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### Management education in India-an agenda for reform

Rajeev Kumar Ranjan<sup>1</sup> and Nikhil Kalla<sup>2</sup>

<sup>1</sup>Department of Business Administration, National Institute of Technology, Kurukshetra

<sup>2</sup>University of petroleum and Energy Studies, Dehradun.

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#### ABSTRACT

The paper highlights the weaknesses of the Indian Management Education System. After an in-depth study of the system, the issues that have been surfaced are- over production of management graduates, recklessness in meeting the quality requirements, lack of research facilities, student interface and attention to specialization specific niche concepts. It has also been found that in majority of B-Schools, Entrepreneurship stands no meaning and they follow poor admission procedures. This is an indicative of the fact that inclusive growth is still a dream for India and will remain for a long time to come. However, an immense potential for radical change can help fructify the suggested model- "MERT", which is holistic and modern in approach and lively in practice. It shall try to uplift the Management Education System by bringing about an initiative for inclusive growth of the industry. The acronym MERT stands for Management Education Reform Triangle.

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#### Introduction

Koontz has defined Management as a process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. Robbins added an extra element of effectiveness to this process. Thus, to achieve anything, it is as important to implement management to obtain low resource wastage (high efficiency) and lead to a high goal attainment (high effectiveness). In other words, efficiency relates to *means* as effectiveness does it to *ends*.

The history of management education in India dates back to 1960's when the foundations of the 1<sup>st</sup> Indian Institute of Management in Ahmedabad were laid. Other IIMs were established in same decade, 70s, 80s and even early 90s. 7 New IIMs have also been proposed by the Union Government, 3 of which have commenced with their courses. Indian education also witnessed an impetus in mushrooming of many other B Schools in the past decades which adopted and implemented quality standards and today they are at the peak, producing committed managers serving the economy. However, many private Institutions and Universities have also sprung up which adopt money-making as their pen-ultimate goal and pay very little heed to the quality that they deliver against the hefty fee. There has been a massive surge in the number of B-Schools in the country, almost doubling every five years- a geometrical progression, as it were. In 1988, there were only 100 B-Schools and now there are more than 2000. (J. Philip, XIME, 2008).

India contributes approximately 2% to the US \$ 22 Billion global management education industry. The global market is growing at 10-12% per annum. (S.L. Rao, 2005).

The growth in such an industry can be anticipated only when it takes place keeping in consideration the demand for managers and the skills these managers should develop. The proliferation of low quality Masters of Business Administration was studied by the *Carnegie Foundation Study*, (B. Bowonder, 2005). And it came up with the following 4 major weaknesses which are essentially related to financial and academic

dimensions, prevalent in all management institutions across the globe;

1. A central cause of poor academic standards was that there were far too many faculty members who were not academically qualified, and there was an inappropriate number of part-time faculties.
2. Business Education lacked a clear sense of mission and goals.
3. A disproportionate number of business administration students had modest or poor admission records.
4. Academic standards of business administration schools were generally low.

In India, over the years, there have been private initiatives in education initially for philanthropic reasons and eventually professional, not only to meet the growing demands but also to realize the huge and quick profit potential.

This was situational because government has shortage of funds so for the benefit of nation, government allowed private institutions. Privatization of higher education has emerged in several forms and types in the recent decade in India. One, privatization within government institutions taking place in the form of introducing self-financing courses within them; two, converting government-aided private institutions into private self financing institutions; three, allowing expanding self-financing private institutions with recognition and also without recognition, which may be termed as commercial private. (M.C. Joshi, et al, 2007). All three types of privatized institutes are spread throughout the country.

The regional imbalances in development and the creation of capacity for management education in the state are probably related. (Prof. Amitava Bose et al, 2008). A large proportion of the capacity is filled through all-India examinations conducted at a number of locations throughout the country. Therefore, a high per capita seat capacity for a state does not necessarily mean a higher level of opportunity for aspirants from that state. The per capita seats per lakh of population may be partly a reflection of the state's capacity to absorb a higher percentage of management graduates. (Prof. Jahar Saha et al, 2008).

### Drawbacks and threats to management education in India

The management education has to focus on the topics to be taught and its method of delivery. It should lay emphasis on making management education relevant to the Indian Context, the themes to be covered, and the way the topics have to be dealt with. Detailed coverage has to be developed for each subject. Since management is a practice oriented domain, management education has to incorporate an element of on-the-job training. This will need a mix of concepts, cases, exercises as well as stimulations for themes such as business strategy, market planning, business negotiations, leadership, business ethics and team work. Following are the most exigent areas of concern;

1. If one is to compare the management education of Europe and US with that of India, the most important aspect which comes to light is that *they* have made management education context specific through cases, exercises, experiences sharing, problem solving and simulations that are prepared for the respective business context specific material.
2. Over production of MBA's in India is a usual phenomenon which creates educated unemployment further resulting in;
  - a) Weakening of student motivation.
  - b) Increasing unrest and indiscipline on the campuses.
  - c) Frequent collapse of administration.
  - d) Deterioration of standards.
  - e) Demoralizing effect of the irrelevance and purposelessness of most of what is being done.

According to a study by the US based Boston Consulting Group, there will be a global workforce deficit of the order of 46 million by 2020. India would have an estimated 47 million strong surplus young work force by then.

3. Most of the private MBA Schools are brazenly commercial establishments out to swindle gullible people for inferior quality education at affordable prices.
4. Privatization of B-Schools, which is so dynamic in nature now a days is sure to reinforce structured inequalities and foster inegalitarian tendencies. (N. Jayaram, Goa University, 2009).
5. While the politicians and policy makers have often spoken about the need for *radical reconstruction* of the system, what has been achieved in reality is only *moderate reformism*.
6. More than 3.5 million students in India graduate every year and only 15% are equipped with skills to start work as 75% of Indian B-schools offer below quality level education. The credit goes to the following:
  - a) Poor coverage of Indian business & socio-economic environment with less global perspective.
  - b) More emphasis on theoretical aspects.
  - c) Use of out-dated case-materialLeast institute-industry linkage.
  - d) Lack of research base.
  - e) Poor admission procedure.
  - f) Inadequacy of resources & infrastructure.
  - g) Old pedagogy.
7. Research, which is the most important aspect of any education, is lacking to a significant degree in private B-Schools in India. Faculty is being hired without considering the candidature. Management as a study involves immense thought-digging which is to be substantiated with a specific research which is missing on a very unfortunate note.
8. Our marketing classes do not give importance to number crunching, whereas, numbers are the most important facts as far as marketing is concerned. Facts, figures, percentage, profit margin, debt equity ratio, net ROI, weights, graphs, comparing and evaluation, actual sales, etc. None of us have actually thought the need to be thorough with these skills, and that's the reason why MBA in marketing is considered more on to a

glorified salesman job. One cannot become a good marketer unless one can crack the number game. (hishamkabar.wordpress.com, 2010). Similar is the case with other management fields. For example, HR involves performance evaluation, number game, legalities, labor laws, crisis management, corporate communications, negotiation and strategy. HR forms the most important function of management, however, in most management institutes HR is neither given nor getting the value that it should be getting. HR is the most important function of business and well as management. The game is all about managing the resources, the most important among them being human resource.

9. Except for the A Grade B-Schools, the Alumni association seems to be doing literally nothing and there is no interaction between the students and the alumni, which just does not help connect the institute with the industry.
10. There is hardly any emphasis on entrepreneurship in the B-Schools in India. Only few management schools have dedicated their curriculum entirely towards uplifting the entrepreneurial spirits of the students. This is an indicative of the fact that inclusive growth is still a dream for India and will remain to be so for a long time to come.
11. Poor admission procedure is a vital drawback of Indian management education system which evolves out of the privatized institutes for the sake of filling up the seats in exchange of money no matter what level of aptitude the candidate has. This brings hordes of students into the institute with a low competency level however unfit for such a program.
12. Various B-Schools which have been opened up by the central government under the aegis of pre-established government institutions like IITs and NITs, are self-financed and do not have sufficient resources and erudite faculty to suffice the needs of the growing managerial competitiveness. Administration lags far behind in such institutes which is a serious matter of concern.

What makes this a ticking time bomb for our community's economic future is that, with the fastest growing companies in our economy being focused in the high-technology and service area, our chances of attracting those companies to our community — if our management educational levels are low — are somewhere between slim and none. It also means that our community is at a competitive disadvantage with other communities competing for companies offering good jobs in industries with a bright future. It's as simple as that. Thus all the mentioned drawbacks/threats need to be taken care of and proactively converted into strengths and respective opportunities.

### Suggested reform practices

Managerial work force development, like economic development, is a long-term project, kind of like planting a tree. In India major development is through service industry, which demands effective business community. Proper analysis, planning and execution will eradicate the age old problems of poverty, illiteracy and deficiency. When we address the nation with "we the people" tag, it is imperative that we have to build those very "we" in proper direction. The more efficient they are at analyzing, planning and executing the work, the more developed will our economy be. Management education will give India enquiring, passionate, and ambitious business community that can change the whole course, provided pertinent reforms are adopted and implemented before it is too late.

After a thorough research on the subject, we have come up with a model which has a potential to serve management

education's pitfalls through inclusive efforts and diligence of the B-school Management team.

The idea is purely centered at reforming radically the present form of students into an employable form from both perspectives of entrepreneurship and intrapreneurship. The concept assumes a triangular structure, each vertex of which is characterized by a parameter critical to the implementation of reform. The three parameters/factors are further dependent on three sub-factors encompassing the whole arena of management education.

### MERT approach to reforming management education

The acronym MERT stands for Management Education Reform Triangle. It comprises Quality, Interface and Research as the main parameters of reform, each of which is further broken down into the following sub-factors;

#### 1. Quality-

a) Course and Curriculum. b) Faculty. c) Candidate Screening.

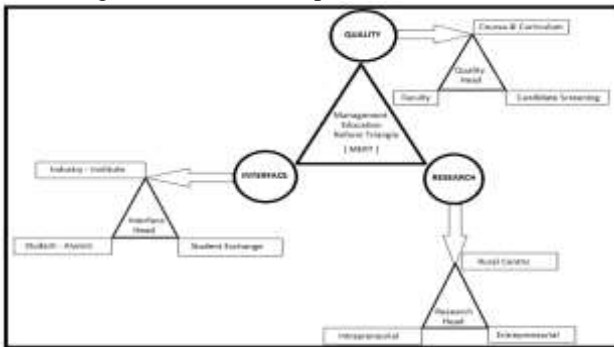
#### 2. Interface-

a) Industry- Institute. b) Student- Alumni. c) Student Exchange.

#### 3. Research-

a) Rural centric. b) Intrapreneurial. c) Entrepreneurial.

Following is the schematic representation of MERT;



ii)

iii)

### Management Education Reform Triangle

Let us now discuss in detail what MERT has in store for actual transformation. We shall also be providing with an implementation roadmap simultaneously. The 3 vertices, i.e., Quality, Interface and Research shall be taken care of individually by 3 separate personnel from the same institute. It will be at their own discretion whether they wish to involve more personnel/students under them. The responsibility however will be solely of the personnel heading each vertex and whose position will be highest in the MERT Hierarchy.

#### 1. Quality

Quality is conformance to standards or fitness of purpose. As per ISO 9000:2000, quality is defined as the *degree* to which a set of *inherent characteristics* fulfill *requirements*. Quality practices are being adopted by each and all in such a fiercely competitive world. There is only one universal currency and that is Quality. Quality is multi-dimensional, and affects the performance of an institution substantially. Why are most of the B-Schools lagging in adopting Quality measures? In fact, adoption of quality will not only benefit the students, but will also help augment the name of the institute.

**Role of quality head-** To monitor and bring in quality to the activities related to the changes to be made in the course and curriculum, faculty hiring, and screening of the candidates for admission to the (private) institute. This role is generally to be taken up by the Chairman/Director of the Management department, i.e., someone who has an authoritative role over others. Quality comes first and lasts till the end. Quality Head needs to update himself on the recent trends in management

courses, faculty analysis and best practices for student evaluation for a management school. With respect to an institutional perspective, following are the areas of concern of a Quality Head;

#### a) Course and curriculum

I) Case Study Method Adoption- Case studies are complex because they generally involve multiple sources of data, may include multiple cases within a study, and produce large amounts of data for analysis. Researchers from many disciplines use the case study method to build upon theory, to produce new theory, to dispute or challenge theory, to explain a situation, to provide a basis to apply solutions to situations, to explore, or to describe an object or phenomenon. The advantages of case study method for management education are its applicability to real-life, contemporary, human situations and its public accessibility through written reports. Case study results relate directly to the common reader's everyday experience and facilitate understanding of complex real-life managerial situations. (Hamel, J, et al, 2003). This practice is well adopted in IIMs and a few 'A' grade institutes. However in most of B-Schools, it is still an imaginary concept. So where does Quality lie? Thus it is very important that the whole curriculum is case oriented so that real managerial issues come up for an effective decision making to be taken up by the students.

II) Regular up gradation of syllabus- The stereotyped curriculum of a management institute is also credited to the regular subjects being taught over the years without paying attention to the new trends in management. Thus quality can only be ensured if the subjects have a sequential relevance with the actuals of the market at any point of time. It is very important to put a gradual end to the obsolete subjects and adopt new ones like we have Green Marketing and Rural Marketing coming up. In fact most of the top companies abroad have already started working on green marketing owing to environmental concerns and have observed fruitful results. E.g. The *green coke*.

III) Emphasis on field visits- Industrial visits help relate the structures that form in the mind of the student during the classroom teaching to the actual corporate working. Thus it is as important to take students out to companies and make it a part of curriculum.

Iv) Industry specific guest lectures- Lectures delivered in context to the specificity of the topic by the concerned departmental heads of the industry help facilitate an easy understanding of the subject with actual meaning and relevance.

**b) Faculty-** It is essential that the teachers appointed for B-Schools should have completed the doctoral program and at least it should be in the process of completion from a recognized university. The faculty should have excellent communication skills and must be trained from time to time through Faculty Development Programmes.

The faculty should also motivate the students to get into management research. They should be able to exhibit and transcend positive energy to develop the spirits of students. The onus thus lies with the Quality Head.

**c) Candidate Screening-** Stringent process of screening the candidates must be adopted which should not only be rigorous in its recourse, but due to this, it should be able to speak out the aim of the student and if it meets the expectations of the institution, only then a provision should be made to admit the candidate. The cut-off and the other parameters of judgment should be kept rigid by the Quality Head, however low, but beyond which the institute must not accept an entry. This attracts a better level and quality of students which will help elevate the overall stature of the institute in the years to come.

## 2. Interface

Another essential ingredient is the interface that a B-School has. A three dimensional approach has been adopted while studying why and how interface matters. It helps relate two entities and a mutual sharing takes place between them to achieve respective goal, which is agreeably biased in favor of institution in most of the cases.

**Role of interface head-** To co-ordinate the activities focusing on establishment and maintenance of three categorical interfaces- Industry- Institute interface, Student- Alumni interface and Student Exchange. This role can be taken up by any faculty member who has a quest to serve this vertex with deep efforts to familiarize students with various companies, alumni and students studying in other domestic and international prestigious institutes.

**a) Industry- institute interface-** Duty of interacting with the Industry is to increase the employment opportunities of the students and to get projects for staff to increase their "real world" awareness. This also helps in widening the knowledge domain of the students to the extent of industry expectations. The Colleges should closely interact with the industries to impart innovative methodologies in teaching and mould students to be readily accepted by the industry by training them on the industry best practices and cutting-edge technologies. Through this, specialized programs should be organized periodically on various topics and the faculty be trained on advanced topics by Industry experts. Course materials can be put on academics and used extensively by the student community. Companies like Wipro and Oracle are already on the move with a few institutes in Maharashtra. Kirloskar and Jai Prakash Industries have set up their own B-Schools to bring about an ease in the interface.

**b) Student- alumni interface-** Alumni are important catalysts for brand building of any institute. In case of fund raising, event management such strong alumni group always come together to help the institute. Word of mouth publicity from alumni group can also make prospective students appealing about the institute in particular. Not only this, if this activity is taken up seriously, it can help the students get placed with the companies which employ their alumni. This is a very critical role to be taken up by the Interface head and must employ best measures to reach out to alumni. Social networking sites have proved to be of great help in this regard.

**c) Student exchange-** With globalization, the task of teachers of MBA students is not only to groom managers and entrepreneurs for tomorrow, but also to make them competent on the global grounds so that they easily combat problems that they come up with while working in other countries. Student Exchange Program allows Indian students to go abroad and study for a specified term in foreign universities, understand their work culture, economy, language, and accept every challenge they may encounter. Number of B-Schools practicing this in India is meager, though there is a huge scope in future for the same. This is actually a challenge for the Interface head and only desirous and deserving students should be assessed and recommended.

## 3. Research

Research is the base of any development that takes place in this world. Research is the search of knowledge. It is an art of scientific investigation, an investigation which formulates an invention based upon the search conducted for that specific purpose. Management has an unfathomable depth of knowledge which needs exploration by the students of an institute for better understanding of the subject he/she gets into. This will not only benefit the students, but will also prosper the name of the management institute and gradually attract attention of the

industry. Three main types of research which have been explained further form the basis of the management research benefiting the students, faculty and the institute as a whole.

**Role of research head-** The Research Head shall be primarily responsible for inculcating within the faculty and the students, a drive towards research into the subjects of their choice. The role should be to motivate and guide them at every point. He/she can come up with norms which can be standardized within an institute and applicable to all, like in the case of faculty, it can be made a necessity that they shall publish two or more papers every year nationally or internationally in reputed magazines and journals. He/she should also take care that the issues taken up are worth it and have a contemporary approach. Following are the research areas which cover the entire span of management;

**a) Rural centric-** Vast majority of our population lives in villages. Rural development is a ticklish issue and governments are taking strenuous efforts to improve the living conditions of the villagers. Six decades of investment on rural areas is yet to remove poverty and privation in rural areas. Developing the rural community is a difficult task, as we have to deal with the little educated masses. It is also a difficult job to bring the resources equitably to all the states of the country. Uniform rural development is also an arduous job, as the people's perception of development varies from state to state. One of the tools of rural development problems is research. Research in rural development is crucial to identify problems and to give a right solution.

**b) Intrapreneurial-** Intrapreneurship is now known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques that are more traditionally thought of as being the province of entrepreneurship. E.g. Skunk Woods Group in Lockheed Martin. This kind of research stretches across the silhouette of the company which the intrapreneur intends to invade. The Research Head has to gather thorough knowledge about the specific company/product being taken into consideration by any student.

**c) Entrepreneurial-** Entrepreneurial research comprises everything a starter can think of right from the idea stage to the analysis stage to the checking out of competition. The research plan itself should speak out the objectives and simultaneously pave a way for further actions to be taken. This involves a lot of mentorship to the students from the Research Head who is expected to possess immense knowledge on various grounds and stages of entrepreneurship.

With MERT, we wish to reform the present condition of the Management Education in India and with facilitation of the above mentioned strategies, we behold the changes after implementation that are indeed necessary to be made and adopted for an inclusive betterment of all the private and government self-financed management institutions in our country.

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