

Emerging Scenario of Management Education in India

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Abstract

Opening market increases scope of investment anywhere in today's world, and movement of technology, money and people in some place increases to avail of the opportunity of deregulation. At the same time it poses challenges to existing players of economy and to new entrants as well. Management Education sector is one among them. The increasingly globalised nature and context of business in the Indian economy requires an expanded horizon of management and leadership, which can be achieved through continuous improvement and upgradation of capabilities, skills and change of mindset of the management graduates. After all, what matters is the power of learning and exposure to new ideas, teamwork and co-operation. It is imperatively needed that more entrepreneurs pass out from B-schools. Hopefully competition within B-schools will raise the bar and standards. After all, ultimately, the fittest will survive. And that is the history, which keeps on repeating itself.

Keywords: *Globalization, Deregulation, Knowledge Management, Business curriculum, Organizational alliances, Participatory learning approach, Market dynamics, Transcending academics*

Introduction

Globalization is being driven on the one hand by the spread of economic logics centered on freeing, opening, deregulating, and privatizing economies to make them more attractive to investment, and, on the other hand, by the digitization of technologies that is revolutionizing communication (Barkema et.al. 2002). So opening market increases scope of investment anywhere in today's world, and movement of technology, money and people in some place increases to avail of the opportunity of deregulation. At the same time it poses challenges to existing players of economy and to new entrants as well. Management Education sector is one among them.

To use the words of Bettis and Hiltt (1995), new competitive landscapes are emerging, marked

by increased levels of uncertainty and ambiguity, leading to what is now known as hyper competition (D'Aveni 1994). Management educators may be interested in

facing these challenges to help managers in shaping organizations in such a way as to make them willing and able to respond to complex organizational challenges. In brief, it may be advantageous to expose business students and managers to complications (Cunha et. al. 2004).

The other challenges of managing businesses are created by the need to take speedy decision regarding resources deployed, managing diversity, searching right direction of knowledge management for the people, timeliness of the process and innovative approaches, synchronization need of process and activities, industry life cycle effects on the firms operations, and finally social responsibility of present generation for future generations (Barkema et. al. 2002).

Business education market in India was worth about Rs.36 billion in 2010 (Campus and distance education together) and growing at a rate of 12% CAGR during the last 3 years. Currently more than 1,550 business schools producing over 100,000 management graduates every year are not enough to meet the growing demand for management education in India. Against more than 290,000 students who applied for CAT in 2010 the number of seats offered by IIMs was 1,700 only showing the huge demand – supply mismatch for quality management education in the country.

As a result, opportunities in management education in India are immense. Furthermore, the increasingly globalised nature and context of business in the Indian economy requires an expanded horizon of management and leadership, which can be achieved through continuous improvement and upgradation of capabilities, skills and change of mindset of the management graduates. Hence, business education in today's environment plays a significant role and should prepare the students to face the challenges boldly. Several business schools have been set up in the last few years but very few can mould the students to meet the expectations of the industry.

In view of this scenario, business education in India - the structure of various institutes and curricula offered, genesis of private initiative and its present status, initiatives taken by the Government to improve the backbone of the country's business education system and above all a special focus on the MBA educational institutes – its issues and challenges have been covered to study the emerging scenario of management education in India.

Literature Review

Management education denotes those activities traditionally conducted by colleges and universities that focus on developing a broad range of managerial knowledge and abilities. Unquestionably, the major issue in management education is the curriculum offered in our business schools and this concern has been labeled the competency movement (Wexley and Baldwin 1986). The traditional management education curriculum, as presently constituted, may not be adequately preparing individuals for the challenges they experience as professional managers (Pfeffer, 1977). Today one fundamental question arises, whether the curriculum of a business school can produce future leaders of the corporation with management skills required to meet contemporary challenges.

In the rapidly changing business environment of today, capable managers are crucial to an organizations' success in gaining and sustaining competitive advantage. This must be achieved against a background of intensified competition, incessant change, a power shift to the customer, collaborations across organizational and geographical boundaries, and a need to maintain high levels of talent (Tannenbaum, 2002). Business programs across the nation recognize the need to change in response to external pressure from key stakeholders. An important dimension of such change is the redesign of business curriculum. Achieving greater integration across curriculum is often a central focus of such efforts (McCuddy & Pirie 1988).

Business organizations continue to transform themselves in response to the challenges posed by increased competition, the globalization of business, and rapid change in information technology (Hammer & Champy, 1993). Pfeffer (1994) argued that because of the accelerating rate of change, the workforce in terms of human and social capital should be seen as one of the critical factors in developing and maintaining competitive advantage, joining traditional factors such as technology and protected market. He also claims that an appropriate development of the workforce is closely related to appropriate management. Related to this perspective and from a knowledge based view of the firm, Leonard-Barton (1995) saw core capability as comprising managerial activities and systems or what she describes as "the whole system of knowledge management" bound up with a particular competitive advantage.

Conger, Spreitzer, and Lawler (1999) argue that intense and global competition, rapid technological change, new complex organizational forms, organizational alliances, and international capital markets are creating an increased demand for change in leadership at a time when such leadership is increasingly difficult to find. Quinn and Snyder (1999) suggest that before expecting others to change, a leader must understand strategies such as those based on confrontation, facilitation, persuasive discourse, and the management of meaning to ensure that their actions are consistent with their vision of the future. These scholars and others are suggesting that individual employees, not just top management, must become leaders who can work with the technological revolution and globalization of business and can continually acquire new knowledge and remain flexible (McDonald 2000). The management of business organizations has changed in significant ways since early 1990s.

The more dynamic the environment, the more strategically important management development is to the organization (Buckley and Kemp 1987). There is a growing awareness that survival and future success reflect to a considerable extent the ability of an organization to develop its management resources in appropriate and anticipated ways. In response, educational institutions have made significant adaptations of the curriculum designed for business leaders.

Management Education in India

The structure of management education in India is divided into the following major divisions as outlined here:

- Institutions of national importance.

- University departments.
- Colleges affiliated to the universities.
- Non-University Autonomous Institutions.
- Distance/Correspondence based Institutions.
- Unaffiliated Institutions.

At the top are the reputed institutes of national importance like IIMs and some university departments such as FMS which have maintained the high quality in their teaching and research of management education. The second rung institutes are those started by industrial houses, private institutes and state level educational institutes like MICA, Symbiosis and so on, which offer quality management education at par with these reputed institutes. These come under the category of "Non-University Autonomous Institutions". The third level management institutes in India are the University departments and other Open Universities which are providing management education through correspondence, distance and part-time.

The fee structure of the management programmes in India varies from programme to programme. Full time courses in the most reputed institutions are usually expensive, ranging from Rs. 50,000 to Rs. 6 lakh, per annum, approximately.

In India a chain of institutions numbering more than 200 universities offering management courses both at the First Degree and Advanced levels has been started. The courses offered at various institutions to date cover training at the Master's Degree level for the M.B.A. degree. Master of Business Administration is normally considered to be the basic and ideal post-graduate qualification for taking up a good and rewarding career in management. As per an estimate, every year about 10,000 MBAs are churned out by Indian Institutes of Management (IIMs) and a host of other universities and recognized institutes/deemed universities. A candidate with a good MBA degree finds no problem in getting a good job and freshers are usually inducted as Management Trainees for one to two years, before getting absorbed in regular scales. After a few years of experience, MBAs may choose the job of their own liking at very attractive terms.

Drought of Competent Academicians in Management Education

People who know about business techniques and can teach business management should be involved in running such institutes. First of all, the faculty is envisaged to be a special breed of people. They not only have high academic qualifications, but are also Masters or Gurus of the ideas they are discussing, "What we are doing right now" is the keynote among management students but, the thing which really makes a faculty special is the ability to teach and communicate in a very effective way.

One of the important things these people understand is that very few business situations will fit the textbook examples. The comparison with medicine is again valid. Each situation can be described as unique, requiring its own unique solution. To be able to do this, one should be able to analyze a situation, examine various alternatives and come out with solutions to solve the particular problem being faced or to achieve organizational goals.

A qualified faculty understands these situations and can correctly incorporate them into the learning process. Business today is global. Even the smallest company is affected by happenings outside its immediate geographical boundaries. Medium and large companies are automatically involved in cross-border business. The businessmen and women of today need to understand this, and, where necessary, to be able to exploit the situation. It is not possible today to teach domestic business and global or international business as separate subjects. In the real world of business, few people can be expected to solve a problem by themselves.

Management education enhances the managerial skills by the sharing of ideas, the acceptance of others' ideas and many of healthy discussions. Learning from other approaches is not always a natural and single study process. It has to come with active participation in a group of people and it happens in the Management Courses. Faculty and other students challenge statements, attack and defend ideas. The assimilation of other approaches forms an important part of the learning process. Students coming from different spheres of life, bring with them all the advantages, disadvantages, fairness and prejudice of centuries of cultural heritage. These characteristics manifest themselves sometimes in totally different approaches towards solving business problems and learning fundamentals of management. From all of these approaches there is something to learn. A multi-cultured institute enhances the benefits gained from the participatory learning approach.

Those who are the practising managers can give better training to the management students. Management education is training, not typical classroom teaching. Classroom interactions are nothing but exchange of ideas and communication centres. This actually makes it different from other educations such as Technical education and other subjects to go along side management education.

The institutes have no choice but to select them, as there is an acute shortage of qualified faculty, and they have to maintain the prescribed norms of the government. People with expertise/experience from the industry are not either available or demand a compensation which B-schools cannot afford. Therefore, everyone recruited has to be allowed an incubation period at the cost of institution.

Management Education Challenges

1. Business schools have come under attack in recent years for the poor job they do of providing relevant training and skills for their students (e.g., Hambrick, 1994; Jorgensen, 1992; Linder and Smith, 1992; Porter and McKibbin, 1988; Spender, 1995). There is a growing corporate demand for pedagogical techniques that focus on their immediate problems rather than on lofty theories or even case studies (Raelin, 2000). Business speakers at a recent international Association for Management Education (AACSB) symposium on continuous learning continued to make this plea as they challenged business schools to "be more proactive and partner with business leaders in their communities...and to make their curricula more relevant" (AACSB 1999).
2. Teaching about uncertainty and increasing environmental turbulence is not new – these concepts have been discussed since the late 1960s (Lawrence and Lorsch, 1967). Most teaching models and materials are geared toward enhancing the

ability of large organizations to adapt to change. Those that are more person-centered treat change as a necessary evil and present topics such as resistance or coping with change (McDonald and Mansour, 2000). Teachers and learners are facing increased uncertainty, paradox, pervasive rapid change, and dramatic challenges to the status quo and traditional mindset. In response, the individual's ability to adapt to change and embrace ambiguity should be more central in the curriculum.

If business schools are to survive and prosper in the future, they will need to be structured around five core integrated subject areas: (a) leadership skills that capitalize on knowledge of (b) strategy, (c) finance and (d) information technology (IT) within the context of and influenced by a (e) global economy.

3. To understand the financial drives of a business, one must have a command of basic accounting principles to craft a business strategy, one must understand market dynamics (Porter, 1998); to meet market imperatives for high quality at low cost with minimal delay, IT competencies are crucial; to exercise leadership, one must be aware of global and cultural influences. It follows from this reasoning that the core competencies delivered by a leading business school should be fivefold, namely, the (1) leadership capability to build a team that will implement (2) competitive strategies that will enable an organization to be (3) financially healthy in a (4) global market place, through effective use of (5) information technology (Lathem et. al., 2004)

McDonald and Mansour (2000) emphasized the academics' role to ensure that organizational change and transformation is at the core of the programmes curriculum. To ensure that the new MBA programme has got the competencies described above, the curriculum goals and objectives are to include functional knowledge, problem solving, global perspective, leadership, ethical judgment and decision making, adaptability, communication, managing information technology and finally management competency (Hallinger and Snidvongs, 2008).

4. With all the defaults, the most promising thing is ambitious youth. The youth of the country and the students of the management institutes have proved that they can accept challenges. They are willing to sit with us if we are ready to sit with them. That is how India is successfully going through the biggest industrial revolution at the moment. The students are fully aware about the need for proper career building and the right grooming for that. To match their expectations and the expectations of the parents, students and industry is the biggest challenge before B-schools today. The big brothers viz the IITs/IIMs/XLRIs have to find a solution and help B-schools. But, alas, they too are crying and want to import faculty. So how does one go about it? Leaving the issues to the bureaucrats and self-styled leaders to set standards for us will take us nowhere.

Management Education Issues

1. There is an acute shortage of qualified faculty who are sincerely devoted to the profession of teaching. The PhDs in the country have become a big joke. By studying one drop of the ocean, they believe that they have learnt everything.(As

of now, any PG with a first class, at the age of 22 or so, fresh from the institute is qualified to become an assistant professor to teach the students in the age group of 20 or so.) And it is very difficult to see any MBA without a first class from any university/institute.

2. The students want everything to be taught in the classes within that six-to eight-hour engagement every day. They want the salary of the IIMs and XLRI's but are not devoted enough to spend the rest of the sixteen hours at their disposal for the enrichment/enhancement of their attitude, knowledge and skill. They plead for practical experiences and are adverse to bookish knowledge. The dichotomy of 'theory versus knowledge' is crying for a solution. There is nothing like theory or practice. And no faculty can be a master of all the practices in different sectors of industry. The industry wants readymade managers, billable on day one.
3. These are few amongst many issues confronted by B- schools. There are nasty comments that engineering colleges and management institutes are mushrooming in the country. What is forgotten is the fact that historically human beings have never been perfect. They have strived on improving their imperfection and innovating the means and methods while still being amidst thick battlefields.
4. Transcending academics, management education is now focusing on attitudinal development, excellence and capacity building. Besides a strong knowledge base, the global industry needs dedicated individuals with integrity for whom management is an outlook. With integrity for which evolution is a perennial process yet basic values are eternal. This applies to academics also. Incorporating new changes, higher education in the country is evolving. Management education too is turning a new page. Amid modern approaches and infrastructure, industry experts find certain fundamentals like right perspective, professionalism and commitment missing. In the competitive era, majority of students hanker after jobs instead of aspiring for excellence.

Today, attitude in our country is still laid back and it is also reflected in education and profession. "One's attitude tells on performance. If we are aspiring to be a superpower, we need to bring about big changes. In India, we still have that 'chalta hai' attitude. We do not feel it's important to keep time. Meeting deadlines and being committed are extremely important not only in professional environment but in life as a whole.

5. Education needs to emphasize attitudinal development. It should comprise basic principles like punctuality and time management, quality, right perspective, ownership and sense of belongingness. Discipline is required throughout. Each good professional and individual should possess a degree of maturity to understand what is required to be a good professional and a human being. Education is inculcating those values but they have to be there in the first place. Students must aspire to excel in all spheres of life. Management goes beyond education. It is self-discipline and systematic outlook. Where is it reflected? Poor civic sense and disobedience to norms are not something to be proud of.

Management is about streamlining things but on the contrary, many of us seem piling things and messing them up. One should set high standards of excellence and meet them. Management is not only a part of higher education discipline but an integral part of one's grooming up.

6. Career development is an individual's show. Teachers are instruments of change but it's up to students to shape careers. One has to make optimal use of intellect. Thinking faculty has to be enhanced. Today, ASK— Attitude, Skills and Knowledge— is the watchword. It is required to strike a perfect balance of these factors. Higher education should stress on capacity building. Education needs to be industry-centric and things are changing gradually. It's beyond classroom and communication personality development and professionalism are becoming part of syllabi. Enhancing overall integrated capacity of individuals may emerge as business potential. Students need to upgrade and stay committed.
7. Improved abilities are required to deal with mounting pressure. Today's age is putting enormous stress on professional and personal lives. Running away is not the way out. Being levelheaded and tackling pressures is required. The basic reason is family and parenting. Students are guarded so much that they do not have to take any responsibility and also they are not supposed to manage things on their own. They have been provided with everything.
8. Institutes should design processes where students can learn to put theory into practice. It is agreed that industry people have been complaining about the younger generation's attitude and professionalism. Management schools should try to cater to the industry's demands. Students should look at stability instead of hankering after jobs. The moment they pick up one job, they start looking for another, which is not a good practice. Recruiters should not undervalue management professional. There is a wide range of packages management graduates are offered. Recruiters should exactly look at the kind of people they want and pay them right.
9. Benefits lure students into pursuing management education, but they often fail to see the real purpose and hard work required to pursue an MBA. Management students caution aspirants against an attitude of enrolling for an MBA only to get 'additional qualification' while laying emphasis on evaluating one's long-term career goals before taking the plunge. One must carefully evaluate his/her desired career graph before enrolling for an MBA programme.
10. Career goals aside, students must take care to find out the exact nature of the course and not opt for an institute on the mere basis of its placement records. Placement figures are often misleading. A few students actually get the kind of salary published by institutes. Thus, the mean should be considered and not the median. Also, students must look at the placement figures of an institute with respect to the business cycle. For instance, in 2008 the Indian economy was flourishing and MBA graduates were offered high packages. However, the scenario completely changed in 2009.
11. Lastly, with the number of institutes offering management education mushrooming, one must evaluate his/her options after gauging aspects such as

the credibility of the institute, its USP and the kind of companies that make placement offers on campus. On the importance of knowing the kind of placements offered at a particular institute. A company visiting two institutes would offer different roles and packages to students of both the institutes. Thus, instead of compromising on either the company or the role that you'd ideally want to kick start your management career with, it's best to find out such details from the alumni of the institute.

Conclusion

Innovation and leadership is the new mantra. Institutes should gear up to face the challenges for creating a new pedagogy. This ensures encouragement of intelligence quotient in our students, urges them to creativity, exposes them to the humanities, and stresses the necessity of giving back to the society. Management schools should lay emphasis on everything, right from infrastructure to moulding. They should value ethics deeply. At the institute, one of the happiest indicators of success should be life-long relationship among classmates, faculty and alumni. The student body should reflect the diversity of India, where no region or culture dominates. After all, what matters is the power of learning and exposure to new ideas, to teamwork and co-operation. We need more entrepreneurs to pass out from B-schools. Hopefully competitions within B-schools will raise the bar and standards. After all, ultimately, the fittest will survive. And that is the history, which keeps on repeating itself.

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