

## ‘Reality Shock’ of Management Education in India: Issues and Challenges

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### Abstract

The best business leaders and management professional can be created only by a successful synthesis of academic theory and business practices or industrial experience. The business education should be based on practical or simulated and effective case studies by quality faculty, latest ICT facilities and infrastructure. If the educational infrastructure is sound then only one can expect a strong structure in future. There is need of convergence of these components into one and then only delivery of it can be made to all its stakeholders effectively. The model of I-S has been proposed to combat the ongoing battle of quality and employment considerations to its stakeholders.

**Keywords:** Convergence, Accreditation, Academic industry interface, faculty exchange

### Introduction

India has more than 3359 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. Unfortunately none of our B schools stands in the top 100 list. It is high time for introspection of actual practices and the delivery system to all its stakeholders.

**Table:1**

Top 10 Universities for Business & Management Based on the QS World University Rankings by Subject 2017		
1.	Harvard University	USA
2.	London Business School	UK
3.	INSEAD	France
4.	Massachusetts Institute of Technology (MIT)	US
5.	University of Pennsylvania	US
6.	Stanford University	US
7.	University of Oxford	UK
8.	University of Cambridge	UK
9.	London School of Economics & Political Science (LSE)	UK
10.	University of California, Berkeley (UCB)	US

The US dominates the business school ranking with 71 top business schools, an impressive 29 of which are in the global top 100. Outside the five institutions featured in the top 10 above, other high-ranking US business schools are North western (14<sup>th</sup>) and the university of California, (16<sup>th</sup>). New York University and the University of Chicago are also in the top 20, sharing 17<sup>th</sup> place, having previously shared 19<sup>th</sup> place last year. Canada meanwhile claims 14 of the world’s top business schools, including three in the top 50. These are the University of Toronto (35<sup>th</sup>), the University of British Columbia (38<sup>th</sup>), and McGill University (48<sup>th</sup>).

In India, except some top business schools like the government run IIMs and other few, most of 5,500 B schools in the country are producing sub-par graduates who are largely unemployable resulting in these pass-outs earning less than Rs 10,000 a month, if at all they find placements, an ASSOCHAM study has pointed out. India has at least 5,500 B-schools in operation now, but including unapproved institutes could take that number much higher. The ASSOCHAM report says that only 7 per cent of the MBA graduates are actually employable.

**Management Institutions and MBA:** The MBA degree has its brainchild of American educational system and in early fifties Indian Institute of Management (IIMs) have been established in India to provide management education. Ever since, IIMs have become the official, authoritative and commendable institutions in India. Every year more than two lakh MBA aspirants take part in Common Admission Test (CAT). It is treated as the most prestigious institution for management education in India. On the basis of total number of seats available in 20 IIMs and number of applicants, it is apparent that seats availability per 1000 candidates have increased which goes in favour management aspirants but at the same time AICTE approved affiliated institutions are in dearth of applicants for admissions.

**Table: 2**

SN	Admission Year	Seats available per 1, 000 candidates	Total number of CAT applicants	Total number of seats
1.	2010-12	11.00	2,41,000	2650
2	2011-13	13.50	2,04,000	2750
3	2012-14	14.37	2,05,000	2946
4	2013-15	15.00	1,94,514	3220
5	2014-16	17.02	1,95,943	3335
6	2015-17	16.60	2,18,664	3635
7	2016-18	15.60	2,32,434	3635
8	2017-19	17.57	2,31,067	4060
9	2018-20			3265

**Source:** <http://indiatoday.intoday.in/education/story/cat-2014-registrations>

The institutions are in a great hurry to create managers in quantity but not quality. Students are also, in general, find it fancy to go for such courses so as to have firm foothold in their career.

### Business Schools in India

In line with the changing economic scenarios, B-schools are also diversifying their programs to attract the world market and thus contributing to this transformation process as they are run in a businesslike fashion. Right now there are 1.25 lakh full time students and one-lakh distance education students pursuing MBA. There are more than 3359 B-schools approved by the AICTE in various categories excluding the IIM, University Departments and autonomous private institutes. However, the sudden spurt in these B-schools has also raised concerns about quality and the need for regulatory mechanisms among academia and industry leaders. In India, ranking surveys come out with different sets of rankings for B-schools but it does not make any sense for the most of the students on the part of their accessibility, and concerns.

**Table: 3**

Year	Total institution	Faculties	Total Intake	Enrollment	Students Passed	Placement	New Institutes	Closed Institute
2012-13	3882	40438	444479	237144	179546	95166	321	73
2013-14	3759	51988	452148	234493	185831	103111	19	62
2014-15	3609	60457	456419	248680	186305	104503	45	42
2015-16	3474	58586	433050	250179	185750	101805	24	66
2016-17	3359	56613	413128	232502	NA	91461	39	76
2017-18	3264	55879	394775	NA	NA	NA	48	23

**Source:** AICTE 2017, 9 August

Around 220 B-schools had shut down in the last two year in cities such as Delhi-NCR, Mumbai, Kolkata, Bangalore, Ahmedabad, Lucknow, Hyderabad, Dehradun etc. And at least 300 more are expected to wind up in 2017. Low education quality coupled with the economic slowdown, In the last five years, the number of B-school seats has tripled. In 2015-16, these schools offered a total of 5,20,000 seats in MBA courses, compared to 3,60,000 in 2011-12. Only 7 percent of MBA graduates from Indian business schools, excluding those from the top 20 schools, get a job straight after completing their course, adds the findings of the report.

**Weaknesses in Present Management Education:** B schools teach the theoretical concepts and aspects, which will help the people to get tuned with the corporate terminology right from the school itself and also the meanings of the related concepts. The tools and techniques, which were taught in school, help them equip to take over the managerial/leadership roles in the corporate world. In fact B schools' objective is to groom the business leaders for tomorrow.

It is always a well-admitted fact that there is vast chasm between theory and percept. The B school product when he finds himself in the hot seat in the industry, he finds himself suffocated as he finds vast gap in his dreams and realities. He needs to get his hands dirty in the real organizations, which he might have fantasized, from a totally different perspective.

Lack of quality control and infrastructure, low-paying jobs through campus placement and poor faculty are the major reasons for India's unfolding B-school disaster.

#### A. Institutional Problem:

- **Lack of Academic Orientation**-There is need to update and re-train faculty in emerging global business perspectives which is practically not done in many B-schools. The faculties in private institutions are not encouraged for academic assignments rather they are just treated as staff who can be assigned any job like multi tasking staff by the so called higher authorities and owners.
- **Profit Orientation of Management**-The faculties are encouraged not for teaching and research but for

getting admissions and counseling to fill the seats in the institutes. Some times their job is at stake if they are not able to attract admissions. The number of faculty is shown as per norms given by regulatory bodies but actual number of faculty is less than the required numbers. The faculties are recruited on the basis of least salary offer and not on the basis of quality of the candidate.

- **Lack of academic output-** The directors are appointed on the basis of their length of time spent in institutions but not on their academic output. No research or academic achievements are counted for being director in the private institutions.
- **Lack of Research Culture** - It is generally seen that top B-schools around the world have a very strong research base and flavor with their deep impact on industry and society. Publication of high quality research in prominent internal journals is a prerequisite for a B-school to be considered an international institution. It is no wonder that there is a dearth of good role models in business management research in the country. Presently due to change in National Institutional Ranking Framework (NIRF) parameters that business schools are slowly realizing the need to strengthen research.

### **B. Course Curriculum Problem**

- **Mismatch between required and existing course contents:** The course contents are not updated regularly by the regulating or affiliating universities. The Universities do not pay much attention to management courses especially due to myopic vision of the members of board of studies comprised of only academic members. No expert member from industry is put on the board of studies in the universities and academic council. The academic ritual is completed by inviting outdated professors with limited homework so that no extra effort may be required by them in teaching. The redundant syllabus and no input from industry lead to create one more syllabus with change in date of Board of studies and academic council is served to the management students for study. There is limited role or negligible representation of affiliating institutions in course content development.
- **Lack of entrepreneurial skills inputs:** The present system does not encourage entrepreneurial skills and abilities. B schools do not teach entrepreneurial skills and risk taking abilities. They teach about soft skills and communication skills, which can best be experimented in the battleground of corporate life. If the tools of efficiency are taught in B schools, the tricks of effectiveness are learnt in corporate world.
- **Imaginary Teaching pedagogy:** Existing teaching pedagogy is not able to inculcate industry or sector specific skills. There are skills-set required for each sector, segment and industry. The inability to focus on the same has become a major weakness. Real industrial problems are neither thought nor taught.
- **Devoid of multicultural experience:** It is devoid of multicultural experience. It is highly commercialized and commoditized. It is like a shop where goods and services are offered in exchange for money.
- The ability to deal with the people can not be taught in B schools and even if it was taught, it is very difficult to implement, as there would be so many bottlenecks. B schools only teach how to do but the corporate world teaches the practical way of learning. It is like learning how to swim, but he can only learn when he gets into the deep waters of the corporate world.
- The books and B schools have certain limitations. The efficiency can be learnt only by involving oneself in real-life situation. However the case studies one might have come across by way of thorough reading in school, the real life is total different from fantasized reel life. Traits like diplomacy and tactfulness and emotional intelligence can be learnt only by practical experience.
- The concepts like brainstorming, reverse brainstorming, lateral thinking, vertical thinking, out of the box thinking, emotional intelligence, change agents, competency mapping, morphological analysis, six thinking hats, synectics, Type A and Type B personality could be better understood and felt in the real corporate life.
- B schools equip tons of information, data, knowledge, and case studies, which can help to get tuned with the real problems in the organizations to some extent. But it can not be summed up altogether that they produce the best managers in the industry.
- Management institutes do not teach much about building relations. Whatever the little so taught becomes too little in the practical life. B schools do highlight on evolutionary approaches but not revolutionary. But the practical business mostly talks of revolutionary approaches.

**Strengths:** The present management education survived for nearly five decades in India and struggling to expand beyond national and geographical boundaries. With the boon of rapid changing technology and communication, the educational system is undergoing drastic changes although the pace is slow. The students in B schools develop the ability to network and grow fast. The alumni links may serve as strong launching pad.

**Critical gaps need to be filled:** There is a strong need to lay stress on the Indian-industry oriented management education. This does not mean to do away with the American methodology of concepts and teachings. What is now needed is glocal approach i.e. the combination of global and local approach. The visiting faculty usually

teaches in more than one institution and teaches more than one subject. As a result their approach is **short term oriented** and less focused. Whereas the permanent faculty works under one roof in the same system and subjects resulting in staying highly focused in his approach. These people tend to have long term orientation and it pays off heavily for the students.

- There is vast chasm between the salaries of academic and non-academic professions. At the industries, pay and perks are heavy and the best brains are naturally going to non-academic line. This does not mean totally that those who work in academic profession do not possess brighter talents and skills. There may be a segment of brains that would like to work in academic line because of their taste for teaching. The vast gap between these two in terms of salaries needs to be narrowed down and addressed. Sometimes, the teaching faculty may work outside on part time basis to generate more income. This again contributes in less concentration in teaching. There is no hesitation to say that **exploitation of faculty** is also one of the factors for deterioration in quality of management education. Some of the private business institutes hire the faculty not on the basis of their academic attainments but their qualities to attract the students for admissions in their institutes. There is no attention of the institutes for their academic achievements during their tenure in the institute.
- Recruiting the faculty who possess diversified academic back ground, experience and expertise will bring quality of education as these people can combine their multiple skills learnt from academics alongwith the industrial experience. There are regulatory bodies like UGC and AICTE but there is need of self-regulation of ethics on the part of management of business schools.
- Similarly industries must come forward to encourage the trainee management graduates to do live project work in their organizations to enhance competency and confidence.

#### Industry Problems

- The present management education refers to many case studies related to other countries. Although it is good to understand the corporate problems as case studies from foreign countries but there should be an element of local context in teaching. It is necessary to generate our own case studies and explain the concepts or topics with native examples for understanding and enhancing the qualitative management education. The need of the hour is to create global mindset in the minds of management graduates. Indian B schools must evolve its own tools and techniques in teaching and tune its Business schools as the battlegrounds to create global management gurus.

#### Framework for Effective Higher Educational Institution -

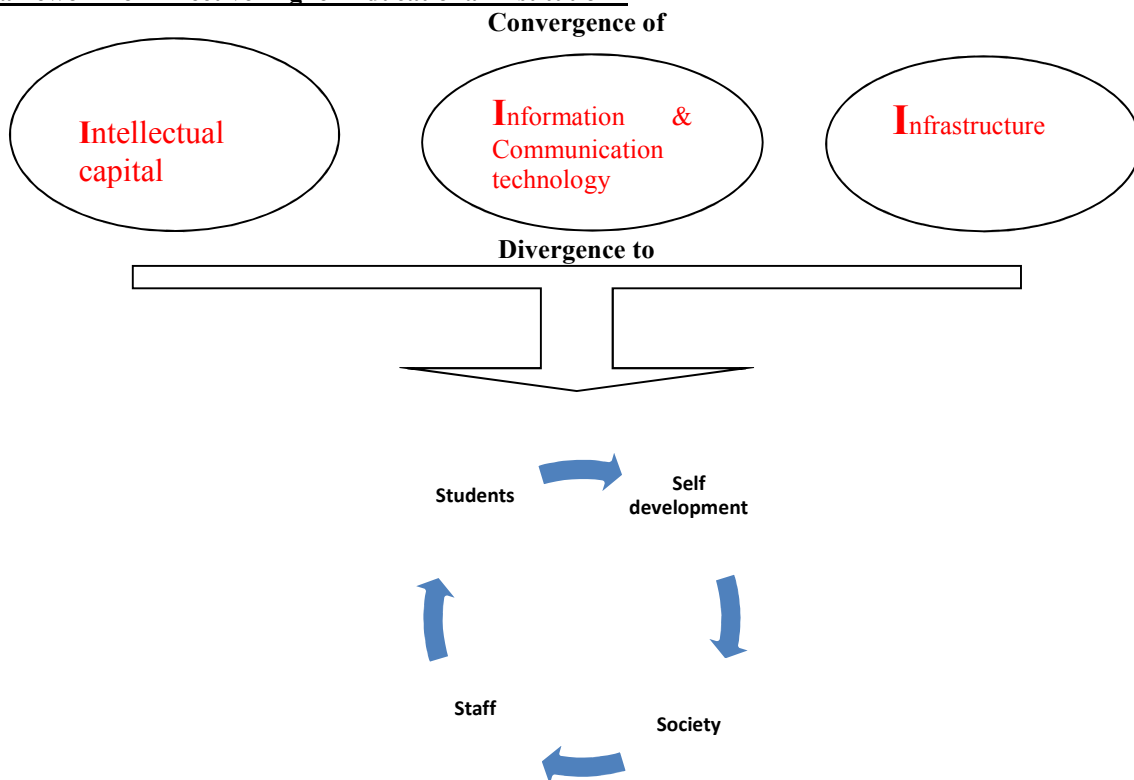


Fig. 1 to S model for development of higher institutions proposed by Pandey A.C. (2011)

As per the above proposed model for effective higher educational and research institution there is an urgent need to address these critical gaps. It is to be formulated with the help of apex body of the educational Institutions. There is need to emphasize on its intellectual capital in which quality and their research considerations especially in the context of higher educational institutions for management. The ICTs are medium of delivery of inputs to its clients in the system whereas technology reflects the manner in which organizational inputs are transformed into outputs. It deals with the information, process, techniques and equipments required to achieve transformation. all these three inputs of institutions converge to deliver its output in terms of output as skilled professionals. The professional development of faculty as well staff is also required on the part of process and total system of functioning of the organization as whole. The fruits of skill development, new research and better employment opportunities will thus prove to be better delivery of services and modified processes by these institutions. Self development refers to the development of organization to meet the expectations of the stakeholders of the educational institutions. There should be focused attention towards the efficiency of organizations which may be termed as convergence of inputs to delivery to its stakeholders. Hence the effectiveness can be judged on the basis of its stakeholder's parameters. The cycle of staff, students, organizations and finally society will also serve as marketers to the institutions.

I am having serious apprehension about expecting the higher educational institutions as placement agencies rather it should cater to overall social and professional need of the society. It should serve as guide to the path where not only an employable professional is made but a responsible, ethical citizen as well as positive thinker can also be produced.

**Institution-Industry Interface-** Management experts forecast that businesses in the 21st century will be composed of groups of specialists who work together on a specific project and then disband. Management education offers all the necessary tools to handle successfully various business and management related issues in a fast changing global economy.

Job placement is the impetus for Indian B-school rankings. For top B-schools 'placement is the excuse they have found to create hype and cover their weakness as they have made little contribution to management theories. On the same coin, they use public grants but cater to a niche market of capitalists and multinational enterprises.

The placement mania makes MBA students regard jobs and salaries as the be-all and end-all of things. This attitude is inculcated in very bright, young and impressionable students, right from the time they enter into the B-schools. Instead of imbibing a spirit of idealism and developing a strong desire to change the world for the better, students leave their B-school after graduating totally obsessed with making money and progressing in their career. Some leading B-schools have a good rapport and interface with industries but on the other hand there is a problem of management students graduating from Business department of universities lack the same kind of opportunities like campus recruitment. Although some of them also receive sponsored projects, consultancy assignments and internship for their students but in totality the ratio is not very encouraging.

**Need to broaden the specialization:** According to Prof. Goutam G.Saha 'There are some businesses which are context specific to India. For example: agricultural services, infrastructure management, Contract research, hospital management & NGO are rapidly growing areas in business. These businesses need customized management education. Curricula customization, Specific material development & faculty specialization are some of the neglected factors that led to poor Quality of management education in India. No doubt some of the B-schools have introduced MBA program, focused on telecom, Energy studies, financial services & infrastructure management but still it requires more efforts on customization in order to broaden the Specialization.

**Conclusion:** Certain critical issues face Indian B-schools in their quest to mold students using a holistic and fully integrated approach based on academic rigor, building character, and nurturing values and a curriculum for meeting industry expectations and the external environment." The key ingredients to be a world-class institution are, faculty commitment to research and teaching excellence; a committed professional staff who understand higher education, quality of students admitted; financial resources and leadership of the professional head. If any one of these components is missing, becoming a recognized world-class institution is not in the cards." There is urgent need of the hour to make a balance between 'what management institutes teaches' as well as 'what one learns in organizations' because the combination of both will lead to create a complete corporate personality.

There is need of transformational change in the present management education system in India. AICTE and UGC have a pivotal role to play in streamlining and overhauling Indian management education system with sincere checks and balances. It is the responsibility of all stakeholders of higher educational institutions imparting management education that new identity should be made in which they can be named for excellence in solving business problems. The business and industry insights along with stimulated and simulated case studies can bring out the best results in quality of management education in India.

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