

Management Education in India: Challenges and Suggestions

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I. INTRODUCTION

Management Education occupies a place of pride in the country, which can be favorably compared with those of the advanced countries. Today, it is said that managers are not born but made. We are fast moving today in a managerial society where it is realized that systematic attempts have to be made to identify, select, train and develop tomorrow's managers with requisite skill and abilities. Therefore, the management education is gradually becoming an essential pre-requisite for career entry and success almost similar to those in law and medicine. At present, a large number of Universities Departments/Schools of Management, Business Schools, autonomous institutions and private institutions/ colleges are providing management/Business education. But with mushrooming of business/management education, quality of education has been taken a back seat. Now, there is a need for management/business education to be relevant to the economic, political and technological reality in India. India is fastest growing economy that the developed nations always looking the country as a best global market to market the products. The fundamental of the Indian economy have become strong and sustainable. The macroeconomic indicators are at present the best in the history of independent. India with high growth, foreign exchange reserves and foreign investment and robust increase in exports and low inflation and interest rates. India is the second fastest growing economy of the world at present. A unique feature of the transition of the Indian economy has been high growth with stability. The Indian economy has proved its strength and resilience when there have been crises in other parts of the world including Asia in recent years. The foreign exchange reserves have reached a record level of US\$ 200 billion as on 22nd December, 2013. India is the sixth largest foreign exchange holder in the world. This is remarkable considering the fact that the Forex reserves went under US\$ one billion in 1991 before the economic reforms started. This comfortable situation has facilitated further relaxation of foreign exchange restrictions. The interest rate continues to be reduced and is around 6%. This is the lowest in the last thirty years and this is stimulating consumption and investment. India economy is becoming increasingly integrated with the global markets. During the post Independence era, the public/government institutions have largely dominated the Indian education system. In the past decade of post reforms period, a number of domestic and foreign players from private sector have entered the arena. One of the main strengths of our country is its powerful higher education set up and skilled human resources. Further our higher education is one of the best and second biggest in the world after United States of America (U.S.A). It is important to note that India is expected to emerge as one of the leader nations in the future scenario of this sector. Indian education system including Business/Management education at the initial stages went through quantitative expansion. Even then the rate of people who dropped out of education has been increasing in India. However, the importance of quality has now been realized with the result several structural system have been made. The developed of higher education in general and Business/Management education in particular is a

crucial element in the long term national development perspective. This paper seeks to discuss in detail the following issues relating to Management education in India.

1. Introduction of Management education; 2. Evolution of Management Education 3. Management Education in India; 4. Strengths of Indian Management Education; 5. Weaknesses of Indian Management Education; 6. Opportunities of Business/Management Education in India. 7. Threats of Business/Management Education in India 8. Challenges of 21st Century. 9. Conclusion.

II. METHODOLOGY

The study is mainly based upon the collection of secondary data. The secondary data was collected from various sources of publications such as Magazines, Journals, Research papers/articles, Books, internet, annual reports and Newspapers and published and unpublished records of ministry of Human Resource Development (HRD), Govt. of India, New Delhi and University Grants Commission (UGC), New Delhi.

III. EVOLUTION OF MANAGEMENT EDUCATION

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 Business School i.e. Commercial School of Pachaiappa 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 at Calcutta with a focus on secretariat practice, Business Communication, short hand typing, correspondence and Accounting. The first college level business School was founded in 1913 in Mumbai i.e. Sydenham College. Soon following 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 and spread the knowledge required for managing industrial enterprises in India Catholic Community founded Xavier Labor Relation Institute (XLRI) at Jamshedpur in 1949. India Institute of Social Welfare and 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 Indian Institutes of Management, one at Calcutta (West Bengal) and other at Ahmadabad (Gujarat). This grant was focused on helping American Business education knowledge and models to other nations and having intensive collaborations with an American Business Schools for facilitating the transfer of learning. The Indian Institute of Management, Calcutta established in collaboration with the Sloan School of Management for faculty and pedagogy development in the year 1961, with an intuition to focus on Quantitative and operational aspects of Management. Indian Institute of Management, Ahmadabad was founded in 1962 pioneered the case method of teaching in India with an emphasis on Quantitative strategic integration. The mission of IIMs was to professionalize Indian Management education through teaching research, training Institution building and consulting with the support of expertise developed by the pioneering IIMs. Two more IIMs were founded/established in Bangalore (Karnataka) and other in Luck now (U.P) in 1973. The Indian Institute of Forest Management was set up 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. In late 1990's two more IIMs were setup, one

at Kozhikode (Kerala) and the other at Indore (M.P). The early 1990's showed a boom of founding new management schools, most of them are in private sector. Few Business Schools have also being established in collaboration with some western universities. Management education in India is the phase of change. The two current developments sweeping India namely liberalization and globalization have had a considerable impact on management education. There were 800 Business schools in the country during 2006 and at present there are 3290 Business School in the country spread over in different states of India (Both in government and private sectors). The growth both in numbers and status occurred during the 1990's. A large number of multinationals companies entered in India. Domestic companies also followed to compete with multinationals corporations companies found that the graduates from commerce stream fell considerably short of demands of the executive positions in a competitive world. They had good accounting skills but lacked requisite marketing, behavioral, finance and operations skills. They were also weak in oral and written communication, critical thinking and critical reading skills and in information technology consequently, rather incurring on training cost for commerce graduates companies started offering huge premiums for Master of Business Administration (M.B.A) and demands from students and employers, universities as an academic discipline and started offering M.B.A and B.B.A program. There are 3290 Business schools in the country. Since the dawn of the new millennium, a large number of universities/colleges from not just the U.S.A and U.K but also from Australia, Ireland, Canada, Russia, France, Germany and Singapore have been very active in India.

IV. MANAGEMENT EDUCATION IN INDIA

Management education was born in the United States in a substantially different from what it is known today. Management education deals with the study of individual & group behavior within the organization. It is a way of thinking, a way of finding solutions to the problems by undertaking in-depth study and analysis. It is characterized by a search for cause & effect orientation towards changes & forge humanistic & scientific outlook towards people in the organization. The field is becoming increasingly performance oriented. Management education is not an old wine of industrial psychology put into a new bottle as some people imagine. It has emerged as a field of study, research & application. The 1960s saw the emergence of India as a major center of business and management education in the world with the opening of management departments in different universities along with India Institute of Management, Calcutta in 1961 & Ahmadabad in 1962, Xavier relation Institute at Jamshedpur in 1966 etc. By mid 1960s India became a recognized leader in business education & continued with courage & spirit till 1980s. Now there are approximately 3290 institutions that impart management education in India as detailed given below in table-1

Table: 1 – Number of Management Schools/Institutes in India

S. No.	Year	No. of Schools/Institutes	No. of Seats
1.	1962	06	200
2.	1972	24	N.A
3.	1982	58	N.A
4.	1992	100	4,000
5.	1005	460	8,000
6.	1998	500	9,000
7.	2000	600	12,000
8.	2002	700	16,000

9.	2003	1040	20,000
10.	2004	1680	24,000
11.	2005	2060	26,800
12.	2006	2430	28,400
13.	2007	2680	30,800
14.	2008	2880	35,300
15.	2009	3060	38,800
16.	2010	3200	40,500
17.	2011	3220	40,800
18.	2012	3235	41,100
19.	2013	3256	41,560
20.	2014	3260	41,600
21.	2015	3270	41,870
22.	2016	3290	41,990

Source: U.G.C. Annual reports of different years.

Table – 1 clearly shows that both the business schools and the enrolment of students have increased at such a fast rate. This phenomenon raises the following issues which ought to be addressed seriously by Management Gurus:-

- Is this education will make out boys and girls pursuing this program suitable to industry and trade?
- To what extent, this proliferation of management graduates will make them good managers or entrepreneurs?
- To what extent, the young boy or the girl will fit in the environment of internationalization of business.

If these questions are suitably answer, these graduates will prove to be under employed with a burden on society.

V. STRENGTH OF INDIAN MANAGEMENT EDUCATION

The following are considered as select strength of our Business/ management education system.

- Establishment of apex bodies like UGC, AICTE etc.
- Significant steps taken by UGC, ALCTE, NAAC & NEA to achieve quality of Commerce/management education.
- India is considered as one of the richest countries and many skilled workers from India work abroad with the help of our higher education/management and human resource skills.
- Indian business/management education when compared with foreign countries is highly subsidized; thus it is accessible to the poorest of the poor of the India.
- Indian business/management/higher education system has been integrated globally by virtue of English as a medium of instruction.
- Our business /management education is internationally competitive.
- Declaration of several institutions of excellence as Deemed University and Autonomous Institution is a significant milestone.
- Establishment of Regional Engineering Colleges (RECs) to the status of IITs is added advantage to the education system.
- Setting up of offshore campuses abroad by Indian universities is clear evidence of the strength of Indian education.

- Establish of laboratories with global standards in IITs, IIMs, RECs, CEIR and some Central universities is significant strength of Indian education system.

VI. WEAKNESSES IN MANAGEMENT EDUCATION IN INDIA

The Weaknesses in Management Education in India may be stated as follows. Having discussed the strength of Indian Business/management education, it is appropriate to discuss its weaknesses.

- A major weakness of Indian management education is the absence of quality education & research in University Department. There is a wide divide between the top schools & the rest. The general standard of management education is falling in the best management school.
- A second major weakness of Indian Management Education appears to be a wide gap between what is needed on the jobs & what is taught in the management schools.
- The other weakness pertains to teaching techniques that are concentrating on lecture method only.
- There is no provision of academic audit in educational institutions including universities/management schools/ B-schools.
- Quality of business/management education provided by majority of Indian universities/management schools is questionable.
- Academic heads for management schools/universities/B-school are not selected based on global merit.
- Indian Universities/management schools/B-schools are considered as islands of excellence as academic have no interactions with society and their global counter-parts.
- Indian universities/management schools/B-schools are highly centralized.
- In the decision-making process, the concept of participatory management is not adopted.
- Students (end users) do not participate in the decision making of business /management education system.
- Complicated office procedures are adopted in Indian business /management institutions.
- Administrative staffs working in management schools/universities are not professionally qualified/trained.
- Indian universities/management institutions/B-school follows absolute methods of administration.
- Over lapping functions of Multiple Apex Agencies-UGC, AICTE, NAAC, NCTE, NIEPA, NBA, HMRD etc.
- Lack of equality of education opportunities among different segments of learners.
- More autonomy of management institutions without accountability.
- Lack of uniform fee structure adopted by different management schools/universities/B-schools (NO common entrance test for all management schools)
- Student's assessment and feedback are not made and used by management schools.

VII. OPPORTUNITIES OF BUSINESS/ MANAGEMENT EDUCATION IN INDIA

The following are select opportunities of Indian management /Business education system.

- Autonomy to Indian school of Business/management education should be given only after higher rating for it besides NAACs accreditation.
- Assessment expert committees of UGC/AICTE and accreditation peer teams of NAAC/NBAs should be clubbed in areas of similarity.

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- Acts, Statutes and Regulations of UGC/AICTE/Universities are to be in conformity with one another and follow a broadly similar pattern.
- The results percentage of NET/SET of universities may be taken as one of the key parameters of performance of universities/management institutions.
- Curriculum design and development, examinations pattern should be done in consonance with the pattern of UPSC/PSC/NET/SET examinations.
- Indian students are to be encouraged for further studies like PG/Ph.D at other universities to avoid inbreeding and to encourage cross fertilization of academics and knowledge.
- Information Technology (I.T) is to be used largely in management education. Latest technologies like web education, Internet, videoconferences are to be fully utilized to bring access.
- As in the case of trade and industry, provisions are to be created/or bottlenecks are to be removed to open educational institutions.
- The management education is to be internationalized and while doing so the relevance and quality should be the prime consideration.
- Apex bodies/agencies have to vigorously monitor the standard of business/management schools in India.
- Private Universities/Institutions are to be encouraged to impart commerce/management education while Govt./its agencies facilitates and monitor their function.
- In order to maintain quality of Business/management education, the interface to be created are as follow: University/management school-Society, University/management school-Local community, and University/management school-Industry
- Business/management schools/universities are required to react at pace with the global changes in other sector.
- Business/Management schools/universities have to work with a view to satisfying the students who are their clients.
- More Endowments are to be created and Alumni/Teacher Association/Industry can be tapped in this respect.
- Business/management education should be made a key element of national development activity by necessary tie ups with other sectors like health care, poverty alleviation, infrastructure development etc.
- The target (may be national or state level) for Business/management Education as in the primary education is to be fixed.

VIII. THREATS OF BUSINESS/MANAGEMENT EDUCATION IN INDIA

Like trade and industry, business/management education faces many threats. The select threats of Business/management education are summarized below:

1. In spite of Government/its agencies' intervention to regulate/control, all professional education including management education to a longer extent has been commercialized in India. 2. Liberal arts and science education have endangered business /management education. 3. The majority of the Indian learners are forced to learn only traditional courses due to compulsion and lack of opportunity. 4. Presently several courses are run just for the sake of survival of those departments and to sustain the jobs of teachers. 5. Indian business/management

education suffers due to lack of academic audit mechanism. The management institutions are assessed for financial assistance in terms of numerical parameter rather than academic quality, academic output etc. **6.** State Governments do not take much care about quality of business /management education in their respective areas. **7.** Earnest efforts are not taken periodically for updating the curriculum of business/management education. **8.** In the field of commerce/management education, most of the doctoral research does not contribute to knowledge but only creates additional data. **9.** The quantitative expansion of management schools creates the surplus of teachers.

IX. CHALLENGES OF 21ST CENTURY

We have just entered the 21st century. We cannot just say that, we cannot afford because of illiteracy, developing economy and population explosion. The crying need is to transform the styles and process of education especially business education. Our present environment of economy needs teamwork and effective organization and assessment of human resources that were hardly given any attention in the past. Towards this end business education has thought to play pioneering role. The business education will be meaningful and realistic if proper linkage is developed between the education and business houses. 'Though proper education, the achievement of economic and social development can be facilitated and expedited. Human resource development has a multiplier effect on the utilization of all other resources. That is why the concept of education as an instrument of development has been increasingly accepted & that is why in 1996, the report of education commission (1964-66) referred to education as the only instrument of peaceful social change. Business/Management education is made job-oriented only then we shall be able to meet the challenges of 21st century. In this context, one of the major areas is development of linkage between industries and management education. Management education should be oriented towards fulfillment of the needs of the business houses. At every stage the requirements of the business houses should be taken into account. Cooperation of the business houses is desired in certain areas like developing course curriculum, orientation of teachers, application of computer in business, environment management, and dealing with international issues in business like export, import foreign exchange, developing professionalism in commerce universities in the country should develop a marketing concept in business education. Better linkage should be developed between the business houses and the universities by involving each other in their operation. Research in commerce and management cannot achieve the required success unless the research guides, research students have acquired relevant practical experience, prior to pursuing research. This is the need of the hour. U.G.C has been insisting on the necessity of maintaining a close link between universities and industries. Educationists can face the challenges of the 21st century and develop better industries-universities linkages by: **1.** Review and revising the commerce syllabus at various levels of education by involving the representation of industries, governments and professionals like chartered accountants, cost accountants, company secretaries & managers etc. **2.** Providing financial and infrastructural support to business education by business houses. **3.** Forming a high-powered research monitoring authority in line with I.C.S.S.R etc., which may be named as 'Indian Council of Business Studies and Research'. **4.** Undertaking teacher orientation program in cooperation with business houses. **5.** Making commerce/management-teaching practice oriented. In the wake of growing business education, the capacity of society to provide jobs to every business graduate is impossible due to inadequate resources. On a conservative

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estimate, the investment/employment ratio for a business graduate is estimate at Rs. 2 Lakhs, the total investment needed to give employment to each graduate world be 360 crores. How can a government find such huge resources to mitigate the problems under the circumstances, following steps must be taken: - **1.** Syllabi and courses of study ought to be recast in such a manner that the graduates prove more relevant and useful to the industry and other business organizations. For this purpose there ought to be industry-academic on regular basis. **2.** A system of swamping positions between the industry and academics may be introduced on a regular basis. Business managers may be deputed for one semester to teach in business schools to share their experience and also to update their knowledge regarding development in the areas of business education. Likewise the teachers of management schools may be deputed to business establishment to learn the application of business management in solving business problems. **3.** There is a need for changing the teacher/learning process. Lecture method should be substituted by case method, seminar, group discussions, presentations etc. Greater emphasis should be laid on audio-visual to make teaching learning more interesting and meaningful. **4.** Field visits and summer training should be so appraised that the student could equip themselves properly to take business decision. **5.** Management graduates may be so trained that they should think more of self-employment rather for searching for placement in business & government. For this purpose the education and training should incorporate entrepreneurship in their program of education and training. **6.** The government machinery should formulate the policy and programs to help settle the professionally/technically qualified youth by encouraging them to establish their own establishments. With the 21st century in operation, strategic planners all over the world are facing the mammoth task of producing competent human beings, which is the need of the hour in 21st century. If the suggestions made above are implemented, they will bring about turn around in business education. Linkage with industry, curriculum development on regular basis according to the needs of prospective employers and the improvement in the teaching learning process may be stated as the necessary concomitants for the development of business education on our country.

X. CONCLUSION

The future needs for business/management education will be significantly different from the past, but that today's business schools are too rigid & traditional to respond with innovative solutions. There are so many forces blocking change that movement on any singly front will prove inadequate for overcoming the other source of resistance. Moreover many of these blocks are beyond the control of most business schools, which are embedded in a wider university and professional culture. The analysis of this study throws light on the strengths, weaknesses, opportunities and threats of business/management schools. If the management schools/universities are always alert, it can easily overcome its weakness and threats by its strengths and opportunities. It is also true that practical implementation of some of the above issue are debatable. However, they alert us with the need to thwart the obstacles and thereby help the development of intelligent strategies for clear perspectives towards achieving prominence for Indian business/management education in global scenario.

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