The erosion of value of management qualifications in India.

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ABSTRACT: Modern business world is constantly evolving and changing. The pace of such changes has increased with the influences of globalization and explosion in information technology. International exchanges in all spheres including management and technology have attained unprecedented scale and therefore the global business environment has become much more complex and dynamic since the turn of the 21st century. Internationally accepted standards and practices are fast replacing local methods under the compulsions of the open markets and competitive forces. This research paper aims at exploring and evaluating one of the significant challenges in contemporary management education, it will bring into focus the contemporary challenges before management education and training. Another one is It will develop perspectives before researchers to undertake further research and investigation into the issues discussed.

Keywords : Value of Management, Management Qualification; Value of Management in India; Management qualification in India.

INTRODUCTION
India has been in the helm of affairs relating to globalization as well as information explosion. It is therefore not untouched by the challenges of the 21st century. It boasts of having the largest working population in the world which is getting ready to make its presence felt in the international arena. At the turn of the century India seemed poised to claim a position of significance in the new world order by transforming its population to a vibrant and productive human resource. Dainik Bahskar 2013

The education minister of the UPA II government embarked on an ambitious 100 day plan to elevate the education system to an efficient system. However, things have probably gone haywire somewhere between the government’s preoccupation to educate the masses with glorious qualifications on one hand and the employers dissatisfaction with a large chunk of students having technical or professional qualification who, they say, are not employable due to lack of relevant knowledge and skills for the job.

“In the 21st century knowledge has become the source of economic might as modern societies are tending towards becoming Knowledge Societies. Knowledge Societies are characterized by their developed systems and methods to harness knowledge i.e for creating, exchanging and using knowledge gainfully for social, economic and political purposes” (Suresthi Jayesh; 2012 Jan.)

“The field of management cannot be left untouched by such profound changes in the world order. Management pervades all spheres of economic activity and therefore it has to evolve with the changing times so as to be able to aptly respond to the changes in the business environment in terms of its growing complexities and dynamism.” (Kumar Sanjeev, 2011 Jan.)

FORMAL EDUCATION

Formal business education in India has seen a good number of years of growth and development. The British initiated commerce curriculum in Presidency College, Calcutta as far back as in 1903. Then in 1913 Sydenham College, Mumbai was founded, followed by Shri Ram college of Commerce, Delhi in 1920. More ambitious programs came into existence in the name of ‘The Indian Institute of Social Sciences in 1948 and XLRI in 1949. The first two IIMs came into existence in the 1960s at Calcutta and Ahmedabad which were followed by others at Bangalore, Kozhikode, Lucknow and Indore. The IIMs are considered to be the pal-bearers of the true cutting edge business education by virtue of their world class teaching, research and development of consultancy expertise.

PRIVATE SECTOR AND ITS GROWTH

The growth in number of business schools in India has seen a good number of years of growth and development. The British initiated commerce curriculum in Presidency College, Calcutta as far back as in 1903. Then in 1913 Sydenham College, Mumbai was founded, followed by Shri Ram college of Commerce, Delhi in 1920. More ambitious programs came into existence in the name of ‘The Indian Institute of Social Sciences in 1948 and XLRI in 1949. The first two IIMs came into existence in the 1960s at Calcutta and Ahmedabad which were followed by others at Bangalore, Kozhikode, Lucknow and Indore. The IIMs are considered to be the pal-bearers of the true cutting edge business education by virtue of their world class teaching, research and development of consultancy expertise.

The growth in number of business schools in India witnessed an unprecedented growth since the 1990s and most of the additions were in the private sector. That is to say that liberalization and globalization had a major influence on the growth of professional business education. As a matter of fact the Indian economy went through a structural readjustment program under assistance from the World Bank. As a result of the reforms package it opened up to international competition. Government controls over industries were scaled down significantly that paved the way for an all round growth of private sector initiatives in agriculture, Industry, services
as well education. As the Indian economy opened up, a sizable number of multinational companies entered India. They followed the state of the art management techniques and processes. Most of the Indian business houses which were hitherto run on traditional structures and methods were shaken up to adopt the new ways of doing business so that they could be on a level playing field with the multinationals. Thus, the number of business schools grew following the spurt in the demand of professional managers by the industry which not only attracted masses of youth towards lucrative management careers, but also a deluge of private investment which was let in due to paucity of public funds under the fiscal regime imposed by the world-bank.

“The initial results were euphoric as Indian economy grew in strength, lead by double digit growth in the industry as well as services sectors.” (Matthew Merimal, Sept.2006) The idea of leveraging the large youth population of India to make a mark in the 21st Century had started appearing to be a palpable proposition specially with the argument that private sector was in a position to respond swiftly to the needs of the industry in infusing modernization and professionalism into management education by way of (i) providing state of the art infrastructure, learning aids and methods. (ii) By working closely with the industry to reorient curriculum and training to actual needs of the industry, so also, creating new techniques and processes for the growth of local industries and (iii) Cutting the red tape to generate trained and industry ready manpower to be deployed for various types of business activities.

However, within a decade of the initial euphoria alarm bells have already started ringing on the very premises on which management education was supposed to have flourished. Somewhere in the zest to expand capacity to produce more management graduates the concern for quality got side tracked. Concerns are now being unequivocally aired by educationists on different national and international forums as to the relevance of education being received by teeming Indian students when they are turned down by the employers at the end of the day. The recent utterances made by eminent people and industry captains that only a small fraction of engineering or management graduates are employable sounds ominous and alarming for the reason that idle and empty handed youth could become a formidable liability for the country. Unemployed or economically deprived people are easy prey to allurements of illegal or criminal activities. It has become important to identify the anomalies and find effective solutions to control this growing menace before it actually start going out of hand.

B-SCHOOL AND ENTREPRENEURSHIPS

Some large corporations have planned to set up their own business schools and a few have already done so. Notable are Kirloskars, Crompton Greaves and TATAs. Many business houses are coming up with their own Management Development Centers. This puts a serious question mark on the industry acceptability of the quality of products of management institutions especially in regard to the customization of their products to industry needs.

B Schools have started losing their sheen as reality is surfacing from their veneered reputation based on exaggerated claims and window dressing in regard to their placement performance. A majority of management colleges have used quality placement as the biggest ploy to attract students for admissions. The reality is however just the opposite. Data sourced from news paper articles show that keeping aside the top 20 business schools only 10% of the graduates from the remaining business schools have been hired by the industry. As per an ASSOCHAM study, during the last 5 years the annual increment to MBA seats have increased from 4500 to as many as 3.6 lacs, however on the other hand campus recruitments have declined 40% during the same period. Poor capacity utilization is now fast spreading malady among the lesser known business schools. Many management institutions are now facing the specter of closure as they are not able to secure sufficient admissions to make operations possible. With their backs to the wall such institutions are going to any length with their promises to lure students knowing well the little substance they carry. Further, the admissions benchmarks have been practically removed to ensure a benchmark quality of input to the B Schools. With poor quality input the output is also likely to be of poor quality.

CONDITION OF B-SCHOOL

In the competition for admissions among the B schools have provided wind fall gains to the students who demand relaxations in regard to attendance, internal assignments and evaluations. Since internal evaluation accounts for upto 30 – 40% of total grades and undeserving students are provided liberal internal grading, they do not have to work very hard to make the overall passing grades. The upshot of such practices is a drastic fall in the quality of students that comes to the job market and is not able to meet the standards of quality.

This is but just one case in point that is responsible for the falling standards of management education. As a matter of fact management education, which is a part of the overall education system, is not alone in facing vagaries of changing times. Therefore the solutions to its problems would be found in the solutions to the problem facing the
higher education system at large. The lesson to be learnt from the attempts made to reform management education so far is that quality of management education is a multi dimensional construct and its maintenance and improvement would require simultaneous action on several fronts. Further, the inter linkages in the system are such that the improvement or deterioration in one could have far reaching implications on the other.

Presence of suitable regulations is one side of the coin while the other side relates to proper implementation of the same at the ground level. The UGC and AICTE are regulatory bodies which advise institutions in regard to bringing about quality improvements. However, the measures taken by B schools against their recommendations are rather ritualistic aimed primarily at satisfying the regulators about the compliance of necessary provisions cited in the regulations. Of late even the sanctity of the regulatory authorities have come under a shadow when there were cases of their high officials of UGC and Medical Council of India found embroiled in corrupt practices involving implementation of such norms. Another case in point is the establishment of 112 Universities in the state of Chattisgrah with utter disregard to all norms. This also exposed the nexus of profit and convenience between politicians, regulatory bodies and the private operators.

MBA AND EMPLOYABILITY

“Another noteworthy reason that MBA candidates are turned down by the employers is that they do not possess relevant skill set and minimum hand on experience to get usefully engaged in training or other activities of the initiating phase at the entry level. The reason is that there is poor interface between Indian industries and the Universities” (Himanshi Dhawan, Time of India Education). The fact that employers are as important stake holders of the education system as any other yet their participation is highly restricted in the process of learning and training gives rise to the occasion of producing manpower that does not fit their bill. The inevitability of the contribution of the industry in applied areas of education has been recognized by our planners however concrete action on this front is very limited and confined to urban centers only. Such interface of the Universities and the industry would be very useful in terms of curriculum design, teacher training, research projects, industry internships etc. However, Universities traditionally and by their initial groundings

B SCHOOL AND EXPECTATION

Business schools have been associated with generation and dissemination of pure knowledge which required a purely intellectual approach and environment. Therefore they flourished in isolation of the influences of the society, having an ethos and a culture of their own developed over the years through traditions and supervision of wise men. On the other hand subjects such as business management, engineering technology etc. deal primarily with the application of concepts and knowledge in real life situations. They relate to actual business problem solving which is oriented towards economic and social wellbeing. Thus, learning in these subjects require active and vibrant interaction among the Universities, the economy and the society. Business Management education in the United States of America has contributed immensely to the overall growth of business and commerce that were based largely on the quality of relations of their Universities, B School and the industry have forged and are maintaining.

“Indian planners and regulatory bodies are in a dilemma as regards maintaining a balance between regulation and autonomy to their management departments as it would amount to loss of control and dilution in the traditions, culture and the working order of the institution.” (Kumar Sanjeev, 18th Jan.2011). While autonomy is necessary for an institution to make dynamic adjustments to the changing environment and thereby maintaining and improving customization and quality levels, regulations are necessary for systematic and orderly growth of management education through conformance with prescribed benchmarks of quality. Nonetheless, Indian management education needs to connect better with the industry and to have better autonomy to customize its product, whereas the industry has to understand its key role as a stake holder in management education and contribute in improving its quality in all possible ways.

CONCLUSION:

Management schools are pivotal in developing managerial talent which in turn gets deployed in various social and economic processes for achieving growth and prosperity the country. As mentioned earlier, management being a multi disciplinary and problem-solving subject in nature requires a multi pronged strategy for reform. Although there are numerous aspects of reforms in management education that are actively under consideration the issues of connectivity with the employment sector and quality of admissions in b- schools has become quite vexing and needs urgent attention of the concerned people / authorities.

The rapid expansion of management institutes in India in the post globalization era, especially in the private sector, has resulted in large scale addition to capacity and a stiff competition among various operators for admissions. In absence of effective supervision and control of the regulatory body’s quality related norms have been severely compromised leading to creation of man-power having poor economic value.
Secondly, exclusive focus on teaching is not likely to advance management education in the desired way. There has to be much greater emphasis on the applications aspect which involves higher order connectivity with the surrounding industry and economy. This is mostly true to the Universities having management departments or affiliate colleges where lack of autonomy keeps them from responding to their professional environments in a meaningful manner. Similarly research in application of management techniques or management issues would also contribute immensely in realizing the true potentials of management thought and education. Ways have to be explored to promote autonomy and innovation within University framework. Business schools as well as the industry cannot function in isolation. Both have to work as partners in progress as they are mutually dependent on each other for their wellbeing. It will not be wrong to say that both will have to assume responsible roles in uplifting management education to new height.

References:


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