequently than previous generations<sup>16</sup>. If so, OB research must extensively explore theories of learning in the context of the workplace. For example, can the number of re-learning cycles be truly infinite, or is there necessarily an inflexion point beyond which re-learning cannot take place? For example, are there diminishing returns to continuous re-learning, in terms of its effect

---

<sup>13</sup> The Economist in "Re-educating Rita", 25th June 2016

<sup>14</sup> The Economist in "Re-educating Rita", 25th June 2016

<sup>15</sup> Peter Drucker in "Concept of the Corporation", 1946

<sup>16</sup> The Economist in "Re-educating Rita", 25th June 2016

on creativity and innovation? What are the determinants of re-learning, of successfully pinpointing what and when to re-learn in the workplace, and so on?

*Concluding remarks.* The future is exciting: if AI is going to affect organizations, customers and employees immensely, then OB is the most crucial area in business education. In this essay, I have outlined specific topics in organizational behavior curricula and its surrounding context that OB professors should focus on if our students are to thrive in an AI-enhanced world. Much in the topics I have outlined is yet unknown, or evolving, or even radically changing. My reflections and research are meant to be a starting point for conversations we in the OB field should be having among ourselves, with governments and with the industry. We as OB professors must keep pace with the breakneck speed of AI adoption in organizations, and do right by our students through giving them the relevant people- and conceptual- knowledge they need to become great managers.