



Management Education: A Historical Perspective

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Abstract: The main objective of the present paper is to know the historical development of management education in global & domestic context and to investigate its major issues & concerns. Management the backbone of organization and administration is the basis of any country in today's competitive world. Globalization has been a historical process and with the intermingling of cultures we find that every society is observing radical changes. During the pre- world war first (1870- 1974) rapid exchange of economies in terms of trade, capital, and migration of people took place. Transport and communication and development in this field led to globalization and made management one of the important aspects of the world. If we go into the background or origin of management we find that this concept is centuries old and has developed with civilizations of the world. The Vedas, Hindu Epics, Smritis, Puranas, religious books such as Buddhist and Jain Texts, foreign traveller accounts gives us a glimpse of management in ancient times. Bhagvat Gita thousands year old text gives us a lucid description of managerial techniques, harmony and to avoid conflict and decrease poor productivity.

Key Words: Globalization, Management, Techniques, Skills.

Introduction

Management denotes the professional administration of business concerns, public undertakings, institutions and organization of all kinds and efficient utilization of resources for optimizing benefits to all the stakeholders. This is a broad-based definition of 'Management' as we understand the term today. As such, 'Management' is a relatively new concept. The term in English lexicon evolved sometime in the 16th-17th century taking cue from Latin 'Manus', Italian '*Manegiare*' and French '*Mesnement*'/ '*Menagement*'. All the terms those preceded 'Management' implied control over others, especially manual workers, in order to get things done or decide about how to use available resources. Management, if performed with personal modesty and a sense of service to the

community, can be one of the noblest professions. It creates growth, wealth and development in society, provides jobs, fosters innovation and improves living conditions (Onzonol, 2010).

Indeed, 'Management' is modern construct that gained significance during the most eventful centuries in Europe marked by renaissance, reforms, scientific revolution, industrial revolution, mercantilism and above all, entrepreneurial spirit. Gradually, a body of knowledge developed around the concept of 'Management' although the contributions came from diverse academic disciplines such as sociology, psychology, economics, accounting, mathematics, and law. Thus, when Management education began in the early 20th century, there was already a corpus of literature for education, training and further research.



Management education, which was originally conceived as an elite educational track dedicated exclusively to business (and more precisely to big corporations), found itself confronted with an ever growing demand from millions of individuals seduced by the promise of a better future, or forced into entrepreneurship and management by evolution of the markets (Kozminski, 2010).

Back ground of Management Education

Lyon Chamber of Commerce & Industry established the first B-School called EMLYON Business School in Lyon (France) in 1872. Pioneering American entrepreneur and industrialist Joseph Wharton established the world's first collegiate school of business –Wharton School at the University of Pennsylvania in 1881. University of Chicago promoted Booth School of Business in 1898. Tuck School of Business at Dartmouth College was set-up in 1900. Later, Harvard Business School was established in 1908 by Harvard University. Same year, North-western University established Kellogg School of Management in Chicago offering part-time evening programme in Management. In the following years several B-Schools were established viz. MIT Sloan (1914), Columbia Business School (1916), Stanford Graduate School of Business (1925), etc. Progressively, other universities in USA, Europe, and Asia started B-Schools to catch on the bandwagon of Management education in the latter half of 20th century. For example, INSEAD was established in 1957, IESE Business School came in 1958, Indian Institute of Management Ahmedabad came in 1961, London Business School was set up in 1964, National University of Singapore School

of Business was founded in 1965, I E Business School was founded in 1973, Yale School of Management came in 1976 among others. All these are leading B-schools of the world.

These developments ensured a great demand for professionals. B-Schools turned up in a big way across the globe to enable a cadre of business leaders and managers with appropriate knowledge, skills and attitude. Business education helped in developing intelligent strategic planning and action, long-term perspective, corporate culture, standards of excellence, effective leadership across the organization, team spirit, objective decision making, standardization of processes and systems. Notable entrants in Management education include IMD Switzerland (1990), Hong Kong UST Business School (1991), China Europe International Business School (1994), Said Business School at Oxford University (1996) and Indian School of Business (1996).

However, Management education sector faces greater scrutiny from a wider group of stakeholders than at any time in its history (Onzonol, 2010). True, Management education has now entered a phase of profound transition driven by globalization, technology demographics and pressing social imperatives (Global Foundation for Management Education, 2008). No other academic discipline has accomplished this feat in less than 150 years of existence. B-schools of the world symbolize professionalism, flexibility in learning, innovations in curriculum design and pedagogy, and above all – value for money. No wonder, getting into an MBA is the foremost aspiration of youth across the globe today.

Despite phenomenal expansion of Management education across the globe during last few decades, the B-schools of



the world need to focus on eight unmet needs of the MBA programme as espoused by Datar, Garvin & Cullen (2010) in the following framework so that they remain relevant in the times to come:

- **Gaining a global perspective:** Identifying, analyzing and practicing how best to manage when faced with economic, institutional and cultural differences across the countries.
- **Developing leadership skills:** Understanding the responsibilities of leadership, developing alternative approaches to inspiring, influencing and guiding others; learning such skills as conducting a performance review and giving critical feedback; and recognizing the impact of one's actions and behaviours on others.
- **Honing integration skills:** Thinking about issues from diverse, shifting angles to frame problems holistically; learning to make decisions based on multiples, often conflicting, functional perspectives; and building judgment and intuition into messy, unstructured situations.
- **Recognizing organizational realities and implementing effectively:** Influencing others and getting things done in the context of hidden agenda, unwritten rules, political coalitions, and competing points of views.
- **Acting creatively and innovatively:** Finding and framing problems; collecting, synthesizing and distilling large volumes of ambiguous data: engaging in generative and lateral thinking; and constantly experimenting and learning.

- **Thinking critically and communicating clearly:** Developing and articulating logical, coherent, and persuasive arguments; marshalling supportive evidences; and distinguishing facts from opinion
- **Understanding the role, responsibilities and purpose of business:** Balancing financial and non-financial objectives while simultaneously juggling the demands of diverse constituencies such as shareholders, employees, customers, regulators and society
- **Understanding the limits of models and markets:** Asking tough questions about risk by questioning underlying assumptions and emerging patterns; seeking to understand what might go wrong; learning about the sources of errors that lead to flawed decision making and the organizational safeguards that reduce their occurrence; and understanding the tension between regulatory activities aimed at preventing social harm and market-based incentives designed to encourage innovation and efficiency

Indeed, it is time to reflect on the future of Management education in the global context. Business schools today find themselves in a position to make a very significant and very socially valuable contribution to society, inasmuch as they can improve the efficiency of markets and the confidence of the public in markets and organizations (Patry, 2010). However, they are reeling under institutional crises at the same time. There is a gap or imbalance between theory and practice in both management research and management teaching (Thomas, 2010). Business schools may



need a renewed focus and engagement with the needs of practitioners. A 2007 report of the Association to Advance Collegiate Schools of Business (AACSB) observed: The rapid change in the size and stature of research in Business schools has engendered passionate dialogue and debate. For example, Business schools have recently been criticized for placing too much emphasis on research relative to teaching and for producing research that is too narrow, irrelevant, and impractical'. As observed by Thomas (2010), there are many instances of management research in Business schools which are of limited relevance to management practice and that efforts to engage with practitioners are essential.

Already a number of premier B-schools in the world such as Harvard Business School, INSEAD, Yale School of Management, Indian Institute of Management (IIMs) etc. have begun a series of change initiatives in order that the MBA courses remain grounded to the emerging realities of business and society. A larger number of B-schools have heeded the emergent need to change lest they lose students' appeal. It is heartening to note that the institutions are now enthusiastic about the balancing act so that the students have a fair mix of managerial skills and right attitudes alongside domain knowledge. Practice orientation in Management education has truly become a norm. Routine exercises to redesign curriculum in B-schools are now being used as opportunities to address deficiencies in skills, attitudes, belief-systems, world-views, domain knowledge etc. required to be successful in contemporary organizations. However, stakeholders' involvement in curriculum redesign is abysmally low.

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 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

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.

- ❖ 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 Shri 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 Labour 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 Ahmedabad (Gujarat). This grant was focused on helping American Business education knowledge & models to other nations and having intensive collaboration with an American B-School 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 Ahmedabad 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 (Karnatka) & 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, Ahmedabad.
 - ❖ In late 1990's, two more IIMs were setup, one at Kozhikode (Kerala) & the other at Indore (M.P.).
 - ❖ Growth both in numbers & 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, behavioural, 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.

Present Structure of Indian Management Education

The present is as follows, it 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.

Now a day, learning has become students centric. Branding has accelerated the management education. Top B-Schools are continuously 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. At present no Indian B – School has international accreditation from the Association of Advanced Collegiate School of Business (AACSB, U.S.A.) or the European quality improvement system. However, very recently management development institute (MDI), Gurgaon (Delhi) has been accredited by the association of Britain (AMBA) making it the first B – School to receive an international accreditation.

After going through the various reports and existing state of business education in India, the committee has observed that the Indian management education is still facing number of challenges for e.g.

1. Though, India produces a large number of graduates perhaps next to U.S. but still a scholarly debate on curriculum pedagogy and innovation is negligible.
2. Most institutes depend on curricula and materials developed elsewhere and have not developed on intrinsic capacity to respond and evolve to



- changing needs of various sectors of industry.
3. Many institutions still are unable to fulfill the mandatory changes imposed on them, such as upgrading of the curriculum by the universities or the board of management studies.
 4. Management institutions in India are today estimated to be graduating approximately 1 Lac (+) students annually. However, what proportion of the total requirement will be for the increasing more expensive graduates in management and what proportion would be for the less expensive lower levels of managers is not yet clear. Again there is a need to raise the number from the current level of 1 lac (+) managers to about 3 lacs (+) managers a year over the next 10 – 15 years.
 5. With the opening up of trade and cross border movement of goods and services, the country needs a paradigm shift in management education and management training for working professionals.
 6. Presently, management education is treated as sub – department of engineering by AICTE – rather than recognizing that management itself. The working group recommends a fully autonomous governing council for management education⁷.

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.

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