Management Education: Current Scenario in India

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Abstract: Indian Government has liberalized business education in 1990s, resulting in rapid growth of Management Institutes offering the programmes both at graduate & undergraduate levels. Indian management education is 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 management institutes are struggling hard to introduce several adaptations because of differences in the work culture system. Owing to globalization lot of changes are noticed in the functioning of industries across the world requiring to have the manpower with multi-skills rather than simply knowledge oriented. Top Management institutes are continuously changing the contents & delivery modes. On this back ground it is equally important to address the various issues & concerns of Indian management education experiencing with time. This purpose of this case study is to engage all concerned in a serious discussion with a view to revamping management education in India as a prelude to better participation and viability in the global economy. This paper examines the issues that need to be addressed and a possible direction so that management education can be rejuvenated.

Keywords: Higher Education, Reservation, teaching method, global competition

I. INTRODUCTION:

Education had been lately turned into more of a business than an effort to educate the people of the country. There are private universities spread across the country and most of them would provide management degrees. It has become such a business that every rich man today wants to open up a B-school and offer numerous seats to lure in students.

With the value of a professional degree like MBA, it was the ultimate end of a shift from the world of education to a professional life. It seemed as a final sign-off to education. One having good scores in a MBA degree was sure to get placed in a good company with a good pay back. Such was the efficiency and the importance of the degree. But recently the number of colleges providing this degree had brought down the importance of the course. Every other college is offering a MBA degree. This is creating a weak base for the students to succeed in this transition.

On the academic floor, the MBA Programme was once supreme. It is a dramatic scenario but not an unexpected one. With the growing popularity of the course which actually marked its downfall, many more will be closing down in the coming months. These institutes no longer see business sense in offering an MBA course, preferring to use the land for more lucrative ventures. As S S Mantha, chairman of the All-India Council for Technical Education, puts it, “Colleges in remote India and institutes of poor quality are not getting students.”

Will it again help the course to nullify the current changes and get back to where it actually stood or will it be a mark that the importance of it is degrading?

Policies:

Diminishing quality in teaching is one prime factor attributed to this decline of education standard in India. There is also lack of meaningful research in the Indian colleges and universities.

The government has imposed restrictions on the universities in the matter of fee structures and the compensation to highly performing teachers. To develop a better research institute requires high quality professors, who are highly paid. But in India, there are no mechanisms in place to ensure that highly performing professors are well rewarded. This is the important reason for the migration of highly qualified professors to developed countries. Until and unless the AICTE takes it job seriously and does a bit of study in the state and plug the holes in the system
Transforming Examination to Education System:
To summarize the thoughts here, we need to think about how we can transform our examination system to an education system which is targeted at overall development of knowledge base of students than limiting them to specific narrow focused disciplines. It will be right if we say tests are menace and we have an examination system instead of an education.

According to Prof RN Krishna, director of Centurion Institute of Management at Jaipur, says, “business education in Rajasthan was quite an in-thing a decade or two ago. Till 1991, there were just 3 MBA departments in the three universities”. Post 1991, when government stressed on higher education, institutes flourished everywhere and that led to the downfall. Everybody started opening management shops, no one thought about quality or ethics. Centurion Institute has some 20 students in the institute when its sanctioned intake is more than a 100.

Dr GN Purohit, director of Vyas Institute of Management in Jodhpur is of the opinion that the Rajasthan Technical University, under which most management institutes come under, is to be squarely blamed for the scenario. It is the RTU that sets the norms which all have to follow. Be it the course structure or the schedule of the examinations, RTU has the sole power to decide and that has led to most of our problems today, says Dr Purohit. Explaining further he says that RTU not only delays the admission process every year but also sleeps over the examination schedules. Results get delayed by as much as 11 months and re-evaluation queries are addressed in some 8 months. How does one run an institute in such conditions? Besides, entrance exam papers are set more or less with commerce students in mind as the people in RTU are primarily from an engineering background, not management, states Dr Purohit.

Like Rajasthan, Madhya Pradesh too saw a gradual closure of management institutes over the last decade, after hundreds burst on the scene in early 2000. This tumble-down was a result of empty seats, high fees, wretched infrastructure and misplaced job placements. Today, there are some 200-250 plus management institutes in MP, which is half the number that existed earlier. The ones who have survived either had the funds to do so, at least try to offer quality education or are basically engineering colleges with MBA thrown in as a pile-on.

When asked why these huge discrepancies in the quality of the institutes in MP, Prof Rohit Kapoor, who teaches Operations and Quantitative Techniques at IIMI answered that his institute is run by the government and is part of the IIM community. “IIM Indore, like the other IIMs has to only concentrate on teaching, upping programme quality and faculty. Students come to the IIMs because of the brand. With other institutes, it is a matter of survival and looking at all factors such as faculty, programmes, students, infrastructure, fees. These institutes get no grants or help from the government and if they cannot offer quality education, then filling up seats is also an issue. And if these institutes are run by those who do not understand MBA education, then things obviously turn bad.”

According to Sundeep Manudhane, owner of PT Education, an MBA coaching centre, PGDM is a sinking certification in MP since the only MBA education which is really taken seriously is the one offered by universities. “The universities still hold a standing and respect in the field. Even recruiters take them more seriously. But then, these universities are running their semesters late, so there is no gain at the end anyway.”

Facts And Figures:
The present structure of Indian Management Education is as follows, it is divided into six categories:
1. Indian Institute of Management (IIMs) setup by government of India.
2. University Departments of Management studies, distance, correspondence & part time courses as well.
3. Colleges & institutes affiliated to universities.
4. Private or Govt. Institutes approved by All India Council for Technical Education (AICTE).
5. Private Institutes or colleges not affiliated to any universities are not approved by AICTE.
6. Private colleges or Institutes offering MBA courses in India in collaboration with foreign universities where degree & diploma certificates are awarded by the foreign universities.
The following table shows a growth of B-Schools in the country from 1950 till now:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Period</th>
<th>No. of B Schools Added</th>
<th>Average Annual Addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1950-1980</td>
<td>118</td>
<td>04</td>
</tr>
<tr>
<td>2</td>
<td>1980-1995</td>
<td>304</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>1995-2000</td>
<td>322</td>
<td>64</td>
</tr>
<tr>
<td>4</td>
<td>2000-2006</td>
<td>1017</td>
<td>169</td>
</tr>
</tbody>
</table>

**Table 1: Growth of B-Schools in India during 1950 – 2006**


The Indian management education sector grew so wildly few years back when demand was very high that supply overshot demand by a long straw. But here comes the day which marks the downfall of management education as shown in Table 2.

<table>
<thead>
<tr>
<th>Total Colleges</th>
<th>MBA Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>3900</td>
<td>3.5 lakh</td>
</tr>
</tbody>
</table>

**Table 2: Current Scenario of Management Institutes**

In the last few years the number of MBA seats in India has grown almost four times as shown in Table 3 resulting in a five year compounded annual growth rate of 30%, but the employability rates are falling down. An expert feels that new management colleges neither have proper infrastructure nor proper faculty and their quality of education is also not as per the requirements of the industry.

According to a MeriTrac employability study 2012 which covered 2,264 MBA's from 29 cities and 100 B-schools beyond the Top 25 as shown in Table 4 highlights the downfall of employability in last 6 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>MBA Seats</th>
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<tbody>
<tr>
<td>2006-2007</td>
<td>94,704</td>
</tr>
<tr>
<td>2011-2012</td>
<td>3,52,571</td>
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</tbody>
</table>

**Table 3: Growth in number of MBA Seats**

<table>
<thead>
<tr>
<th>Year</th>
<th>Employability Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>25 percent</td>
</tr>
<tr>
<td>2011-2012</td>
<td>21 percent</td>
</tr>
</tbody>
</table>

**Table 4: Decrease in Employability Ratio**

Industry insiders say the problem goes further than the management institutes. The quality of higher education in India across disciplines is poor, they argue, and does not meet the needs of the corporate world.

This may be reflected in the fact that not a single Indian college made it to the top 200 in the recently published Times Higher Education World University Rankings. “The top 25% of students are pretty good, the next 25% are passable, but the remaining 50% are rubbish,” says Mohandas Pai, the former head of human resources at Infosys, one of India's largest software firms.

Management Institutes’ Culture:

The MBA culture is sadly missing in MP, barring in IIMI and a few other institutes which are trying hard to better themselves. “It’s a cycle,” says Prof AS Kittur. “Since majority of the institutes are below par, the kind of students they attract are also below par and that gets the kind of learning and teaching to a sub-standard level. This brings the level of education down.”

Prof Kapoor adds that “institutes like IIM-I attract students from other states and that leads to a healthy class make-up, while the smaller institutes in MP are content with local students, who may not actually understand the significance of an MBA education”.

According to Mr Kothari, the MBA is understood very differently in MP when compared to other states or bigger institutes. From where MP local students come from, doing an MBA is more for education than employability. Many come from family business backgrounds and some others are hoping to get somewhere with a degree.”
Mr Pai, the former head of human resources at Infosys, says this is because the government controls the university curriculum and does not allow it to be revised regularly to keep up with the needs of the industry. "The biggest human resource tragedy is being played out in India and it is being played out in higher education because of the failure of government policy," he says. There is also the problem of the shortage of teachers, says Prof Pankaj Chandra, director of IIM Bangalore. "In India, teaching is made very unattractive. Remuneration for professors is low. We need to develop an ecosystem where academics are valued."

Now a days, learning has become students centric. Branding has accelerated the management education. Top B-Schools are continuously changing the contents & delivery modes. It is equally imperative to Indian B-Schools to strive continuously to make management education context specific. But the present proliferation of B-Schools raises a serious question on the quality of management education. Where will this proliferation of B-Schools leave the country? What will be the quality of managers which are produced by these B-Schools. This sudden proliferation has led to a considerable decline in the quality of management education.

**Reservations:**

More stress is needed to put on primary education. If an individual whose basics are lacking gets admission/reservation he/she will not be able to justify the reservation he is being given. Efforts are needed at maximizing the educational infrastructure, allocating more funds and reforming the entire teaching and learning process and its administration.

Reservation is not the only solution to uplift the backward. Effective implementation is needed for policies which provide the basic necessities of life like food, clothing, shelter, medical facilities. One more possible solution is a reservation limited to one generation only is another effective solution. A family which has already availed it once will not be allowed to avail it in the next generation.

Reducing the percentage of marks needed to qualify for admission is more feasible. If a candidate belonging to general category requires 70% qualifying marks than it can be reduced to about 10%. This will help in maintaining the academic standard of an institution.

The identity of any organization is its quality. Output depends on input of quality. Anything we do should not disturb the quality of input. Why today IIT or IIM or IISC stands so high in quality index, this is because the input quality is extraordinary.

**Conclusion:**

The corporate world has slowly begun to step in to changes things. Some companies have adopted colleges, training their faculty and sharing the latest industry knowledge with them. But many say the biggest step needs to be taken by the government to allow the education system to function freely, so that India can reap the demographic dividend of its large youth population. But many say the biggest step needs to be taken by the government to allow the education system to function freely, so that India can reap the demographic dividend of its large youth population.

Internationalization, cross cultures, strategic alliances, partnership & mergers are the new trends in management education. 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 educations has to think in this direction. The Indian management institutes are the only ones with no international participation.

B-Schools in India have to do considerable thinking and envisioning so that the products coming out are capable of meeting the job demands of a global marketplace, though the firms may operate only in some geographical region. What lies ahead for management education is the challenging task of developing the competency level of students to meet corporate expectations. 21st-century corporations demand teaching skills that embed students in an environment where they acquire competence from one another and from their collective experience. It is important for B-schools to induct a few international faculties & provide an opportunity to the students to listen about other country’s business culture & systems. In other words, management institutes must be innovative, flexible and responsive to the dictates of the changing environment.
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Teaching Notes:
Management is a much sought-after field for Indians. It is the joint responsibility of Government, public sector and private firms and educators, to put management education on a new growth trajectory. This paper aims to examine the issues that need to be addressed and a possible direction so that management education can be revived.

The objective behind this case study is to deeply analyze the pitfalls in Indian management education and to awaken the education policy maker to make necessary and timely changes so that the level of Management education can be made higher and employability increases. The government should also think about reservation in higher education. Is it necessary?

The case can be analyzed on the major issues of Ensuring Quality Faculty, Promoting Research Culture, Faculty Development Programs, Developing reading materials relevant to Indian Context, Developing interaction with Industry, Creating a global mindset and Internationalizing Management education etc.

Case Questions:
1. What are the pros and cons of Reservation in Higher Education? Justify
2. Do you think Internationalization of Management Education will create more opportunities for growth of Indian Management students?
3. What are your views on transformation of examination system to Education system.