



## **MANAGEMENT EDUCATION IN 21<sup>st</sup> CENTURY: PRESENT STATUS AND FUTURE CONCERN**

**Madhwesh R Mugalihal**

*Research Scholar, Kousali Institute of Management Studies, Karnatak University, Dharwad.*

### **Abstract**

*The aim of the present paper is to focus on the current scenario and historical development of management education in India and to examine its major issues & concerns. Today we need competent managers for the overall development of country. Managers should know all the facts, logic and strategies. For this they should get education from good institutions. Today in India we have large no of management institutions but they are not giving education up to the mark. And also they demand high fee from students. Instead if we have average no of institutions providing good quality of managers that would be beneficial for all students, corporate and nation also. Government should make some new policies by way of introducing All India Management Council of Management Education for dealing with the professional education.*

*Owing to the globalization, privatization & liberalization lot of changes are noticed in the functioning of industries. Naturally corporate across the world are required to have the manpower with multi skills rather than simply bookish knowledge. Western B-Schools are molding their self & making the changes in their curricula as per the demand of corporate. Now a day's learning has become more students centric. Branding has made in roads into management education. Top B-Schools are continuously changing the contents & delivery modes. It is equally imperative to Indian B Schools to make management education context specific. On this back ground it is equally important to re look the various issues and concerns of Indian management education. Expectations from corporate after the recession (2008) period has considerably increased like executive's decision making, corporate communication skills, critical thinking and problem solving have increased tremendously. Professional Education now needs to move beyond conventions in order to catch up with a rapidly changing in global context.*

**Keywords:***All India council for technical education (AICTE), Issues in Management Education, corporate Expectations, All India Council of Management Education , (AICME) Management University.*

### **1. Introduction**

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 that made Indian Business education to face several issues in the area of academics, development of infrastructure and financial support. The Govt. of India had also appointed various committees to take a critical review & the overall growth of Business Education in the country. Owing to the intense competition at the global level lot of changes are taking place in the industries. In turn there is a need to make the changes in the Business education system all over the world. India is no exception to it; but the pace is very slow. Now time has come to take a detailed review and to investigate the various challenges & issues which are being faced by these Business schools for enhancing the quality of management education in the country.

Present corporate world is full of competition. New technologies are emerging every day and everything is turning towards globalization. In such challenging situation, young managers possessing management degree turn out to be survivors. The biggest challenge of the corporate world is to produce efficient managers. A management degree from a reputed institution certifies that the person holding the degree has enough managerial skills required to face the competition. Management courses develops skillful workforce which constitutes of leaders of future as well as competitive managers. They have the ability to handle complex business situations. They maintain healthy relationships with clients. The paper is divided into three sections



## Section 1

### 2. Management Education: Evolution

Management education has a long history in India, dating back to the 19th century. Early business schools were focused on the commercial side of business, seeking to fulfill the needs of the then British government.

1. India's first B-school, i.e., Commercial School of Pacchiappa Charities was set up in 1886 in the southern city of Chennai (Madras).
2. In 1903, British government initiated Secondary school level commerce classes at the Presidency College in Calcutta with a focus on Secretarial practice, Business Communication, Short hand, Typing, Correspondence & Accounting.
3. The first college level Business School was founded in 1913 in Mumbai i.e. Sydenham College.
4. Soon followed by another college in Delhi in 1920 as Commerce College, later on it was renamed as Sri Rama College of Commerce.
5. The Indian Institute of Social Science founded in the year 1948 as India's first management program with an intention to train manpower to create & spread the knowledge required for managing industrial enterprises in India.
6. Catholic community founded Xavier Labor Relations Institute (XLRI) at Jamshedpur in 1949.
7. Indian Institute of Social Welfare & Business Management (IISWBM) was set up in 1953 at Calcutta. That was considered as India's first official Management Institute.
8. Encouraged by the results, Government of India applied for and obtained grant from the Ford foundation in 1961 to launch two (2) Indian Institutes of Management, one at Calcutta (West Bengal) and other at Ahmadabad (Gujarat). This grant was focused on helping American Business education knowledge & models to other nations and having intensive collaboration with American B-Schools for facilitating the transfer of learning.
9. The IIM Calcutta established in collaboration with the Sloan School of Management (MIT) for faculty & pedagogy development in the year 1961, with an intention to focus on Quantitative & Operational aspects of management.
10. IIM Ahmadabad was founded in 1962, pioneered the case method of teaching in India with an emphasis on Qualitative strategic-integration.
11. The mission of IIMs was to professionalize Indian Management education through teaching, research, training, institution-building & consulting with the support of expertise developed by the pioneering IIMs.
12. Two more IIMs were founded in Bangalore (Karnataka) & other in Lucknow (U.P.) in 1973.
13. The Indian Institute of Forest Management was setup in 1982 in Bhopal (M.P.) as a leader in specialized management education for the entire forestry system in India with the help of IIM, Ahmadabad. International Journal of Education and Learning.
14. In late 1990's, two more IIMs were setup, one at Kozhikode (Kerala) & the other at Indore (M.P.).
15. Growth in terms of numbers and status occurred during the 1990's. A large number of multinational companies entered in India. Domestic companies also followed to compete with multinational corporations. Companies found that the graduates from commerce stream fell considerably short of the demands of the executive positions in a competitive world. They had good accounting skills but lacked requisite marketing, behavioral, finance & operations skills. They were also weak in oral & written communication, critical thinking & critical reading skills and in Information technology. Consequently, rather incurring on training cost for commerce graduates companies started offering huge premiums for MBA graduates. Recognizing the success of MBA programs & demands from students & employer, universities started looking at management education as an academic discipline & started offering MBA & BBA programs.

## Section 2

### 3. Management Education: Present Status

Management schools in India (Source:AICTEwww.AICTE-india.org)					
STATES/UTs	2013	2014	STATES/UTs	2013	2014
AP	1006	1001	Karnataka	275	260
Assam	13	12	Kerala	88	88
Bihar	24	27	MP	273	270
Chandigarh	02	02	Maharashtra	708	652
Chattisgarh	37	36	Meghalaya	01	01
Dadar & Nagar Haveli	01	01	Orissa	123	114
Delhi	101	96	Pondicherry	08	08
Goa	03	03	Punjab	146	142
Gujarat	161	148	Rajasthan	159	127
Haryana	209	179	TamilNadu	454	427
HP	17	15	UP	759	752
J&k	18	16	Uttrakhand	81	68
Jharkhand	25	27	WB	80	76
Nagaland	-	1	Mizoram	-	01
Sikkim	-	01			
			Total	4772	4551

From the above table it is clear that the growth of management education is coming down and admissions are also decreasing. In states like Gujarat & Maharashtra 50 % seats are vacant and many institutes have applied for closure.

### Section 3

#### 4. Management Education: Future Concern

Govt of India appointed various committees like Nanda Committee (1981), The Kurien Committee (1991), Ishwar Dayal Committee (2001), The Management Education Review Committee of 2003, U R Rao Report 2004, All India Management Association (AIMA) (2005) and The National Knowledge Commission (2005) on management education in order to enhance the quality and suggested improvements. Still there have been no significant changes in management education except in the top ranking B-schools. Now the time has come to examine the major issues that need to be addressed if at all management education has to improve in India, So as the present managers can respond to the challenges of global Competition. In recent years business management has become one of the major higher studies in India. The reason for this is that a good knowledge about this field would change the economic background of an individual rather than the development of the country. Many high quality educational institutions are being set up in our country.

#### Major Issues

1. Ensure Competent Faculty.
2. Upgrade Research Wing.
3. Faculty Development Programs.
4. Develop reading materials relevant to Indian Context.
5. Develop interaction with Corporate.
6. Evolve a proper system of Accreditation & Rating.
7. Create an independent Institutional mechanism.
8. Corporate Governance of B-schools.
9. Introducing new specializations with specific to Indian context.
10. Create a global mindset.



#### 11. Internationalize Management education.

##### **Ensure Competent Faculty**

Newly joined faculty members adopt only lecture methods and impart theoretical or conceptual knowledge to the students rather than brainstorming or its application. New faculty members without any experience cannot take up the research or development of teaching materials and deliver only the lectures mainly drawn from the text books.

##### **Upgrade Research Wing**

The management Institutions does not have wing that is supportive of research. Imbibing a research culture requires a good library support system. Scholars should be invited to undertake research in certain areas of local interest..

##### **Faculty Development Programs (FDP)**

The faculty development programs must be implemented on a large scale. Presently the teachers in the B Schools are prepared on a trial and error basis at the cost of present generation of students who are the real sufferers. Recently, AICTE had informed to management institutes to depute their faculty members to undergo Faculty Development Programs at the selected few centers but it is too inadequate. That will require another 5-10 years period to get the trained manpower with this system. Again the FDP programs which are implemented at the institutional level they are also not adequate & rich in their Quality. As a part of formality & conditions of the AICTE this activity is being implemented. In fact this scheme must be implemented at the regional levels throughout the country with the help of top ranking B-schools.

##### **Develop Study Materials Relevant to Indian Context**

It is observed that the ideas and concepts which are effective in the countries of their origin but have been less effective in Indian context. So also the management practices adopted in industrialized countries are in perfect harmony with their culture & tradition, where as India has yet to do this exercise through systematic research and study.

##### **Develop Interaction with Corporate.**

Except in case of top ranking B-schools, there are no mechanisms to forge close relationship between B-schools & industry group's institutional mechanism for developing liaison with corporate in each B-school. In order to enhance employability skills interaction with corporate is need of the hour.

##### **Accreditation and Rating**

In Indian management education it is one of the emerging issues is to identify the process to be adopted for implementation of an accreditation system. The accreditation has to be fair, transparent, independent as well as ruthless. The rapid growth in number of management institutes require a specialized body rather than the all encompassing AICTE to carry out accreditation. In fact a council, exclusively for management education is required and the process of accreditation & recognition need to be made separate. Recently the (NKC) National Knowledge Commission has recommended rating as an additional measure to inform the students, the parents & the public of the Quality of Management education entity (MEE) because of mushrooming growth of schools in India. Many of which do not meet even the minimum requirements for the acceptable quality. By requiring disclosure of information on rating a great service will be performed to all stake holders including students and recruiters. Hence, the group has recommended that all MEE must have mandatory rating.

##### **Need to Create Independent Institutional Mechanism**

There are too many agencies deal with management education. Management education must be a concern of the body created by law for governing management education i.e. The All India Council for Technical Education. All India Management Association is of the opinion that there is a need of formation of All India Council for Management Education (AICME). Management Universities to be formed in order to bring high quality in the business schools.



### **Corporate Governance of B-Schools**

As observed by S.L. Rao, a major drawback is the lack of a Corporate Governance system in B-schools. This issue needs careful Consideration. There is a need to have independent Directors as well as to implement independent Audit Committee for managing the B-schools. The B-schools should become process driven. Corporate governance has to be made an element of accreditations. Faculty development as well as faculty involvement in the administration needs to be a part of the Corporate Governance agenda. Issues like qualifications of faculty members, size of libraries, and other academic as well as infrastructural facilities must also become a part of governance.

### **Need to Broaden the Specialization**

In India there are emerging sectors like agricultural services; infrastructure management, contract research, hospital management and NGO are rapidly growing areas in business. These businesses need customized management education. Curricula customization, Specific material development and faculty specialization are some of the neglected factors that led to poor quality of management education in India.

### **Create a Global Mindset**

This is an era of globalization and digitalization. Many multinational companies are entering into India; Corporate needs managers with world-class talent. The issue is how to inculcate a global mindset through the managers who act locally.

### **Internationalize Management Education**

From India alone, more than 80,000 students go to the United States of America every year for higher education spending around Rs.6,000 crore annually. As the business is getting global, day by day there is an increasing need for the management institutions to produce global Managers. Therefore, it has become necessary that the Indian Management education should also become more global. The response to globalization of business is the globalization of Management education. Hence,

- The business schools must admit international students to the program. The Indian management institutes are the only ones with no international participation.
- The B-schools should induct a few international faculties & provide an opportunity to the students to listen about other country's business culture & systems.
- The B-schools should provide an active program of students & faculty exchange with advanced countries.
- To ensure that at least 25% of the curriculum deals with international subjects like international economics, International Marketing, International Financial Management or international Business Management, etc.
- Indian B-schools should collaborate with some well-known foreign B-schools by which Indian students can do part of their education in those institutes.
- Lastly the B-schools also collaborate with some foreign placement Consultancies to make sure at least some students can obtain jobs abroad.

### **3. Skills Required for Future Managers**

- IT management skill,
- Decision-making skill ,
- Human Resource Development Skill,
- Innovation/Creativity,
- Service Sector management Skills,
- Time Management Skills,
- Stress Management Skills,
- Environment management Skills,
- Entrepreneurship,



- Customers Services Management Skills and
- Critical thinking.

Management institutes will have to introduce new Service Sector Management Courses which are emerging in India ( as suggested by Ramu Aiyer Committee) , like travel and Tourism Management, Hospital 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 periodically. Lack of specialization specific to industry, is one to the problems of our MBA program.

## 5. Conclusion

Business schools in India need to reengineer Management education in the country in order to meet the expectations of all the stakeholders such as students, faculty, society, corporate government and global community at large. Hence it is imperative that the ever-growing crisis of relevance vis-à-vis Management education is addressed collectively, enabling key-stakeholders to contribute their mite in the process and system improvements. A broad-based discussion with the stakeholders might help in developing a holistic framework for effective Management education while tackling fundamental issues of faculty shortage, lack of governance and accountability, absence of an effective regulatory body, poor quality of research, lack of pedagogical innovations, lesser corporate to campus interface, lower employability of B-school graduates among others. It is time to collectively reflect and take stock so that we are ready for next wave in Management education.

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