



## An evolution on Management Education in India

Dr.K. Ammaji

SG Lecturer in Commerce, BGBS Women's College, Narsapur,  
Andhra Pradesh

### Abstract:

Management Education in India has not grown as an evolutionary manner. American experience was grafted on to an existing educational system and did not emerge from the native educational and business context and culture. Its development has been random and its objectives, content, pedagogy and other aspects need re-examination in relation to the needs of India, in an increasingly globalizing economy. As the world's market globalizes and as companies extend their operations into more and more locations, the demand for young, well-educated leaders will continue to grow.

**Key words:** world's market, Business-Schools, Social Welfare

### 1. Introduction

As the world's market globalizes and as companies extend their operations into more and more locations, the demand for young, well-educated leaders will continue to grow. The amazing reach of banks, consultancies and corporations must be matched by managers and leaders who are primed to flourish in those environments and who can give their organizations competitive advantages. 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.

### 2. Evolution of Management Education in India

Business 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 A. Conger and R. M. Fulmer, "Developing your leadership pipeline", Harvard Business Review, (2003) December. India's first B-school, i.e., Commercial School of Pacchiappa Charties was set up in 1886 in the southern city of Chennai (Madras). 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. The first college level Business School was founded in 1913 in Mumbai i.e. Sydenham



College. Soon followed by another college in Delhi in 1920 as Commerce College, later on it was renamed as Sri Rama College of Commerce.

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. Catholic community founded Xavier Labor Relations Institute (XLRI) at Jamshedpur in 1949. 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. 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. 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. IIM Ahmadabad was founded in 1962, pioneered the case method of

teaching in India with an emphasis on Qualitative strategic-integration. 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. Two more IIMs were founded in Bangalore (Karnataka) & other in Lucknow (U.P.) in 1973. 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.

Thus, Management Education in India has not grown in an evolutionary manner. American experience was grafted on to an existing educational system and did not emerge from the native educational and business context and culture. Its development has been random and its objectives, content, pedagogy and other aspects need re-examination in relation to the needs of India, in an increasingly globalizing economy. Organizations are becoming more complex and businesses more competitive. The demands on the skills of Indian managers are changing. It has become essential to re-examine the entire structure, content, purpose and pattern of Management Education Crummer E. Roy & Schatz Martin, (1993).



The post liberalization period witnessed a greater need of professional education. The 21st century promises to herald a different environment for human development in all walks of life, including education. It is going to be knowledge -driven century resulting a need of greater reform in all education related activities like teaching, learning, evaluating, natural production, curriculum revision, administration production etc.

Management education in India is not very old; it has taken its practical shape during early sixties with establishment of Indian Institute of Management to train the people with management concepts. After that many institutions, universities have also come forward to provide management education to cater the increasing demand of good managers. The concept of global village and the revolution in the area of information technology is increasing integration of economies around the globe & attainment of global competitiveness has become a necessity for the survival & growth. The liberalization of Indian economy has resulted in a highly competitive environment, great all round emphasis on technology, quality, and greater concern in society for the environmental issue & unprecedented development and use of information technology (Gurpreet Singh Gill (2009).

For the purpose of convenience the whole saga can be discussed under three headings:

### **Pre-second world war era (traditional management)**

Prior to Second World War, 'Business' in India, in fact, was in the hands of Britishers. They themselves were the owners and controllers of their respective businesses. This left hardly any scope for the Indians to attain expertise in business affairs. Although there were a few Indian concerns too their overall control was in the hands of concerned families. Thus, management was by and large a family affair at that point of time. It was a highly centralised set-up, lacking modern business techniques and practices. The concepts of organization and planning were missing. Financial returns were the basis for business decisions while loyalty to the employer, and kinship were the criterion for providing jobs in the business. For all practical purposes, business and its management were family affairs.

Because of the above reasons, no step was taken to initiate management education in this country. No institution or university had any provision for imparting formal education in management. If there was any scope for management education as such that was possible within the corridor of business houses and that too only



for the family members. Elderly members used to teach the junior members of the family about the secrets of management or, more frankly, the formula of earning higher profits. This was the state of affairs of management education at that time.

**Post Second World War era (1945 to 1955):** Due to speedy economic development of the country, particularly after Independence, numerous large scale businesses came into existence. Not only this, rather the nature of business also became exceedingly complex because of changing technological and economic trends. It no longer remained easy for the family members or proprietors alone to run the business efficiently and effectively. This resulted in separation of ownership and management, and consequently, growing demand for managers.

In the early SOs, most of the demand for managers came from British industrial concerns who inducted primarily public school products and art graduates from upper class westernized backgrounds into their programmes. Social status and communication skill were the main criterion for recruiting the management trainees. In big Indian business houses, by and large, the old pattern of retaining trustworthy men, mostly kinsmen, in key positions requiring decision-making functions, and of hiring professionals for various

middle management positions in different operational departments continued. Thus, as a result of above changes business began to look for such persons who could assist the owners in the analysis of managerial problems and decision-making. The changes also indicated the need of fully trained, professionally sound and forward looking managers in the years to come. Keeping all these facts in view, the All India Council of Technical Education appointed an Expert Committee in 1949 to examine the question of education and training in industrial administration and business management. The Committee was asked to draw up a suitable scheme of management studies. Based on the recommendations of the Committee, a Board of Management Studies was set up in the year 1955 to explore the possibility of offering suitable courses in the management education. The steps, in *fact*, were pioneering and had far-reaching impact on the process of evolution of management education.

**Present position:** Today, we are living in an altogether new Industrial and Economic World. Not only has business become of large scale and highly specialised subject to hardened economic regulations but it has also started acquiring international dimension. Multi-national Corporations are fast coming up and they have started dominating the business world. All these changes have required the business at the national level to



become highly competitive, sophisticated and professional. Obviously, the essential requisites of modern business have paved the way for professional managers to dominate the business world. Even the sons and grandsons who are the likely successors to the top family heads of the business enterprises are also being sent to management institutions in India and abroad for acquiring professional managerial skills.

Thus, there are strong symptoms of the increasing importance of professional management and consequently management education. Today, services of professional managerial personnel are needed in various spheres such as trade and transport, engineering, medicine, communication, banking, insurance, hotels, tourism, construction, manufacturing industries and agriculture. Professional managers are to play vital role in the planning, organising, coordinating, motivating and controlling such activities.

Management education in India is offered in the following categories of institutions:

- Institutions of national importance,
- University departments,
- Colleges affiliated to universities,
- Non-university autonomous institutions,
- Distance/correspondence-based institutions, and
- Unaffiliated institutions.

At the top are the reputed institutions of national importance, like IIMs and some university departments, such as Faculty of Management Studies (FMS), which have maintained high quality in their teaching and research. The second rung institutes are those started by the industrial houses, private institutes and state-level educational institutes like Mudra Institute of Communications, Ahmedabad (MICA), Symbiosis, and so on, which offer quality management education at par with those offered by the reputed institutes. These come under the category of 'non-university autonomous institutions'. The third-level institutes are the university departments and Open Universities (OUs), which provide management education through correspondence, distance and part-time.

### 3. Official Accreditation of B-Schools

#### a). All India Council for Technical Education (AICTE)

In order to ensure planning, policy formulation, and implementation and control, the government has set up statutory bodies such as AICTE and University Grants Commission (UGC), under separate enactments of Parliament, which govern technical, and Arts and Science Education throughout the country.



Management education, which is considered equal to a professional education, figures in the same category as Engineering, Technology, Law and Medicine in India. AICTE is the governing statutory body for technical education since 1988. It has been functioning with full autonomy, with a full-time chairman, since July 1993, consisting of nine bureaus, including quality assurance.

All India Management Association (AIMA) maintains close links with a number of overseas professional institutions like the American Management Association, Chartered Institute of Management (UK), all the National Management Organisations in the Asia Pacific Region and St Gallen University of Switzerland among others. AIMA could play a major role in the accreditation process as it is the apex professional body for management. It is active in management education and represents a large number of stakeholders. Probably for Indian Business Schools, a multi-parameter benchmarking could be used. Accreditation will improve transparency in the ranking process. The accreditation should include assessing the mission of the schools and its own strategic plan for upgrading the curricula and developing the teachers. Though recognition is predominantly a government function, accreditation has to be linked to the richness of the offering and the process

orientation of the business schools, and that can best be performed by a professional body. Accreditation has to be a continuous process and it has to lead to continuous improvement in quality. These changes could help in bringing a certain degree of competition among the business schools. The prerequisite for changing management education is a consensus based approach to accreditation in association with major stakeholders. One of the major changes taking place in management education is increased customization of programmes. Accreditation has to consider the extent of customization of programmes.

It is observed that after All India Management Association AICTE was set up; approvals were granted to a variety of institutions to run post graduate programs. Due to the time pressure the process adopted by AICTE was not fool proof. As a result some of the approved institutions did not even have bare minimum facilities such as faculty, library, building, computers etc. The need to have a proper accreditation process was badly felt at that time. AIMA's attempt to implement an objective accreditation mechanism did not bear fruit. Many b-Schools with little or no capability had received accreditation from AICTE's National Board of Accreditation<sup>1</sup>.

**b). All India Management Association, AIMA:** The All India Management Association (AIMA)



was created as an apex body of professional management with active support of the Government of India and Industry in 1957. AIMA is a group- a body to pool management thoughts in the country, a forum to develop a national managerial ethos, an organisation to facilitate the furtherance of the management profession in the country. AIMA is a federation of Local Management Associations (LMAs). AIMA today affiliates 58 LMAs across the country and two Co-operating management associations i.e. Qatar Indian Management Association and Mauritius Management Association. AIMA has established close linkages with over 3000 institutions and over 30,000 individual professionals directly and through network of the Local Management Associations. AIMA's activities include Distance management Education, management Development Programmes, national Events, Competitions, Research, Publication and Testing Services. AIMA is represented on a number of policy making bodies of the Government of India and a number of National bodies / organizations.

#### 4. Conclusion

The Indian experience shows that there are strong symptoms of the increasing importance of professional management and consequently management education. Today, services of professional managerial personnel are needed in various spheres such

as trade and transport, engineering, medicine, communication, banking, insurance, hotels, tourism, construction, manufacturing industries and agriculture. Professional managers are to play vital role in the planning, organising, coordinating, motivating and controlling such activities. But, the major criticism on the management education is less quality in education which is need to the industrial sector. Thus, there is need of hour to take necessary policy frame work to improve quality in management education.

#### References

A. Conger and R. M. Fulmer, "Developing your leadership pipeline", Harvard Business Review, (2003) December

Gurpreet Singh Gill (2009); Management Education in India: A Case Study of Selected B-Schools", unpublished thesis, Punjab Technical University

D. S. Bhardwaj (2011) ; Management Education in India, p.205

[www.aicte.ernet.in](http://www.aicte.ernet.in)

Gurpreet Singh Gill (2009); Management Education in India: A Case Study of Selected B-Schools", unpublished tsis, Punjab Technical University,p.9