

## Management Education At Cross Roads in India: Issues & Challenges

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### ABSTRACT:

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 the 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 one 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.

All the aspects of Business education such as quality of MBA aspirants, curriculum, business research, quality of research publications, industry-institute interface, management development programmes, faculty development programmes, placements, compensation packages of B-school graduates, career development trajectory of alumni, diversity among faculty as well as students, governance and accountability, etc. are under critical scanner. Indian B-schools are not untouched by the contextual compulsions of the Management education in the international arena. Indeed, B-schools in India are facing multiple issues such as proliferation of B-Schools, quality of education, faculty shortage, poor regulatory mechanism and governance and accountability. This paper analyses the issues and challenges of Management education in India in the emerging scenario and provides remarkable insights into revitalizing B-schools that may benefit all the stakeholders.

### Keywords:

Management Education, B-Schools, Regulatory Framework, B-School Governance.

### INTRODUCTION:

The management education in India emphasizes mostly on theory, not on practical education. When you look at engineering education, there are laboratories to experiment and verify the theoretical aspects. However, the same is not possible in the management education. Hence, the management educators emphasize on case study driven education to ensure takeaways to the students. They are supposed to create case studies as per the profile of students to share their knowledge. It is also essential for students to have some industry experience to enable them to relate what is taught in the classroom. Unfortunately, students in India pursue from KG to PG without any break. Hence, they don't have any industry exposure and find it tough to digest the management education in the classroom [1-5]. Most of the management education across the globe is case study driven and the management educators are a blend of industry, teaching, training, research and consultancy experience.

They are able to leverage their experience and share their knowledge with students who already have some years of industry experience. Such management education helps ensure effective takeaways in the students. The students will be able to relate the theoretical aspects with their practical knowledge. When such students hit the industry, they will be able to leverage their management education in the corporate world. They will be able to customize their knowledge as per their verticals, sectors and industry. On the other hand, when you look at management education in India, it is mostly faculty-centric, not student-centric. It is not customized as per the aspirations of the students. It doesn't cater to students as per the industry expectations resulting in a huge gap between industry and academia [7].

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Management, a substantial proportion of academic research should deal with real business problems, jointly with top managers. Investment banks created in the past years true in-house universities that developed huge research on markets and companies but lacked the soundness and independence of academic research. On the other hand, academics have sometimes neglected the practical relevance of their research (Ozonol, 2010). Business schools should act as bridges between academia and the real business world (Ozonol, 2010). By becoming knowledge hubs instead of reservoirs, business schools may better contribute to the advance of Management theory and practice (Ozonol, 2010). Besides curriculum redesign and practice orientation in sync with the changing realities in the world of business, the institutions need to focus on developing worthy faculty to meet the ensuing global shortage of educators. Datar, Garvin & Cullen (2010) have vehemently advocated the staffing model of medical schools for B-schools [4] as well so as to ensure a steady supply of skilled instructors. In the medical schools, all the doctors of the attached hospitals serve as faculty. For example, Harvard Medical School with an entering class of 165 students had a total faculty of 10,884 in 2008-2009 that included doctors working in seventeen affiliated hospitals while the core faculty numbered 668 as per the website of the said institution. The doctors served as faculty as they led occasional clerkship, clinical rotation or small-group tutorials. The suggested model provides for meaningful and optimum involvement of practicing managers in Management education. Indeed, faculty members from practice bring a wealth of business experience that enriches both faculty research and classroom learning (Datar, Garvin & Cullen, 2010).

## MANAGEMENT EDUCATION IN INDIA: AN OVERVIEW:

Management education in India formally began in 1953 at the Indian Institute of Social Welfare and Business Management (IISWBM) –the first B-School established by Government of West Bengal and Kolkata University. However, a few institutions like Tata Institute of Social Sciences (1936) and Xavier Labour Research Institute (1949) had already started training programmes for managers in personnel function well before the formal launch of first MBA programme at IISWBM. IISWBM [3] experiment of offering two-year, full-time MBA programme was followed by Delhi University (1955), Madras University (1955), Bombay University (1955) and Andhra University (1957).

A few other institutions like Administrative Staff College of India Hyderabad (1956), All India Management Association (1957), and National Productivity Council (1958) were established to promote excellence in management practices, research and education. The Government of India launched Indian Institutes of Management (IIMs) as centres of excellence in Management education in early 1960s. The first Indian Institute of Management was set up in Kolkata in 1961 and second in Ahmedabad in 1962. Elite club of IIMs added new members in 1973 (Bangalore), 1984 (Lucknow) and 1997-98 (Kozhikode and Indore). Currently there are 12 IIMs in the country. Over the years, IIMs have evolved as great brand in Management education across the globe and an enviable benchmark for other institutions in terms of quality of faculty, students, curriculum and placement [3]. Responding to huge demand for managers, many universities started MBA programmes in 1960s and 1970s. Notable entrants in the Management education were Cochin University of Science and Technology (1964), Osmania University (1964), Allahabad University (1965), Punjab University (1968), Banaras Hindu University (1968), University of Pune (1971), Kurukshetra University (1976) etc.

By 1980, several state universities across the country started offering MBA programmes. Initially, MBA programmes were part of the Commerce Departments. However, most of the universities have now created Faculty of Management Studies, thus giving due credence to Management education [9]. Regulation of Management education began in 1987 when All India Council for Technical Education (AICTE) was formed and management education was taken as part of the technical education. AICTE helped in regulating the B-Schools in terms of governance, accountability, transparency in admission and programme administration, infrastructure, students-faculty ratio, curriculum, library, laboratories, grant-in-aid for organizing seminars, conferences, faculty development programmes, setting up of entrepreneurship development cell, institute-industry interface cell etc. Private sector entered the Management education domain after liberalization of economy in 1991. Despite stringent regulatory framework, there was a spurt of private B-schools in the country offering Post Graduate Diploma in Management. A number of industrial/corporate houses floated their trusts or educational societies to launch B-Schools. According to statistics available on the website of AICTE, there were 1608 MBA programmes and 391 PGDM programme in the country by 2009.

The phenomenal growth story of B- Schools continues albeit with lesser sparkle. While the number of B-Schools is said to be about 4000, number of MBA aspirants has declined quite significantly over last three years. As a result, many B-schools have failed to constitute full class in 2011 whereas there has been dismal response for sectoral programmes like International Business, Insurance, Banking & Finance, etc. A number of B-schools, especially those located in remote areas, are likely to close down their shops in the near future due to poor response from students for admission and corporates for placement. Even aspiring faculty members are reluctant to join such institutions.

## EMERGING ISSUES AND CHALLENGES:

B-schools in India are facing multiple issues. However, proliferation of B-Schools, quality of education, faculty shortage, poor regulatory mechanism and governance and accountability are major concerns that merit thorough critical appraisal. Proliferation of B-Schools: Management education in India started in early 1950s with a noble purpose of creating a professional cadre of managers to run the businesses and become entrepreneurs. Initially the growth of B-Schools was very slow. Interestingly, in the first 30 years of B-school growth story till 1980, only 4 institutions were added on an average annually which jumped to 20 during 1980-1995, and 64 during 1995-2000. According to National Knowledge Commission, the growth rate of B-Schools during 2000- 2006 rose to alarming level with annual average addition of 169 colleges.

## Quality of Education:

An important function of Business schools is to develop relevant knowledge, serve as a source of critical thought and inquiry about organizations and management, and thus advance the general public interest as well as the profession of management (Mulla, 2007). Unfortunately, most of the B-schools have thrived on marketing gimmicks and advertising budget rather than intellectual endeavours. The Government of India (GOI) formed the All India Council of Technical Education (AICTE), a statutory body under the Ministry of Human Resources to regulate the functioning of technical institutes in India. AICTE has given full autonomy to the B-Schools vis-à-vis curriculum development, assessment of students, conduct of examination, recruitment of faculty, tuition fee etc. However, there are no checks and balances on these matters.

While the AICTE ensures compliance regarding infrastructure, library and laboratory facilities and student-faculty ratio, it overlooks the indicators of quality education. Although AICTE has laid down standards which are not difficult to follow, many institutes do not comply with the prescribed standards once they get approval (Jagadeesh, 2000). Unfortunately, this statutory regulatory body plays merely advisory and supervisory roles. It has no authority to penalize the institutes not adhering to the set standards. It can, at the most, cancel or withdraw the approval of the erring institute. It has been observed that obtaining extension of approval every year is taken as ritual by institutes [10]. Institutions to address the evolving needs of various stakeholders by upgrading and refining their courses. The scenario has spiraling impact which is reflected in the low employability of Management graduates.

Indian B-Schools are not exhibiting any significant initiative to improve the quality of education. There has hardly been any conference on quality of Management education in last several years. There is no public forum where the faculty members or deans/directors can meet and discuss the issues pertaining to Management education in general and quality of Management education in particular. Government sponsored committees appointed recently to improve quality of Management education have focused mainly on IIMs, thus leaving out large number of B-Schools managed by public trusts and educational societies. Contribution of institutions like IIMs, All India Management Association (AIMA), Association of Indian Management Schools [11] etc. have been trivial so far as improvement of quality of education in B-Schools is concerned.

## Faculty shortage:

Shortage of qualified faculty in Indian B-Schools is major concern. Currently the institutions are facing 30% shortage of faculty and it might rise up to 50% by 2020 if the scenario does not improve (Dave, 2011). Deans and directors of business schools observe that the key challenges faced by any institute in EQUIS accreditation are international issues (71 per cent concluded that it is most challenging) and faculty shortage (54 per cent). Additionally, management graduates are generally not inclined to enter teaching profession due to lower pay packages as compared to industry offerings. AACSB International (2002) report states that students who complete their MBA programme find entering job market more lucrative than pursuing doctoral programme.



The report also concluded that only 40 per cent of Ph Ds opted for a career in industry. Besides, not many of them have the competency to become good faculty in B-schools. There has been no significant effort on the part of the government or other agencies in the last five decades so far as faculty development is concerned. A few IIMs run short-term Faculty Development Programmes for incumbent faculty members. However, there are fewer programmes to prepare young professionals for career in teaching and research [12]. Unfortunately, we do not have good number of doctoral research programmes in Management except the Fellow Programme in Management of IIMs and Ph Ds programmes of IITs. According to AACSB report (2003), even in the developed country like the United States which produces largest number of doctorates in business management programmes, the number of business doctorates declined from 1,327 in 1995 to 1,071 in 2000.

The trend is expected to continue in the future. It is estimated that by 2015, the US shortage of business Ph Ds will increase to 2,500. Similar trend is expected to exist in other countries as well. Of late, the AICTE has started cleansing its regulatory mechanism by using a transparent online disclosure system. However, the regulatory mechanism remains inadequate due to misplaced focus on infrastructure and faculty-student ratio. Besides, AICTE does not have wherewithal to check the veracity of the mandatory disclosures although its team visits a few institutions in different regions randomly. A number of B-Schools especially in the mufossil bypass the regulatory norms regarding faculty and infrastructure. In the name of autonomy, many B-Schools overlook the dictates of AICTE. Hence, matters like fee, quality of faculty, quality of books and journals in the library etc. are at best at the discretion of the Trusts or Societies that run the B-Schools.

### **Governance and Accountability:**

Most of the private B-Schools in India offering Post Graduate Diploma in Management are managed by charitable trusts registered under Indian Trust Act 1908 or educational societies registered under Societies Registration Act 1860. In case of charitable trusts, the trustees are generally from the same family having absolute powers to manage the affairs of the institutions. As a result, misappropriation of funds is not uncommon. The trustees hold the office for the whole life and hence cannot be removed for their indulgences or mis-governance or incompetence.

So is the case of educational societies where majority of founding members belong to the same family. Thus the governing bodies of B-Schools have unlimited power and authority without concomitant responsibility. AICTE is concerned about compliance of the regulatory norms and hence governance and accountability do not feature in its relations with the B-Schools. Of course, the AICTE has introduced the norms regarding formation of governing body of B-Schools. But over- emphasis on compliance makes room for manipulation by the trustees. A closer look at the mandatory disclosure of B-Schools reveal that they hold only bare minimum number of meetings of Governing Councils or Academic Councils. The institutions fulfil their duties just by mentioning the numbers of meetings as the norms are silent on the quality of output of such meetings [13].

### **Community engagement:**

In order to develop a worldwide reputation as a provider of cutting-edge business education, Indian institutions have to engage with the business community both nationally and internationally. Deep and sustained relationships with businesses afford the opportunity for institutions to gain insight into the ever evolving needs of organisations that, in turn, provide opportunities to develop/enhance educational programs, identify problems/issues that can be addressed through academic research and student field projects and competitions, and opportunities to aid organisations with the commercialisation of discovery and innovation. Faculty quality is an extremely important factor of an institute's reputation. Nurturing and sustaining quality faculty with industry experience, teaching ability, international exposure, and research outputs is one of the pillar of management education development in the country. There is scarcity of quality faculty in the country. Faculty with industry exposure makes it easy for students to understand application of theory to real life business situations. Teaching ability of a faculty combines various parameters like subject knowledge, communication skills, curriculum coverage and pedagogy so as achieve overall satisfaction of students with respect to teaching.

### **Context is key:**

In the context of globalization and localization, the focus should be on ideas and concepts that have been effective in the countries of their origin may be less effective in India. While many industrialized countries have tested and adopted management practices that are in perfect harmony with their culture and tradition, India is yet to do this exercise through systematic research and study.

Management education has to give emphasis on making management education relevant to the Indian context, the themes to be covered, and the way the topics have to be dealt with. Management is a practice oriented domain; management education has to incorporate an element of on-the-job training. This will need a mix of concepts, cases, exercises as well as simulations for themes such as business strategy, market planning, business negotiations, leadership, business ethics and team work. Management education should develop the capabilities of students to be future generators of sustain-able value for business and society at large and to work for an inclusive and sustain-able global economy.

## Go digital:

The destiny of India is being shaped in her classrooms. In fact, classrooms are the places where the future citizens of the country are reared, trained, educated and motivated to accept the new challenges and to face the changing situations [14]. There is urgent need of transforming the classrooms into digital classrooms for providing a platform to students for generating industrial skills. Digitalization in classrooms enables the faculty to adopt innovative teaching pedagogy [15]. Tools and Techniques to Ensure Quality Management Education. The industry has certain expectations and the educational institutions are unable to match as there is no effective industry-academic interface. Here are some tools and techniques to adopt to ensure quality management education to students.

- Make management education student-centric, not faculty-centric.
- Interact with industry to find out the pulse and craft management curriculum accordingly.
- Impart practical education to students. Encourage them to interact with industry regularly to get adjusted and mould as per the industry expectations.
- Ensure that aspiring management students have minimum industry experience to enable them to understand and acquire knowledge in the classroom.
- Make sure that the faculty has the diversified experience including industry, teaching, training, research, and consultancy.
- Provide team teaching in the classroom where two educators teach to students – one from industry; and another from teaching. It helps students connect theory with practice quickly.
- Encourage innovation and creativity in education. Avoid memory based management education to students.

- Avoid outdated courses and streams. Introduce courses which will be in great demand in future. It helps students ensure employability and employment apart from enlightenment.

## CONCLUSION:

Management education across the globe is facing a unique crisis of relevance in the contemporary scenario. All the aspects of Business education such as quality of MBA aspirants, curriculum, business research, quality of research publications, industry-institute interface, management development programmes, faculty development programmes, placements, compensation packages of B-school graduates, career development trajectory of alumni, diversity among faculty as well as students, governance and accountability, etc. are under critical scanner. Indian B-schools are not untouched by the contextual compulsions of the Management education in the international arena. B-schools in India need to revitalize Management education in the country in order to meet the expectations of all the key stakeholders such as students, faculty, society, industry, 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 consultation 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 and publications, lack of pedagogical innovations, lesser industry- institute 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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