

Management Education in the 21st Century: Challenges and Strategies

Mr. Anjit Jha, Assistant Professor

Sinhgad Institute of Management (SIOM), Pune, India.

Ms. Seema Navale, Assistant Professor

Sinhgad Institute of Business Administration and Research (SIBAR), Pune, India.

Abstract: *The process of liberalization, deregulation & opening of the economy has affected the demand for quality management graduates. This research, predominantly based on secondary data, takes global facets of management education and in particular as it exists in India. At the end, as a conclusion and suggestions with respect to content & curriculum and duration of the MBA programmes have been outlined.*

Keywords: Liberalization, Management, Paradigm Shift, Growth, Productivity.

INTRODUCTION

This research work explains the evolution of Management education from its earliest days to the present by examining the background, ideas and influences by major contributors. It also profiles significant eras in the development of management thought, analysing various trends and movements. The evolution of modern management enriches our understanding of world experience, allowing us to make comparisons with developments in management education in various countries.

Albeit, management education dates back to late nineteenth century, it has taken its present shape only after World War – II. It has assumed importance as it helps in effectively utilising the resources for developing a nation's economy, both in industrial/productive sector and in social/non-productive sector. Thus, for the national development, management education is very vital. All these could not be left to choice and initiative of a few talented individuals. Creating leaders/managers who are effective at various levels of hierarchy through well designed education and training programme has become vital for developed economies. For developed economies, maintaining competitive edge prompted optimization of resource use and measures for improving productivity and managerial effectiveness.

For any country's management education, the traditional style of education will serve the purpose. Any paradigm shift required can be properly ascertained only after study of the global view of management and its educational needs. The second section the paper has been devoted to the understanding of global management view. The third section has covered management education in India. In fourth section, directions for the future have been outlined. The essential question, "What are the trends and what is desirable?" has been answered curriculum and duration of MBA programmes has been outlined.

Management Education – Global Facets

By the end of the 19th century, local educational traditions were already confronted by emerging American paradigm, but they had to face a massive transfer of American managerial prescriptions and method, after the end of the Second World War. The different reactions of the national educational systems to the American Challenge are presented in this section.

Management Education in USA

For the past 70-80 years, business education and research in business in the USA has focused on an ever-increasing number of techniques and methods. Today, in an environment filled with increased competition and strategies for retrenchment, they are probably more critical than ever. However, today's dynamic and hostile business environment demands understanding of the environment and responding to change effectively, more than basic training in methods and techniques.

Governance and planning models for American higher education were never designed with expediency and responsiveness in mind. Business schools across the US have long and glorious histories of conservative practices and faculty, and administrators have vested interests in the maintenance of past behaviour. However, there no alternative, the current popular press in America is replete with examples of businesses which took risks, did things differently and were willing to live with their success and failures. Innovation, adaptation and change many not come in organized, purposeful and systematic procedures. Rather they may need spontaneity and immediate action.

Management education evolved in USA and the growth was spectacular in post World War II period. Economy of resource use in supply constrained economies in the period of post war reconstruction stressed more on formal models and quantitative analysis. However, slowly after the post war reconstruction was over, economy became sensitive to demand constraints and so management education stressed on marketing, human resource development, management of frustration and conflict. Strategic management and managing change required due to rapid change in environment became important components of management education. Corporate governance, human values and ethics became important components of management education and research, on the basis of such re-examination.

Thus with changes in industrial, social, political and global environment, management education system tries to align itself with these changes. Today in USA, management education is entering a new era which is post modernist of post-fordist (Clegg, Handy). Today in USA, management has become an activity of critical importance in modern US societies. Institutions imparting management education have crucial roles in providing and reproducing practices in management (French and Grey, Huczynski).

Management Education in Canada

Experiences of management education in Canada have a great deal to offer to the developing countries. However, the provincial control of Higher Education has prevented the emergence of adequately – resourced centres of excellence capable of matching the achievements of the strongest US business schools. Growth trend here also followed the USA pattern.

Modern Management Education in Great Britain

For many years, business schools and other providers of management education have been accused of providing programmes, which take little account of needs of employers or of the skills required by the managers in carrying out their roles.

There has been a wide gap between the traditional system and the need of the corporate; the reason being very little is known about skills and competencies required at different levels. If development in the traditional system is implemented it will require large number of additional manpower which will in turn call for huge funds.

Most British Management schools are stressing more on academics than on professionalism. Practical work training should be imparted like high-level consultancy assignments. Such development will have implication on methods of payment, career progression etc. Modern competitive business world has made Management education system more competitive and dynamic. Modern business is rapidly changing in Britain as a result; yet the education will have to undergo considerable changes in years to come.

In UK, one can identify two broad perspectives of management education. In a rapidly changing, complex and dynamic world, management education needs to be quite radically altered in order to work effectively.

The idea of management education as a means of professional training in various aspects of management is a dominant one. Law schools and medical training influence this type of management education. British traditions of developing professionalism through membership of professional institutions coupled with 'apprentice training' in real life management issues were getting slowly superseded by the USA model of management education. Management education under this model becomes professional and practice-oriented. In addition, if it is to become educational, a need to create new concepts and innovation is necessary. Further, it should also be able to critically evaluate existing practices (Gray and Mitev).

The emerging trend may lead to de-coupling of management practices, concepts and philosophies. This implies more than a shift in the content of management education and it suggests shift from skills towards analysis (Alvesson and Willmott). The issues raised here need to be re-examined in-depth, as we look at the future of Indian Management Education.

Management Education in West Germany

Germany is a remarkable country both in management style and in the provision of education for managers. It is conspicuously self-sufficient. Much has been changed in terms of management education but those issues, which are of paramount interest to the country, have probably changed least in the last forty years. In spite of the oil crisis, runaway inflation in mild 1970 & the 1979 oil shock, Germany has achieved remarkable level of economic success that could be attributed to good quality management education. The model followed was not strictly of USA type. They have integrated both the practice and philosophy of management education (Byrt).

Management Education in France

Though management education in France thrived in post World War II period, any attempt to identify the merits and shortcomings of French management education is fraught with difficulty since each distinguishing feature seems to embody both. The system facilitates dialogue between educational, business, financial and public sectors. It encourages young executives to look good and avoid trouble rather than exploit their capabilities.

Though Management education is a great force for change yet it is also a prisoner of the society in which it evolves and besides France has got strong hierarchic society. Thus Management education operates within that framework. The French model has made significant progress since World War II but still is a long way from democratic perfection (Byrt).

Management Education in Japan

Today's management education in Japan is undergoing a drastic changes, be it within a company or available through programmes offered by academic or professional institutes. As the professional bodies offering programmes are frequently engaged in consultancy work with the companies, rapid and flexible responses to company needs can be achieved.

The current international status of Japanese managerial techniques is not only a positive affirmation of the value of managerial training programmes, but has stimulated an intense interest in western nations. The high quality of Japanese products resulting from such training as the quality control circle and zero defects programmes, illustrates the effectiveness of the way in which management has harnessed the energy and creativeness of its work force. Training bodies are now thinking globally to increase the effectiveness of their Training Programmes. Future developments in management education are closely related to the economy. But whatever future holds, it is extremely probable that management will be utilised to achieve the desired goal (Byrt).

Management Education in Australia

At the end of 1986 there were two schools of excellence, New South Wales and Melbourne along with regional schools. Tertiary education in Australia is free for residents except for a small administration fee.

Comparatively little attention was paid to research in the early Australian Business Schools. However, later on, research generated enough interest in business schools. Despite the increased interest in research, there is little evidence that the boundaries of knowledge have been pushed far (W J Byrt).

Consultants had not entered the management education field on a large scale. Perhaps it does not offer sufficient financial rewards over a long period. The Australian management education scene today appears to be characterized by a mixture of growth, uncertainty and opportunism.

Management Education in Developing Countries

As educational issues at stake vary in developing countries from finance to administration to information technology – improving educational policies and management may require diverse strategies. Successful reforms will address these issues, coordinating them with government efforts to decentralize or democratize. It is essential to establish a functioning management education system, which is adept at finding ways to attract private capital to support management educational development in developing countries. The areas such as cross-cultural issues, technology transfer, technology evaluation, transfer of relationship between multinational enterprises and host country governments need to be emphasized in the management education in developing countries.

In a developing economy, institutional and other infrastructures are not adequately developed. We operate in a system of imperfect information, undeveloped or under developed markets and scarcities of resources and skills. Tradition of manufacturing and sophisticated technology is generally not prevalent under such conditions. Management education in developing economies therefore should be appropriately adapted to these conditions.

Achievements and the future

It is difficult to identify one homogeneous concept of management education since the methods vary from country to country. There has been a tendency among English speaking countries to accept the model of management education based on the educational system followed at HBS.

However, other countries have not always followed this model. In many cases, methods of management education have been adapted and their use expanded without any critical assessment of the need or the appraisal of results.

Critics of management education tend to be vocal and indulge in sweeping generalisations. Supporters insist that if so many students wish to undertake so many courses that are offered, they must be good. Accordingly, we will start by considering some of the more common criticisms of management education.

Criticisms

The major criticisms are of its: Organisation, Content, Method and Product.

Organisation

A good deal of management education is carried out within tertiary educational institutions. It is commented that most teaching institutions are bureaucratically managed and that their dominant cultures are inimical to efficient management. Management schools have tried to close the gap between them and business in a number of ways. However, in many institutions, most persons in order to secure job or promotions must follow the academic track of research – doctorates, publications.

Accordingly there is an increasing tendency for staff to be ‘in-bred’ and ‘academic’. Some management education is, of course, provided outside tertiary educational institutions. However, most of these lack the prestige, staff and facilities of the former (W J Byrt).

Content

Early management education focused on economics, to which were later added, accounting, behavioural science and still later, quantitative methods of analysis and decision-making. Although there is little agreement on what subjects should constitute management training, there is a lot of similarity between the offerings of various institutions, which is attributed to copying foreign and local models. A four-fold classification of subjects commonly offered may be made: Basic disciplines; Environmental analysis; Management functions and Management skills.

The relevance of subjects making up the content of any course will depend partly on how well they are taught and partly on what the student hopes to gain from them. It appears that most students wish to be trained in skills, which will help them further their careers. The content of management education designed on the basis of the needs of the industrial era of 20th century may not be totally adequate to the demands of the 21st century. Skills requirements undergo constant changes: management practices also change so it is necessary to equip the content of management education so that the students are equipped both with the capabilities of learning to learn and learning to act (Batra & Srivastava).

Method

Teaching methods in management education vary. Most business schools make use of the so-called 'Harvard case study method'. The use of case studies can be effective, depending on the skills of the teacher, relevance of the case study and the willingness and ability of members of the class.

Other methods used are role plays, group discussion, simulation business games. Each of these is useful if appropriately used. For decision-making, sometimes 'in-basket' exercises are conducted. Where students have no previous experience of decision-making, in-basket exercises are of little value since students fail to appreciate the situation in its proper perspective.

Research in management concepts and practices are extremely essential because such results of research are constantly used to update the contents of the courses to be delivered. Without research and continuous updating of concepts, techniques and policies, 'management' ceases to be a vital, dynamic discipline.

Product

It has been claimed that there is a wide gap between the inflated evaluations of MBAs and employer expectations, whereby employers have high expectations and are disillusioned and critical.

A criticism of management courses is that they are more effective in developing the analytical skills of students rather than their operational skills and skills to get things done. Management education has been attacked as emphasising an elitist philosophy of education, which runs counter to current trends in society. MBA graduates are also seen by some as expensive, arrogant and lacking in loyalty. Management courses, it is said, is too focused on the 'ivory tower' concepts. Design of management education does not cater adequately to an in depth understanding of management processes, logistics management and day to day management at shop floor or branch level. The products of management education are often found ill equipped to tackle the management problems that generally happen in day-to-day management. This mismatch often creates frustration both to the MBA products and their employers.

Trends and Developments in Management Education in India

In 1970s the great majority of persons in managerial position in India were first generation businessmen. Before the Second World War, opportunities for Indian managers did not exist in British owned commerce and industry, which dominated the scene. Business in India was not honoured in society. The best Indian talents were choosing the administrative services of the Government, law, medicine, pure research and teaching.

The realization that British dominance could only be attacked by the adoption of industry had dawned early in the 20th century. It was to the credit of Gandhiji, who himself publicly befriended Indian industrialists at the height of independence movement, made the general public aware that there was more to industry than moneymaking, with the emphasis on industry for national progress and the quickening of the pace of industrial growth in the country.

The greatest revolution of the era of professional management in India came in the mild 1950s when it began to be clear that Industry had forged ahead and would be able to make rapid strides with indigenous management. At the same time both the growth of management associations in major cities and laying the foundations of management education courses took place. Organization of trade

and commerce, and the managing agencies began to take active interest in management education. They began to revise the values needed in applications of managerial positions. During this period two national level management institutions (IIM Calcutta and IIM Ahmedabad) were set up based on USA model (Harvard and Sloan School, MIT). Similarly for training and education at post entry level, Administrative Staff College was set up based on Henley College model of UK. Thus, we see that Anglo-American influences on Indian management education are dominant.

Later, business management courses began to appear in the universities but the courses were reckoned to be of value only to the extent of diploma it offered at the end. But still there was a feeling in certain areas that business may require instinct and heredity, not knowledge and intellect. Slowly the captains of business started feeling that the modern age demands a far higher level of education in industry and commerce.

In the mixed economy which India had adopted, need to display managerial qualities were very important. The future development of country depended upon the skills of people in utilizing men, money, markets, materials and machines. But this awareness of the importance of their role was not present. Therefore it was important for the manager in business to feel that he is a pioneer, blazing a new trail, setting new precedents and it has been given to him to serve India.

It was important to emphasize that management is not only art or science but also that it is a recognizable discipline having series of rationally derived tools and more logic aided. During the 1970s and 80s, it was necessary to practice management knowledge in the industry. The first function was to breed professionalism and for that it was necessary to generate an intellectual atmosphere, dialogue between industry and universities, the research institutions and other organizations.

The style, which the Indian manager must strive for, was very demanding, because Indian manager had to mould the opinion about his business.

The Professional Manager in India

The job of a manager was to make possible the most effective utilization of resources to derive the best out of a given situation. But to do so in a manner which will jeopardize the possibilities of more effective utilization in future, the manager had to command and direct multidimensional resources.

The complexity of the technology, the rapid obsolescence rates of industries and the consequent need to construct ones' technological future rather than be swamped by it, the proliferation of opportunities for business success with growing pace of democracy took away businessmen near monopoly.

India was conscious of the importance of education in management studies, but there were no education policies. The task of awakening the mind of society to the importance of economic operations in the nation's progress so that more dynamic elements of society are encouraged to look upon industry and business as a worthwhile area for mental satisfaction was the major function of education policy. The important need was to put profit, an unholy, mean word in Indian life, in its proper perspective. It was the function of managerial economics to establish the optimum from the minimum use of real resources. Even though it was recognized that Management can be studied through management institutions, these institutions remained only as superstructure. It was necessary to bring change of values throughout the society, so as to recognize importance and role of entrepreneur and business. A very large percentage of people were entering into business not out of deliberate choice and not out of the feeling that here was a sufficiently interesting mental challenge. It was not the first choice of a young man. Strangely, very few accepted that they chose a career in

business because it offered at an early age more money and job satisfaction, along with independent assignments of serving country through industry. The image of business to the outside public was not giving an impression of intellectual challenge. University students should realize that a business career is to be chosen not just for financial incentives but also for intellectual and more challenges. They must be convinced that they have a great role to play in the economic development of the country.

The primary intellectual task of the Indian manager was to develop a historical perspective of the people. It had to be done through the scope they offer, the limitations from which they suffer, the methods by which they can moulded to play their part in an economic and sociological revolution.

The problems of Indian management were that political forces often created a barrier between the workers and themselves. A company's management was unable to fashion a wages payment scheme against norms of efficiency. During the industrialization of traditional Indian, the problem arose due to the lack of determination to face the problem and attempts were made to use foreign practices indiscriminately. The style of Indian management should have been to recognize the peculiarities of the Indian scene, search for the options, which international textbooks cannot give.

Indian management should have advocated modern tools of technology. However, there was a belief that everything must be focused with the purpose to release the mass from poverty through gainful employment, this meant that managers must strike the balance between limitation of capacity on one hand and abundance of labour on the other hand.

Another management problem in India, which arose from culture and history, was lack of generalists we had specialist, but lacked the ability to develop powers of total conceptualization. Therefore, Indian management was in search of a style where totality of professional management can develop. In India the total managers were in short supply.

Currently, India has around more than 50 premium management institutions. They comprise of the IIMs and autonomous and AICTE approved institutes. They have the same common entrance test for around 5 lakhs students.

Majority of the intake for this management courses happen to be IIT graduates and the students from other premium technical institutions; average salary for management graduates from the above premium institutes is anywhere between Rs. 20 and 30 Lakhs per annum.

Apart from the premium Management Institutes there are around more than 3000 other institutes offering management education. These are either affiliated to regional universities or are autonomous. Screening for admitting the students in these institutes is not very meticulous or stringent, moreover, majority of these institutes don't have adequate infrastructure and required faculty. As a result, the quality of the students coming out of these institutes is not up to the mark.

Many students prefer to opt for management courses rather than pursuing and continuing their further studies in their original streams, a trend that has been observed in recent past.

For example, among Arts & Commerce students, Pharmacy & Science graduates prefer to change to management stream for better placements.

Suggestion

Management education is concerned not only with all sectors of the economy but also to the socio cultural and political aspects present in a country. The present changes that have been ushered in because of liberalization, privatization and globalization (LPG) – have sparked off many new trends.

What is taught in B-Schools is as important as how it is taught. Three important aspects of any content and curriculum are quality, relevance and flexibility. While the first is an absolute necessity to ensure quality, the last two are assuming importance in the emerging scenario where change has become the ultimate reality. Unfortunately, many of the Indian B-Schools are dearth of in all three and therefore, have lost relevance.

The heterogeneous background of MBA students is a universal problem, which needs both immediate attention and solution. Students come with variegated academic, experience, socio-economic and cultural backgrounds.

Offer different optional modules in core, specialization and super specialization subjects for students to choose from, after prescribing a minimum number of subject compulsories.

It is felt keeping the educational and professional needs; a better way would be to introduce a 5-year integrated course requiring a change in the course content, curriculum and title of award. This is better way out.

Summary

We have made a brief survey of management education in different countries and have tried to bring out the basic profile of 'Indian Management Education'. The problems of management education and the nature of changes and rethinking required have briefly indicated. It is necessary today to have wider debate about the nature, content, philosophy of management education in the emerging globalized environment for a developing economy like India. Quantity itself will not be enough; we must strive to design a management education of right quality and effectiveness to our economy, society and culture.

This paper points to certain important areas of debate, provides a framework, which need not be considered as unique but as a starting point for a wider debate.

References:

1. Clegg S (1990) *"Modern Organisations in a postmodern world"*, London, SAGE
2. Handy C (1994) *"The Empty Raincoat Making sense of the future"*, London, Hutchinsonson
3. French R and Grey C (1996) *"Rethinking Management Education"*, New Delhi, SAGE
4. *Times of India*
5. *IIM (websites)*
6. Peters R S (1970) *"Ethics and Education"*, London, George Allen.
7. William Byrt (1989) *"Management Education: An International Survey"*, Routledge, London.

About the Author:

Anjit Kumar Jha, IIMB (EBC), MBA (HRM), B. Com (Hon.)
Seema Navale, MBA (HRM), B. A (English)

