ISSUES IN MANAGEMENT EDUCATION IN INDIA

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ABSTRACT

Education has always proved itself as an important contributor for the economic growth of any country. Earlier, traditional courses were popular and students had only limited options in terms of education. But now, with the growing span of time students have ample of options and they can pursue course as per their interest. One of such popular option is Management Education, which has gained popularity in the recent years. But Management education across the globe is facing a unique crisis of relevance in the contemporary scenario. All the aspects of Business education such as quality of MBA aspirants, curriculum, business research, quality of research publications, industry-institute interface, management development programmes, faculty development programmes, placements, compensation packages of B-school graduates, career development trajectory of alumni, etc. are under critical scanner. Indeed, B-schools in India are facing multiple issues such as proliferation of B-Schools, quality of education, faculty shortage, poor regulatory mechanism and governance and accountability. This paper analyses the issues and challenges of Management education in India in the emerging scenario and provides remarkable insights into revitalizing B-schools that may benefit all the stakeholders.

Keywords: Management Education, B-Schools, compensation, development, research, industry

INTRODUCTION

In simplest words Management denotes the professional administration of business concerns, public undertakings, institutions and organization of all kinds and efficient utilization of resources for optimizing benefits to all the stakeholders. This is however a broad-based definition of ‘Management’. As such, ‘Management’ is a relatively new concept. The term in English lexicon evolved sometime in the 16th-17th century taking cue from Latin ‘Manus’, Italian ‘Manegiare’ and French ‘Mesnagement’/ ‘Menagement’. All the terms those preceded ‘Management’ implied control over others, especially manual workers, in order to get things done or decide about how to use available resources. Management, if performed with personal
modesty and a sense of service to the community, can be one of the noblest professions. It creates growth, wealth and development in society, provides jobs, fosters innovation and improves living conditions (Onzonol, 2010). Management education is in great demand especially after the change towards liberalization, privatization and globalization. Nearly one lac management graduates pass out every year in India, providing a tremendous potential to contribute to the creation of a knowledge society. There is also a need that our dependence on foreign literature and techniques should be minimized and management teaching and thinking should be based upon practical experiences deriving strength from Indian ethos. Management education needs to be made value based, rather than money based. India is facing a crisis of quality management education. As compared to international standards the Indian management institutions (with a few exceptions) are lagging behind. There is a need to fill this gap.

THE PRESENT SCENARIO

Presently there are more than 3000 management colleges across India and many among them like Indian Institute of Management (IIM) are counted among the best of the world. India's entry in the globalization process also acted like a catalyst in this management education boom. Because of the increasing number of global and Indian multinationals, trained management graduates are in demand and this demand too actively fuelling the interest of more number of students every day. In response of this growing demand, private sector also entered in Indian management scenario and invested a hefty amount for this. A large number of private management colleges along with government aided management colleges came into the existence in last decade only. Business education helped in developing intelligent strategic planning and action, long-term perspective, corporate culture, standards of excellence, effective leadership across the organization, team spirit, objective decision making, standardization of processes and systems. But this is not just enough to present the real picture. There are several challenges of management education which require change in the character and structure of management education with corporate sector, up gradation of curriculum and course content, designing of different programs for executives, maintenance of an efficient and effective regulatory system to check mushrooming, and emphasis on research.

Education in management should have mainly following aims:

- Provide students with the tools and techniques that they may use to influence organizational life.
- Influence the economy in general.
- Increase the understanding of the factors which influence the conduct of organizations

A modern day Business Manager is required to have proficiency in:

Functional knowledge of a business organization

- In-depth knowledge of minimum one discipline of Management.
- The ability to adapt to new environments at micro- and macro- levels
- Problem analyzing and solving.
- Inter-personal skills.
- Knowledge of functional interdependencies and adaptability.
- Communication skills.
- Self-confidence and motivational skills.
- Drive to succeed and control with initiatives.
- Entrepreneurial Skills
- Management skills
GROWTH OF MANAGEMENT EDUCATION IN INDIA IN LAST FIVE YEARS

Today managers are in great demand in every sector of economy. India needs a huge reservoir each year of people who are trained for business and for management and demands is to last for coming years. But it is matter of concern whether the demand is for what they have been taught. In management education, quality has become a necessity. To make India an intellectual capital of the world, we have to create a dynamic environment, which can encourage superior quality management Education colleges and effort should be made to breathe life into management education. Government has taken initiatives in this direction by giving node to 7 more IIMs taking the total number of the premier management school to 14. India already has 11 functional IIMs in Ahmedabad, Bangalore, Kolkata, Lucknow, Indore, Kozhikode, Shillong, Tiruchirappalli, Ranchi, Raipur and Rohtak remaining three are to setup in state of J&K, Uttarakhand and Rajasthan. Apart from IIMs management education is offered by university's own department in campus, affiliated colleges of universities in same place or the whole State, now technical universities have been given this role. Moreover autonomous institutes approved by AICTE, universities running distance education program and open mode like IGNOU, Delhi University, Kurukshetra University, ICFAI and several others are also offering courses in management. Some recognized institutes and universities are also offering 3 years part time program in evening faculty for working executives. Foreign universities having collaborations in India and those having students exchange program with limited-time studies abroad are also imparting management education. New private universities like ICFAI (a national brand), Amity and several others are now coming up. According to annual report (2009-2010), published by Ministry of Human Resource Development, there were 20 Universities and 500 Colleges at the time of independence. At present, there are 504 Universities and university-level institutions (as on 31.12.2009) 243 State Universities, 53 State Private Universities, 40 Central Universities, 130 Deemed Universities, 33 institutions of national importance established under Acts of Parliament five Institutions established under various State legislations. There are 25,951 colleges of which, 7,362 are recognized under 2(f) and 5,997 colleges recognized under section 2(f) and declared fit to receive grants under section 12(B) of the UGC Act, 1956).

| TABLE 1: GROWTH OF AICTE APPROVED TECHNICAL INSTITUTIONS FROM 2005-2010 |
|-----------------|-------|------|------|------|------|------|-------|
| Year            | ENGG  | MGMT | MCA  | PHAR | ARCT | HMCT | TOTAL |
| 2005-2006       | 1457  | 1052 | 976  | 629  | 118  | 70   | 4320  | 383  |
| 2006-2007       | 1511  | 1132 | 1003 | 665  | 116  | 64   | 4491  | 171  |
| 2007-2008       | 1668  | 1149 | 1017 | 854  | 116  | 81   | 4885  | 394  |
| 2008-2009       | 2388  | 1523 | 1095 | 1021 | 116  | 87   | 6230  | 1345 |
| 2009-2010       | 2972  | 1940 | 1169 | 1081 | 106  | 93   | 7361  | 1131 |

Source: [www.aicte.ernet.in](http://www.aicte.ernet.in)
TABLE 2: GROWTH OF INTAKE IN AICTE APPROVED INSTITUTIONS FROM 2005-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>ENGG</th>
<th>MGMT.</th>
<th>MCA</th>
<th>PHAR.</th>
<th>ARCT.</th>
<th>HMCT</th>
<th>TOTAL</th>
<th>ADDED IN YEAR</th>
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<td>80464</td>
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<td>52334</td>
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<td>269691</td>
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</tbody>
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Source: [www.aicte.ernet.in](http://www.aicte.ernet.in)

Major Issues and recommendations

1. **Integrate with B.com:** It has been argued for many years that the MBA should be a higher study for the B Com graduate who can also go into specialized segment like Banking, Transport, etc. But there is no attempt to look at the two together. Indeed, management schools have a concealed contempt for the B Com courses.

2. **Integrated learning-NLSU type:** It is also strongly urged that an integrated management course immediately after school, on the lines of the NLSU. The first three years could deal in subjects that are the fountain head for the management courses; for example, sociology, economics, statistics, book keeping and accounts, information technology for management information systems, commercial laws, etc. The next two to three years could see the student at work in an organization after which he comes back for the post graduate management course.

3. **Admissions, Ratings:** There are today too many admission tests and a student has to appear for different ones on different dates so that he can exercise a choice between institutions. In the interest of students, the regulatory body should impose a single admissions test for all business schools. At the same time, a body like AIMA or AIMS must be given the task of bringing out annually a register of all business schools in the country, giving data such as the nature of the campus, library, computer facilities, faculty and their qualifications including publications, etc, so that a student has a universe for selection. The third essential to enable students and recruiters makwell-informed choices is the need to have a single rating for all recognized management schools in the country, on a single format, allowing a selection of schools on the basis of rating and the special features of each school. As a corollary rating must be compulsory and each school must be charged a fee that will be paid to the agency conducting them, to cover the costs.

4. **Curriculum:** Some IIM’s have begun to bring into the curriculum the different aspects of India’s society and economy, the idea of corporate social responsibility, a form of the Hippocratic oath, ethics, etc. Let us
take some examples. Many of us from the higher castes and the middle class believe that the idea of reservation for such deprived people reduces education quality and is unfair on our bright children who lose out to these reserved categories. We must ensure that there is an understanding of inequalities and the need to redress them and how it can be done. An introduction to the concepts well articulated by Amartya Sen might be useful. Similarly our students must understand the way in which inequalities stifle market growth and Pratap Bhanu Mehta’s brilliant introduction to the NCAER book on “Caste in a different mould” would be a useful teaching aid. There are many such instances. What is important is that our teaching must look at management and society as a whole and not confined to specialist management functions.

5. **Globalization:** In the world of today where products, services, money and ideas move at the speed of light across borders, there is already increasing integration and understanding of different cultures and societies. With work also getting globalized, it is important that our management students are exposed to cross-cultural exposure through cases from BRIC countries that demonstrate cultural differences, but market similarities, through cases, visits, foods, meetings, lectures, films, etc.

6. **Summer placements:** Summer placements give management students the limited experience of working in a real life environment. The faculty should ensure that there is a clear statement of what the student is to do during his placement. He might even be guided by faculty during the placement as in BITS Pilani. Faculty might periodically interact with the employer to exchange views. An opportunity to work with non-business organizations and small enterprises must also be welcomed. Summer placements need not be seen as a gateway to permanent employment.

7. **Hindi or local language MBA:** This has been a subject of debate for years. In concept it is a noble idea since it enlarges the availability of management education to all classes. However there are severe limitations in terms of faculty, books and journals, etc. Perhaps it is necessary in all management schools to encourage students to learn an additional Indian language and a foreign one as well.

8. **Faculty induction into management schools:** The old Lever way of inducting young people into management was spread over two years in a variety of assignments, attending training programmes and being interviewed every three months by the Chairman of the company apart from close observation by many seniors. They had also been inducted by such techniques. Indeed, business schools need to follow a path of inducting faculty who come from different disciplines so that they are part of the framework of management education than being merely economists, statisticians, engineers, accountants and the like. Every year there should be a few days of induction to which old and new faculty are invited to exchange views on how they fit into management education.

9. **Guest faculty-training, evaluation:** In many business schools below the top 50 or so, many guest faculty are used, selected as available and without induction and rigorous evaluation. Guest faculty must have the ability to generalize from their experiences and must have a habit of referring to books and journals to add a theoretical and conceptual element to their experience.

10. **Faculty evaluation:** This is another area that requires attention. Admittedly faculty are difficult to find and many business schools are reluctant to be rigorous in evaluating those that they have. By not doing so, they are debasing the quality of the education that they offer. Poor evaluation need not lead to termination. It must lead to counselling, training, and specific guidance in how to deal with the negatives in the evaluation.
11. **Governance of business schools-follow Section 49 of SEBI as for companies:** It has been written on this subject in a report for AIMA on management education which has been used also in the report of the National Knowledge Commission. Just as SEBI requires listed companies to have independent directors, audit and nomination committees and be involved in selections for CEO and CFO, it is essential that the same is done for all education institutions and particularly for business schools. Business schools have in many cases developed the image of not merely being elitist but also money making without adequate facilities or quality. This image must be combated and good governance is the best way to do it.

1. **Governance of management education:** The NKC has already recommended that the AICTE should be replaced. However we must ensure that any regulatory body has the power and the ability to see that business schools do not mislead the student community or impose excessive charges unrelated to what is offered to them.

2. **Overseas campuses, foreign collaborations:** Some IIMs and private schools have set up campuses abroad. If the real reason is to enable their faculty to earn some extra money this might be tolerated, though it still takes away faculty already in short supply from performing their main task of educating Indian students.

**CONCLUSION**

In above sections we have discussed the present scenario prevailing in management education in India, trends and contemporary issues faced by management education in India. The outcome of all this is that management education appears to be more relevant than ever in the “global era”. The ultimate challenge of management education approaches is to become more practical oriented and industry focus. As per the words of Cyrus Guzdrev, CEO, Air flight Express, the state of management education in India, "The B-schools are not sufficiently in touch with the real world, and the pace of change, which is challenging management through today, is threatening their credibility". So, it is required to shape the management education in accordance with the global changes to improve competitiveness with the total quality management. Management education needs to be holistic, targeted and customized with the aim to remove the gap that exist between industry requirements and academic curriculum focusing on attitude, corporate awareness, grooming and developing managerial skills. So, it can be concluded that the existence of an institution shall depend upon the quality of education and training offered so that students can be provided with a bright future and management education becomes a part to contribute to growth and development.

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