

## **Sumantra Ghoshal : A Great Management Thinker from India**

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It was around 1964, a brilliant young boy finished his schooling from Ballygunge Government High School in Calcutta. He was exceptionally intelligent and took a fascination for Physics. That was the tradition those days, the most brilliant students in West Bengal would rush to join B.Sc. with Honours in Physics at the famous Presidency College in Calcutta. He however shifted to Delhi University and joined B.Sc.(Hons.) with Physics. Little did the world know at the time that instead of becoming a Physicist this brilliant young man one day would be a great Management thinker known to the global academic and corporate world as Dr.Sumantra Ghoshal.

Sumantra was born on 26th September 1948 in Calcutta and died of brain hemorrhage on 3rd March 2004 in London. In his life span of 55 years he came to be known as an inspiring Professor, an avid researcher, a prolific writer and a corporate advisor.

After studying Physics, however he became interested in Management and joined as an MBA student at Indian Institute of Social Welfare and Business Management (IISWBM) in Calcutta. IISWBM, incidentally is the first B School in India to offer an MBA degree. It was established in 1953. His initial training in Physics helped in developing a keen sense of observation and a questioning mind which stayed with him throughout his life. Sumantra's first corporate job was with Indian Oil Corporation. After working there for a few years and progressing upwards along the corporate ladder he wanted to pursue higher study in management. His brilliant track record fetched him the prestigious Fulbright Fellowship and Humphrey Fellowship and he arrived in US in 1981. He enrolled at the prestigious Sloan School of Management at Massachusetts Institute of Technology and obtained his PhD in 1985. His pursuit of academic excellence did not stop there and soon enough he received DBA from Harvard Business School in 1986. This probably is the only case in history where someone obtained two doctorate degrees from the two top universities in the world. The most remarkable feat was that the two degrees were awarded for two distinctly different dissertations on separate topics and Sumantra had worked on them almost simultaneously.

Armed with these prestigious degrees, Dr Sumantra Ghoshal decided to leave US and joined as a faculty member at INSEAD Business School in Fontainebleau, France in 1985. He soon became known for writing a series of thought provoking articles. He became Full Professor in record time and worked there for almost ten years. In 1994, he joined as Professor of Strategic and International Management at the London Business School and worked there till his last days. He also became a Fellow of the Advanced Institute of Management Research (AIM) in the U.K., The Academy of International Business and the World Economic Forum. He maintained strong interaction with his alma mater. He was a Visiting Professor at MIT and he wrote many books and articles with his close friend, Professor Christopher Bartlett at Harvard University. He also served as a member of The Committee of Overseers of the Harvard Business School. He was one of the Founding Deans of the Indian School of Business in Hyderabad. He received many laurels and awards for his ground-breaking work. The famous magazine The Economist declared him as 'Euroguru'. Accenture Consulting Company ranked him among the top Top 50 business intellectuals in 2002.

His contribution to management theory has been enormous, ground breaking and also controversial to many. He along with Christopher Bartlett researched many successful companies around the world. They came up with a new analysis. In management jargons, terms like Multinational, International and Global enterprises are used extensively and interchangeably without making any distinction. They found a fine distinction between these companies in terms of strategic competency and structure and proposed that since the world is changing rapidly, there is a need for adaptation with a drive toward a company that masters not one, but all three of the strategic capabilities. The ideal-type thus created was named as transnational enterprise.

He was the champion of individualistic freedom of thought. He and Bartlett together proposed individual behavior model highlighting a context shaped by stretch, trust, support and discipline. This individual behavior of managers would lead to a vigorous, energetic organization which can renew its growth when necessary.

He also propounded an interesting '525 rule'. The rule meant that 25 per cent of a company's sales revenue should accrue from products launched during the last 5 years. In simple words, a progressive company should introduce a new product in every 5 years. By the time the competitors can catch up, the company is on its next product. We can see that happening with Apple.

A little before his death, he wrote a paper which jolted the corporate world. He declared that much of corporate corruptions were result of the way management was taught at the B Schools. This was a reminder that most of the managers at Enron Corporation were brainy graduates from top B Schools in US. The curricula laid heavy stress on decision science with scanty respect to morality. Thus, students were made to think and work towards profit making. He wrote, "*Business schools have actively freed their students from any sense of moral responsibility*". He believed that management theory that solely focuses on the economic aspects of man was not correct. He wrote, "*A theory that assumes that managers cannot be relied upon by shareholders can make managers less reliable.*" He concluded that "*Today's management theory being "under-socialized and one-dimensional, a parody of the human condition more appropriate to a prison or a madhouse than an institution which should be a force for good."*

He was the author of some most talked about books and articles in prestigious journals. He wrote approximately seventy articles in journals and many award-winning case studies. He wrote many books, some individually and some with co-authors. A few of his books were reprinted multiple times by different publishers in different formats. His first book *The Strategy Process Concepts Contexts Cases* was published in 1987. His last book *Managing Radical Change* won the Management Book of the Year award in India. His famous books are

1. *Managing Across Borders: The Transnational Solution* co-authored with Christopher Bartlett. This book has been listed in the Financial Times as one of the 50 most influential management books of the 20th century and has been translated into nine languages
2. *The Differentiated Network: Organizing the Multinational Corporation for Value Creation*, co-authored with Nitin Nohria won the George Terry Book Award in 1997
3. *The Individualized Corporation: A Fundamentally New Approach to Management*, co-authored with Christopher A. Bartlett, won the Igor Ansoff Award in 1997, and has been translated into seven languages.

His other books include

1. *A Structural Equation Model of Scanning Behavior of Managers*
2. *Language Strategies for Global Business*
3. *World Class in India*
4. *Organization Theory and Multinational Corporation*
5. *Strategic Control Systems*
6. *Transnational Management*
7. *Managing the Corporate Intelligence Function*
8. *A Bias for Action*

Among his famous Articles are:

- *Global strategy: An organizing framework*, Strategic Management Journal, 8(5), (1987): 425-440.
- *The multinational corporation as an inter-organizational network*, Academy of Management Review, 15(4), (1990): 603-626.
- *Matrix Management: Not a Structure, a Frame of Mind*, Harvard Business Review, July–August, 1990.
- *Bad for practice: A critique of the transaction cost theory*, Academy of Management Review, 21(1), (1996): 13-47.
- *Social capital and value creation: The role of intra-firm networks*, Academy of Management Journal, 41(4), (1998): 464-476.
- *Social capital, intellectual capital, and the organizational advantage*, Academy of Management Review, 23(2), (1998): 242-266.
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Interestingly, a collection of his important papers has been published as a book by Pearson Education in 2005. This was titled as Sumantra Ghoshal on Management: A Force for Good. The book was edited by J Birkinshaw and Gita Piramal who wrote the first chapter analyzing the evolving thought process of Ghoshal.

Dr Sumantra Ghoshal left us in 2004 creating a vacuum in the intellectual world which would be difficult to fill up. He is survived by his wife Sushmita and two sons Anand and Siddharth in London and his father in Kolkata and brother in Bengaluru.

### **Bibliography**

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