

Management Education in India: Issues & Challenges

Pankaj Kumar Malviya

Asst. Prof., Jhunjhunwala Business School, Faizabad

Abstract

Management education attracts young men and women, who are usually motivated by the positive consequences. There are more than 3,500 management schools in India, but all of them are not capable of providing quality education. In the last decade a number of B-Schools opened up, because people involved in this industry consider it as the easiest way to make money. But in the last 3 to 4 years, a large number of Business-schools find it difficult to fill complete intake capacity of their MBA or PGDM programs (except top B-schools).

The major reason of this downfall was the effect of recession (worse conditions of job market). Prior to that, management education had very positive effect among youths, but now the scenario has changed and the young graduates are going for other courses instead of MBA.

About two thousand B-schools have empty MBA or PGDM seats. Interest of applicants is missing, even after heavy expenses on advertisements, seminars, education fairs etc. Recession, in reality, has lot more things for the management institutions to learn and act for the future. It is necessary for Indian B- Schools to make management education context specific. This paper tries to explore the present situation of management education in India.

This paper also studies the trends prevailing in management education in India, and also tries to find out the implications of it on the industry and on the individuals. Further, it tries to study emerging issues of management education, and to find implementation of possible direction and policy towards improvement of management education in India.

Key Words: Management Education, Management, Business School

I. Introduction

Management education has a vital role to play in today's business environment, where everything changes so fast that it makes it difficult for organizations to survive with the growing competition. Management education is multi-disciplinary, applied and professional in character, it is different from traditional education. In today's highly competitive business environment the expectations from business schools are increasing, the modern university education system has challenges of changing patterns of skill-demand in labor market; it can be met through high quality education with global orientation. Very few institutions are applying dynamic and interactive methods of learning, which are required for developing knowledge, skills, attitudes and values for effective management education. The gap between industry and academia is widening day by day. Institutes are lacking to train students as per industry requirements. That is why many recruiters retrain fresh recruits, before assigning them to any job. Our country has witnessed a continuing growth in this sphere of education because of the rising demand of trained management graduates.

During the last ten years, the country has witnessed a tremendous growth in the opening of management institutions; most of them in private sector offering management programs in different functional areas of management. It can be simply said that, there is a mushrooming of B-schools in the country. Teaching of management courses should be

based on practical experiences instead of theory. Management education needs to be made value based, rather than money based. India is facing a crisis of quality management education. As compared to international standards the Indian management institutions (with a few exceptions) are far behind. There is a need to fill this gap.

II. Importance of Management Education

Young managers equipped with a reputed management degree turn out to be survivors, who are able to sustain themselves in an environment of intense competition, globalization and ever-evolving technologies. In fact, producing powerful managers is the biggest challenge that businesses, face today worldwide. An accredited MBA degree from a prestigious business school certifies the managerial skills learnt during the course of study. A well designed management training course suitably develops a talented workforce that can be expected to be efficient future leaders and successful managers and are able to tackle complex situations and relationships with clients in any organization.

Skills Developed Through MBA Degree

1. **Management Capabilities:** This deals with learning managerial methods to motivate other employees for better productivity.
2. **Leadership Skills:** In MBA program students participate in group projects, presentations and other assignments that allow them to showcase their leadership abilities. These types of situations will in turn give the necessary skills to handle real-life business dilemmas.
3. **Interpersonal and Public Speaking Skills:** MBA students learn how to effectively communicate with people - in both one-on-one situations and public speaking roles.

4. **Presentation Skills:** Pertains to improving public speaking abilities and other interpersonal skills.
5. **Team Building Skills:** Learning new techniques to build a strong and successful team that works together towards achieving challenging goals.
6. **Problem Solving Skills:** This deals with learning how to handle difficult situations by implementing strategies to manage employee performance problems.
7. **Other Important Skills:** These include communication skills, self-confidence and motivational skills, entrepreneurial skills & analytical skills.

III. Management Education in Present Situation

In the past, India was slow in modernization of industries, but now is a front runner in the emerging knowledge based new economies and in such growing situation, managers are demanded in every sector of economy. But unfortunately, 'B grade' and 'C grade' business schools / universities are not able to provide maximum placement to their students.

Due to dynamic nature of technology and global market, the whole picture of organization and their working style has been changed. These changes have increased the competition among all existing organizations and at this position, management education and skills become very crucial and also useful to survive as a good competitor.

Even after having a healthy–stable economy and broad consumer market with high disposal income, except IIMs and few top B-schools most of institutions have failed to place their students. Sometimes institute fail to deliver business methodology as required and sometimes students do not take it seriously and as a result they suffer from many difficulties in being selected in any company.

If we focus at the current situation of management students, we find that most of the students have failed to prove themselves. Owners of institutes are taking it as a business, to deliver management education, and in case of vacant seats they give admission to all kind of students (without understanding their capability).

Finally they fail to develop good business skills among these students and as a result students failed to get a right place in the corporate world. Indian government has taken a number of positive steps for the improvement of management education. IIMs are attracting IT students for management education and from last five years more than 50% CAT applicants are coming from B-tech and other allied fields. But, this is not sufficient for demand of management education in the market.

Current structure of management education in India:

- University departments
- Colleges affiliated to the universities
- Autonomous universities
- Institutions providing distance education.

From last six or seven years, number of management institutions has increased rapidly, although they are finding it tougher to fill the complete intake capacity of their MBA or PGDM batches.

According to report of AICTE, PGDM/MBA institutes including unaided – private/ government are as follows:

Region	No. of Institutions	
	PGDM	MBA
Central Total	21	372
Eastern Total	8	150
North- West Total	64	477
Northern Total	48	527
South Central Total	53	943
South- West Total	23	278
Southern Total	33	397
Western Total	33	417
Grand Total	283	3561

Apart from above institutions, there are also a number of institutions which are affiliated to recognized universities. These institutions also have lot of students which complete their programs every year and join the market to make their career.

IV. Objectives of Study

1. To analyze perception of students regarding their preference of management college.
2. To identify factors affecting their preference of management college/institution.
3. To evaluate factors in terms of their impact and importance.

V. Population

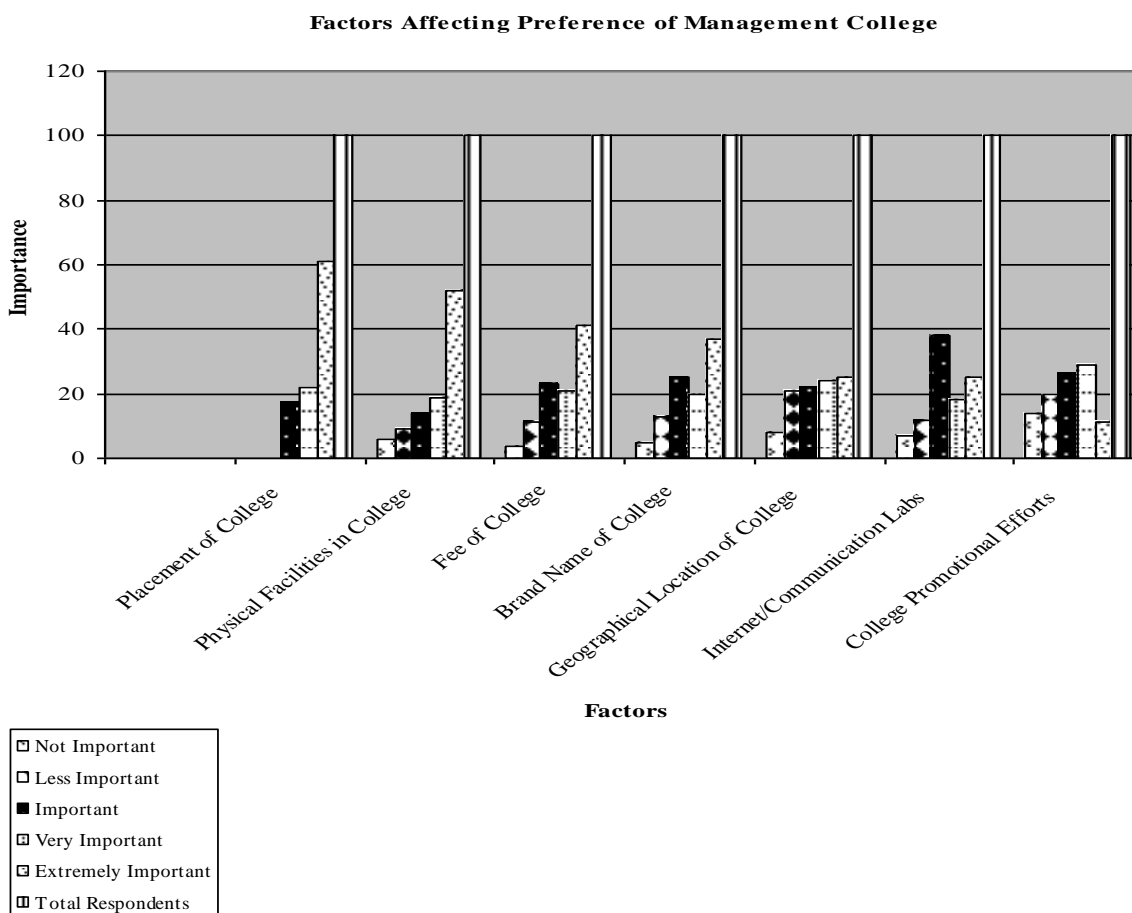
The Management Colleges operating under the Uttar Pradesh Technical University, Lucknow were treated as the population of this study. Students of these colleges are in better position to assess the factors influencing their preference of management colleges, therefore they are considered as main source of primary data.

VI. Procedure

Following are the responses from MBA/PGDM students, collected through questionnaire:

Table 1: Factors Affecting Preference of Management College

Factors Affecting Preference of Management College	Not Important	Less Important	Important	Very Important	Extremely Important	Total Respondents
Placement of College	0	0	17	22	61	100
Physical Facilities in College	6	9	14	19	52	100
Fee of College	4	11	23	21	41	100
Brand Name of College	5	13	25	20	37	100
Geographical Location of College	8	21	22	24	25	100
Internet/Communication Labs	7	12	38	18	25	100
College Promotional Efforts	14	20	26	29	11	100



Interpretation:

Here, it can be easily observed that the first three factors i.e., Placement of College, Physical Facilities in College and Fee charged by college are considered extremely important. While college promotional efforts and Internet/communication labs are less effective factors as compared to other factors from the customer's perspective.

After a survey on more than 200 students we got following chart for course selection:

Course Preference Percentage

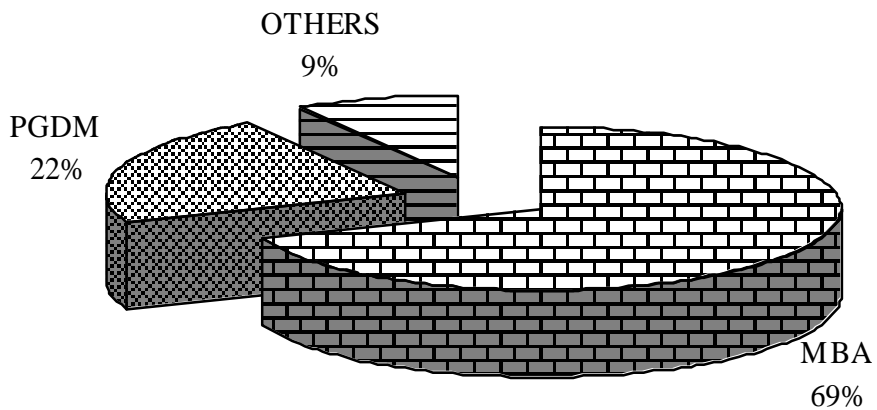
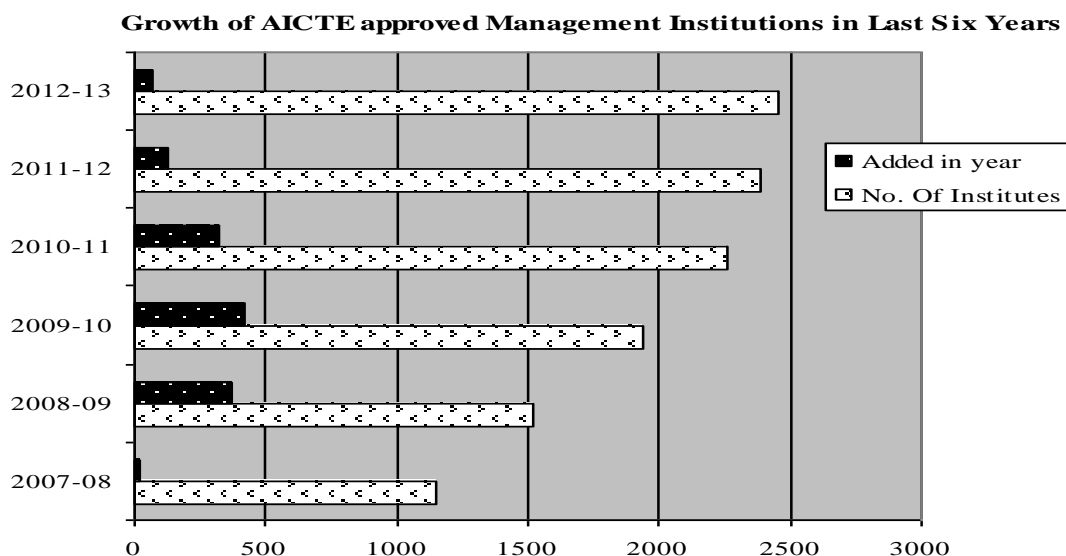


Table 2: Growth of AICTE approved Management Institutions in Last Six Years

Year	No. Of Institutes	Added in year
2007-08	1149	17
2008-09	1523	374
2009-10	1940	417
2010-11	2262	322
2011-12	2385	123
2012-13	2450	65

Source: AICTE approval process Hand Book 2013-14



Interpretation:

From the above table it can easily be observed that more institutes are added in between year 2008 to 2011 and after that due to lack of interest of students towards management courses the rate of opening of new management institutes is decreasing.

Table 3: Growth of Intake in AICTE approved Management Institutions in last six years

Year	Intake	Added in year
2007-08	121867	27163
2008-09	149555	27688
2009-10	179561	30006
2010-11	277811	98250
2011-12	352571	74760
2012-13	385008	32437

Source: AICTE approval process Hand Book 2013-14

VII. Findings of Study

- Most of B-schools in India are privately owned and many of them were set up with the noble intention to provide management education to those Indians who could not get through to the best B-schools.
- Before 2008, freshers choose higher education due to the fact that, the economical situation of that time promised them something really big, if they spend two years arming themselves with more skills before venturing out into the job market.
- There were fewer B-schools in the country, in which filling up their intake capacity is not a big challenge.
- Seeing this trend, B-schools started mushrooming all over the country and also some B- schools started opening branches in multiple cities.
- Since 2009, things have been really bad for most of these private B-schools. They have found it tough to fill their classrooms with quality candidates.
- Spending on advertisements in the print media and other publicity avenues (seminars, education fairs) has little effect in generating applicant interest.
- Students prefer placement assistance, more advanced physical and technological facilities, research-based teaching, etc.

VIII. Suggestions

- It is also a challenge for teachers to teach freshers straight to business management studies without some practical experience. In India we are more concern on academic performance, rather than learning that leads to better business performance. We have developed very little good quality research and cases to support Indian context based

management education. It is very essential for the faculty members in any Business Management School to have strong industry interface.

- A faculty member with good insights into working of the corporate world can certainly make his class session far more interesting, informative and of value addition to the students. Business School faculties often have opportunities of establishing and increasing their industry interface. Projects and assignments given to the students could be based on real life situations related to some companies which would benefit the students and faculty. Syllabus should be more practical, UGC and AICTE should focus on extra-curricular activities of institutions. Government should also interfere in student development programs in private institutions.
- If B-schools fail to understand this, very soon they will lose their reason to exist, will become financially unviable and will have to shut down. Already, they have optimized their operational expenditures beyond limits. If they don't take corrective steps right now, they will surely be heading for a sad end. So this study suggests that, B-schools must focus on factors like physical facilities, placement assistance, research based teaching, etc. which seriously affect the preference of students while selecting a B-school/college/institution.

IX. Limitations of Study

- All the respondents belong to Uttar Pradesh only.
- Many respondents have a little interest about the objective of study.
- Quality analysis and results of the study would depend upon the nature and quality of responses from the respondents surveyed.

X. Conclusion

Management education has become more useful and plays a very important role in dynamic business environment. But even after being a fastest growing economy and most stable country we are not much good in field of management education. According to a research of 2012, not a single university including IIM Ahmadabad and IITs come in the list of top 200 universities of the world. It means somewhere we are missing some important aspects of education and there is a need of change in criteria of education field. For this purpose government and recognized bodies (UGC, AICTE) have to come forward to meet new challenges.

Indian Business education has done well in the last two to three decades, and Indian industry generally sees Business Schools as partners in their progress. One MBA or several of them in the organization is seen as an indication of the sophistication and the management capability of that organization. In addition, a large number of MNCs now visit Indian B – School campuses for recruitment. Time has come for Indian B- Schools to network more formally with the counterparts in other parts of the world i.e. corporate.

Besides this, we can conclude that students are now more professional and as management students, they are looking for placement opportunities more, rather than other factors.

References

- [1] Bandyopadhyay, R.,(1991)) “Indian Management Education: Need for a Constructive Debate”, Economic and Political Weekly, Vol.26,No.48, pp.M118-M122.
- [2] Baumgartel,H.J., Pathan,R., Roy, B., Khandelwal,G. &Rahman,A.,(1984)"Changes in Organisational Climate and Management

- Education, 1968 to 1981: Some Warning Powell,N. K.and Westwood, J. B. ,(1978)"Buyer-Behaviour in Management Education",Journal
- [3] Chaudhary Sarita, Emerging issues in Management Education in India, VSRD-IJBM, Vol.1(3), 2011,164-176.
- [4] Kumar Sanjeev, M. K. Dash Management Education in India: Trends, Issues and Implications.(Research Journal of International Studies - Issue 18 ,January, 2011)
- [5] Shetty Bhavna R. and Gujarathi,Rajashree Student's Perception about Management Education in India &USA, MERC Global's International Journal of Management ISSN- 2321-7278 Vol.1, issue1: July-2013. Page- 01-14.
- [6] <http://www.financialexpress.com/printer/news/527793> (accessed 24 October 2010), N. Ravichandran, ,(2009) "A perspective on management education in India",available
- [7] timesascent.in/article/83/2009091020090910145228171479914ef/How-to-improvemanagement -Saxena,N.,(2009)"How to improve management education in India"
- [8] www.aicte-india.org(AICTE Hand Book 2013-14)
- [9] www.education.nic.in
- [10] [www .sooperarticles.com](http://www.sooperarticles.com) / education (Management Education in India)
- [11] www.ejournal.aessangli.in/ASEEJournals/MBA7.doc (S.L.Rao, Management education in India its evolution & some contemporary issues)