



Management Education for Entrepreneurship Development

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Abstract: *This paper aims to highlight the various contributions to the entrepreneurship literature from the perspective of regional economic development. After a broad overview, particular attention is given to the regional action space of entrepreneurs, including their social and spatial network involvement. The paper concludes with a future research agenda. Today, an MBA has gained importance due to the emergence of professionalism in corporate sectors. The competitive business environment has paved the way for increased demand for Management graduates in the employment market. This has led to a significant expansion of management education across the country. Today, business schools have the challenging task of developing the competency level of students to meet corporate expectations. Given the developments in today's business environment, preparing our students for their future will require significant change in the curriculum and pedagogy.*

Keywords: *Management, civilizations, entrepreneurship, regional growth, teaching method, business environment, curriculum.*

Introduction:

Regional development has been a permanent source of interest among scientists and policymakers. Regional growth theory has over the years become an important branch of modern economic growth analysis. In the past, location and resource conditions (e.g., accessibility) used to play a significant role (witness the traditional interest in infrastructural conditions including ICT), but in more recent years, the attention has shifted towards issues like sustainable development and competitive advantages of regions. This trend is also reflected in endogenous economic growth theory and the new economic geography. In this context, we also observe greater interest in entrepreneurship; leadership and regional innovative/creative culture in which the knowledge society also plays a critical role (see also Helpman 2004).

This has had far reaching implications for development economics, for instance, by placing more emphasis on market efficiency, tradition/trust and the self-organizing capacity of regions.

Entrepreneurship focuses on recognizing a business opportunity, starting a business based on the recognized opportunity, and operating and maintaining that business. According to Cygnus estimates business education market in India is about Rs.30 billion in 2008 (campus and distance education together) and growing at a rate of 12% CAGR in last 3 years. Currently, in 2011 around over 2400 business schools producing over 100,000 management graduates every year is not enough to meet the growing demand for management education in India. Against 290,000 students applied for CAT in 2008 number of seats offered by IIMs are 1,700



only showing the huge demand – supply mismatch for quality management education in the country. There is twice growth rate of b-schools in India, and they have nearly 190,000 seats for a total pool of 3.5-4 lakh MBA aspirants who sit for the national and state-level MBA entrance exams.

The Entrepreneurial Hero:

Modern economic and technological systems are indeed in a state of flux. Consequently, recent years have witnessed an avalanche of interest in entrepreneurship, in particular the critical success factors of the modern 'entrepreneurial hero' and the wider urban and regional development implications of emerging entrepreneurship in favorable seedbed areas. It goes without saying that in the recent past also the conditions that facilitate proper entrepreneurship policy or the opportunities of public-private partnership constellations have received increasing attention. Research in this field has focused in particular on fact finding, on theory development and on modeling contributions and has aimed to get a better understanding of this complex multi-actor force field. Contributions have been made by representatives from different disciplines, in particular economics, regional science, industrial organization or behavioral psychology. And in this context, the critical importance of knowledge and information in our ICT-driven world is increasingly recognized and it has become an important field of study.

Different authors stress different facets of entrepreneurship. Schumpeter (1934), for example, emphasizes the creative component. More recently, Schultz (1980) has chosen to define entrepreneurship as the ability to deal with disequilibria rather than the ability to deal with

uncertainty. Risk does not enter prominently into this concept of entrepreneurship. In his view, definitions of Entrepreneurship which is uncertainty-based cannot logically relegate risk to a position of little or no importance. Finally, several other economists including Piore and Sabel (1984) stress the network character of entrepreneurship, a new form of entrepreneurship based on innovative activities carried out in clusters of firms. A review of the conceptual and operational definitions of entrepreneurship can be found in Bögenhold (2004).

Trends in Management Education in India

The demand in management education is surging upwards at a rate that is awe inspiring. The large numbers of students who are lining up to acquire management education in India are no more short of opportunities for studying MBA in various colleges of India. The demand of the students and the rising market trends has been much responsible for the establishment of management institutes. There are more than 2000 B-schools in India where students pay a massive sum hoping to find their dream career after completing their program. Unfortunately these business schools are not even able to place more than 50% of student except few top B schools. This is really an issue for concern and various reasons can be attached to it. These reasons can be explained from institutes imparting education, from student seeking education, and affiliating authorities. Quality has deteriorated from both ends Institutes imparting education and student gaining education. There are fundamental issues of student input quality. In addition, there are fundamental issues of academic delivery



quality as most run-of-the-mill colleges spend less than 10 per cent of their revenues on actual academic delivery.

Issues & Concerns:

Though the number of committees on management education has 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.

Major Issues:-

1. Ensure Quality Faculty:-

Owing to the sanction of large number of B-Schools through AICTE resulted into shortages of qualified faculty. At present number of faculty members are without Ph.D. & research background. In fact, at the University level UGC expects either Ph.D. or NET/SET as an essential qualification in the selection process at college or University level. But due to shortages of faculty in management only a master's degree is enough to become a faculty member in the B-schools. In selection process industry experience has given a special weightage but due to shortages of faculty, the industry experience is also not being judged properly in number of cases. Newly joined faculty members adopt only lecture methods & 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 & deliver only the lectures mainly drawn from the text books.

2. Promote Research Culture:-

The management Institutions do not have culture 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 national interest. Regarding the research grant procedure there is a need to support more to individual project proposals. Encourage those institutes who have adequate support system to start Ph.D. programme.

Being a recent development of management discipline there is a shortage of Ph.D. guides & hence those who would like to pursue for research degree they are forced to register for their Ph.D. degree under the faculty of commerce. Many a times these Research guides in this field are unable to guide the candidates in the area of management.

3. Faculty Development Programmes:-

In order to create good teachers for B-schools, the faculty development programmes must be implemented on a large scale. Presently the teachers in the B.Schools are prepared on a trial & 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 Programmes at the selected few centers' but it is too inadequate.

4. Develop reading materials relevant to Indian Context:-

It is observed that the ideas & 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 & study. The materials available are not yet-specific or relevant to Indian context. There are very few B-schools in India now they have started concentrating on research as well as preparing reading materials relevant to Indian context namely ICFAI, Hyderabad, MDI, Gurgaon, XLRI, Jamshedpur & Wellingkar, Mumbai.

5. Develop interaction with Industry:-

Except in case of top ranking B-schools, there are no mechanisms to forge close relationship between B-schools & industry groups. The main strength of top class B-schools like Kellogg, Wharton, Sloan & Harvard is their strong relationship with industry through teaching, research, student placements, problem solving & case study preparation. This issue in India is to make this happen in case of the low ranked B-schools in the country, There should be institutional mechanism for developing liaison with industry in each B-schools.

6. Need to evolve a proper system of Accreditation & 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 & 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.

7. 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 & its subsidiary. The Board of management studies combining the technical & management education under one body was a mistake. A National Task Force (NTF) on Management education should be appointed. All India Management Association is of the opinion that there is a need of formation of All India Council for Management Education Quite independent of AICTE.

8. Corporate Governance of B-schools:-

As indicated by S.L.Rao, a major weakness 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, & other academic as well as infrastructural



facilities must also become a part of governance.

9. Need to broaden the specialization:

There are some businesses which are Context specific to India. e.g. agricultural services, infrastructure management, Contract research, hospital management & NGO are rapidly growing areas in business. These businesses need customized management education. Curricula customization, Specific material development & faculty specialization are some of the neglected factors that led to poor Quality of management education in India. No doubt some of the B-schools have introduced MBA, program, focused on telecom, financial services & infrastructure management but still it requires more efforts on customization in order to broaden the Specialization.

10. Create a global mindset: This is an era of globalization. Industry needs executives with world-class talent. The issue is how to inculcate a global mindset through the managers who act locally. The survey Conducted by Andrews & Tyson brought out some issues like. In the changing economic scenario at global level the important issue is to create executives with management & leadership capabilities on a world wide scale. The study shows that there has been a shift in Companies while recruiting from knowledge to skills attributes. Internationalization of business makes it necessary to have different knowledge & sets. The notion is that business schools graduates must have cross cultural knowledge & expertise which has steadily gained support & become an important goal & marker of achievement of many professional schools.

11. Internationalize Management Education:

As the business is getting global, day by day there is an increasing need for the institutions (B-schools) 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.

Goal Management Education: Over the last decade, management education has been challenged by the increasingly competitive environment brought about by globalization and internationalization. Corporations have come to view management education as having become too theoretical and not practical enough, and graduates as being ill-equipped for the kind of corporate leadership sorely needed. In short, there is a widening gap between the level of skills and competency which corporation expect and the skills developed by business schools. Hence, the need for modern business schools to transform themselves and operate as centers for knowledge and skill creation, adaptation and dissemination Today, management education should aim at developing a holistic personality capable of maintaining a balance among contradictory demands, taking charge of functional responsibilities, being accountable for one's action, and contributing to creating a desirable future for businesses in particular and the economy as a whole. The ultimate goal of management education is to prepare students to achieve professional success in business management. Keeping in view this larger purpose of management education, business schools should thus focus on developing a number of aptitudes and skills.

**Quality & Management Education:**

China has beaten India in terms of meeting benchmarks of quality and international reputation in management education. There are 10 AACSB accredited institutions in China as compared to none in India. AACSB accreditation is a rigorous and time-intensive process which takes several years and less than five percent on the institutions in the world have managed to achieve it. Chinese B-schools have shown better foresight and commitment to quality than Indian institutions.

Entrepreneurial interactions: A new phenomenon in modern economies is the emergence of interwoven global networks (see Castells 1996) which allow for global interaction and communications, a process through which market areas may obtain worldwide coverage (e.g., through the internet). Consequently, interaction costs, transaction costs and transportation costs form an interconnected portfolio of new market opportunities (and impediments) for modern business firms. Against this background, it is plausible that communication potential and knowledge are nowadays seen as critical success factors for the 'global entrepreneur'. The pathway toward global business is not easy to find; there is no single recipe, so that learning strategies are of great importance here. To reduce the risk of investments, there is much scope for collective learning strategies which manifest themselves in two configurations, viz. network participation and geographical agglomeration. At present, both forces are at work simultaneously and create the new geographic landscape at the beginning of the new millennium (see also van Geenhuizen and Ratti 2001).

Entrepreneurship means also the management of business network constellations. An interesting and rather comprehensive review of the relationship between entrepreneurship and network involvement is given by Malecki (1997b). The local environment (including its culture, knowledge base and business attitude) appears to act as a critical success factor for new forms of entrepreneurship, a finding also obtained by Camagni (1991). Apparently, the local 'milieu' offers various types of networks which tend to encourage the 'entrepreneurial act' (see Shapero 1984).

It should be emphasized that the chain entrepreneurship—competition, innovation, growth is not a rectilinear one. Innovation is a critical factor that functions in an open multi-actor system with concurrent phases of decisions and plan implementations, where the demand side (i.e., the customer) is the driving force (see Prahalad and Ramaswamy 2004). Innovation policy at the firm level with various risks bears increasingly a resemblance to a smart portfolio management. But in the particular case of innovation, a balance has to be found between uncertain exploration and risky exploitation (March 1991). Entrepreneurs are the foundation stones of the innovation process, as they have to create new combinations of people and products, through the creation of idea generators, of product champions, of proper support, of proper support systems and mentors, of venture mechanisms and of effective gatekeepers (see also Katz 2003).

Conclusion: As we are in third millennium, India's Management education is undergoing a major transition. Internationalization, cross cultures, strategic alliances, 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 developing products,"⁸ Indian management education has to think in this direction

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