

Enhancing the Value of Business Education- Issues & Challenges

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Abstract

The most crucial role of a B- School is to prepare management graduate to become leaders and managers, and hence the courses should be designed to impart managerial conceptual, technical and human skills. However, to handle the multifaceted managerial responsibilities students should also acquire the competence to apply these skills. This is an indispensable need, as the growth and success of an organization may get affected if there is a dearth of managers with the necessary skills. A study based on a survey of senior executives, confirmed that unsuccessful or successful managerial performance is proportionately related to the presence and absence of these three skills among the managers.

With every passing year, & steadily, the Management institutes have started resembling the corporate in terms of their work culture. However, when it comes to parting professional education relevant to the business houses, they are losing their relevance. Studies reveal that the corporate world is anxious about the low level of human and soft skills among the business graduates. Many reports have even corroborated managerial failures to the deficiency in human skills.

The picture, based on the existing literature appears to be obscure. On one hand, the growth in terms of number of institutes has been remarkable (AICTE Handbook, 2018-2019) but on the other, study of the placement seasons has exposed the declining skills of the management students.

The paper investigates the various reasons behind the paradox of qualified yet unemployable graduate's. It further suggests rigorous steps which have to be taken both by the apex authority AICTE and the management of the institutes together to resolve the above incongruity.

Keywords:

Introduction

The economic policies of post 1991 had opened the gates for the business in terms of Liberalization, Privatization & Globalization i.e *laissez faire*, in global arena throwing many challenges of sustenance to Indian industries. This had further altered the fundamental structure of the Indian Economy by removing the protectionists policy which eventually further led to removal of Quota system of General Agreement of Trade and Tariff and so on. The Economic Reforms initiated by India, as they are commonly known, fuelled the growth across all sectors of business and industries. The by-product of this growth was the augmented demand for people with managerial and leadership skills to administer the expanding base of the economy. This paved way for surge in manpower to manage the boost in demand for quality business managers to be supported by the efforts of Management Education in

India which is being regulated to ensure quality in the first 2 decade of post economic reforms. Now, it is observed, that there has been considerable set-back with a number of B-School facing challenges of survival due to certain obvious reasons. This papers analyses the reasons and how can we sustain the value of B-School education, given the present trend and diagnosis.

Before 1947, only the elite class had access to higher education and thus there were less than a million students enrolled in 500 odd colleges and 20 odd Universities that there the Institutions of Higher Education. Of these only 50 odd were of management colleges. Post reforms, within a decade, the number rose to seven hundred management colleges throwing many a challenge. By 2013, by the end of next decade, this number had galloped to 4000 Business Schools. (Jayaraman & Arora 2014). Thanks to the approach and the then approval policy of All India

Technical Education (AICTE) towards regulation, the Business Schools mushroomed in every nook and corner of the country. The steep increase in the number of colleges and the intake in contrast sharply with the quality of education provided in these institutes due to certain obvious reasons including that quality of faculty, curriculum designing skills, industry linkages etc.

As per the AICTE Handbook of 2018-19, the total intake in management institutes is 3,93,055. Though the gigantic number of capacity built over a period in management education indicate the expansion and reach as a success indicator, yet there are significant questions about the relevance and quality of the budding business managers they generate (Pffefer and Fong, 2002) and when they reach out to business, they get eventually discarded for want of skill set deficiency syndrome and go redundant due to glut in capacity on the other hand.

Purpose

The purpose of this petite paper is to dissect the current scenario of management education in India. This study further focuses in discussing the present day's global challenges in terms of relevance and to set the tone of future of business education in India in the light of various issues and concerns surrounding it. This paper is also an attempt to suggest a few imperatives to be considered to sustain the quality in Business education arena. This paper do draws from many source including existing data, research reports and newspaper articles obtainable to substantiate and support the research.

Literature Review

Montmore & Stone (1990) were of the opinion that industry view about the purpose of management education is to turn out graduates who can render value addition in a team, communicate effectively and solve problems efficiently rather than pose problems. Whereas, students perceive that management education, as means to enhance their earnings and elevation which could strengthen their career prospects. Some other purpose of education as proposed by Wicks (1992) are – acquisition of knowledge & imparting a value system in the students.

The most crucial role of a B- School is to prepare management graduate to become managers who can play lead roles, and hence says Katz (1974), the courses should be designed to impart managerial skills right from conceptual to application oriented technical and human skills. However, to handle the multifaceted managerial responsibilities, the students should also acquire the competence to apply these skills. This is, stated in Peterson & Van Fleet, 2004, as quintessential since the growth and success of an organization may get affected if there is a dearth of managers with the requisite skills. An analysis based on a survey of senior executives, confirmed that

successful managerial performance or otherwise is proportionately related to the presence and absence of these major skills among the managers. (Peterson and Peterson (2004))

With every passing year, state Porter and McKibbin (1988), slowly & steadily, the Management institutes have started resembling the corporate in terms of their work culture. However, when it comes to imparting professional education relevant to the business houses, they are losing their relevance. Many studies manifested the present day's trend of Business Education that the corporate world is anxious about the kind of human and soft skills among the business graduates which led eventually to non-acceptance of quite a few of them as they are not fully equipped nor prepared. Many reports have even corroborated managerial failures to the deficiency in human skills. (Mc Connell, 2004).

The emerging trend is visible from the existing literature and the B-Schools appear to be obscure and unwilling to pay heed to restructure and revamp themselves. On one hand, the growth in terms of number of institutes has been remarkable (AICTE Handbook, 2018-2019) but on the other, study of placement has exposed the declining skills of the management students. The state of affairs needs to be examined to provide significant insights with probable resolutions to the policy makers and regulators.

Issues in sustaining Quality of Management Education in India

The quality of MBA education has recently been the centre of attention in many research and discussions. Some of the major issues highlighted in these debates are;

- a. Lack of qualified and trained faculty,
- b. Lack of content in curriculum and capability to design the delivery,'
- c. Inadequacies in conventional Universities in imparting B-Education,
- d. Multiplicity of enforcement and monitoring agencies leading to chaos,
- e. Lack of Industry & Academia interface
- f. The theoretical inclination of the management courses
- g. The neglect of imparting people in terms of giving a managerial perspectives, communication & soft skills to the graduates.
- h. The multiple entry tests to land in a B-School diluting the standards required for entry into the portals etc,

The All India Council for Technical Education (AICTE) has, inter alia, assumed the role of suggesting and designing the framework and model curriculum which is redundant especially when the body is to regulate the

system as the nodal body for regulating the entry and expansion of Business Education System being part of Technical Education stream. Quite a few problems that undermine the regulatory powers and its effectiveness during the last one decade. It is reported that many business Schools got AICTE recognition based on attractive institutional plans and entries through the portals which actually may not be in existence nor implemented. The study further revealed that there are in reality a few management colleges in India who operate with many inadequacies.

There was a time when AICTE had given easy approvals to private institutes as it assumed that more college would mean more educated students in the country. However, these private Institutions are charging hefty amounts of fees from the students while imparting poor quality education. Management education as Seth, 1991 point out actually generates elitism among its students. Due to the poor quality education imparted to them they are unable to attain their dream job, however due to elitism they refuse to do any low paying job, thus getting frustrated.

It is reported that more than fifty percent of the faculty teaching in top 100 B-School are not PhD's. Almost 70 percent of the management colleges in India do not full fill the minimum requirement of seven full time faculty.(Cosmode Research Center, 2003). Although some B-schools compromise on the quality or quantity of faculty due to their unavailability in the market. As Kumar 2006 states Presently, the biggest challenge faced by technical educational institutions in India is the acute shortage of qualified and competent faculties. However, there are also a number of the management colleges who do so in purpose to keep their costs low. (Sarkar, 2007). Not realizing the impact this has on the quality of education imparted and the resultant poor quality manager it produces. The less than required number of faculty also means that the faculty are over burdened with work having little a no time for either research or training.

Abroad the industry and educational institutes work in association with each other. The professors learn from the real life experiences of managers and create case studies which are taught in classes. However, in India the two have no relation with each other (barring a few top B -schools) and meet only at the time of recruitments.

Management education in India though has gained increased prominence with a remarkable rise in number of management institutions, yet the above problems pose a serious threat to its survival. It is thus essential to take a long-term perspective for handling the problem areas keeping in mind the future of all the stakeholders.

Strategies for meeting the Challenges

The enormous expansion and growth of B- Schools in India

through private initiatives has largely been chaotic and unplanned resulting in reflecting skill gap of not meeting the standards required by Industry. This in turn has eroded its credibility and undermined the value of the degree in the corporate world. The Corporates have set their own standards and parameters to visit the Institutions for absorbing them leading to underemployment and unemployment.

Although quality of education imparted in the B- School is receiving the attention of policy makers, the cost escalation (fees) is yet another serious threat making the management education unaffordable for the deserving, but economically backward students which means it is indirectly a market for affluent society. The industry on the other hand continuously harps on the skill shortage despite high graduate unemployment.

With the view to resolve the paradox of qualified yet unemployable graduate's, rigorous steps have to be taken both by the Nodal Ministry, regulatory body i.e AICTE, Corporates and the B-Schools. All these stakeholders should join together have to ensure the following-

- 3.1 One point entry test similar to NEET is required in Business Education, which could be entrusted with either a Collective Body or Board comprising of Industry and Academia experts from B-Schools which would set the tone and tenor in imparting Business Education. This would lead to reasonable acceptance by the Industry to set the standards with an independent outlook which could be supported by the Network of B.Schools in terms of monitoring the standards through a Policy initiative of the Nodal Ministry.
- 3.2 A vibrant and experiential curriculum and content is to be developed and made dynamic through periodical update by a Central Board in which all the stake holders i.e Academi, Industry leaders and professionals, regulatory body and nodal Ministry are made part of it so that the model curriculum are designed and shared through a common platform. The Nodal Ministry is expected to take this initiative to bring all the stakeholders to the table to collalte all these inputs for common benefits. However, the modalities of imparting education could be left free to their wisdom by the Faculty of the concerned B-School as it certainly makes value in terms of divergence in dispensation.
- 3.3 The IIMs are apparently sitting with a huge piles of funds and are supposed to play a lead role in revamping the management education stream. The Nodal Ministry could identify and formulate a policy to extricate a reasonable amount of

surplus for creating a Foundation for the Cause of Business Education akin to CSR norms. This could be eventually extendable to other surplus making B-Schools.

- 3.4 A common knowledge sharing pool for B-School could be evolved through the initiative of the Nodal Ministry to associate them in many ways for the cause of Business Education system of the country.
- 3.5 The Industry should join hands together with the Institutional system to ensure that there is a greater collaboration between industry & B-Schools. The faculty should be given a chance to learn from the real life cases of corporate and incorporate the same through case studies and simulation in the classrooms. Live projects of students in the corporate (besides Summer Internships) should be made a regular part of the curriculum.
- 3.6 B-Schools and Corporate exchange should be made a norm. Faculty should go and spend time in the corporate to learn from experience and observation. Whereas, the experts from the industry should come to teach a part of the syllabus.
- 3.7 Faculty development through training and research is also a must which needs to be strengthened to improve the overall quality of management education.

India is ideally with an opportune moment in her history, with a demographic dividend of 65% of her human resource pool under the age of 35 with about 12 million individuals expected to join the workforce every year (India Skill Report 2018). With the given demographic dividend, the responsibility of equipping the youth with employable education is the need of the hour to harness it. Qualified and skilled human resources are most important propellant for economic advancement of our nation. Achieving the above is a difficult task, but not an impossible one. A strong and vigilant controlling authority (AICTE) and a committed college management what is required to gift this nation skilled employable graduates the nation so desperately requires.

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