

A PARADIGM SHIFT AND CONTEMPORARY ISSUES IN THE BUSINESS/MANAGEMENT EDUCATION SCENARIO IN INDIA

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Abstract: Business Education, a few decades ago was considered to be a golden passport to the aspirants of employment. The situation was so lucrative that anyone who enrolled himself for a Business Administration degree or a Management Course was looked upon by the society and also was assured of a starry employment status.

As days went by, the field of higher education, especially management education was confronted by variety of demands from various fronts. The success or the survival of the higher education institutions is largely dependent on the satisfaction of the demands posed by the industry, economy, Society etc.

Looking at the other side, the students churned out by these institutions have become hardly marketable, as a result of which the preeminence of the management education and the institutions/universities offering them has got tainted.

Purpose:

The purpose of this theoretical paper is to analyze the deficits of the current management education and thereby to suggest alternatives to get ahead in the race.

Research Gap and Research Problem:

Over the years, a number of studies have been done regarding the Changing paradigm in the field of management education. However, the turbulence exists still.

Objective of the study:

This paper intends to provide a multifaceted analysis for the existing problem and thereby provide suggestions to overcome the issues arising from all fronts.

Research Methodology:

This is a descriptive paper analyzing the problems faced by the management education from the previous literature and other secondary information available.

Implications of the study:

This paper intends to state the reasons for the loss of importance for management education and thereby pave way for bringing back the serenity and superiority of the same.

Key words: Management Education, Higher Education, ESCP, Paradigm Shift, Faculty Competency

Introduction: Management or Business education, a few decades ago was considered to be a golden passport to those who aimed to be a part of Corporate. But, as years go by a lot of transition has taken place in the field of management education, which has turned down the situation. Today, the employers claim that not all who possess a degree in Management are real MBAs, some of them are only 'so called' MBAs. However, the

number of management institutions and thereby the count of business graduates are witnessing an increasing trend every year. The analysis of the reason behind this disparity and the problems encountered by the management education from various fronts is the objective of this paper.

Origin of Management Education:

The origin of Business education can be dated back to 1819 during which the world's first Business school ESCP Europe was founded in Paris, followed by a number of similar institutions in Austria, Pennsylvania, Switzerland etc. in the 19th century.

During the advent of the 20th century, in 1902 United Kingdom's first business school, The Birmingham Business School was established. Not much later than it the Harvard Business School was founded in 1908, the first of its kind to offer Master of Business Administration degree. Later, a number of business schools, and institutions offering business education started coming up all over the world.

Evolution of Business Education in India:

Indian Business Schools has a long history since its beginning in the 19th century. Initially, the B-schools were focusing on the commercial side of the business with an aim to satisfy the needs of the then British Government.

Commercial School of Pacchiappa Charities set up in 1886, in the city of Chennai is considered to be the India's first Business School.

In 1903, Commerce classes for Secondary School students was initiated by the British Government 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 started by Sydenham College in Mumbai in 1931.

Another known as Commerce College was started in 1920 in Delhi, which was later renamed as ShriRama College of Commerce.

India's first management programme was founded in 1948 by the Indian Institute of Social Science with an intention to train manpower, suitable for managing industrial enterprises in India.

Xavier Labour Relations Institute (XLRI) at Jamshedpur was founded by the Catholic Community in 1949.

Indian Institute of Social Welfare & Business Management (IISWBM) which was set up in 1953 at Calcutta claims to be the India's first official Management Institute.

The encouraging trend in the scenario of Business education forced the Indian Government to apply for and obtain grant from the Ford Foundation. As a result of which two Indian Institutes of Management (IIMs) one in Calcutta (West Bengal) and the other in Ahmedabad (Gujarat) was started in 1961 and 1962 respectively.

Later IIM Bangalore and IIM Lucknow came into existence in 1973, after which in 1990s two more IIMs at Kozhikode and at Indore were added to the list.

In the mean time in 1982, the Indian Institute of Forest Management was setup in 1982 in Bhopal (M.P.) This institute was to act as a leader in specialized management education for the entire forestry system in India with the help of IIM, Ahmedabad.

Later a few more IIMs got added to the list summing up to a total of ten institutes at present. With the advent of Liberalization and Globalization the demand for MBA graduates by Multi National Corporations was on the rise and this paved way for the multifold increase in the number of management institutions in India.

Currently, Business or Management Education is offered by the following six types of institutions in India.

- (1) Indian Institutes of Management (IIMs) set up by the Government of India.
- (2) University departments of management studies
- (3) Colleges (government or private) affiliated to central and state universities
- (4) Private or government institutes approved by the All India Council for Technical Education (AICTE)
- (5) Private colleges or institutes neither affiliated to any university nor approved by AICTE.
- (6) Private colleges or institutes offering MBA courses in India in collaboration with foreign universities, where degree/diploma/certificate is awarded by the foreign university.

Of these six types of organizations, colleges affiliated to universities and their own departments offer MBA program, whereas the private institutes and other autonomous bodies offer only Post graduate program in Management which is considered equivalent to MBA.

The AICTE report of 2013 states that in India, around 3556 colleges offer MBA and about 288 institutes are offering Post graduate Programs in Management.

Paradigm Shift in the Management Education Scenario: 'Edupreneurs' on the rise

India dominates the Higher Education System with more number of institutions. Indian economy with an aim of becoming a prosperous economy and with lot of policy changes, allowed private and global players to enter into all businesses. The demand for MBA graduates in the industry made investors to look upon 'Management education' as a lucrative business. This scenario forced the increase in the number of 'Edupreneurs' (Entrepreneurs in education) and thereby resulted in the mushroom growth of

Year	Programmes	Seats
2005-06	1888	122663
2006-07	2031	144372
2007-08	2062	185780
2008-09	2734	227989
2009-10	3482	273732
2010-11	3858	378907

management institutions. The following table shows the annual growth of Management programmes and the number of seats available for studying the same.

Table:1 Growth in Management programmes and seats over years

Status of MBAs at stake

The status of MBAs has been pushed down by the mushroom growth of the Management institutions. The Edupreneurs with the intention of taking back their returns within a short period, realized the opportunity of offering Business education in multiple forms irrespective of the need and availability in a particular region.

The starry status of MBAs got tainted due to the lack of strict regulations for an institution to offer a Management Programme. Moreover, the penetration in the business education market and easy entry for the students to acquire the degree in variety of forms has brought down the eminence of the programme.

A group of institutions under one banner by itself offers MBA programme along with their engineering stream as well as with their arts and science stream and a few deemed universities offer the same programme in different campuses of their own.

Despite this proliferation, state and central universities offer management programmes through distance mode apart from their regular departments or schools. In addition to it, the concept of Open universities and the programmes they offer aggravate the situation.

The situation becomes pathetic when a graduate passed out from a reputed Business School (the one who has undergone a series of tests and procedures to get enrolled into the course) and the one who has obtained the degree from a local college or an open university with little effort claim to be MBAs. Though, the quality and the market acceptance level of both differ, the status of the programme gets shattered when both pose themselves equal (qualification wise).

Quality of Business Education over the decades

India is a country outside United States which brings out maximum number of Business Graduates every year.

Since Management education in India was perceived as a new phenomenon, the Indian institutions had collaborated with the foreign business schools for assistance in developing the curriculum and pedagogy.

This fact gets revealed through the tie up between IIM Calcutta with Sloan School of Management at MIT and similar collaboration of IIM A with Harvard Business School. This type of qualitative strategic integration helped Indian Management education in professionalizing through research, training, institution building etc., But, over the years no such integration seem to occur except for a very few who prove themselves competent. The quality of Management education in India gets limited to the top tier business schools. And, it is not possible for everyone aspiring for management education to get into these top business schools for the reasons of affordability and accessibility.

The business schools in other layers especially private players offering management programs care less for the development of the students and the faculty. Most of the local colleges offering business education hire a fresher as faculty who might be just one year senior to the students. The reason behind this is that the investor wants to take back his returns earlier and therefore the compromise goes on in the selection and development of the faculty. Besides, the faculty members who have been hired by these institutions are seldom given chance of growth and development. The worst of all is that these sorts of institutions do not even provide some basic facilities like well equipped library and laboratory facilities.

Since its origin and up till 1980s, when the management education was offered only by a few institutions, the degree was valued as a golden passport and the Business graduates received a red carpet welcome by the corporate. In 1990s, with the increase in the number of business schools, there was deterioration in the status, but still some value was attached to the qualification. However, in the 21st century, the status got worsened and no

value to the so called MBAs expect for the ones who graduated from top tier B-schools. Accompanied with the Global recession the scenario of business education is facing a high downturn forcing many of the institutions to close down.

Contemporary issues in Business Education

Faculty competence

The competence level of the faculty members employed by the Indian Business schools, fall within a wide range. The disparity occurs due to the varied interests, knowledge and the background of the faculty members. The time and place of their study also plays a vital role in determining their caliber. The lack of research orientation among the faculty members is the major problem faced by the Management institutes in India. However, tuning the faculty members to meet the current needs of the market is the responsibility of the institution.

Curriculum Development

The curriculum of Indian B-schools just adopts the one that is being followed by the International Business schools. The relevance of the subject to the Indian set up has a negligent approach. In addition to this, the syllabus of certain institutions never gets updated over time.

The freedom given to the institutions in deciding their own syllabus leads to the problem. A system need to be developed to have a check on the syllabus framed by the institutions imparting Business education. Though Management education is considered to be a professional course, in many of the institutions the students are refrained from practical exposure. In most of the cases, the students are only taught theoretically and not trained for the industry.

The Governing Body

The All India Council of Technical Education (AICTE) acts as the apex body for technical education including management education. Despite the norms laid by AICTE for the inception as well as the running of a business school, many of the institutions do not comply with all the rules that are laid. Most of the institutions just make it up to get an approval from the AICTE to start a business school or commence a business administration programme. Once the approval is granted the institutions care less to further go by the rules until the next review happens. The major drawback is that there is no Governing authority to have an exclusive control on the entire activities and process of management education.

Employability of the Management Graduates

The purpose for which Management education was started was to make an individual multi-skilled or at least to impart them with the functional skills. The National

Employability Report 2012 states that only less than 10% of the MBA students are employable because they lack the necessary skills especially the fundamental skills of their domain area. It has been found that only the management graduates from the top Business schools are able to get employment in their functional area. The corporate give least consideration to the MBAs of many institutions claiming to possess a bigger skill gap. So, it can be said that except for a few, many of the B-schools are producing only 'So called MBAs' who are hardly marketable.

A new phase of change in the Management Education

Initially Management schools were started with a focus of providing professional skills to the working group and thereby two years full time or three years part time programmes were offered.

As the business education gained momentum and the demand for it from the working executives grew at a faster pace, institutions decided to offer Executive MBA for a lesser duration to help the executives.

Until the last placement season except for the difference in time, One year programmes were treated on par with the two years full time programme. But, last year the focus of the recruiters turned towards the students of one year programme which resulted in the highest salary of Rs.1 crore and more offered to two of the students of IIM Bangalore. This sudden change has made the institutions to add further value to the one year programmes.

Implications

The government appoints committees to periodically review the status of Management education in India. All the four committees that have studied the situation equivocally state that Indian Management Education faces problems. The issues faced by the institutions include

- Shortage of Quality Faculty
- Less or no focus on research
- Curriculum not adhering to the Indian Context
- Lack of practical implications in the course of study

With the above issues, the students of Business schools are forced to settle for a lesser pay as their marketability in the industry gets degraded.

A survey made by 'Digital Mailers' identifies that Indian School of Business topped the rank for the highest salary obtained by its graduates, which averages to Rs.16 lakhs

followed by IIM Ahmadabad, IIM Bangalore and IIM Calcutta with Rs 11.76 lakhs, Rs 11.25 lakhs and Rs 10.63 lakh respectively.

However, Indian School of Business does not get high return on investment and they find no place in any of the first 25 ranks, whereas a private B-school in a small city in Tamil Nadu gets the first position in terms of return on investment.

At times, this forces a student to choose a lesser prominent or not so famous institutions to pursue his degree.

Another issue is regarding the ranks associated with the Business Schools. Generally B-schools are ranked based on quality of education, quality of faculty, placement, and the demand from the students. Since the criteria taken for ranking the institutions differ from organization to organization, the reliability gets shaken.

Suggestions to regain the prominence of Management Education

- The major focus should be on governing the management institutions by an apex body which has an exclusive control over the business schools and thereby controlling the mushroom growth of institutions and the dilution of the quality of the curriculum.
Other Professional programmes like CA, ICWA(now ICMAI) and ACS offered by the Institute of Chartered Accountants of India, the Institute of Cost & Management Accounts of India and the Institute of Company Secretaries of India, respectively, are created through an enactment by the Parliament of India. The competencies of these professionals are never in question and their marketability in the job market in private, public and government sectors are remarkable. Likewise a separate statutory governing body for Management education should be created through an Act of Parliament to ensure uniform standards all over the country.
- The quality of the curriculum should be improved by focusing more on the practical applications. The curriculum should inculcate more of industrial involvement and field participation making the students to understand the real scenario. Compulsory collaborations between the corporate and business schools should be facilitated. The Curriculum itself should be revised to suit the Indian context rather than blindly following the idea of foreigners.
- The Business education which requires more of empirical learning should be restricted from offering it through distance mode.
- Faculty development to enable the faculty members to face the current challenges in the market has to be given due importance. The expertise, experience and efficiency of faculty members of various areas of specialization has to be pooled

- together. The focus should be on improving the quality of the faculty of the whole institution by instituting a team work among all the faculty members.
- To enhance the research knowledge of the faculty members, separate institutions whose core area is research could be designed to offer doctoral programmes rather than by all approved institutions.
 - The above mentioned suggestions if taken into consideration would automatically enhance the employability of Management graduates and also bring back the starry status of the same.

Conclusion

Management education in India is facing crisis with a lot of issues. The deterioration in the quality of education, the competence level of the graduates who pass out of the business schools, the lack of development among faculty members and the mushroom growth of institutions have brought a downturn in the quality of Business Education. This scenario can be overturned and the starry status of the business education can be regained if it is looked into with deep concern and encountered with proper interventions wherever required.

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