

## PAST, PRESENT AND FUTURE OF MANAGEMENT EDUCATION IN INDIA

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### Abstract

The current scenario with respect to management education is dismal. The liberalization process initiated in India in the year 1991 gave a major fillip for the industries. With this a demand was created for the best brains in management education to run these major industries. So this led to increase in the number of B-Schools in India. Today many of the B-Schools have been opened throughout the length and breadth of India. There is no dearth for the quantity of B-Schools, but, the problem lies with the quality. The quality of management is suffering. So this has led to poor demand for the management seats. So this paper is an attempt to highlight the past, and the present issues prevalent in the management education and giving certain suggestions in order to improve the quality which will attract more number of students towards management education.

**Keywords:** Liberalization, Management Education, Quality, Industry.

### INTRODUCTION

Management itself as a discipline has evolved from fundamental disciplines of philosophy, economics, mathematics, accounting, statistics, computer science, psychology and industrial engineering. Management education in India is predominately a derivative of western management thought and practice. In India, management education is seen as elitist. Often, young women and men are attracted to management studies not because they need some education, experience and exposure to create something good and hence useful to society but are usually motivated by the positive consequences associated with management education<sup>1</sup>.

The introduction of liberalization, privatization and globalization (LPG) during the year 1991 paved the way for drastic changes in the Indian economy. There was tremendous growth in various sectors which led to the increase in the demand for people with leadership skills to manage the business. So this development gave a major boost for the management education. Since then there is a lot of demand for the management education which can be seen in terms of number of business schools that have cropped up today.

Management education in India is not very old after the establishment of the Indian Institute of Technology, there was dire need for similar establishments in the field of management education. Thus came into existing Indian Institute of Management Ahmedabad (IIM-A), followed soon after by one in Kolkata (IIM-C). Starting with the establishment of 4 Indian Institutes of Management Calcutta (1961), Ahmedabad (1962), Bangalore (1973), Lucknow (1984), and management education is now being offered as full time/part time MBA programmes by some leading universities in the country. The apex regulator for technical education - All India Council for Technical Education (AICTE) has revealed that there are 3644 Business schools in the country offering Master of Business Administration (MBA), while there are 308 institutions offering Post Graduate Diploma Management (PGDM)<sup>2</sup>. The statistics gives the clear picture about the growing number of management schools in India. One of the main reasons for this phenomenal growth is the growth in the economy after the introduction of LPG which led to increase in demand for people with management skills. There was an increase in the number of students getting admitted to the B-schools. The college management saw this as an opportunity to make money by starting B-schools by making use of the existing demand which was there. Today the overall growth of MBA education is

### LITERATURE REVIEW

Sarita Chaudhary et al (2011) <sup>[1]</sup> are of the opinion that if management profession & practice are reckoned & molded as an "art" rather than as "science", its educational programming escapes the pitfalls of structure,

<sup>1</sup> Kumar Sanjeev, M. K. Dash., (2011) Management Education in India: Trends, Issues and Implications. *Research Journal of International Studies* ( 18).

<sup>2</sup> <http://www.indiaeducationreview.com/news/total-3644-approved-b-schools-india-aicte> retrieved on July 18, 2014.

formalism & standardization, creativity, subjectivity, flexibility & the informality replace the conscripted mode of training & development in management. Adarsh Preet Mehta (2014) <sup>[2]</sup> has stressed on lack of corporate governance system in management institutes is one of the major reasons for fall of quality management education corporate governance has to be made a part of accreditation. He has concluded that Management education need to be comprehensive, targeted and customized with aim to remove the gap that exist between industry requirements and academic curriculum focusing on attitude, grooming, corporate awareness and developing managerial skills. Kumar K Ashok et al (2013) <sup>[3]</sup> has mentioned that the programmes offered by the universities and post-graduate programmes offered by the institutes of management to the young entrants do not give the participants sufficient practical exposure. These students gain experience only when the complete their degree and join an organization.

Sanjeev Kumar et al (2011) <sup>[4]</sup> has concluded that management education need to be integrated, targeted and customized with aim to remove the gap that exist between industry requirements and academic curriculum focusing on corporate awareness, grooming, attitude and developing managerial skills. Margaret MacNamara and et al (1990) <sup>[5]</sup> emphasized on action learning in management education as management institutes are often criticized for focusing more on theory and on quantitative analysis while neglecting interpersonal relationship and quantitative finding. It is generally stated that management education should be experience-based, problem oriented, active and modified by feedback and action learning serves the purpose. Gautam G Saha (2012) <sup>[6]</sup> has concluded that we are in third millennium; India's Management education is undergoing a major transition. Internationalization, strategic alliances, cross cultures, partnership & mergers are the new trends in management education. But Compared to US & Japan where do we stand? One of the important reasons of Japan's Climbing to the top ladder of Industrial world is that they believe in "developing people before products are developed", so it is important for Indian management education to think in this direction.

## **OBJECTIVE**

The objective of this paper is to highlight the past and present scenario of the management education and offer direction for future development.

## **PAST OF MANAGEMENT EDUCATION IN INDIA**

The 50s was a period of slow growth in management education in India. It was marked by a search for content, direction and emphasis with regard to all these programmes. There was also a big debate going on at that time to see that whether all these programs should be offered to fresh graduates at all. The concentration of the schools at that time was basically on part-time programmes meant for working executives. The formation of the first Board of Management Studies in 1955 under the dynamic leadership of Sir Jahangir Ghandy of TISCO, who is rightly described as the Father of management education in this country, gave considerable impetus to management education. One of the priority tasks addressed by the Board was the establishment of norms and standards for the recognition of management schools in the country. The next review of the management education system was made in 1964 by the Courses Committee of the All India Board of Technical Studies in Management. This committee recommended few changes in the requirements for the infrastructure facilities and curriculum. These changes were followed by many of the schools which were then in existence.

The 60s saw the emergence of India as a major center of management education. The establishment of the Indian Institute of Management, Calcutta (IIMC) in 1961 and the Indian Institute of Management, Ahmadabad (IIMA) in 1962, the establishment of the management division at the Xavier Labor Relations Institute (XLRI) in the year 1966, offering of full-time MBA programs in Delhi and Bombay universities and the entry of a number of other universities marked a quantum jump with respect to the numbers, recognition, prestige and impact of management education system in the country<sup>3</sup>. It is of great interest to note that IIMC and IIMA came into being well before

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<sup>3</sup> Kumar k. Ashok, Rao Bala Nageswara and Mohan j. Madan., (2013) Management Education in India, Role of the Institutes of Management, Past, Present and Future Trends. *Journal of Educational Research* (Jer) 1(1), 1-16.

the establishment of the London and the Manchester Schools of Business in the UK. With the establishment of IIMs and the coming of age of some of the university departments of management, the role of management education in further professionalizing Indian management and providing qualified and competent managerial manpower for the corporate sector in the country was recognized by business, industry, and the government. While the model of management education adopted in the country was basically American (since there was nothing else to emulate meaningfully at that time), they quickly adapted, strengthened, and acculturated according to the Indian conditions.

The major developments in the 70s included the founding of the Indian Institute of Management, Bangalore (IIMB) in October 1973. IIMB was founded with a different perspective and mission a high public sector orientation and a special commitment to public systems. The 70s saw a steady quantitative growth of management schools with the number reaching to about 55. However, some of the controversies of the 60s continued to plague management education.

The 80s were marked by an explosive growth in the number and variety of management schools. Some of the significant developments of the period were as follows:

Nearly 50 management schools came into being during this decade. Of these, easily one-half were in the private sector. A number of private sector colleges affiliated to the universities began to offer MBA programmes. In Bombay city alone, there are eight such institutions offering MBA programmes. The IIM, Lucknow, was established in 1984. The emergence of the International Management Institute (IMI) with its links with IMI, Geneva and McGill University, Canada, had a lot of commitment to international management education. This was a watershed in Indian management education. The IMI was established at the initiative of a retired chief executive of an MNC who was also the President of AIMA earlier, with the avowed objective of opening up Indian management education to international developments, and even admitting students from abroad. XLRI remains the first and the largest private sector management institution, while IMI has the distinction of being the first international management school of the country. In 1986, the All India Council for Technical Education (AICTE) approved a revised set of norms and physical facilities for the recognition of new management schools. The Association of the Indian Management Schools (AIMS) was formed as the National Forum of Management Schools in the country on August 27, 1988, in Bangalore. In 1988, AICTE accepted a set of revised norms regarding the conduct of MBA programmes in the country as recommended by a committee headed by Dr N C B Nath of FAIR of New Delhi.

## **PRESENT STRUCTURE OF INDIAN MANAGEMENT EDUCATION**

The present Indian management education is divided into six categories:

1. Indian Institute of Management (IIMs) setup by government of India.
2. University Departments of Management studies, distance, correspondence & part time courses as well.
3. Colleges & institutes affiliated to universities.
4. Private or Govt. Institutes approved by All India Council for Technical Education (AICTE).
5. Private Institutes or colleges not affiliated to any universities are not approved by AICTE.
6. Private colleges or Institutes offering MBA courses in India in collaboration with foreign universities where degree & diploma certificates are awarded by the foreign universities <sup>[8]</sup>.

Now a day, learning has become students centric. Branding has accelerated the management education. Top B-Schools are continuously striving towards changing the contents & delivery modes. It is equally imperative to Indian B-Schools to strive continuously to make management education context specific. But the present proliferation of B-Schools raises a serious question on the quality of management education. Where will this proliferation of B-Schools leave the country? What will be the quality of managers which are produced by these B-Schools. This sudden proliferation has led to a considerable decline in the quality of management education.

The best in India is not the best internationally. The IIMS particularly Ahmedabad, Calcutta, Bangalore, Lucknow consistently have been ranked among the top by almost all surveys. These B – schools are ranked in India & Asia – Pacific, but when they are compared to global rankings, they fail to appear in top 100 B – Schools in the ranking



surveys of Business week, Financial times & Forbs. Even Chinese B – schools figure among the first 40 in these surveys<sup>4</sup>.

### **CURRENT ISSUES IN MANAGEMENT EDUCATION IN INDIA**

There are many issues relating to management education in India which is should be identified and addressed as early as possible to make sure that quality students graduate out of B-Schools who can serve better to the organization and in turn contribute the society. Some of these issues are:

#### **“Preach-Practice” Gap**

B-Schools are expected to teach new ideas in management. Issues such as Business Process Reengineering (BPR), Total Quality Management (TQM), employee involvement, elimination of non-value added activities and activity based costing are not being practiced in majority of the B-Schools.

#### **Industry-Institution Cooperation**

It should be very clearly understood that business management education is for business. There is no other way of looking at it. So the cooperation between the industry and institution is very much vital for improving the quality of students who will be able to have a real time experience of the working of the industry. The industry has to give up the short term, profit-oriented approach, when it comes to cooperating with the institutions. The institutions, on their part, have to create new systems to meaningfully accommodate the industry-institution initiatives.

#### **Quality of the Faculty**

Quality of the faculty is one more area of concern in today’s management education. Because of sudden increase in the number of management institutes, there was a huge demand for the teaching faculty. So in order to fill up the positions majority of the institutes did not give importance with people from industry background or with some research background. A Post graduate degree was sufficient to fill the vacancies. The faculty members without industry background will not be able to relate the concepts with the real industry working. They will only be able to explain the theoretical concepts present in the textbook. So this leads to the compromise of quality in teaching.

#### **Quality of Faculty Development Programmes**

Faculty development programmes (FDP’s) are one of the ways by which the teaching quality of the faculty is improved. Nowadays, many FDP’s are being conducted in almost all the B-schools which lack quality since they are being conducted to ensure that they meet the criteria for accreditation which has become a buzz word with almost all the educational institutions. But those FDP’s lack content as well as quality.

#### **Changing Role of Institutes**

The role of the institutes should also change according to the changes taking place in the market. Benchmarking should be done with some of the best institutes so that some of the best practices being adopted at such B-schools can be inculcated to improve the standards of teaching. The institutes can also have a Memorandum of Understanding with the industries to bring the two sides emotionally and strategically closer. The curriculum should be made more flexible so that a student could, work in a company instead of doing some courses. The institutes should encourage the participation experts from the industry in curriculum development. This ensures that latest relevant concepts are being added in the syllabus which helps the students to keep abreast of the latest developments in the industry. Institutes should encourage part time faculty from the industry so that the students as well as the institute are full aware of the latest developments and requirements of the industry.

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<sup>4</sup> Vipin Gupta, Kamala Golakota, Ancheri Sreekumar, Quality in Business education: A study of the Indian context, A paper presented at conference held at Atlanta 7<sup>th</sup> Nov. 2003

### **Accreditation of Institutions**

Accreditation is the buzzword at most of the management education conferences nowadays. In 2013, accreditation was made mandatory for all educational institutes through an executive order, after the Ministry of HRD could not get a law to that effect approved in Parliament. The executive order also showed an incredible rise in the number of applications for accreditation last year when annual request surged from 800 to nearly 3000 at the National Assessment and Accreditation Council (NAAC). So there is a huge stress on NAAC to give accreditations to the colleges. Since, the numbers are too high the NAAC body will not be able to concentrate fully on all the colleges of having met the criteria which finally will end up in giving accreditations for those colleges who have merely met the criteria because of paucity of time in checking with all the colleges.

### **Value Orientation of Business Management Graduates**

Most of the B-schools faculties see their role as one of imparting knowledge and developing skills, and not one of value-inculcation. High pressure atmosphere in premier B-Schools and the relative grading system practiced by some of them reinforces the self-centered and mercenary attitudes of the students. It is very important that the business educators reflect on the likely damage that will be done to Indian society if people with amoral and self-centered attitudes occupy positions of leadership.

### **Admitting Students with Work Experience**

Students, who come for the MBA programme, must have prior work experience. If they have a few years work experience, they can relate concepts to real life situations much better. In most institutions, a larger proportion of students are without work experience. Either organizations should sponsor their employees or they should give preference to people with work experience.

### **Issues Related to Placement**

According to a survey conducted by Associated Chambers of Commerce and Industry of India (Assocham), only 10 percent of graduates are employable despite having more demand for B-School graduates. Barring graduates from IIMs, the B-schools are losing fast shine of attracting the top notch companies for campus recruitment.

### **SUGGESTIONS FOR THE FUTURE OF MANAGEMENT EDUCATION**

After going through the past and present of the management education, it is very much visible that many loop holes are visible in the management education. So it is very important to come up with solutions for the problems that are prevalent in the management education. So some of the suggestions to improve the quality of the management education are:

The faculties should internalize the concepts and also try to implement the concepts which are being taught in the classrooms practically in the institute which serves as an example for the student. There is lack of conviction. A better approach for B-schools is not only to engage in corporate assignments but also to try out these ideas by bringing in “**in-house**” changes.

The industry should come forward to provide adequate support for case writing and absorb business school faculty for six-month and one-year assignments. These assignments could be used by the industry either for training their executives in modern concepts or for project-oriented, problem solving initiatives. Business schools, on the other hand, should put in place a mechanism of getting their faculty in corporate sectors once in 4-5 years or else academicians will be out of sync with reality. It is very important to hire people with some industry background who will be able to relate the theoretical concepts with the real industry scenario. The people from industry background can relate the concepts with actual company practices with ease.

The B-schools should conduct such FDP's which really concentrate on the content which are highly relevant to the existing needs as well as the quality which will benefit the teaching fraternity who in turn will be able to disseminate the knowledge gained out of such quality FDP's to the student community.





The issue of accreditation of management institutes can be addressed by setting up a separate accreditation body for the management education within the NAAC body which totally focuses on the accreditation of management institutes. So this ensures that the quality is not being compromised by any of the institutions.

The institutions must insist that anyone joining the MBA programme must have a minimum of three years of work experience in a managerial or supervisory capacity. A person who has worked for some time will have a greater clarity in his mind as to why he is doing the course and relate concepts and techniques to real life situations. This appears to be the case in most of the institutions abroad. There needs to be a dialogue between industry and academia to evolve a programme which, in the long run, ensures that candidates benefit the most from the programme and the organizations also derive benefits.

The institutes should also focus on placements, since, majority of the students opt institutes based on the track record with respect to placements. So in order to survive in the competition from the other B-schools it is very important for them to concentrate on the placement aspects.

### CONCLUSION

If the present trend continues with the management education then definitely the future of it looks very bleak. So all the management institutes should gear up for the changes that need to be introduced in terms of curriculum, pedagogy, and many other aspects of the management education so that more number of students do come and join the management courses who become the best managers with good conceptual, analytical and technical skills who would contribute to the development of the companies and in turn would continue to become good citizens with values who would serve the society through their company's corporate social responsibility initiatives.

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