

HIGHER EDUCATION AND MUSHROOMING OF MANAGEMENT INSTITUTIONS – ISSUES AND CHALLENGES

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ABSTRACT

India is witnessing a bubble growth in business education institutions waiting to burst. Failure to understand the changing needs of MBA applicants may lead to extinction of a large number of private b-schools that have mushroomed across India in the last decade. Globalization has paved a way for increased demand for management education. There are several challenges of management education which require change in the character and structure of management education, integration of management education with corporate sector, up gradation of curriculum and course content, designing of different programs for executives, maintenance of an efficient and effective regulatory system of check mushrooming, and emphasis on research. India being the part of global linkage in the aftermath of WTO agreement is becoming a technology driven society. Business schools are mushrooming in the country and nearly one lac management graduates pass out every year in India, providing a tremendous potential to contribute to the creation of a 'knowledge society. But B-schools can't simply become institutions for imparting higher education. The challenge is to become a place, where leadership is promoted and nurtured with a long-term vision. To make businesses sustainable and socially relevant, managers have to demonstrate competence, leadership, character and empathy for the needy. Young managers have to serve the companies with a larger purpose of nation-building with honesty and integrity intact. This paper high lights the growth of higher education and mushrooming of business schools and the issues and challenges faced.

INTRODUCTION

India is witnessing a bubble growth in business education institutions waiting to burst. Failure to understand the changing needs of MBA applicants may lead to extinction of a large number of private b-schools that have mushroomed across India in the last decade. Globalization has paved a way for increased demand for management education. There are several challenges of management education which require change in the character and structure of management education, integration of management education with corporate sector, up gradation of curriculum and course content, designing of different programs for

executives, maintenance of an efficient and effective regulatory system of check mushrooming, and emphasis on research. India being the part of global linkage in the aftermath of WTO agreement is becoming a technology driven society. Business schools are mushrooming in the country and nearly one lac management graduates pass out every year in India, providing a tremendous potential to contribute to the creation of a 'knowledge society. But B-schools can't simply become institutions for imparting higher education. The challenge is to become a place, where leadership is promoted and nurtured with a long-term vision. To make businesses sustainable and socially relevant, managers have to demonstrate competence, leadership, character and empathy for the needy. Young managers have to serve the companies with a larger purpose of nation-building with honesty and integrity intact. Building character and inculcating empathy among budding managers, which will make them leaders of society, remain a perennial challenge for B-schools in India.

Scenario of higher education in India

India has the third largest higher education system in the world, next only to China and the United States. Education is the key to the task of nation building as well as to provide requisite knowledge and skills required for sustained growth of the economy and to ensure overall progress. The Indian education system recognizes the role of education in instilling the values of secularism, egalitarianism, respect for democratic traditions and civil liberties and quest for justice. It aims at creating citizens equipped with necessary knowledge, skills and values to build a inclusive, just and progressive society The three pillars of education are expansion, inclusion and excellence. Our Vision is to realize India's human resource potential to its fullest, with equity and excellence.

Table 1. Higher education institutions in India

Types of institutions	Numbers	
	End of X plan	Established during IX Plan
Central universities	19	16 in uncovered states and 14 innovation universities
IIT'S	7	8
NIT'S	20	10
IIIT'S	4	20
IISER'S	3	3
IIM'S	6	7
SPA.S	1	2

Note: 14 Innovation Universities aiming at World Class standards are proposed across XI and XII Plan period

At present there are 504 universities and university-level institutions– 243 state universities, 53 state private universities, 40 central universities, 130 institutions deemed to be universities, 33 institutions of national importance established under Acts of Parliament, 5 Institutions established under various State legislations. There are 25,951 colleges including approximately 2565 women's colleges. At the beginning of academic year 2009-10, the total number of students enrolled in the universities and colleges has been reported at 136.42 lakhs – 16.69 lakhs (12.24%) in university departments and 119.73 lakhs (87.76%) in affiliated colleges. The enrolment of woman students was 65.49 lakhs constituting 41.40% of

the total enrolment. The number of doctoral degrees awarded in 2009-10 was 15,427. The regular faculty strength in universities was 0.90 lakhs and 4.98 lakhs in colleges, totaling 5.89 lakhs at the beginning of 2009-10. There are 66 Academic Staff Colleges engaged in faculty training. With respect to technical education, intake is 14,09,742 students at degree level in 7,272 institutions and 5,08,157 students at diploma level in 2324 institutions. Enrolment in Open & Distance learning is approximately 3 million. The National Assessment and Accreditation Council assessed 4094 colleges.

Table 2. Progress of higher education

Enrolment in universities and colleges	136.42 lakhs of which 16.69 lakhs (12.24%) in university departments and 119.73 lakhs (87.76%) in affiliated colleges
Enrolment in Distance learning	30 lakhs
Enrolment of women	Enrolment of women
Enrolment of women Intake in Technical Education	14.10 lakhs in degree and 5.09 lakhs in diploma
Institutions in Technical education	7272 Degree level institutions and 2324 Diploma level institutions
Number of Universities	504
Number of Colleges	25,951
Faculty	5.89 lakhs
Academic Staff colleges	66
National Assessment and Accreditation Council As on 28 March 2010	assessed 4094 colleges and 159 universities

Source: Annual Report, MHRD, 2009-10.

Over View of Management Education in India

There are nearly 1,800 business schools in the country producing 1 lakh management professional annually. There are presently six types of management education organizations-

1. Indian Institutes of Management (IIMs) set up by the Government of India.
2. University departments of management studies
3. Colleges (government or private) affiliated to universities
4. Private or government institutes approved by the All India Council for Technical Education (AICTE)
5. Private colleges or institutes not affiliated to any universities nor approved by AICTE.

6. Private colleges or institutes offering MBA courses in India in collaboration with foreign Universities, where degree/diploma/certificate is awarded by the foreign university.

The following table indicates the distribution of management institutions in India.

Table 3. Management institutions in India

Sl.no	State	Number	Percentage
1.	AP	239	13.5
2.	Bihar	15	0.9
3.	Delhi	60	3.4
4.	Gujarat	50	2.8
5.	Haryana	34	1.9
6.	Karnataka	116	6.6
7.	Kerala	247	14.0
8.	MP	51	2.9
9.	Maharashtra	202	11.5
10.	Orissa	247	14.0
11.	Punjab	25	1.4
12.	Rajasthan	56	3.2
13.	Tamil nadu	139	7.9
14.	Uttar Pradesh	181	10.9
15.	Uttaranchal	18	1.0
15.	West Bengal	47	2.9
17.	Others	35	1.9
	Total	1761	100

Why Management Education?

Over the globe it is a known fact that business has transformed the world. It has been a driving force in shaping society and the catalyst behind extraordinary economic growth and opportunity. Effective management of business has spurred the creation of jobs, the generation of wealth, and access to opportunity for an increasingly diverse population. Management education has produced leaders capable of creating effective organizations that are the core of these profound, global achievements. Management education provided the leadership and vision that continue to elevate individuals, organizations, and societies. Learning “the business of business” is clearly regarded around the world as a worthy and constructive endeavor, and this value continues to escalate further.

Over the globe organizations and individuals prefers r management education because-

- Management education facilitates access to opportunity and wealth creation to an increasingly diverse population.
- Management education contributes directly to society by facilitating economic development and service.

- Management education provides a fertile environment for the development and incubation of new ideas
- Management education leads to the creation of knowledge essential to the success of 21st century organizations.
- Management education produces cutting edge ideas and theories that help to advance organizational efficiency and effectiveness
- Management education provides significant life-long economic benefit to graduates.
- Management education provides graduates with a portfolio of competencies that facilitates meaningful contributions to organization engaged in a variety of enterprises and pursuits.
- Management education produces well-rounded graduates who can help to strengthen the connection between business and society.

Table 4. Growth of Business Schools in India - 1950-2010

Period	No. of B-Schools added	Average annual addition
1950-1980 (30 years)	118	4
1980-1995 (15 years)	304	20
1995-2000 (5 years)	322	64
2000-2006 (6 years)	1017	169
2006-2010	1800	197

Source: “Developing Management Education in India”, Journal of Management Research

Growth in the number of business schools has accelerated over the last two decades. This acceleration, propelled by the increase in the rate of growth of the Indian economy, speaks also for the entrepreneurial initiative of promoters to seize commercial opportunities in education. The imbalance between demand and supply for management graduates has led to an overly commercial and exploitative environment in management education. It is not clear how many of the recently started institutions are merely speculative and how many are seriously committed to the cause of management education. It is not also clear how many actually meet the norms and standards established by the All India Council for Technical Education. The regulatory framework and implementation has been unable to link the entrepreneurial initiative to performance in terms of educational quality. It has a control perspective focusing on inputs such as land, faculty, and other infrastructure rather than on the outcomes such as quality of education, research, access, cost effectiveness or relevance.

To cater to the need of businesses, new management institutes are being set up, and seats in the existing programmes are getting multiplied. There are 1800 business schools in India that are churning out 100,000 management graduates. In the next ten to 15 years, it is estimated that the demand for management professionals will grow to 300,000 graduates. While the demand will grow, the supply is likely to be of varied quality. As a result, companies and the market have started discriminating the quality of institutions and management graduates. With the mushrooming of management institutions only few institutions are considered as

top business schools in India. As most of the institutions are commercialized ignoring the quality concept and face

TOP B Schools in India

- Indian Institute of Management, Ahmedabad (IIM A)
- Indian Institute of Management, Calcutta (IIM C)
- Indian Institute of Management, Bangalore (IIM B)
- Indian Institute of Management, Lucknow (IIM L)
- XLRI – Xavier Labour Research Institute, Jamshedpur
- ISB – Indian School of Business, Hyderabad
- FMS – Faculty of Management Studies, University of Delhi
- Indian Institute of Management, Indore (IIM I)
- Indian Institute of Management, Calicut (IIM K – Kozhikode)
- Jamnalal Bajaj Institute of Management Studies, Mumbai (JBIMS)
- S. P. Jain Institute of Management Studies, Mumbai (SPJIMR)
- Shailesh J. Mehta School of Management, IIT Mumbai (Bombay)
- Management Development Institute, Gurgaon (MDI)
- Narsee Monjee Institute of Management Studies, Mumbai (NMIMS)
- Xavier Institute of Management, Bhubaneswar (XIM B)
- Symbiosis Institute of Business Management, Pune (SIBM)
- Symbiosis Center for Management & Human Resources Development, Pune (SCMHRD)
- Institute of Management & Technology, Ghaziabad (IMT)
- International Management Institute, Delhi (IMI)
- Bharathidasan Institute of Management, Trichy (BIM)
- Mudra Institute of Communications, Ahmedabad (MICA)
- Indian Institute of Foreign Trade, Delhi (IIFT)
- T. A. Pai Management Institute, Manipal (TAPMI)
- Loyola Institute of Business Administration, Chennai (LIBA)
- Institute of Management Development Research, Pune (IMDR)

Management Education in India – The dark side

It is common knowledge that, in the last couple of decades, with the unprecedented mushrooming of business schools all across the country to match the increasing demand amongst students, many financially motivated entrepreneurs started entering the field of education. In addition, indiscriminate approval of institutions and the absence of a consistent mechanism to ensure institutional accountability have resulted in a situation where sub-optimal quality education is being offered in a few institutions and little importance being imparted to faculty quality and placements. The main reason behind the mushrooming of sub-optimal quality of education provided by such institutions is the lack of a balanced regulatory environment, maintaining the fine balance of autonomy and accountability.

Issues and Challenges

There are a number of pressing issues facing business schools. They include:

- Management education requires a massive experimentation in terms of extended summer internship for four to six months or in terms of experiential learning which involves several live projects of shorter duration.
- B-schools face lack of soft skills among students, which is necessary for becoming successful managers
- Impart meaningful business education; the quality of faculty members is paramount. Moreover, the faculty body with all its qualification needs to connect with the industry
- B-schools also face the shortage of quality faculty members with doctoral degree or substantial industry experience?
- close collaboration of businesses and B-schools will provide enormous value to both
- B-schools have to expand their focus area to other sectors so that they become socially more relevant. Areas like public governance, sustainable development, agriculture and rural management, environmental and natural resources management, functions of municipality and local bodies and co-operatives and public sector management need to be given important
- The effects of globalization on business education and how to respond to this phenomenon;
- The shortage of highly qualified faculty and what to do to make up for the Shortfall.
- The need to introduce softer skills into the curriculum while preserving the more analytical and concept-based courses;
- The effects of information and communication technologies on teaching and learning methods;

- The need to adopt more effective governance structures and to make the appropriate strategic choices that will allow the school to better cope with competitive pressures;
- The need to strengthen reputation and build up the school brand in order to secure its long term competitive position.

B-schools can't simply become institutions for imparting higher education. The challenge is to become a place, where leadership is promoted and nurtured with a long-term vision. To make businesses sustainable and socially relevant, managers have to demonstrate competence, leadership, character and empathy for the needy. Young managers have to serve the companies with a larger purpose of nation-building with honesty and integrity intact. Building character and inculcating empathy among budding managers, which will make them leaders of society, remain a perennial challenge for B-schools in India.

All these challenges, if met successfully, create opportunities for business schools to differentiate themselves from the crowd of business education providers. For example, schools that globalize successfully and offer innovative programs will strengthen their competitive position. And schools that successfully leverage their investment in information and communication technologies could overcome faculty shortage and reach a larger number of students more effectively and efficiently.

CONCLUSION

Although India produces a large number of management graduates, next only to the U.S., scholarly debate on curriculum, pedagogy, and innovation is negligible. There is urgent need to welcome and enable the establishment of a new wave of management schools of excellence, which would be a role model for a number of schools. The circumstances today, of an increasing demand in the market for good quality management graduates, provides a great opportunity to rethink the ways in which management schools can produce excellent managers.

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