 MANAGEMENT EDUCATION IN INDIA: ISSUES & CONCERNS

PROF. GOUTAM G. SAHA

Associate Professor & Dean-Academics, MGM’s Institute of Management (Approved by AICTE, New Delhi, India), Aurangabad, Maharashtra

contactsaha@yahoo.co.in

ABSTRACT: The main objective of the present paper is to know the historical development of management education in India & to investigate its major issues & concerns. 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 days 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.

KEYWORDS: All India council for technical education (AICTE), Association of Advanced Collegiate School of Business (AACSB), National Knowledge Commission (NKC), National Task Force(NTF), Management Education Entity(MEE), Proliferation

1. INTRODUCTION:
The Government of India has liberalized the business education in 1990s, which has resulted in a rapid growth of Business Schools offering the programmes both at graduate & undergraduate levels. Indian B-Schools are almost a replica of US Business education particularly in the area of pedagogy, curricula, industry interface & academic research models, but it is observed that Indian B-Schools are struggling hard to introduce several adaptations because of differences in the work culture system. That made Indian Business education to face several issues in the area of academics, development of infrastructure & financial support. The Govt. of India had also appointed various committees to take a critical review & the overall growth of Business Education in the country. Owing to the intense competition at the global level lot of changes are taking place in the industries. In turn there is a need to make the changes in the Business education system all over the world. India is no exception to it; but the pace is very slow. Now time has come to take a detailed review and to investigate the various challenges & issues which are being faced by these Business schools for enhancing the quality of management education in the country. The present study mainly concentrates on
1. Evolution of management education in India
2. Present structure of management education &
3. Major issues & concerns of Indian management education.

2. 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 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 ShriRama 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-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 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 (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, Ahmedabad.
- In late 1990’s, two more IIMs were setup, one at Kozhikode (Kerala) & the other at Indore (M.P.).

The following table shows a growth of B-Schools in the country since last 55 years.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Period</th>
<th>No. of B-Schools added</th>
<th>Average Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1950-1980-30 years</td>
<td>118</td>
<td>04</td>
</tr>
<tr>
<td>2</td>
<td>1980-1995-15 years</td>
<td>304</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>1995-2000-05 years</td>
<td>322</td>
<td>64</td>
</tr>
<tr>
<td>4</td>
<td>2000-2006-06 years</td>
<td>1017</td>
<td>169</td>
</tr>
</tbody>
</table>


The early 1990’s showed a boom of founding new management schools, most of them are in private sector. Few B-Schools have also being established in collaboration with some western universities. Management education in India is in the phase of change. The two current developments sweeping India, namely liberalization & globalization have had a considerable impact on management education. Today there are 1800+ B-Schools in the country, spread over in different states of India, depicted in the following table.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>State</th>
<th>No. of B-Schools</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Andhra Pradesh</td>
<td>239</td>
<td>13.5</td>
</tr>
<tr>
<td>02</td>
<td>Bihar</td>
<td>14</td>
<td>0.8</td>
</tr>
<tr>
<td>03</td>
<td>Delhi</td>
<td>60</td>
<td>3.4</td>
</tr>
<tr>
<td>04</td>
<td>Gujarat</td>
<td>50</td>
<td>2.8</td>
</tr>
<tr>
<td>05</td>
<td>Haryana</td>
<td>34</td>
<td>1.9</td>
</tr>
<tr>
<td>06</td>
<td>Karnataka</td>
<td>116</td>
<td>6.6</td>
</tr>
<tr>
<td>07</td>
<td>Kerala</td>
<td>247</td>
<td>14.0</td>
</tr>
<tr>
<td>08</td>
<td>Madhya Pradesh</td>
<td>51</td>
<td>2.9</td>
</tr>
</tbody>
</table>
All these B-Schools are approved by All India Council for Technical Education (AICTE) in various categories, including IIMs University Departments & Autonomous Institutes.

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. The key ingredients to be a world class B – School are considered as

1. Faculty commitment to research and teaching excellence.
2. Committed professional staff who understand higher education.
3. Quality of students admitted.
4. Financial resources and
5. Leadership of the Deans and Directors.

If anyone of these is missing, to become world class B – School is next to impossible. On the basis of forgoing discussion to diagnose the weaknesses and ill functioning of B – Schools, and their quantitative growth at the cost of quality. The Govt. of India has appointed various committees time to time to take a critical review of management education in India. So as to implement various corrective measures.
The National Knowledge Commission (NKC) was established by the prime minister of India in 2005 in the country. The commission had appointed ‘A working group on management education under the chairmanship of Prof. S. L. Rao.

This working group had referred various reports on management education since 1991 and along with existing state of business education in India like

5. All India Management Association (AIMA) document prepared in 2005.

### Table 1: Number of B-Schools as per All India Management Association (AIMA) document prepared in 2005

<table>
<thead>
<tr>
<th>States</th>
<th>Number of B-Schools</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>202</td>
<td>1.9</td>
</tr>
<tr>
<td>Orissa</td>
<td>247</td>
<td>14.0</td>
</tr>
<tr>
<td>Punjab</td>
<td>25</td>
<td>1.4</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>56</td>
<td>3.2</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>139</td>
<td>7.9</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>181</td>
<td>10.9</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>18</td>
<td>1.0</td>
</tr>
<tr>
<td>West Bengal</td>
<td>47</td>
<td>2.9</td>
</tr>
<tr>
<td>Others</td>
<td>35</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1761</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

* Others : Himachal Pradesh, Assam, Chhattisgarh, J&K, Manipur, Meghalaya, Goa.
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 education.

5. ISSUES & CONCERNS

Though the number of committees on management education have suggested improvements. Still there have been no significant changes in management education except in the top ranking B-Schools. Now the time has come to examine the major issues that need to be addressed if at all management education has to improve in India, So as the present managers can respond to the challenges of global Competition.

Major Issues:-

1. Ensure Quality Faculty.
2. Promote Research Culture.
3. Faculty Development Programmes.
4. Develop reading materials relevant to Indian Context.
5. Develop interaction with Industry.
6. Evolve a proper system of Accreditation & Rating.
7. Create an independent Institutional mechanism.
8. Corporate Governance of B-schools.
9. Need to broaden the specialization.
10. Create a global mindset.
11. Internationalize Management education.

1. Ensure Quality Faculty:-

Owing to the sanction of large number of B-Schools through AICTE resulted into shortages of qualified faculty. At present number of faculty members are without Ph.D. & research background. In fact, at the University level UGC expects either Ph.D. or NET/SET as an essential qualification in the selection process at college or University level. But due to shortages of faculty in management only a master’s degree is enough to become a faculty member in the B-schools. In selection process industry experience has given a special weightage but due to shortages of faculty, the industry experience is also not being judged properly in number of cases. Moreover AICTE has no machinery to develop & train the faculty to teach management Courses with an applied basis. It is also observed that some of the institutions either engage part time faculty or appoint them on contractual basis where they have a little involvement either with the institution or with the students.

Newly joined faculty members adopt only lecture methods & impart theoretical or conceptual knowledge to the students rather than brainstorming or its application.

New faculty members without any experience can not takeup the research or development of teaching materials & deliver only the lectures mainly drawn from the text books.

2. Promote Research Culture:-

The management Institutions do not have culture that is supportive of research. Imbibing a research culture requires a good library support system. Scholars should be invited to undertake research in certain areas of national interest. Regarding the research grant procedure there is a need to support more to individual project proposals. Encourage to those institutes who have adequate support system to start Ph.D. programme.

Being a recent development of management discipline there is a shortage of Ph.D. guides & hence those who would like to persue for research degree they are forced to register for their Ph.D. degree under the faculty of commerce. Many a times these Research guides in this field are unable to guide the candidates in the area of management.

3. Faculty Development Programmes:-

In order to create good teachers for B-schools, the faculty development programmes must be implemented on a large scale. Presently the teachers in the B.Schools are prepared on a trial & error basis at the cost of present generation of students who are the real sufferers. Recently, AICTE had informed to management institutes to depute their faculty members to undergo Faculty Development Programmes at the selected few centres but it is too inadequate. That will require another 5-10 years period to get the trained manpower with this system. Again the FDP programs which are implemented at the institutional level they are also not adequate & rich in their Quality. As a part of formality &
conditions of the AICTE this activity is being implemented. In fact this scheme must be implemented at the regional levels throughout the country with the help of top ranking B-schools.

4. Develop reading materials relevant to Indian Context:-
   It is observed that the ideas & concepts which are effective in the countries of their origin but have been less effective in Indian context. So also the management practices adopted in Industrialized countries are in perfect harmony with their culture & tradition, where as India has yet to do this exercise through systematic research & study. The materials available are not yet-specific or relevant to Indian context. There are very few B-schools in India now they have started concentrating on research as well as preparing reading materials relevant to Indian context namely ICFAI, Hyderabad, MDI, Gurgaon, XLRI, Jamshedpur & Wellingkar, Mumbai.

5. Develop interaction with Industry:-
   Except in case of top ranking B-schools, there are no mechanisms to forge close relationship between B-schools & industry groups. The main strength of top class B-schools like kellog, Wharton, Sloan & Harward is their strong relationship with industry through teaching, research, student placements, problem solving & case study preparation. This issue in India is to make this happen in case of the low ranked B-schools in the country. There should be institutional mechanism for developing liaison with industry in each B-schools.

6. Need to evolve a proper system of Accreditation & Rating :-
   In Indian management education it is one of the emerging issues is to identify the process to be adopted for implementation of an accreditation system. The accreditation has to be fair, transparent, independent as well as ruthless. The rapid growth in number of management institutes require a specialized body rather than the all encompassing AICTE to carry out accreditation. Infact a council, exclusively for management education is required & the process of accreditation & recognition need to be made separate. Recently the (NKC) National Knowledge Commission has recommended rating as an additional measure to inform the students, the parents & the public of the Quality of Management education entity(MEE) because of mushrooming growth of schools in India. Many of which do not meet even the minimum requirements for the acceptable Quality. By requiring disclosure of information on rating a great service will be performed to all stake holders including students & recruiters. Hence, the group has recommended that all MEE must have mandatory rating.

7. Need to Create independent Institutional mechanism:-
   There are too many agencies deal with management education. Management education must be a concern of the body created by law for Governing management education i.e. The All India Council for Technical education & its subsidiary. The Board of management studies Combining the technical & management education under one body was a mistake. A National Task Force (NTF) on Management education should be appointed. All India Management Association is of the opinion that there is a need of formation of All India Council for Management Education Quite independent of AICTE.

8. Corporate Governance of B-schools:-
   As indicated by S.L.Rao, a major weakness is the lack of a Corporate Governance system in B-schools. This issue needs careful Consideration. There is a need to have independent Directors as well as to implement independent Audit Committee for managing the B-schools. The B-schools should become process driven. Corporate governance has to be made an element of accreditations. Faculty development as well as faculty involvement in the administration needs to be a part of the Corporate governance agenda. Issues like Qualifications of faculty members, Size of libraries, & other academic as well as infrastructural facilities must also become a part of governance.

9. Need to broaden the specialization:-
   There are some businesses which are Context specific to India. e.g. agricultural services, infrastructure management, Contract research, hospital management & NGO are rapidly growing areas in business. These business need customized management education. Curricula customization, Specific material development & faculty specialization are some of the neglected factors that led to poor Quality of management education in India. No doubt some of the B-schools have introduced MBA, program, focused on telecom, financial services & infrastructure management but still it requires more efforts on customization in order to broaden the Specialization.

10. Create a global mindset :-
    This is a era of globalization. Industry needs executives with world-class talent. The issue is how to inculcate a global mindset through the managers who act locally. The survey Conducted by Andrews & Tyson brought out some issues like.
    1. In the changing economic scenario at global level the important issue is to create executives with management & leadership capabilities on a world wide scale. The study shows that there has been a shift in Companies while recruiting from knowledge to skills attributes.
    2. Internationalization of business makes it necessary to have different knowledge & sets. The notion is that business schools graduates must have cross cultural knowledge & expertise which has steadily gained support & become an important goal & marker of achievement of many professional schools.

11. Internationalize Management Education:-
As the business is getting global, day by day there is an increasing need for the institutions (B-schools) to produce global Managers. Therefore, it has become necessary that the Indian Management education should also become more global. The response to globalization of business is the globalization of Management education.

Hence,

1. The business schools must admit international students to the programme. The Indian management institutes are the only ones with no international participation.
2. The B-schools should induct a few international faculties & provide an opportunity to the students to listen about other country’s business culture & systems.
3. The B-schools should provide an active programme of students & faculty exchange with advanced countries.
4. To ensure that at least 25% of the curriculum deals with international subjects like international economics, International Marketing, International Financial Management or international Business Management etc.
5. Indian B-schools should collaborate with some well known foreign B-schools by which Indian students can do part of their education in those institutes.
6. Lastly the B-schools also collaborate with some foreign placement Consultancies to make sure at least some students can obtain jobs abroad.

6. CONCLUSION:-

As we are in third millennium, India’s Management education is undergoing a major transition. Internationalization, cross cultures, strategic alliances, partnership & mergers are the new trends in management education. But Compared to US & Japan where do we stand? One of the important reasons of Japan’s Climbing to the top ladder of Industrial world is that they believe in “developing people before developing products,” Indian management education has to think in this direction.

7. REFERENCES

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