

MANAGEMENT EDUCATION IN INDIA: THE ROAD AHEAD

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ABSTRACT

Over a six decade old history of management education in India, there has been a sea change, both in the number of B-schools and also the MBA Programmes. On one hand, the number of B-schools has gone up from 200 in early 90s to 800 by the year 2000 and currently it is estimated to be around 3500 business schools offering functional and sectoral streams. Such programmes might have relevance for a variety of reasons. Firstly, some of these sectors might have developed in India over the last half a century and sector specific courses might have been thought of as a good strategy and some of the institutions developed intellectual capital. However these institutions only constitute the tip of the ice-berg as their number is not more than 1 percent of the total number of business schools in India. For the large majority such an approach may not work because these institutions only imitate those programmes with substantial dilution. Finally, most business schools offer dual specialization: functional or sectoral to enhance the employability of a student but the fact is that it doesn't work, because of limited courses on offer in each discipline which fails to create a specialist. In such a backdrop the paper examines the possible challenges which an emerging business school must address in India to be contributing professionals to the corporate sector and the society.

Keywords: *Management, education, professional, programmes, corporate sector.*

INTRODUCTION

Higher education in business closely resembled undergraduate business training with its very functional and practical approach. This paradigm was fairly consistent since the first MBA program began in 1900 at Dartmouth College's Tuck School of Business. Most business professors were practicing or retired corporate managers who focused primarily on the sharing of lessons learned in the workplace. The United States had approximately 150 business schools at this time, and students generally attended business schools close to where they lived and worked (Schlossman, Sedlak, & Wechsler, 1998), thus making local distribution an important issue. Because the corporations and their current and retired employees contributed so much to setting the MBA agenda, we refer to this period as the "Corporate-Based Era."

A massive reform effort, sponsored largely by the Ford Foundation, took place in 1954. This campaign aimed to make business schools more academic, research based, and

analytical—in essence, more like other academic programs at universities (Schmutter, 1998).

In fact, many of the ailments of higher education in business have been documented in the literature, especially during times of economic downturn. Studies identified many problems; consistent themes include cost (Dulek & Fielden, 1992); research relevance (Mowday, 1997; Wheeler, 1998); and faculty development (Schlossman et al., 1998). Institutional inertia theory suggests that organizations will be slow to change given internal politics and past success (Hannan & Freeman, 1977). Niche strategies, whereby an organization identifies its competitive advantage and strategically builds around it through partnerships may become a more common strategy for business schools (Katz, 1999).

BACKGROUND OF INDIAN MANAGEMENT EDUCATION

Over a six decade old history of management education in India, there has been a sea change, both in the number of B-schools and also the MBA Programmes. On one hand, the number of B-schools has gone up from 200 in early 90s to 800 by the year 2000 and currently it is estimated to be around 3500 business schools. On the other hand the classic MBA or PGDM is now available in almost a score of 'specializations' like; MBA- Finance, MBA- Marketing, MBA- HR, MBA- International Business, MBA- Retail, MBA- Insurance, MBA- Hospitality or Tourism Management, MBA- Financial Services, MBA- Logistics or Supply Chain Management, MBA- Rural Management, MBA- Information Technology, MBA- Communication Management, etc. Recently a whole new stream of MBA programmes has also been added like: MBA- Health Care Management, MBA- Sustainable Development, MBA- Infrastructure Management, MBA- Energy Management, MBA- Aviation Management, etc.

Such programmes might have relevance for a variety of reasons. Firstly, some of these sectors might have developed in India over the last half a century and sector specific courses might have been thought of as a good strategy. It had worked for IIFT, XLRI, IRMA, NITIE, MICA (names are illustrative) as these institutions developed intellectual capital in their domain, and the students of these institutions demonstrate their competence to the industry during summer jobs, through live projects, business plans etc. and acceptability of such potential was reflected in PPOs and final placements. However these institutions only constitute the tip of the ice-berg as their number is not more than 1 percent of the total number of business schools in India.

EMERGING SCENARIO

The larger majority of business schools face a series of challenges, like poor quality of students' intake, lack of faculty resource, poor curriculum with narrowly defined specializations. For the large majority of business schools approach followed by premier business school doesn't work because these institutions only imitate those programmes with substantial dilution. Secondly, the career opportunities might

not be available in that proportionate numbers in select sectors with reasonably attractive pay package which an MBA expects after spending whooping fee of Rupees 7-10 lakhs to earn the degree. Also a major risk of narrowly defined sector specific programmes is that a student is branded as a sector specialist like, insurance, retail or hospitality and the career opportunities may not be available as the sector gets saturated or the student loses interest. On a conservative estimate, 75% of the hotel / hospitality management graduates don't work in this sector. Also to a young graduate, who has little knowledge of the different Functions or Industries, it is rather too early to freeze the scope of his/her Masters degree so well in advance, without gaining exposure to basics. Some institutions think that they can resolve this issue by offering dual specialization: functional or sectoral, but they not been able to achieve the expected results, for a variety of reasons, including the fact can a student be called a specialist by undergoing only 4 courses in that area. The argument becomes obvious when we compare with other disciplines like medicines, engineering, architecture, agriculture science, biotechnology etc, where a student studies a subject for 4-6 years to be called a specialist.

CHALLENGES BEFORE MANAGEMENT EDUCATION:

Conventionally, it is being said that role of education is for the social, cultural and moral development of an individual to actively participate in the transformation of their societies. Also it is being said that education has to be focused on Knowledge, Skills and attitude.

There are five skill sets have been identified. (Australian vocational training system). The first skill set is *Task Skills* which mean that an individual must be able to perform individual tasks to an acceptable level of skill. The second skill level is that of *Task Management Skills* where the individual is expected to manage a number of different tasks within the job. The third skill level is called the *Contingency Management Skills* where the individual is expected to favorably respond to irregularities or when things go wrong. The fourth skill is that of *Job/Role Environment Skills* where the individual is required to deal with the responsibilities and expectations of the work environment, including interacting appropriately with others in the workplace. Finally, the *Ability to Transfer Skills* where an individual is expected to transfer knowledge, skills and attitudes to new situations.

Somehow the above focus of education and skill development gradually got diluted resulting in rolling out of about five hundred thousand management graduates every year (conservative estimate of regular programmes) and another equal in number through the open learning system, online mode, VSAT mode and correspondence programmes. This total population of one million management graduates every year is far higher in access as compared to the job market, more so when their competency and skill levels are low, compelling management graduates to accepting meager jobs with no career growth opportunities. In such a scenario, the management education has to re-visit on the following issues.

1. Students Intake : The selection process through which the MBA aspirants go through in Tier 2-3 business schools versus the top 1% business schools is drastically different. In the top ranking business schools one out of three hundred applicants get selected and in tier 2-3 business schools perhaps the entire batch is recruited out of three hundred applicants. Clearly indicating that 98- 99% of the business schools receive limited number of applicants to choose from. Also these students need academic help which most B-schools don't extend as they admit students in large numbers. Another observation is that in top B-schools gender wise statistics is quite different as against tier 3 B-schools. In the premier institutions girl students constitute only twenty percent of the class where as in the others it might be more than fifty percent. In addition to this gender wise variation there are students with vast age-gaps as well. It is a matter of concern in top ranking business schools how narrow the gap between the gender divide.

2. Curriculum: Most premier business schools follow a trimester system where in the courses are well structured over 30 hours or so and for students who need academic help, tutorials are provided. Generally the evaluation policy is 'continuous evaluation' and faculty is expected to complete all components of evaluation while they teach. The only component which is left out is the 'term end exam and in any case it is for not more than 40% weightage. However in the tier 2 and 3 business schools the internal assessment constitutes only 30 per cent of the total evaluation and the end term is of 70 percent weightage. It has been observed that in such institutions the focus is on end term and not continuous learning and assessment.

One of the major skills which are well recognized is that of critical thinking and its expression as oral and written communication skills which will be required of business graduate throughout his/her career. What has often been debated is whether incoming MBAs already have these skills and, if they do not, whether they can be effectively taught at this stage of their development. Increasingly, business schools are introducing "thinking and communication courses", for example, Stanford's Critical Analytical Thinking course, Yale's Problem Framing course, and Washington University's Critical Thinking for Leaders course have all taken aim at the need to develop and refine these skills, deeming them essential to effective decision making and action (Datar, Garvin, Cullen 2010). Some of the leading business schools have strengthened faculty resource in these areas to anchor such courses, but large percentage of business schools have yet to develop the appreciation of it. In the tier 2 and 3 business schools this problem is serious as three fourth of their students come from semi urban or rural background and on a conservative estimate about 50 percent has not only poor command on language but limitations of thinking and expressing.

The premier institutions emphasize on sound foundation of basic concepts and, therefore, additional courses are

introduced in each functional area of management. The programmes provide a comprehensive coverage on all the important areas and disciplines in management like human psychology, economics and business environment, statistics and quantitative methods, ICT and its applications in management, OB and HR, marketing, accounting and Finance, operations and supply chain management, etc. Also the sequencing of the courses is done in such a manner that the course taught in the previous term leads to the course in preceding term. For example, for understanding the Business Environment and Policy Issues a student must have clear understanding of Microeconomics and Macroeconomics. Thus these two courses are considered to be pre-requisites to the third course. Similarly, for courses on Operation Management there are basic courses on quantitative techniques before the student takes on choices of elective. The same applies for soft skills and courses on marketing as well. The objective remains very clear that before the student takes on higher level elective as specialized course the student can position him/herself in the category across functional. By the time the student makes a choice it would be quite clear to him/her that which course/function would lead to where/which function in the industry. This would in turn enable a student to make choice of specialization rationally rather than making a random choice or resort to the process of elimination while taking specialized courses which occurs in most of the cases today.

The major development of the last two decades is the advances in Communication and Information Technology (ICT), which has become the second language of the business after English. Therefore, ICT integration in all functional areas Human Resource Supply Chain Management, CRM, HR- MIS, ERP for Supply Chain Management, etc. are to be integrated but large number of B-schools have neither such a component nor the faculty.

The other issue which needs to be addressed is the electives versus specialization. In all disciplines like humanities, engineering or medicine, it is called the area of specialization and parity may be kept with the nomenclature. It is not only the question of nomenclature but also the focus. The word specialization emphasizes on the extensive field of study whereas such a focus is missing when it is called 'elective'. Also is the issue of double specialization or triple specialization. Some business schools in India offer double or triple specialization expecting that the career opportunities will correspondingly multiply, but it doesn't happen that way. The obvious reason is the lack of depth in a student; after all, studying 4-5 courses in a subject area are highly inadequate to create a specialist. Also in any masters programme there is only one field of specialization and the B-schools must recognize the same.

In one business school in India the elective courses are offered in a module of 4 courses. This is basically done with the objective to provide in-depth understanding of the subject. In each functional area of management and in sectoral areas

groups of courses have been developed. For example; a student is offered four courses on the 4Ps of marketing at level 1 of marketing electives. These courses are: Product and Brand Management, Advertising and Promotional Management, Distribution Management and Pricing Management. At the Level-2 of Marketing electives students are offered courses on the application of marketing in different product/market areas like: Rural Marketing, Industrial Marketing, Services Marketing etc. At Level-3 courses are offered in specific sectors like Marketing Research, Advertising/PR, Retail, etc. Similarly, electives are being offered in three elective modules of 4 courses each in Financial Management, Strategic Finance, Financial Services, International Finance and International Business. These combinations are indicated in the given table and the titles are self-explanatory. The advantage here is that there is a synergy in the courses, which is missing in the 'Ala-Carte' of electives. For example 8 courses in International Finance and International Business give a much deeper exposure on the IB discipline to a student. These modules were developed in consultation with industry experts and similar modules can be developed in Healthcare Management, Infrastructure Management and many other areas which are emerging as major growth sectors for the Indian economy. Likewise, the modules of marketing has similarly been developed in blocks of 4 where a student who specializes in marketing can take it forward to market research by selecting a block of 4 courses of market research namely Research in Marketing, Qualitative Research, Advance Data Analysis Techniques and Social Research. Otherwise the student can also diversify in Media Planning and Communication by selecting the basket constituting courses like Media Planning and Application, Event management, Principles and Practices of Corporate Communication and Sales Management. In the same logic elective courses of Logistics and Operation Management and Human Resource Management have been developed to have a complete understanding of the functional area which will help the students in turn to get placed appropriately.

The advantages of offering electives in such a manner are many folds. Firstly, the students choose the electives and industry stream after completing 1 year in the MBA programme and not at the time of admission. Secondly, a student can get in-depth understanding of a Management function as these elective groups are developed by the faculty and the industry professionals who are much wiser than a student in selecting / developing the combinations. Thirdly, if a student is interested in taking additional modules, s/he can do it alongside the MBA programme or the institute can offer as a summer school. Finally, the MBA programme can be successfully adapted to the industry requirements resulting in superior placements.

3. Industry Exposure: The industry exposure to the students is given through a variety of ways. There are courses which are taught fully by the industry faculty, students visit companies and sea ports for first hand exposure, students'

clubs carry out year long activities, Alumni are invited to address the students, besides 6 week summer internship. In leading business schools 20-25 percent students are offered jobs on the merits of their work during the summer job, which is missing in other business schools as neither the industry is willing to extend summer jobs to their students nor the student is capable of delivering quality output.

4. Societal Orientation: Another major challenge the Indian business schools are facing is of creating socially responsive managers. A developing country like India has so many social issues and there is a need to sensitize the future managers about them. Also the students must be exposed to issues like corporate social responsibility, sustainable development, etc.

5. Compulsory Residential Requirement: The curriculum actively co-produces learning and development – all round, comprehensive and complete development of students at both individual and group levels. The learning schedule builds time for self, group study and development activities. Also given the complexity of the business problems today, teams need to be built to provide solutions. Thus, it is very important to learn group dynamics and to work in teams. Such a skill is inculcated in premier business schools wherein the students have to reside on campus all through the programme duration. Students remain occupied till late in the evening with group work, industry interactions, club activities, intra – college competitions etc, which is missing in other business schools and thus their students, are deprived of inculcating such skills, which is must to develop job/role environment skills.

6. Faculty and Faculty Development: With proliferation of business schools there is an acute shortage of competent faculty. Except a handful, no institution is self sufficient in faculty resource. The solution lies in institutional networking for faculty exchange and faculty development. Some experiments on the model of Harvard's ITP have been initiated in India which has been quite successful but these efforts are like a 'drop in the ocean'. Most institutions think that the solution to faculty shortage lies in faculty from industry. There are pros and cons of both academics oriented and industry experienced faculty. On one hand the faculty with academic credentials, particularly working at the junior levels, have little idea about the current industry practices and on the other the industry faculty have limitations of structuring the industry practices around a conceptual foundation. There are very few faculty of repute in the Indian B-schools whose views matter, in the public domain on issues pertaining to economy, industry and markets (Ramkumar 2011).

7. Faculty Out-sourcing: Shortage of faculty resource makes it absolutely necessary to out source faculty. A good number of experts in various areas of management education visit b-schools to benefit students. In premier business schools efforts are made to ensure the credibility of these experts and the quality of their inputs and 'who's-who' of the

industry or academia are invited for interaction with students. But in tier-2 and tier-3 business schools the situation is rather different as professionals from the corporate sector themselves may have reservations in accepting the invitation.

There are some cautions which must be taken before a b-school decides to associate an industry person (Ravi Shanker 2010). Firstly, be clear about the inputs you expect the industry expert. If predominantly, he plans to follow an average text book with a thin icing of industry experience, you may have to think twice before associating them. Secondly, a long narration on industry experiences without a conceptual foundation doesn't bring any tangible learning to the students, therefore the conceptual expositions might be drawn out of the industry experience or the industry experience must help in illustrating a conceptual exposition. Thirdly, look for the factors which can generate students' interest in the course, as it's important to balance out between contents and delivery. In particular instructions of higher ranking courses on Agro Commodity Trading was taught by the commodity editor of one of the leading financial daily and heads of agro commodity trading companies. This course was rated as the highest rated course by the batch. Fourthly, look for the opportunities of enhanced students' participation where in the students are active participants in the learning process rather than passive listeners, mugging up PPTs and passing the course attempting "do any five out of seven" questions. For a course on Advertising Management a complete team of Account Management, creative director, copy writer and media planner was invited to help participants develop communication solutions for some of the actual accounts handled by that advertising agency. Such a workshop was a big success as it was on a realistic ground on one side and on the other it was immensely participative. Finally, look for the credibility of the persons and their organizations, as someone coming from E&Y or PWC will always do some value addition to the students and the programme.

8. Research: In most disciplines, research is carried out in academic institutions and then it goes to the society, take for example any scientific research. But research in management is typically generated on the basis of data from the industry and then given back to the industry. Also, unlike other disciplines, management institutions generally can't compete with the research generated by the professional research agencies or companies. Therefore it is required to build useful and usable models that bridge the gap between academic business school research and the knowledge needs of the industry.

In most business schools little attention is given to field-based research to encourage students to explore the real-world management practices to gain meaningful insights into how managers actually respond to the contingencies and complexities they face. However in premier business schools students are encouraged to undertake live projects and business plan completions to develop a better understanding of the real world managerial problems and find solutions to

solve such problems. Some of these projects are interdisciplinary helping in appreciating multifaceted challenges that managers must address.

9. Internationalization: Global competitiveness has become the reality of business and therefore one of the most neglected areas in Indian business schools is international networking for collaborative research, case writing, conferences and seminars besides faculty and students' exchange. There are very few institutions which have institutionalize this activity and consistently work to reach out to globally recognized institutions.

Further Research: For related reasons, critics view MBA training as having limited value in preparing students for their careers. Most courses emphasize analytical frameworks and quantitative techniques, not softer, hard-to-measure organizational skills. This approach has the advantage of teaching students how to dissect and solve complex problems, such as valuing a potential acquisition, balancing an assembly line, or positioning a new product, as well as providing essential functional knowledge in fields such as accounting, finance, marketing, operations, and strategy. Students learn the language and frameworks of business. Particularly at those schools that rely heavily on the case method, they also learn a way of thinking: how to identify underlying assumptions, assess alternatives, take a position and defend it, critique plans and proposals, and place business problems in a larger, multifunctional context. If a business school focuses on these issues and objectives, whereby going through the process students learn analysis, critical thinking, planning and execution. The students thus develop skill in attacking problems and become knowledgeable about business management. MBA education is creating technocrats, people with a great toolbox who are able to accomplish things that organizations need them to accomplish.

Related research suggest blend related content modules rather than stand alone (Holt, 2003) whereas some suggest the practicality of solo modules in Canadian context (Beringer et al., 2008) which can be further debated in variety of context like this paper reinforces the conclusions in Indian context.

Some of these questions which also need consideration by the scientific community in management education domain include the relative effectiveness of integrating sustainability in management and business education by way of curricular, co-curricular and both curricular and co-curricular options? What conditions help existing structures most effective for integrating sustainability in management and business education, and under what conditions is it most effective to create new structures? Alignment of capability through collaborative partnership is helping us refine risk and provide relevant learning systems to better provide innovative responses to stakeholders but inquiry into assumption made in this paper under dimensions of public/ private comparison can further add to the knowledge base. There is need for further investigation to add knowledge about questions about

the preparedness - whether the field of management research and education is willing and able to open up to new possibilities like ecology, sustainability, and large-system innovation and learning, interdisciplinary and multi stakeholder eco- systems of these institutions in different cultural perspectives.

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