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MANAGEMENT EDUCATION LANDSCAPE IN INDIA: ISSUES, CHALLENGES AND STRATEGIES

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Abstract: **Introduction** One of the biggest challenges for businesses operating in the dynamic environment of today is the need of competent managers. The Indian government liberalized the business education market over the 1990s resulting in a rapid growth of business schools offering programs at both graduate and post graduate levels. The purpose and value of MBA (Master of Business Administration) degree has always been under the critic's scanner (Mintzberg, 2004, Pfeffer and Fong, 2002, 2004; Ghoshal, 2006, Khurana, 2007) but proliferation of institutes has impelled a serious debate on quality in education (Jagadeesh, 2000). Therefore, it would be fruitful to investigate the quality of contemporary business education and its implications for an emerging economy like India.

Framework The paper describes the rise of management education in India, relevance and significance, different issues and challenges faced by B-schools in India and strategies to improve with emphasis on faculty retention, faculty development, functional literacy and academic excellence.

Methodology The paper is based on review of literature and observation of the contemporary scenario substantiated by interviews of a judgmental sample of experts from industry and academia.

Conclusion The paper, on the whole, documents and analyzes management education system in select emerging economies in the backdrop of its role and significance in these countries.

Keywords: B-schools, India, Management Education

1. INTRODUCTION

“Education must provide life-building, man-making, character-making assimilation of ideas.”

- Swami Vivekananda (C.W., Vol. III, p 309)

Swami Vivekananda advocated in the nineteenth century that education should promote not only the intellectual growth of individuals but also build strong moral foundations in them. Evidently, in present times, such a motivation is hardly present. Education is nothing but a means to ensure good perks and benefits. Although the motive has changed with the changing times, the awareness of the need for development of this vital sector is greater than before. The difference is

that the reason today is monetary. Education has evolved into an industry with players seeking profit out of it and glamour has overpowered it. Talking of management education, it has been under the scanner since its inception. According to Choudhary (1977), “management education has acquired the status of a commodity, to be bought and sold in markets like other commodities.” It has been accused of generating “elitism among its products with an attendant inability to perform urgent roles and a tendency to expect quick rewards (Sheth, 1991).” Though the big numbers in terms of growth of institutes, seats intake, demand/supply of candidates in management education indicate commercial success, yet there are significant questions about the relevance of the products they generate (Pffefer and Fong, 2002). The picture, based on secondary data analysis and observation, at present appears to be hazy. On one hand, the growth in terms of number of institutes has been remarkable (AICTE Handbook, 2011-12) but on the other, observation during the recent admission seasons has hinted the emergence of functional literacy issues leading to lesser popularity of courses bringing in lesser aspirants converting into lesser admissions as compared to the availability of seats. The scenario needs to be investigated to provide significant insights into the current situation.

1.1 Purpose

The purpose of this study is to analyze the management education scenario in India. This study attempts to discuss the rise, relevance and direction of management education in India in the light of various issues and concerns encompassing it. It draws from literature and secondary data available on the web substantiated by viewpoints of different stakeholders related to this field.

1.2 Scope

Management education includes undergraduate, post graduate and PhD courses in management. The courses may be full-time, part time, executive, distance learning or specialized. The subject of focus of this study is post graduate courses in management. These courses come with a variety of names -Master of Business Administration (MBA), Master of Management Studies (MMS), Master in Finance Control (MFC), Master of Public Administration (MPA), PG Diploma in Management (PGDIM), PG Diploma in Human Resource Management (PGDHRM), PG Diploma in Financial Management (PGDFM), PG Diploma in Operations Management (PGDOM), PG Diploma in Marketing Management (PGDMM) etc.

2. RISE OF MANAGEMENT EDUCATION IN INDIA

The history of management education in India dates back to the late 1940s. The first department of management studies was set up at Indian Institute of Science, Bangalore in 1948. However, it offered courses only in economics and social sciences. Soon, management courses began to be offered by the already running institutions. Some of these institutions were XLRI School of Business and Human Resources, Jamshedpur (1949) and Indian Institute of Science and Indian Institute of Social Welfare and Business Management, Kolkata (1953). The institutes which started the full time MBA program in the 1950s and 60s are Delhi School of Economics (1954) which later on was passed to the Faculty of Management Studies under University of Delhi, Department of Commerce and Management, Andhra University (1957), Motilal Nehru Institute of Research and Business Administration, Allahabad University (1965), Faculty of Management Studies, Benaras Hindu University (1968) etc. This brought an era of merging of commerce and

humanities with management and the establishment of department of management in the Universities. Parallel to this was the setting up of IIMs- the most sought after institutes of management in the country. IIM-Calcutta is the oldest IIM in the country set up on November 1961, followed by the establishment of IIM-Ahemadabad on December 1961 in collaboration with Sloan School of Business and HarvardBusinessSchool respectively. The third IIM appeared in 1973 in Bangalore& the 4th IIM was inaugurated in 1984 in Lucknow. Subsequently, IIM Indore and IIM Kohzikode came up in 1996 and 1997 respectively and today, seven more IIMs have been started at Ranchi, Shillong, Guwhati, Tiruchirappalli, Raipur, Udaipur and Kashipur.

There was a time when managers were distinct from engineers. Today is the age of cross functionality and techno management; merging engineering and management education. The pioneer in this was NITIE, Mumbai (1963). Today, the IITs play a big role in producing techno managers. Gradually, departments of management were set up in Kharagpur, Delhi, Bombay, Madras, Kanpur and Roorkee within the IIT system. Over the years, a number of institutes began to offer various types of management courses. They fall in either of the following categories- university departments, colleges affiliated to the universities, non – university autonomous institutions, distance/correspondence - based institutions and unaffiliated institution (Subramaniam, 2007). Also, various bodies have come up for management education.

Department of Higher Education, MHRD: The Ministry of Human Resource Development has two departments- Department of School Education and Literacy and the Department of Higher Education. The latter department works for the planned development of higher education through 100 autonomous bodies including the UGC, AICTE, IIMS, IITs etc (<http://education.nic.in>).

All India Council for Technical Education (AICTE): The All India Council for Technical Education (AICTE) was set-up in November 1945 as a national level Apex Advisory Body to conduct survey on the facilities on technical education and to promote development in the country in a coordinated and integrated manner. As stipulated in the National Policy of Education (1986), AICTE was vested with statutory authority for planning, formulation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country (<http://www.aicte-india.org/aboutus.htm>)

Board of Management Studies under AICTE: The AICTE Act confers the power on the council to constitute the Board of Management Studies. It advises the Executive Committee of the Council on academic matters falling in its area including norms, standards, model curricula, model facilities and structure of courses (Aicte Act, 1987).

National Board of Accreditation (NBA): NBA was set up by the AICTE in September 1994 for the purpose of assessment of Quality and Accreditation of Technical programmes in India. The major objective of NBA is to encourage the institutions to continually strive towards the attainment of excellence. The NBA evaluation process is designed to facilitate identification of the strengths and weaknesses of the programmes under accreditation. The process is based on a

set of eight broad-based criteria developed through a lengthy participatory process involving more than 1000 participants concerned with Technical Education all over India. Institutions seeking accreditation of their programmes are expected to satisfy each of the criteria individually. They are expected to adhere to these criteria during the validity period of accreditation granted. They are also encouraged to periodically review the strengths and weaknesses of their programmes and strive for their continuous improvement (<http://www.nba-aicte.ernet.in/parameter.doc>).

University Grants Commission (UGC): The UGC was formally established only in November 1956 as a statutory body of the Government of India through an Act of Parliament for the coordination, determination and maintenance of standards of university education in India and thus, affects the management education delivered through university departments (www.ugc.ac.in).

All India Management Association (AIMA) : Founded in the year 1957, All India Management Association (AIMA) is an apex body of management with over 30,000 individual members, 3000 institutional members and 60 Local Management Association across India and overseas created with support from government and industry. AIMA undertakes a host of management related activities and initiatives such as Distance Management Education, Management Development Programmes, Special Conferences, Research & Publications, Testing Services and Competitions (<http://www.aima-ind.org/>).

In addition to these, there is Education Promotion Society of India (EPSI), Association of Indian Management Schools (AIMS), Directorates of Technical Education etc which differ in their form and structure but are related to one or the other aspect of management education in the country.

2.1 Growth

The growth in higher education has been phenomenal since India's independence when there were only 20 universities and 500 colleges. As on 31.12.2010, there are over 3000 educational institutes in India (Table 1).

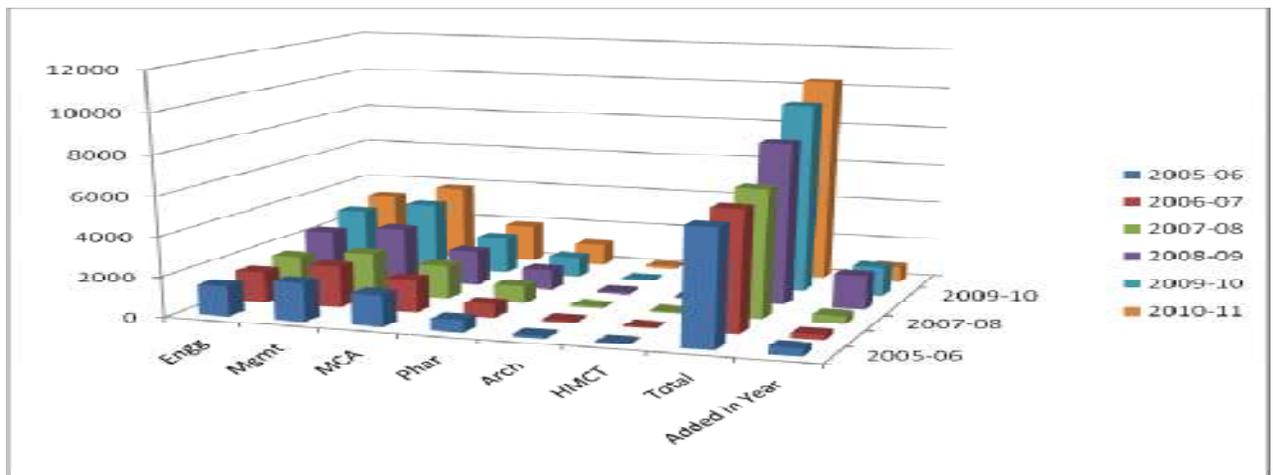
Table 1- List of Educational Institutions

S. No.	Institutional Category	No. of Institutions
1.	Central Universities	42
2.	Institutions Deemed to be Universities	130
3.	State Universities	261
4.	Private Universities	73
5.	Institutions of National Importance	33
6.	Institutions Established under State Legislature Acts	5
	Total Number of Institutions	544
7.	Number of Colleges	31,324
AIM	recognized under Section 2(f) of the UGC Act 1956	7,678 (24.5%)
	recognized under Section 12 (B) of the UGC Act 1956 V	6,257 (20.0%)
		3,432

Source: Annual Report 2010-11, Ministry of Human Resource Development (as on 31.12.2010)

At the time of founding of the All India Management Association in August 1988, there were just about 100 B-Schools in India. Thereafter, there was a massive surge in the number of B- schools in the country which almost doubled after every five years; following a kind of a geometrical progression (Bowonder & Rao, 2004). A look at the recent growth of different

Figure 1- Growth of different programs in technical institutions



Source: AICTE Handbook on Approval Process 2011-12

programs in technical institutions reveals that the growth of management programs has been remarkable and higher than any other program (figure 1). Where in the 50s, 60 and 70s, merely 4 management institutes were set up on an average every year, this number has become as large as 169 in the new century (table 2).

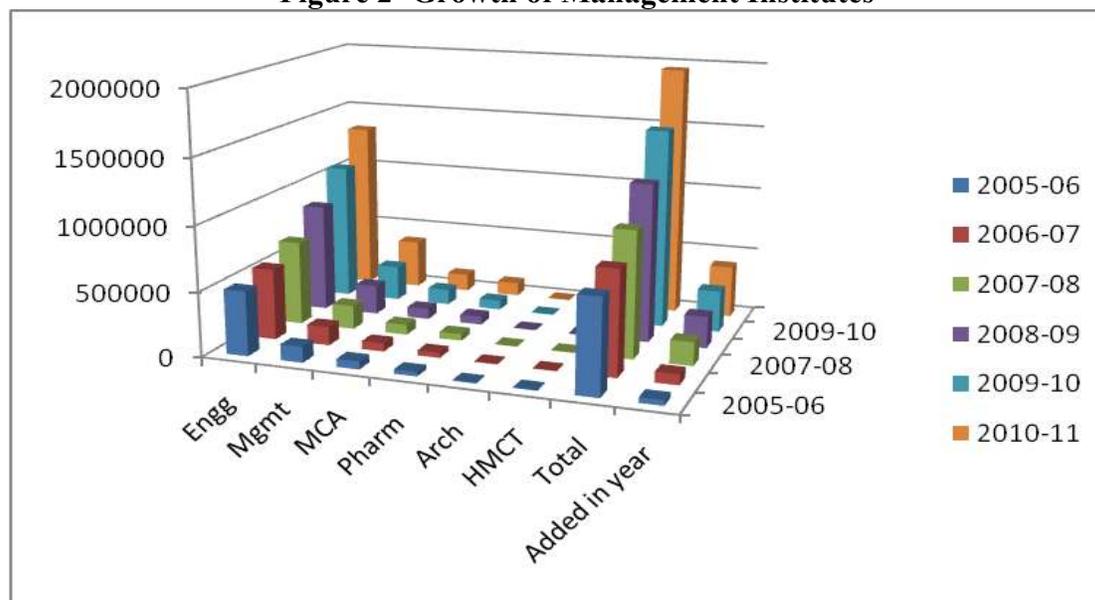
Table 2- Growth of B-Schools (1950-2006)

Period	No. of B-Schools added	Average annual addition
1950-1980 (30 years)	118	4
1980-1995 (15 years)	304	20
1995-2000 (5 years)	322	64
2000-2006	1017*	169*

Source: Dayal, 2002

The annual increase in number of institutes and intake of students is continuously increasing. According to AICTE, in the year 2010-11, there were 3858 management institutes with annual intake of 3, 78, 907 students (figure 2).

Figure 2- Growth of Management Institutes



Source: AICTE Handbook on Approval Process 2011-12

3. ISSUES AND CONCERNS

The institutes have multiplied and so have the aspirations of the students. The numbers, as big as they are, depict prosperity, growth and development. But they do-not reveal the ramifications of negligence of the qualitative aspect. There is no use celebrating big numbers if the functional literacy of the outgoing students is questionable. Despite these glorifying statistics, the Indian higher education sector is facing serious problems. The issue here is of quality and not of quantity. The Indian higher education sector is facing serious problems. Barely 7 per cent of Indians get to colleges, 99 per cent of these lucky few receive indifferent teaching in decrepit classrooms- they lack libraries, labs and computers, 80 per cent are unemployable, the moneyed elite flee abroad and we console ourselves with the careers of the 1 per cent that go to the IITs, IIMs and a few other premiere institutions (Bikchandani & Sinha, 2009). None out of the large number of B-Schools in India is AACSB (Association to Advance Collegiate Schools of Business-world's largest accreditation association for business schools) accredited unlike seventeen such in China (2011 List of Accredited Schools). The quality issues are so grim that

worldwide researchers in this field have gone to the extent of writing that MBA programs are one reason for serious problems encountered in contemporary management (Mintzberg 2004, Ghoshal 2005, Khurana 2007).

Review of literature and observation of the contemporary scenario makes a case for investigation.

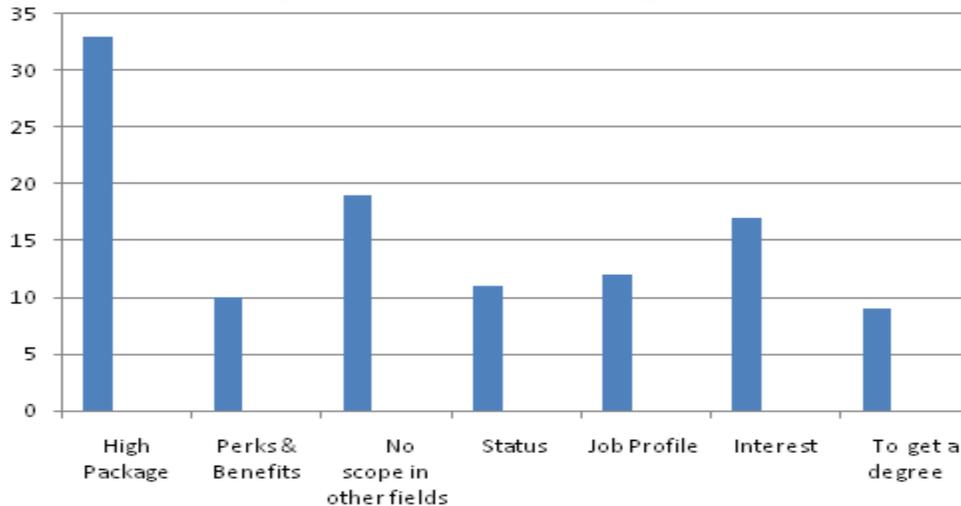
<i>Year</i>	<i>Researcher/Source</i>	<i>Information</i>
1991	Sheth	Management education has generated elitism among its products with an attendant inability to perform urgent roles and a tendency to expect quick reward.
2000	Avgerou & Walsham;	Instead of tailoring education to global standards, education should address local needs.
2002	Dayal	It is imperative that the structure of management education in India be changed for upgrading the quality of the academic program taking into consideration the nature and characteristics of management education and the academic inputs.
2002	Pfeffer and Fong	Graduates with business education are no more successful than leaders without the degree, for success is a function of what a person can do.
<i>Year</i>	<i>Researcher/Source</i>	<i>Information</i>
2005	Ojha	Most of these rankings of management institutes are inherently flawed, and provide misinformation hiding behind the garb of scientific processes.
2006	Kumar	Presently, the biggest challenge faced by technical educational institutions in India is the acute shortage of qualified and competent faculties.
2009	Business Today	An exclusive Technopak study for Business Today suggests that the Manipal Academy for Higher Education rakes in revenues of Rs 814 crores, Amity Rs 600 crores and Indian Institute of Planning & Management Rs 200 crores.
2011	Palety	Last year, over 20,000 of about 130,000 AICTE-approved management program seats were vacant.

2011	Kumar and Dash	AICTE norms say that all information should be updated on the websites but it is not done.
2011	Richard Arum	Conducted a study that followed 2,300 students at 24 universities over the course of four years and cited in his research that business majors invest less than one hour a day in studying alone.

The crux is that there seems a need to rationalize the management education sector. Various issues (emerged from literature survey and observation/experience) seem to be eating into the state of affairs like:

- Blindly following the design of services and service delivery as used and established by renowned institutions, especially of the west, on the presumption of same product/ graduates being required and would be produced. Replication of model requires similar conditions and associated factors were not considered.
- Proper marketing research from the customers/prospective students about their limitations of receiving the designed delivery was not considered.
- Proper industry feedback about students being spread at all levels through segmentation was not done. "The B-schools are not sufficiently in touch with the real world and the pace of change, which is challenging management education today"- says Cyrus Guzder, CEO, Air-flight Express.
- Who would deliver education above all and how would they be trained and retained was not considered? Getting good faculty remains a problem. People prefer to opt for corporate exposure or teaching at universities abroad against joining as faculty in India," says Bakul Dholakia, ex-Director, IIM Ahmedabad (Thanuja and Mohapatra, 2006). While regular teachers enjoy sixth pay commission scales, those who are temporary are under constant threat of losing the job. The growth in the number of doctorates has been only a modest 20 per cent in India during 1991-2001 compared to 85 per cent in China during the same period.
- The robust entry of private players in the market has resulted in mushrooming of institutes all throughout the country giving rise to issues like transparency/ accountability and the existence of 'education for profit'.
- The policy structure and the system for management education of the country is questionable and needs to be rationalized.
- Placement was projected as the key but not the right placement at the right levels. The B Schools have been positioned in such a manner that they seem more to be mere placement agencies.
- The functional literacy of students is questionable and so is the career clarity. An online survey was done for the purpose of this study on MBA students to know their reason for choosing MBA and 111 responses were collected. As expected, 'high package' was the reason cited by most of them (figure 3).
- There are other problems related to governance of institutes, need for autonomy, ranking onslaught, myopic vision, attracting and retaining faculty, funding/financial support, challenged pedagogy, irrelevant curricula, importance of business school research etc.

Figure 3- Reason for choosing MBA



4. STRATEGIES FOR THE FUTURE AND CONCLUSION

Thus, though management education has gained increased prominence with a tremendous rise in the establishment of management institutions, yet some problems pose a serious threat to its survival. It is necessary to take a long-term perspective for handling key problem areas keeping in mind the current status of management education in the country. The action plan would have to include both the institutional development at the micro level and the development of support systems at macro level such as faculty development, flexibility in program structure, research support and encouragement for innovation and development of appropriate teaching technology (Dayal, 2002). Majority of the institutions do not focus on the quality of academic program. Faculty members are required to get involved in research or consulting in order to develop quality teaching material. The monitoring system has to be strengthened in terms of accreditation of the programs which will enable paying special attention to the management practices and the governance system. The institutions concerned and the macro level monitoring system such as the Government/AICTE/UGC would have to consciously undertake the task of upgrading the quality of education, and make the programs relevant for organizations. India is a country where young scientists, technocrats, and business executives demonstrate highest level of excellence and commitment in diverse professional fields and command highest level of respect among peers and employers, all around the world. Government, lawmakers, politicians, industrial houses, social leaders have huge responsibility to empower these youth for self-sustainability. It is a difficult task, but not an impossible one and could be achieved by redesigning the management education in India (Sarkar, 2007). Sincere analysis of the situation, honest policy formulation, rapid deployment and integrated effort can gift Indian youth a nation,

“Where the mind is without fear and the head is held high;

Where knowledge is free;

Where the world has not been broken up into fragments by narrow domestic walls;

Where words come out from the depth of truth;

Where tireless striving stretches its arms towards perfection;

Where the clear stream of reason has not lost its way into the dreary desert sand of dead habit;

Where the mind is led forward by thee into ever-widening thought and action...”

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