



## Management Education in India: Issues and Concerns

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**Abstract:** *The main objective of the present paper is to know the present scenario and historical development of management education in India & to investigate its major issues & concerns. Professional Education now needs to move ahead of conventions in order to catch up with a rapidly changing context. Present corporate world is full of competition. New technologies are emerging every day and everything is turning towards globalization. In such challenging situation, young managers possessing management degree turn out to be survivors. The biggest challenge of the corporate world is to produce efficient managers. Owing to the globalization, privatization & liberalization lot of changes are noticed in the functioning of industries. Naturally industries across the world are required to have the manpower with multi-skills rather than simply knowledge oriented. Western B-Schools are molding their self & making the changes in their curricula as per the demand of industries. Now a day's learning has become more students centric. Branding has made in-roads into management education. Top B-Schools are continuously changing the contents & delivery modes. It is equally imperative to Indian B-Schools to make management education context specific. On this back ground it is equally important to address the various issues & concerns of Indian management education experiencing with time.*

**Key words:** *management education, privatization & liberalization*

### Introduction

Management education, almost unknown in the nineteenth century, has become a dynamic force for change in many universities, in the workplace, and in the societies of both industrialized and developing countries. Its role in the professionalization of enterprise management is widely recognized, though it has been criticized by some for placing emphasis upon short-term profit criteria. There is a growing literature on the evolution of business schools and executive courses, the content and methodology of several well-known programmes, and the contributions and

criticisms of management education in today's competitive environment. As management education acquired greater academic stature, however, it faced new criticism from those who charged that it was too theoretical, removed from operating and human problems, and focused on quantitative models and measures that encouraged short-term profit maximization instead of long-term competitive advantage. The experience of Japan, where most management education takes place within the company, has even raised the question of whether MBA programmes are necessary.



## Evolution of Management Education

Business education has a long history in India, dating back to the 19th century. 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. 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. 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. 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, behavioral, 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.

## Overview of Management Education in India

Today managers are in great demand in every sector of economy. India needs a huge reservoir each year of people who are trained for business and for management and demands is to last for coming years. But it is matter of concern whether the demand is for what they have been taught. In management



education, quality has become a necessity. To make India an intellectual capital of the world, we have to create a dynamic environment, which can encourage superior quality management education colleges and effort should be made to breathe life into management education. Government has taken initiatives in this direction by giving node to 7 more IIMs taking the total number of the premier management school to 14. Apart from IIMs management education is offered by university's own department in campus, affiliated colleges of universities in same place or the whole State, now technical universities have been given this role.

Moreover autonomous institutes approved by AICTE, universities running distance education program and open mode like IGNOU, Delhi University, Kurukshetra University, ICFAI and several others are also offering courses in management. Some recognized institutes and universities are also offering 3 years part time program in evening faculty for working executives. Foreign universities having collaborations in India and those having students exchange program with limited-time studies abroad are also imparting management education. New private universities like ICFAI (a national brand), Amity and several others are now coming up.

According to annual report (2009-2010), published by Ministry of Human Resource Development, there were 20 Universities and 500 Colleges at the time of independence. At present, there are 504 Universities and university-level institutions (as on 31.12.2009) 243 State Universities, 53 State Private Universities, 40 Central Universities, 130 Deemed Universities, 33 institutions of national importance established under Acts of Parliament five Institutions

established under various State legislations. There are 25,951 colleges of which, 7,362 are recognized under 2(f) and 5,997 colleges recognized under section 2(f) and declared fit to receive grants under section 12(B) of the UGC Act, 1956. The AICTE approved technical institutes increased at exceptional rate.

### 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. In recent years business management has become one of the major higher studies in India. The reason for this is that a good knowledge about this field would change the economic background of an individual rather than the development of the country.

### Major Issues

- Ensure Quality Faculty.
- Promote Research Culture.
- Faculty Development Programs.
- Develop reading materials relevant to Indian Context.
- Develop interaction with Industry.
- Evolve a proper system of Accreditation & Rating.
- Create an independent Institutional mechanism.
- Corporate Governance of B-schools.
- Need to broaden the specialization.
- Create a global mindset.
- Internationalize Management education.



### Skills Required in Future Global Management

The future global manager would require the following new skills:

- *Information management skill*
- Information technology management skill,
- Decision-making in very dynamic environment
- HRD Skill
- Innovation/Creativity
- Service Sector management Skills,
- Time Management Skills
- Stress Management Skills
- Environment management Skills
- Entrepreneurship
- Customers Services Management Skills and
- Management schools will have to develop these skills among students.

### Concerns:

Management Institutes will have to introduce new Service Sector Management Course, like Travel and Tourism Management, Hospital Management, Consultancy Management, NGO Management, Advertising Management, Banking and Insurance Services Management, Farm Management, *etc.* Needless to say, courses should be need based and syllabi should be changed periodically. Lack of specialization specific to industry, is one to the problems of our MBA program. The world of business education is facing its biggest opportunities and challenges in history.

Four major forces are starting to shape the future of business schools over the next five, ten or 20 years. The first issue concerns public funding. This is becoming more difficult to obtain as governments have less money to spend, at least in some parts of Europe. The second issue is demographics. Europe and Japan in particular face the challenge of an ageing population. When you want to predict the future, the only sure thing is that tomorrow you will be older than today. Consequently, you only have to look at demographics to know that some countries are going to face problems. The third challenge is Economic. Economic problems in Spain, Italy, Greece, Cyprus and elsewhere are seriously affecting job opportunities for business school graduates and participants. The fourth factor is technology, and this will become even more important in the future. We all know that e-learning will be a massive challenge as well as a huge opportunity for business schools around the world. "MOOCs" (massive open online courses) are a reality, and e-learning could reshuffle the cards in a way that may well change the fate of a number of schools.

As competition intensifies, differentiation becomes crucially important. Every business school has a different mission—regional, national or international. But the question of how to differentiate yourself from other schools occupying a similar niche is becoming a major challenge. The ultimate goal of business schools is to produce responsible leaders who can deal with an increasingly Volatile, Uncertain, Complex and Ambiguous world: the so-called VUCA market. At the top of any corporation, people are smart and have proven that they can run a business and be successful. In the end, authentic leadership and personal values will increasingly make the difference. It is



also our job to shape and nurture a curious and open mind.

### Conclusion

Aside from the top 20 business schools like the Indian Institutes of Management (IIMs), merely 10% of graduates from business schools manage to get hired by corporate India. In the last five years, the number of MBA seats annually in India has tripled from 4,500 to as many as 3.6 lakh, according to an ASSOCHAM study, but campus recruitments have gone down by 40% in the same period. Indian management institutes should internationalize their approach to equip students to become global managers. At the same time, Indian business schools should take care to ensure that their courses had enough local content so that students could relate to them easily.

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