

# Challenges and Opportunities of Management Education in India at the XXI Century

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**Abstract – In today's world of globalization, Organizations face enormous pressures from various stakeholders of the business environment. The dynamism in the environment has created threats and opportunities to all modern day organizations. So, the managers have to look for finding the best possible ways of striking a balance between the expected and the actual.**

**Post-graduation education in professional courses especially in management in India stands at a turning point.**

**Without change, the traditional design of educating the business leaders of future is likely to be far behind in the competitive and dynamic global economy. In order to offer our students with the qualifications needed to compete in this market, experts required to recognize and accept the challenges of up gradation.**

**The complexities in upcoming trends at markets must be incorporated into the post graduate management educational framework. The presence of an institution is depend upon the placement opportunity and the kind of education given with updated pedagogy. As academics, need to accept the challenges before us today, there is no reason teachers in India cannot retain our position as the high-quality educational services for decades to come. There for it is immediate need to align the education in Management as per the requirement of Nation as well globe.**

**This research paper emphasis on to find out the current education system pertinent to the management education, simultaneously to find out ways for value improvement in the present management education system to current challenges.**

**Key Words: Management Education, Public and Private Universities**

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## INTRODUCTION

Education is one of the most powerful devices for plummeting poverty and inequality. Education is equally key to improve India's competitiveness in the global economy. Therefore, ensuring access to quality education for all, in particular for the poor and rural population, is central to the economic and social growth of India.

Creating an original model for management education in India today is the most challenging task faced by the business schools. With the growing demand for management education in the country, the rise is also felt in the challenges and opportunities.

The growth of the Indian economy in the recent past and the compulsion to sustain it is also forcing the Indian government to accelerate the process of mounting all the branches of the Indian education

system. Therefore, it would be very interesting to appreciate and analyze the several of education structures in India, its present condition and future developments.

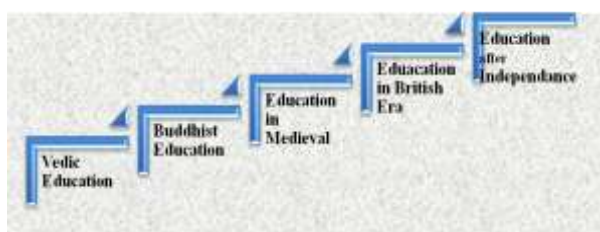
Today, the corporations want to give a clear message to the business school about their role to play in this regard, means to put all necessary efforts to come with proper set of management skills of the challenges to be faced by the corporations. The leading business schools of the USA and Asia Pacific have got proven records of maintaining standards in terms of vision, program design and offerings. It implies that the business school has to cope into the needs of changing situations to produce future managers with all the required skills.

## INDIA EDUCATION: SEQUENTIAL BACKGROUND

The Vedas, Puranas, Ayurveda, Yoga, Kautilya's Arthashastra are only some of the milestones that the conventional Indian knowledge system boasts of. There are proofs of imparting formal education in ancient India under the Gurukul system.

Under the *Gurukul* system, young boys who were passing through the Brahmacharya stage of life had to stay at the Guru or the teacher's home and complete their learning. Although the ancient system of education has produced many geniuses and still a major area of research, it was hardly egalitarian.

Women and people of lower castes gradually lost their right to educate themselves. The spread of Jainism, Buddhism, Bhakti and Sufi movements did have some liberating effects on the condition of the women, sudras and atisudras. But it is the English language and the reformation movements of the 19th century that had the most liberating effect in pre-independent India. Thus, the britishers although rightly criticized for devastating the Indian economy, can also be credited for bringing a revolution in the Indian education system.



Source: Information collected on secondary data

## INDIA EDUCATION: CURRENT SCENARIO

Soon after gaining independence in 1947, making education available to all had become a main concern for the government. As inequity on the basis of caste and gender has been a major impediment in the healthy development of the Indian society, they have been made unlawful by the Indian constitution. The 86th constitutional amendment has also made elementary education a fundamental right for the kids between the age group- 6 to 14.

In order to build up the higher education system, the government had established the University Grants Commission in 1953.

The most important role of UGC has been to control the standard and spread of higher education in India. There has been a noticeable progress in the growth of higher education if we look at the increase of higher educational institutes in India. The higher education system in India comprises of more than 17000 colleges, 20 central universities, 217

State Universities, 106 Deemed to Universities and 13 institutes of national importance.

This number will soon inflate as the setting up of 30 more central universities, 8 new IITs, 7 IIMs and 5 new Indian Institutes of science are now proposed.

India has around 1400 Business schools accredited by All India Council for Technical education (AICTE) and produces management graduates seven times than that of United Kingdom. But we could not produce the best business leaders and managers across the world from our B Schools. We often glorify frequently about our quantity of management education but not about the quality.

Presently Harvard University stands first in the top US list of B schools and INSEAD stands first in the non-US list of B schools in the world. What is the official ranking of Indian management institutions across the world? Unfortunately none of our B schools stands in the top 100 list. What ails our B schools? It is high time we introspected honestly and thoroughly.

## GROWTH OF HIGHER EDUCATION

In the last twenty years, the growth of management education in India has been exceptional. The first full-time MBA in India started way back in 1957, and the two IIMs in Calcutta and Ahmedabad appeared in 1961 and 62, respectively. It is interesting to note these two B-Schools promoted by the Federal Govt. had the collaboration of Sloan School of Business, and Harvard B-School. Many other B-Schools emerged in the 60's and 70's. However, the real growth was from 1991 (the year of liberalization in India). There were a few other interesting developments before this watershed year. XLRI, Jamshedpur, the number one business school in the private sector opened its doors to MBA in 1966.

The third IIM in Bangalore, where the author was the Director for six years, appeared in 1973. And the 4th IIM in Lucknow was inaugurated in 1984. Two other important developments of this period were the legislative framework on regulation of engineering and management education in India that came into force in 1987, and the Association of Indian Management Schools (AIMS) that was inaugurated in 1988.

The author was a key player in the founding of this national B-Schools association and its first president. Today AIMS has in its membership nearly 450 Business Schools, and is the 2nd largest B-Schools association in the world.

At the time of founding AIMS in August 1988, there were just about 100 B-Schools in India. Thereafter there was a massive surge in the number of B-

Schools in the country, almost doubling every five years a geometrical progression, as it were:

**TABLE NO- 01**

**GROWTH OF UNIVERSITIES AND COLLEGES IN INDIA**

S. No.	Institutions	2008	2016	Increase in Number	Increase in %
1	Central Universities	25	47	22	88%
2	State Universities	228	345	117	51%
3	State Private Universities	14	235	221	1579%
4	Institutions Deemed to be Universities	103	123	20	19%
5	Total	370	750	380	103%
6	Colleges	23206	41435	18229	79%

Source: UGC India (Analyzed by DrEducation.com)

**TABLE NO- 02**

**GROWTH OF STUDENTS ENROLLEMENT BY LEVEL OF EDUCATION**

S. No.	Level of Education	2008	2016	Increase in Number	Increase in %
1	Bachelor's (Graduate)	11908151	24593321	12685170	107%
2	Masters(Post Graduate)	1489685	2764886	1275201	86%
3	Doctorate	95872	180957	85085	89%
4	Others	148100	945582	797482	538%
5	Total	13641808	28484746	14842938	109%

Source: UGC India (Analyzed by DrEducation.com)

This number included nearly 200 Business Schools outside the control of the central regulatory body the All India Council for Technical Education (AICTE). This number puts India ahead of every other country, in the world.

In terms of MBA graduates, it will be about 170,000; this is the largest number of MBA production in any country. But, of course, it must be reckoned that we have a population of 1.1 Billion and produces about 4 million graduates a year.

Having briefly dealt with the increase of management education in India, researcher would like to handle upon certain motivating aspects of MBA education in the country. Previous to independence, the growth of institutions of higher education in India was very slow and diversification in areas of studies was very limited. After independence, the number of institutions has increased significantly. There are today, 214 universities and equivalent institutions including 116 general universities, 12 science and technology universities, 7 open universities, 33 agricultural universities, 5 women's universities, 11 language universities, and 11 medical universities. Besides, there are universities focusing on journalism, law, fine arts, social work, planning and architecture and other specialized studies. In addition, there are 9703 colleges where 80% of undergraduate and 50% of postgraduate education is imparted. The number of students has reached the level of 6.75 million and there are 3,21,000 teachers in the higher education system. The government expenditure alone was of the order of Rs. 42,126

millions in 1996-97, and during the subsequent period this has risen even higher.

But, in spite of vast efforts over the last 64 years, it is only now that the country is slowly emerging out of the chains of old ideas and rigid structures, built during the colonial rule. There is at present a demand for radical changes which have the potential to actualize a national system of education that was visualized during the freedom struggle.

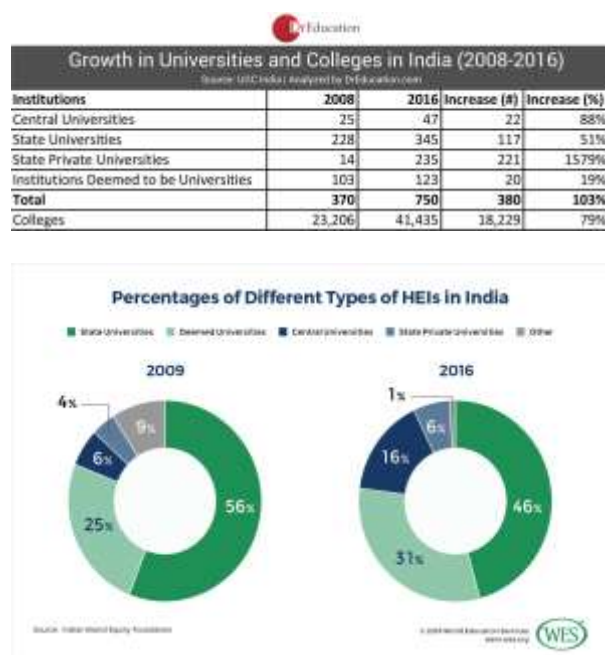
**GROWTH IN HIGHER EDUCATION IN INDIA**

Agrawal, A. (2014) identifies that "Higher education is a critical catalyst for economic growth, social development and nation building. Globalization, urbanization, increasing income levels and aspirations, coupled with growing business complexities, have increased demand for business managers and hence management programs.

The Indian higher education system is one of the largest such systems in the World. It is estimated that during the X Five Year Plan period (2002-07), there will be a tremendous pressure of numbers on this system and a large number of additional students will be knocking at the doors of higher education institutions in the country. There are also new challenges of management and regulation being faced by these institutions, which require serious attention, both at the institutions in the public sector and also those in the private sector now growing at a fast pace. As a result, the old structures of management established in pre-independent India and working during most of the twentieth century are now required to undergo drastic changes. Besides, the demands of the society for equity and accommodation cannot be neglected any more.

- ◆ It abundantly clear that the country should exploit its excellent potential in higher education and training facilities and prepare itself to export the Indian brand of education to foreign countries.
- ◆ Policy planning and evolving strategies for this task are somewhat new for the country. But, this is an opportunity which cannot be missed by India, as it offers interesting possibilities for strengthening of the nation's talent and resourcefulness.
- ◆ The following five sub-sections cover important aspects of the deliberations, recommendations and action plans of UGC Golden Jubilee Seminars organized at different Universities in the country should be taken seriously:





## MANAGEMENT OF HIGHER EDUCATION

### Public/Private Partnership

Indian higher education system has undergone massive expansion in post-independent India with a national resolve to establish several Universities, Technical Institutes, Research Institutions and Professional / Non-professional Colleges all over the country to generate and disseminate knowledge coupled with the noble intention of providing easy access to higher education to the common Indian.

The Public initiatives played a dominant and controlling role in this phase. Most of the Universities were Public institutions with powers to regulate academic activities on their campuses as well as in their areas of jurisdiction through the affiliating system. Even the private institutions enjoyed large-scale financial support in the form of grants from the public exchequer.

Private funds as well as individuals played key roles in the cause of higher education. With the public funding being no more in a position to take-up the challenging task of expansion and diversification of the higher education system in the country to meet the continuously growing demands at present, there is little option other than bringing in private initiatives in a massive way to meet the various challenges. The deregulating mechanism of controls started with the granting of "Autonomous Status" to identified Colleges in the 1970s.. Some of these Colleges have graduated further to receive the "Deemed to be University" status in later years. Now, the country is on the threshold of the establishment of Private Universities in different States.

## RESEARCH METHODOLOGY

This research is mostly done on existing literature of management education. The first two sections of the research have been done on reviewing the literature of the issues raised in the study. This critical review of management education has been used to get the roles played by leading business schools of world and of India.

In selecting the leading business school, the research used the ranking given by different organizations. So, the required information according to the research question have been collected from web sites of ten top ranking business schools of each of the two regions; the world and India (Table 3). The thoughts on management education according to literature review have been used to analyze the information from MBA brochures of top ten business schools of two regions studied in the research.

**Table 3: List of top ten business school in the world and India**

London Business School, Regent's Park, London, NW1 4SA, UK.	Indian Institute of Management, Ahmedabad (IIM A)
Wharton Business school, University of Pennsylvania, University of Pennsylvania: Wharton The Wharton School University of Pennsylvania 420 Jon M. Huntsman Hall 3720 Walnut Street Philadelphia, PA US 19104 USA	Indian Institute of Management, Calcutta (IIM C) @ Kolkata
Harvard Business School, Harvard Business School Soldiers Field Boston Massachusetts 02163	Indian Institute of Management, Bangalore (IIM B)
Stanford Graduate School Of Business, Stanford Graduate School of Business 518 Memorial Way Stanford, CA 94305 US	Indian Institute of Management, Lucknow (IIM L)
Insead, France / Singapore, Europe Campus Boulevard de Constance 77305 Fontainebleau Cedex, France t: france : t: +33 (0)1-66-72-40-00 singapore : t: +65-67-99-55-88	XLRI - Xavier Labour Research Institute, Jamshedpur
Columbia Business school, Columbia Business School 3022 Broadway Uris Hall, Room 216 New York, NY 10027 USA	ISB - Indian School of Business, Hyderabad
IE Business School, Spain, C/ Maria de Molina, 11, 1, 15 Spain t: +34 91 5689600	FMS - Faculty of Management Studies, University of Delhi
MIT Sloan School Of Management, 50 Memorial Drive Cambridge, Massachusetts 02142 United States	Indian Institute of Management, Indore (IIM I)
Booth School of Business, University of Chicago, 5807 South Woodlawn Avenue Chicago, Illinois 60637 USA	Indian Institute of Management, Kozhikode (IIM K - Calicut)
Hong Kong UST Business School, Hong Kong University of Science and Technology Clear Water Bay Kowloon Hong Kong	S.P. Jain Institute of Management studies, Mumbai

## RESHAPING THE MANAGEMENT EDUCATION

Shahaida, P., Rajashekar, H., & Nargundkar, R. (2009) explains in their research paper MBA education in India is facing the same challenges as business. Upheaval of technology, changing customer expectations, global competition, online courses and societal responsibility are the major concerns. Failure to adapt to these challenges will question the academic contribution to business practice. Business school (B-school) branding is

crucial to distinguish the services provided by one B-school from another.

Pasricha, T. (2015) elaborates in his research paper that "With the increasing proliferation of academic institutions offering a post graduate degree in Management (MBA) in India, an examination of the inner workings of these business schools (B-schools) in India could be of interest to several stakeholders.

Dr. D. Maria Antony Raj, Dr. M. Raguraman, Prof. R. Veerappan (2013) explains "Students and the parents are aware that the cost of education has been on the rise irrespective of mushroom growth of educational institutions.

Shweta, & Kumar, M. (2011) provides remarkable insights into revitalizing B-schools that may benefit all the stakeholders in their research paper and explains that "The management education across the globe is facing a unique crisis of relevance in the contemporary scenario.

Corporate leaders have been placing demands to the business school to redesign the programs while they need management skills to face the challenges described in the previous section of the research.

This reshaping of management education goes to the context. So, a critical review of management education has been given first. Then the evolution of management education has been described to know the changes happened with the contemporary challenges. Finally, the restructured MBA program has been examined to evaluate the roles of business school.

## **EVOLUTION IN BUSINESS SCHOOL**

Sainy, R., & Gangwani, S. (2010) throws light in his research article that the phenomenal growth of MBA or its equivalent the postgraduate diploma in management has been largely triggered by the growth of corporate sector and industrialization in India

S.B.Thorat, S.B.Kishor and Bharat Meghe (2013) explored in their case study that the factors determining the competitive advantage of MBA institutes, the types of strategy undertaken by these institutes, as well as the indicators measuring their overall performance.

Functionalism in the MBA curriculum has unintended consequences for MBA graduates and the organizations that hired them. Witness the anger and frustration in industry with MBAs who understand mathematical equations, excel in finance, and are analytically sound but are not team players and do not understand customer driven strategies or consider the needs of the people who they assume will implement them (Elliott, Goodwin and Goodwin 1994; Leith, Kovacheff and Price 1994).

## **SERVE LOCALLY BUT TRAIN GLOBALLY**

Leaders of Indian management education are quickly realizing that they must look outward as they train business leaders. They can't be provincial. It will not be enough to focus on educating Indians for India. Business schools in India can design themselves as global institutions; building globally distributed educational programs and deep partnerships around the world right from the start.

## **FINDINGS**

In today's world of globalization, Organizations face enormous pressures from various stakeholders of the business environment. The dynamism in the environment has created threats and opportunities to all modern day organizations. So, the managers have to look for finding the best possible ways of striking a balance between the expected and the actual. The success depends on how they convert their knowledge and experience into competencies.

This study is an attempt to uncover the changing need of management expertise to counter the contemporary challenges of corporate management and the roles of business school in this concern. The B- Schools have to know the implications of the changes and accordingly have to train the students by their capabilities required to implement the corporate strategies. The leading business schools of the USA and Asia Pacific have got proven records of maintaining corporate standards in terms of vision, program design and offerings. In rapidly developing markets like India, the traditional B- School model will most likely survive, assuming that it can be scaled up successfully to meet strong demand from the globalize economy. The Indian B- Schools will have to rapidly evolve to satisfy a more complex environment with peculiar demands from both students and their employers.

## **RECOMMENDATIONS**

1. Industries may be encouraged to be partners with educational institutions directly for the development of human resources dedicated to their interests. This could happen in the areas of creating infrastructure, faculty sharing and direct support with funds.
2. The industries belonging to a specific discipline or related disciplines shall be encouraged to establish state of the art Research and Training centres to develop the necessary specialized man power.
3. Industries and individuals may be encouraged to channel a percentage of their profits to the higher education sector,

with no strings attached to such contributions.

4. Strong quality control measures to assure performance above an acceptable benchmark is essential for the institutions. The Higher Education Policy needs to incorporate such features in it in the interest of the nation.
5. Private Universities are a reality now and, as such, strong regulatory mechanisms are to be put in place immediately to monitor and control their activities with the objective of ensuring quality and social accountability. Higher education is a Public Good and cannot be left to the market forces to control. Those who venture investment in this area shall be properly scrutinized. Those with commercial interests dominating over the interests and ethics of higher education shall be eliminated.

## CONCLUSION

The study reveals that business organizations have been giving pressures to universities to fit their professional mode. It becomes crucial for their successful survival in creating knowledgeable people to face the challenges of the environment. The management education has to be shaped into the needs of the industries today. But in today's situation survival of business school is questionable due to lack of professionalism in its management. The issues from the literature review of the study can be considered as proper set of guidelines to business school.

The study shows that top ranking business schools have been playing proper roles in all the concerns addressed in this study. As a matter of fact the ranking status of the business school of the world and India is given due to their roles played in producing management experts of the corporations. In the changing scenario of managing, each business has to depend on such a business school to fulfill the required management skill. The study reveals that top ranking business in the regions have responded rightly to build the skills of future managers. The business schools those who have poor standing in case of setting right vision statement, have got drawbacks curriculum integration process accordingly and finally, do not have exposure to effective approaches to offer the programs have been treated as inefficient institutions to the corporate leaders.

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