

## **Emerging Issues in Management Education Diverse Trends in Development of Business**

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**ABSTRACT:** *Academia is a crucial part in Management Education. It is felt that good academics can positively improve students' knowledge and his outlook; whereas, a sub-standard one, can reduce his potentials and output. The importance of a Management Degree, which adds the actual marketplace perspective to a Graduate Degree, is constantly evolving.*

*In the current scenario, Management Education has become more challenging. The expectations from the "Managers" and "Would-be Managers" are more, with the ever-changing socio-economic pattern of the people. It is not merely getting a 'Management Degree', but it is imperative to upgrade the skills, knowledge and enlarge the network. In this paper following are some of the key issues in Management Education System:*

**KEYWORDS:** *Management, Education, Issues, Quality, Knowledge, Business, Development and System*

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### **I. INTRODUCTION**

Though there have been a number of committees that suggested improvements in management education, there have been no significant changes in management education except in the top ranking B-Schools. This section examines the major issues that need to be addressed if management education has to improve in India, so that managers could respond to the challenges of global competition.

#### **A. Implementing Changes in Management Education**

There are too many agencies dealing with management education. Management education must be the concern of the body created by law for governing management education – The All India Council for Technical Education and its subsidiary. The Board of Management studies. Combining the governance of technical and management education under one body was a mistake. A National Task Force on Management Education should be appointed. The Task Force needs to address the following issues as stated in an article by Mr. R. Gopalakrishnan, current President, All India Management Association

- Identify the steps that can be taken to extend management education to domains such as cooperatives, hospitals, NGOs, public governance etc. Create greater awareness and sensitivity through extension of the management curriculum to agricultural marketing and rural economy as two-thirds of our population lives there, and the gap between the per capita income of the agrisector compared to the non-agrisector has been widening since Independence.
- Identify the measures needed for upgrading the quality of faculty and research, as most of the committees have pinpointed the inadequacies. To explore ways in which the interaction between academia and management could be improved.
- Consider ways in which standards of several mediocre and in different institutions of management are enhanced, possibly through an accreditation approach, as management is an experience based theme.
- Look into the possibility of formation of All India Council of Management Education quite independent of AICTE.

The purpose of the Task Force is to create an enabling institutional mechanism that will give a new thrust to management education. This will ensure that there is an independent institutional mechanism to specifically deal with management education and also give a new thrust for management education.

#### **B. Ensuring Quality Faculty**

The establishment of AICTE resulted in the sanctioning of a large number of B-Schools. While giving sanctions to a large number of institutions, AICTE was unable to create adequate machinery for the development and training of faculty to teach in management courses with an applied bias. As AICTE was unable to monitor the quality standards in the institutions, they stipulated in 1997 that from that year onwards, institutions would have to seek affiliation from a recognized university before they are given sanction to start a

programme of study. The new requirement concerning university affiliation, the inadequacy of the monitoring systems and the shortage of faculty for teaching management resulted in the following conditions:

- Institutions engaged part-time faculty of individuals on contract who taught a course and in most cases, had little involvement either with the institution or the students.
- New faculty members without any experience joined institutions on low salaries and carried a heavy teaching load. They had neither time nor the necessary background to take up research or development of teaching material. They gave lectures mainly drawn from textbook or materials from textbooks or materials based on their company experience.
- Except for the 10 % or so institutions which updated their programs and teaching technology, the quality of management remained substandard in the sense that they paid inadequate attention to application of knowledge, self awareness among students and development of problem solving, and decision making skills.

The two critical issues to be addressed are mechanisms for ensuring quality of faculty and making the learning student centred. This requires faculty experienced in student centred learning and adequate library and computer support. The issue is to change the bottom rung of 70 % of the institutions that are located away from metros/cities.

### **C. Developing Material Relevant to the Indian Context**

There is an increasing awareness that many of the ideas and concepts that have been effective in the countries of their origin have been less effective in India. While many industrialized countries have tested and adopted management practices that are in perfect harmony with their culture and tradition, India is yet to do this exercise through systematic research and study. For example, we do not have good cases or teaching material on managing ITES. The materials available are not specific or relevant to our context. There are no easy approaches for solving the issue of inadequacy of context specific material, but to develop an agenda for that, as developing material is a specialized and time consuming task.

### **D. Promoting a Research Culture**

The management institutions do not have a culture that is supportive of research. This problem existed even in (low ranked) B-Schools in US. Imbibing a research culture requires faculty with interest in research and a good library support system. A research culture needs a research community and a research agenda. Such a culture will be created only when it becomes an organizational priority and there is top commitment for building that. If the targets of B-Schools are predominantly monetary, a research culture will not emerge. It was been proposed that the enhanced support for research can be brought about in three ways, viz.:

- Certain themes that need special study in the next 5 to 7 years should be funded, and scholars should be invited to undertake research in those areas.
- Research granting procedure should be seriously reviewed to support individual project proposals.
- Encouraging institutions that have adequate support systems to start Ph.D. programs.

The issue is how to make B-Schools create and support a research culture.

### **E. Evolving an Accreditation System**

As indicated in the earlier paper on accreditation, one of the emerging issues is to identify the process to be adopted for implementation of an accreditation system. Accreditation needs to be separated from recognition. The accreditation has to be fair, transparent, independent as well as ruthless. The accreditation process (indicated in the previous section) that is used by EFMD has been reported to be a widely accepted one. As accreditation process tends to become a political one, the issue is to evolve a method to insulate it from the political interference. Accreditation that uses benchmarks of various parameters could reduce subjectivity. The rapid growth in the number of management institutes requires a specialized body rather than the all-encompassing AICTE to carry out accreditation. A council exclusively for management education is needed, and the process of accreditation and recognition needs to be made separate. The accreditation process has to cover commerce education as well. In most other countries, management education covers this as well. This will ensure that management education has a broad base in India. All the degrees covering management commerce and accountancy should be under one agency.

### **F. Corporate Governance for B-Schools**

As indicated by S. L. Rao in his paper a major weakness is lack of a corporate governance system in B-Schools. This issue needs careful consideration. Though the primary responsibility for upgrading and maintaining the quality of education must rest with the concerned institution, in the absence of a proper corporate governance system, this has not been so. There is a need to induct independent directors as well as to implement independent audit committees for managing the B-Schools. Nothing has been done so far in this

direction. The B-Schools should become process driven. Corporate governance has to be made an element of accreditation. Faculty development as well as faculty involvement in the administration needs to be a part of the corporate governance agenda. Transparency has to be the root of corporate governance. Information on faculty qualifications, the size and contents of the libraries, availability of computer facilities, adequate provisions for scholarships, reach out programs to take management education to deprived sections of the population, a rating for all institutions that guides students and recruiters in making sensible choices, have to become a part of the corporate governance agenda in B-Schools. The issue is how to make B-Schools implement such an agenda. This may require a strong monitoring system and statutory reporting on the lines of SEBI, for corporate governance in listed companies.

#### **G. Student Testing Service**

This again is crucial as testing becomes the basis of input quality in management education. Many institutions have their own admission tests for which they usually charge fairly high fees. The issue is to ensure that admission and testing need to be segregated, as in the case of US. Evolving a national testing service and evolving a comprehensive testing system have to be examined comprehensively. There seems to be no need to have so many tests and the proposed All India Council of Management Education would need to examine the possibility of reduction in the number of tests while at the same time ensuring that the quality of testing is not sacrificed for the sake of uniformity.

#### **H. Developing Interaction with the Industry**

Except in the case of the top ranked B-Schools, there are no mechanisms to forge close relationship between B-Schools and industry groups. Development of industry interaction is an evolutionary process. The main strength of top class B-Schools like Kellogg, Wharton, Sloan and Harvard is their strong relationship with industry through teaching, research, student placements, problem solving and case study preparation. As indicated in the first section of this paper top level B-schools continuously interact with major corporations. The recent example of BP setting up their learning centre adjacent to MIT, Cambridge shows that as competition increases, industry–B-School cooperation will go up. The issue in India is to make this happen in the case of the low ranked B-Schools in India. There has to be an institutional mechanism for developing liaison with industry in each B-School.

#### **I. Bringing in Specialization**

There are some business contexts specific to India. The issue to be examined is how one could bring in an element of specialization so as to enhance the relevance of management education. For example, agricultural services, infrastructure management, contract research, high tech entrepreneurship, hospital management, NGO and ITES are rapidly growing areas in business. These businesses need customized management education. Curricula customization, specific material development and faculty specialization are some of the neglected factors that led to poor quality management education in India. Though some B-Schools have introduced MBAs focused on telecom, financial services and infrastructure management, there have been very little efforts on customization. On the other hand, materials prepared for other contexts are being directly used without examining the contextual validity.

#### **J. Broadening the Perspective**

One of the major concerns that have been expressed widely about B-Schools has been that the people coming out have a very narrow perspective. Management education and more specifically the MBA has little if any discernible positive effect upon career success or managerial performance. Management is a value laden field. The group of critical management thinkers are of the view that management needs have to be taught in ways that explicitly acknowledge the political, ethical and philosophical nature of management practice. Management education does not make better managers. This is not because of deficiencies in management education, but due to the nature of management as a value laden activity. Reconstruction of management education has to recognize that managers need to attend to interpersonal relations, communication, conflicts, feelings, politics and the like. This brings us to the issue that there is a need for managers to connect to a wider set of public duties than that of corporate performance through a liberal education. Gray of Judge Institute of Management, Cambridge University has shown that management education has to facilitate the broadening of perspectives. Linstone has been one of the management thinkers who showed that management is all about grappling with multiple perspectives Technical, organizational and personal perspectives on any issue could differ considerably. The issue is how one can inculcate multiple perspectives thinking in management education.

#### **K. Learning Real Business Issues**

One of the issues that management education has to consider is the manner in which experiential learning elements could be enhanced. This could also enhance the context specificity while learning. Given the considerable contextual and institutional varieties of management education not just between different countries but within them, learning has to be experiential. Real life situations are complex. Bringing in a living experience is a more promising vehicle for the introduction of messy, irrational complexity which is arguably closer to management realities. The challenge of management education is to bring students close to real situations. There are no easy solutions as there are many unknowns in real life situations and many events unfold in an evolutionary manner as decisions are made. In the recent past, a series of studies known as “Critical Management Education” have emerged. Critical Management Education is that body of education practice arising from a research tradition known as “Critical Management Studies”. This school considers that management education has been typically, although not exclusively, informed by the interest of corporations and of managers rather than by those of stakeholders in organizations and wider society. Facts are always impregnated with values and there is no real distinction between morally and politically neutral means such as management has traditionally concurred to be and the value laden ends. The issue is to ensure that management education makes people capable of handling real life situations and at the same time make them understand the value frame they use for solving problems and dealing with real life situations.

#### **L. Inculcating Values**

Pfeffer and Fong of Stanford Graduate School of Business have brought out some lessons from the US experience on business schools. B-Schools in U.S. face a number of problems, many of them as a result of offering a value proposition that primarily emphasizes the career enhancing, salary increasing aspects of business education as contrasted with the idea of organizational management as a profession to be pursued out of a sense of intrinsic interest or even service. These arise from a combination of a market like orientation to education coupled with an absence of a professional ethos. The issue in India is to make B-Schools create greater impact by focusing on values and ethics as the guiding principles.

#### **M. Creating a Global Mindset**

London Business School recently published a study that identified the knowledge, skills and attributes young leaders need in order to succeed. The competition is nothing but a race for mastering knowledge and skills. If Indian industry has to compete globally we need executives with world class talent. The issue is how to inculcate a global mindset, though managers may act only locally. Andrews and Tyson recently published a study that identified, the elements of knowledge, skills and attributes that young leaders need to succeed, and these are shown in Table 1. These are based on a survey of executives from 20 countries. The survey brought out some issues viz.:

- Executives have to move from the cheap seat to the front row of business leadership, and business schools must develop a new approach to teaching and learning. How can business schools carry this out rapidly?
- Business schools have traditionally provided a reflective learning space, a place to absorb information and knowledge. How can they be made to imbibe an agenda that is practical and action oriented?

Globalization is an art an art of human relations that, like other arts, is presented through insights gleaned from teaching and from experience, and honed by continual practice, day in day out, in the executive suites of the world’s corporations. The issue is to create executives with management and leadership capabilities on a worldwide scale. The study shows that there has been a shift in companies recruiting and development emphasis from knowledge to skills and attributes. This means that each business school must pick the place it intends to compete, creating a differentiated mix of teaching and training opportunities drawn from the three sets of meta attributes that companies require of their executives. To sum up, 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 geographies. The existing system of accreditation and benchmarking are insufficient to make the B-Schools respond to the new context. The proposed AICME has to reorient and give a new thrust for management education in India. The schools that are not on the top need to be supported and they have to be monitored through an appropriate system of corporate governance. Some of the initiatives needed in this direction have already been discussed.

As the Indian economy gets integrated with the global economy, our managers need to possess skills that are equivalent to that available in the global firms. International companies are investing in India and Indian Companies are going global. Internationalization of business makes it necessary to have different knowledge and skill sets. The notion that business school graduates must have cross cultural knowledge and expertise has steadily gained support and become an important goal and marker of achievement of many professional schools. Similarly, ethics and corporate governance will also become crucial issues in management. The management schools in India should strive for some specialization and distinctiveness if they have to make a strong contribution to the growth of the economy. New knowledge and insights are mostly located in industry.

They are discovered, packaged and disseminated through management education. The work organization is the “lab” of emergent theory and knowledge. This requires a set of structural devices, accreditation processes, accountability structures, institutional routines, funding arrangements, and stakeholder involvement which enable and allow such social institutions to thrive and create tomorrow’s society. This is the critical challenge in front of management thinkers and educators.

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