

Management Education In India: A Paradigm Shift

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Abstract

Over the last few years, the integration of world economies and societies is gaining momentum. Countries like India and China, which are believed to be labour intensive and poor till a decade ago, are also opening the doors of their economies to the global markets. Globalization is influencing almost all sectors of the economy including the area of higher education in all parts of the globe. As a part of the liberalization policies implemented by the Government of India, it has been suggested by the policy makers that education sector should also be progressively privatized, in order to include the latest developments taking place in the international arena. The policies proved to be effective and the progress of the higher education sector is observed to be commendable. It is believed that in the forth coming decade, India will become an attractive destination of multi skilled professionals for major parts of the globe. In this back drop, the author has made an effort to study the progress of the higher education sector in India in the context of globalization. This paper aims to give a comprehensive view of the developments taken place in higher education, with special reference to Management Education after the implementation of economic reforms in India. It also includes a **discussion on the challenges faced by this sector and tried to produce some possible solutions as perceived by the author.** The observations of the study have been presented in four sections, the first section gives an idea of the development of management education, the second section presents the latest developments like the impact of globalization and WTO and the third section depicts the problems and suggestions for betterment and the fourth and final part concludes the study.

Key Words: Business Schools, Globalization, Higher Education, India, Management Education.

1.1 INTRODUCTION

India from ancient times is regarded as a place of knowledgeable and learned population and continues to be. The people from India are considered as the best choice for employment by many of the western countries. This emphasizes the standards of the educational system followed by our country. The economic reforms introduced by the late Prime Minister Mr.P.V.Narasimha Rao have made the corporate environment more vibrant and attractive. The information technology revolution has added colours to that. India is gradually becoming an attractive destination for multinationals, strategic alliances, and economic alliances. Obviously the environment is embedded with more and more job opportunities for the rightly qualified and rightly skilled. Subsequently there is an increasing demand for management graduates. To make use of the potential existing in the domestic and international markets there is need to develop a sound system of Management Education in the country. Presently the Indian higher education system is functioning through 534 Universities, out of which 214 are National universities, 22 Central Universities, 33 Institutes of National Importance and 128 Deemed Universities. There are around 12,000 colleges for general education and around 7000 colleges for professional courses like engineering, medicine, architecture and management education along with an approximate number of 16,000 colleges working at the intermediate level. It may be astonishing to note that 71% of the pursuing postgraduates either belong to engineering or management. (Source: The Marketing White Book-2010-2011).

1.2 HISTORICAL DEVELOPMENT OF MANAGEMENT EDUCATION

The world's first ever business school was established in 1883 in United States of America by the University of Pennsylvania, which was the brain child of the Philadelphian entrepreneur Joseph Warton. This has been followed by the Harvard, which established the Harvard Graduate school of Business Administration. It was Harvard which coined the world famous degree of Master of Business Administration (MBA). This was followed by a number of universities and colleges world wide and now management is one of the most sought after professions. In India, it was Andhra University, which has introduced the course of Management for the first time in the year 1957 and the two IIMs (Indian Institute of Management) in Calcutta and Ahmedabad

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followed in 1961 and 1962 respectively. The third IIM at Bangalore was promoted in the year 1973 and the fourth IIM at Lucknow appeared in the year 1984. Two more IIMs were established at Khozikode and Indore in the later period. XLRI the premier institute in the private sector has launched its Management program in 1966. Later on a number of Universities, Business Schools and Private Managements began to offer the management programs affiliated to and accredited by the national and central boards. Today it is no wonder that the number of Business Schools operating in India is more than that of US and every other country in the world.

Keeping in view the demand for and prospects of Management Education, the Government of India, State Governments and Regulatory Bodies have taken a number of initiatives and implemented some policy measures to promote the same in the country. The government of India has established the Ministry of Human Resource Development as the apex body for promotion of higher education in the country. The University Grants Commission (UGC) provides financial assistance to universities and colleges for establishment, operations and maintenance of higher educational institutions. All India Council of Technical Education (AICTE) monitors the functioning of professional colleges and technical institutes. Accreditation of the institutes of higher learning is done by bodies like National Assessment and Accreditation Council (NAAC) affiliated to UGC and National Board of Accreditation (NBA), affiliated to AICTE.

1.3 GROWTH AFTER LIBERALIZATION

The following table gives a comprehensive view of growth of higher education institutions in the country after the implementation of Liberalization policies

Sl. No.	Year	Colleges for General Education	Colleges for Professional Education	Universities /Deemed Universities	Total	Percentage Change
1	1991-92	5058	950	196	6204	---
2	1992-93	5334	989	207	6530	5
3	1993-94	5639	1125	213	6977	7
4	1994-95	6089	1230	219	7538	8
5	1995-96	6569	1354	226	8149	8
6	1996-97	6759	1770	228	8757	7
7	1997-98	7199	2075	229	9503	8
8	1998-99	7494	2113	237	9844	3
9	1999-2000	7782	2124	244	10150	3
10	2000-01	7929	2223	254	10406	3
11	2001-02	8737	2409	272	11418	10
12	2002-03	9166	2610	304	12080	6
13	2003-04	9427	2751	304	12482	3
14	2004-05	10377	3201	343	13921	12
15	2005-06	11698	5284	350	17332	24

(Source: www.mhrd.org)

From the above table, one can observe a continuous raise in the number of institutions specifically during 2001-02 and 2004-05 and 2005-06. However, the percentage increase is much superior in the year 2005-06 during the period taken for the study. This indicates the prospective for having more number of skilled people from these institutions. As per the latest figures available, India has third largest higher education system in the world after China and USA. Among the total educational institutions management institutes occupy a greater part of 16.7% which is more than either engineering (1.5%) or medical (7.8%) colleges.

Rightly recognizing the need for a global orientation in the field of education, the government of India through its National Policy of Education (NPE), facilitated the operations of foreign universities in India and promotion of Indian management education abroad. The University Grants Commission has recommended that accreditation of the foreign universities in their respective countries is mandatory to offer their

programmes in India and the degrees awarded should be valid in India, as well as in the country where the foreign institution is located. There should be reciprocal arrangements for the Institutions operating from India in those countries to promote mutual development.

Management Education today is not at all constrained by geographical boundaries and India is no exception for that. Innovative forms of translocation and transnational education have gained popularity and off-campus education, distance learning, internet based distance education, virtual universities are merging the field of management education of all most all the countries across the globe. With globalization the horizons of knowledge have been further widened and now, people have an open access to information from all over the world. So, the system of management education could absorb the latest developments taking place in various parts of the world. This can be attributed to the positive influences of the globalization on the Indian economy. Further it has incorporated a lot of changes to mould itself to the demanding situations of the changing business world. Alvin Toffler in his famous book '**Future Shock**' feels " To help avert future shock, we must create a super industrial education system and to do this, we must search for our objective methods in the future rather than the past... Education must shift into future tense." This is very much applicable to the present day managerial requirements.

2.1 IMPACT OF GLOBALIZATION

Globalization as a process has gives importance to decentralized educational governance and control. As a part of the liberalization policy, it is suggested that education should be privatized progressively and as a result there has been continuous encouragement to the establishment of a larger number of private universities and private institutions of higher learning in the country. The ideologies of the states and multi-national agencies in this area have brought a revolution in the system, and promoted more economic activity in the form of transportation, communication systems, outsourcing and other related activities.

With India emerging as a global hub for commercial R&D (*India Today International*, 3 Oct 2005), R&D within the scope of Higher Education has gained greater importance. It has been stated that 150 international firms have set up their R&D centers in India and in 2004, US patents office granted over 1000 patents to Indian units of US companies. Indian companies have also started to increase their allocations to R&D budgets. This creates a demand for high quality researchers in the field of management and management institutes can make use of this opportunity.

Distance education with new information and communication technology promises to expand the frontiers of Higher Education as never before. This is because it costs 66 per cent less and the students need not leave their homes or profession. The internet and satellite technology are being put to use to further the cause of distance education. The Indian Space Research Organization (ISRO) is launching a dedicated satellite for educational purposes to incorporate the latest developments taking place through out the world within no time.

2.2 WTO AND ITS IMPLICATIONS

Even though there have been requests from some of the member countries, to consider education as **public good**, considering the changes taking place in the international environment, the WTO Secretariat in September 1998 has mentioned that with the rapid changes in higher education 'education also exists as a private consumption item with a price determined freely by the providing institutions'. As demands for higher education grow the world over, the governments are also finding it difficult to provide adequate budgetary allocations to the universities and other institutions working in the field of education. Consecutively, they have stated that more and more paying students are attracted to these institutions including foreign students. As a consequence it has become a part of the implications of GATS. GATS cover educational services of all types for all countries, the educational systems of those are not exclusively provided by public sector or those systems that have a commercial purpose. Hardly any country has education exclusively in the public sector domain and therefore, almost all the world's educational systems have come within the purview of GATS.

According to a special survey on '**Higher Education: Free degrees to fly**', Management education is already become a global business. The days when education was a matter of national policy and government regulation are rapidly fading out. Today, world wide Education has become a trillion dollar industry. Education industry groups are therefore, attracted by the prospects of liberalization and globalization.. They seek more international deregulation and generally support WTO efforts.

The impact of WTO on India is different from the rest of the world. The rate of literacy in India is approximately 65% as declared by the Department of Higher Education working under the auspices of the Ministry of HRD. It is yet to achieve complete literacy, and provide access to the younger generation by promoting different interdisciplinary and multidisciplinary courses. The affiliations and tie ups with foreign universities and other institutes are facilitated in order to have a positive impact on the research and development aspects of the country.

In the meanwhile there is every possibility that the ignorant parents and students may be caught in the traps of attraction from foreign universities, with invalid degrees in the international educational system. India's concern always will be both on qualitative and quantitative aspects of the system of education. There has been concern expressed on the impact of globalization on the quality and nature of research and its relevance to the local needs, which should strengthen the economy either directly or indirectly. WTO is expected to facilitate educational products of all kinds to be freely exported from one country to another. The impact on India in the field of management education appears to be immense, and knowledge driven.

3.1 PROBLEMS FACED BY B-SCHOOLS IN THE COUNTRY

After going through the present trends taking place in the field of management education, the author has observed the following tribulations.

- First and foremost factor to be noticed is the importance attached to the students graduating from the 6 IIMs. Altogether these have around 1800 seats only, but the number of applications will be more than 20,000 (CAT qualified). This indicates the weightage given to these institutions in the country. Even the industries compete in selecting the candidates from these institutions. This is becoming a greatest difficulty for the graduates from other B Schools who are equally skilled and qualified in getting placed.
- Another important aspect to be considered seriously is the specialization of the students graduating from various management institutions of the country. Majority of these institutions are still following the traditional system of specializations like FINANCIAL MANAGEMENT, MARKETING MANAGEMENT, HUMAN RESOURCE MANAGEMENT AND SYSTEMS MANAGEMENT. But these are not exactly matching with the requirements of the industry or the services as such. Even though there is a change in the system with dual specializations and major and minor specializations, still the management graduates are not able to cope up with the challenges posed by the job market.
- Management departments affiliated to universities enjoy the fund support from Universities Grant Commission and Central and State Governments. While these are enjoying financial assistance, it is a matter of concern for the private sector B-Schools. Some of the B-Schools enjoy the benefits of affiliation with the industry, while others lag in this.
- Another matter of concern for almost all the B-Schools is the shortage of suitably qualified faculty. As per a recent study, the Indian B-Schools require a minimum of 7,000 qualified faculties. Due to the scarcity prevailing, they are forced to rely on visiting faculty, who may have some industry experience, but may be lagging in the academic qualifications. This affects the quality of the management teaching resulting in poor quality of the output.
- In most of the Business-Schools the curricula are not revised periodically to make them fit to the

present trends/needs of the industry or the job market. New trends and applications in management practices are not adopted properly resulting in a divide between the skills of the management graduates and the emerging employment scenario.

Some of the B-Schools do not possess the necessary infrastructure, particularly library, availability of online editions of journals of management and allied subjects, computer labs and reprographic facilities for the faculty and students, which finally results in the effectiveness of the program and the quality of the graduating students from these schools.

In the long term perspective, one more neglected area is research and publications by the faculty members of B-Schools. Only the top 20 -30 Business Schools of the country lay emphasis on research and encourage the faculty to carry on research and produce research publications. Others are monotonously following the curriculum and unable to understand the latest trends taking place in industry and academics.

3.2 NEED OF THE HOUR

In the present scenario there will be immense need for knowledge workers as the capital is slowly replaced by knowledge. Service sector is making a significant contribution to the development of the economy in comparison with other sectors. Owing to the development of information technology, future jobs will be knowledge driven and organizations will work with lean structures. Because of the information boom and communication revolution, there would be the direct contact between consumer and producer and hence the existing chain of distribution may disappear. Sky Marketing, Internet Marketing, Market Ownership, Solution marketing, Delighted Customers etc. would be the new concepts of future management. As a result the manager's task will become more challenging and there is a need for continuous updation of the knowledge as per the needs of the industry. Toffler has predicted that the world would be back into small isolated and completely self-sufficient blocks. Future Careers would be knowledge based, Information intensive, highly mobile across the world and highly rewarding and on a fast track.

To keep pace with the requirements of the industry and to develop the required skills in the management graduates, the management institutions should absorb the latest changes and modify their curricula accordingly. The New Management Education should think globally and act locally to develop global managers of proper knowledge, attitude, skill, insight to meet the challenges of the 21st century. Thus, it is desirable that the new management education should be responsible to develop managers with principles related to values, methods, research and partnership. Keeping in view this important aspect, the UN Global Compact was launched in the year 2000, urging all institutions of higher learning to endorse this process and to participate actively in a global platform for responsible management education.

3.3 SUGGESTIONS

The following are some suggestions for upgrading the quality of management education as perceived by the author.

Management Education as Technical Education:

Although, the two streams of technical and management education are functioning separately, it is essential to look them together, in view of their close relationship and complementary concerns. Such combinations should essentially focus on the likely changes in the socio-economic conditions, production and management processes together with the rapid expansion of knowledge and the great advances in science and technology.

People-based management:

The orientation of management education should be changed towards people-based management rather than just emphasizing on the acquiring of knowledge. Knowing what to do, how to do, when to do and getting feedback on performance is one way of encouraging people to take responsibility for the quality of work done by them.

REFERENCES:

Management by fact:

Knowing what people wish for and serving them with the same is the latest trend in the management. From this perspective academic quality is a way of describing how well the learning opportunities are available to students and help them to achieve the same. It is about making sure that suitable and effective teaching, support, assessment and learning opportunities are provided to them to make them fit for the needs of the industry.

Development of New Curricula:

Management Institutes will have to introduce new courses in management, like Travel and Tourism Management, Hospital Management, Construction Management, Hotel Management, Consultancy Management, NGO Management, Advertising Management, Banking and Insurance Services Management, Farm Management etc., Needless to say, courses should be need based and syllabi should be changed from time to time. Management education must be made practical with less expenditure and that too, without compromising on quality.

Enhancement of Quality:

Continuous improvement or incremental change should be the aim of all who wish to move towards quality enhancement. Quality enhancement is more transformative and it requires a change process – including teaching and learning which is directly concerned with value addition to the management graduates. For the individual lecturer, enhancement is about improving their students' effort based on the principle that they mould their students to do well in the job market.

Multiple Roles of Teachers:

In addition to teaching, teachers are essentially required to undertake multiple responsibilities including research, development of learning resources, taking up the managerial and administrative responsibilities of the institutions in which they are employed. The Staff Development Programs (SDP) and Faculty Development Programs (FDP) are to be made mandatory for the management teachers to equip them with the latest requirements of the industry and academics.

Management of Finances:

Management education institutions have to develop more rapport with the industry to understand the needs of the industry. The industry can also come forward to have more interaction with the B-Schools so that the results will be mutually beneficial. Industries can sponsor some of the students of the B-Schools and take their support in recruiting apt candidates from the pool of graduates. This helps the management institutions as well as the industry to manage their finances optimally.

Promotion of Research:

As discussed earlier, research is a neglected fact that is very essential for the development of quality in management education. Management institutes have to extend their support to the faculty to pursue their research and encourage them to undertake mini research projects. Research for development should focus on improving the present technologies, developing new indigenous ones to enhance production and productivity. Many of the institutes are not aware of the fact that University Grants Commission sponsors major and minor research projects with faculty as research supervisors. This facility can be utilized by the institutions and faculty to make themselves more competent and produce more qualitative managers. This helps the managements also to reduce the financial burden of research and development allocations in their budget.

Global Collaborations:

Indian business schools can make a concerted effort to go for tie-ups and exchange programs with global B-Schools. This may be in the form of exchange of students, deputation of faculty and development of collaborative course material etc. Some of the leading management institutes send faculty abroad and involve them in research and consultancy activities. This type of programs would help in the development of students and faculty and finally result in the improved quality of management education of both the institutions.

Consultancy Services:

Faculty members of management institutions may be encouraged to take up consultancy projects actively to understand the latest requirements of the industry. The faculty can be encouraged to carry on these activities on a sharing basis with the institution or may be given the privilege of handling them independently. This provides them with a chance to implement novel ideas and make them feel as a part of industry-institute interaction. This effectively can reduce the gap between the institute and industry and motivates the faculty and students to develop new concepts and applications.

Self-Employment and Entrepreneurship:

The students of Business Management should be encouraged to consider "Self-Employment" also as a career option. Training in entrepreneurship is to be provided by setting up Entrepreneurship Training and Development Cells (EDCs). This will not only generate employment but also facilitate placements for the students.

Non-Commercialization of Management Education:

Under the name of Liberalization or privatization, every care should be taken by UGC, AICTE not to commercialize management education. Otherwise, the very purpose of Indian Education system will be disturbed. Therefore, an alternative system needs to be developed to involve public-private partnerships, voluntary efforts in the sector of management education to make it more reachable to the deserved.

4. CONCLUSION

With the implementation of Liberalization and privatization policies, it's no exaggeration to say that India is becoming an attractive destination for employment and investment opportunities. Many multinationals are establishing their manufacturing and service points in India. This is enhancing the employment opportunities for Indian management graduates in the domestic and international job markets which clearly emphasize the fact that there is a shift in the trends of management education followed by our country. The global environment is characterized by rapid change followed by severe competition. High quality of education is the key driver for success of our managers either locally or globally. In a developing country like India there is a need for sustained development in the field of management education beyond what government and society is able to provide. Corporates have to come forward and extend their support to the B-Schools by providing their support in the areas of finance, training and research. This can create a win-win situation for both the industry and institutes. The database gathered by the management institutions through research can be used by the industry in the marketing research and management information systems. Recognizing the need for participation in the field of management education, corporate giants like TATAs and BIRLAs have already entered into the same by establishing premier management institutions in the country. The trend is also followed by IT sector giants like Infosys, Mahindra Satyam etc., Foreign Universities from various parts of the world are now showing their interest in the establishment of their branches and study centers in India to reap the benefits of their investments in the field of management education. This provides an opportunity for the Indian scholars to become skilled at global level. If the Indian management education incorporates all these changes and adopts itself to the global needs the author genuinely feels that India no sooner will become the leading hub of future managers.

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