

MANAGEMENT EDUCATION IN INDIA

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India is on the threshold of an industrial revolution. The progress that has been achieved during the fifteen years of planned development since 1950 has been impressive if not spectacular. The index of industrial production has gone up by about 180 per cent during the period. Many significant basic industries such as iron and steel, fertilizers and chemicals, heavy machines and electricals have taken the country far on the road to the goal of a self-reliant economy. Yet the fact remains that India is still an underdeveloped country with a very low standard of living and is struggling to provide even the basic requirements of a vast population of over 500 millions.

The issues involved in India's development effort are of tremendous social significance. For, the basic fact that holds up not only a satisfactory rise in the productivity but even the overall rate of development is that India is by and large an untrained nation, untrained in the tasks of modern life, untrained not only in skills and techniques but also in the attitudes which make for a fruitful and productive life. The challenge of India's development, therefore, is a challenge to change which can be facilitated only by trained manpower made available in increasing numbers in the immediate future. Education and training for management development has tremendous significance in this context.

Fifteen years ago hardly anyone had thought seriously about the need of organized management education in India. Soon after Independence in 1947 a high level Commission on Education was appointed by the Government of India with Dr. S. Radhakrishnan (the present President of India) as Chairman to make a comprehensive study of the various aspects of the educational system then existing and make recommendations for its modification for the new requirements of the nation. This Commission however, had little to say on management education. But the formulation of a definite program for planned economic development soon after, brought about a complete change in the situation. The need for technically trained and competent administrative personnel became urgent. As a result, during the past one decade there has been an increasing awareness of the need for providing facilities of training in management.

Unlike most other developing countries, India faced a special problem in this connection. Whatever industries that existed, at the time the British left India, were established under a system peculiar to India and known as the "managing agency system" in which the management responsibility was highly centralized in the hands of the managing agent and his family. In the early stages of its development, during the late nineteenth and early twentieth centuries, the managing agents were almost always Britishers. The situation underwent gradual

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change and enterprising Indians also entered the field. But the lack of delegation as well as restriction of opportunities to members of the agent's families continued even when Indian agencies were established. Thus, opportunities did not exist, until a decade ago, for Indians in large numbers to obtain training and working experience in the science of management except at relatively lower positions of business enterprises.

The urgent need for trained managers was acutely felt with the tempo of growth that characterized every sector of India's economy as the successive five year plans progressed. There have been four significant areas from which this demand assumed large proportions: First, an expanding public sector under which many basic and defense industries were established for the first time. Secondly, an enlarged private sector which made spectacular progress in industrial activity during the first decade of planned development. (Many foreign managing agents had left the country during this period leaving the management in Indian hands.) Thirdly, a comprehensive program of community development and cooperation which focussed its attention on agricultural and rural development. (India is still a country of villages with over 600,000 of them spread over the entire landscape). Fourthly, the tremendous expansion of the different categories of the administrative and welfare services as a consequence of the huge increase in volume and the diversity of state activity.

It was not an easy task to face this tremendous problem in a country whose level of literacy stood at a meagre ten per cent at the time of Independence in 1947. The national planners were perhaps vaguely aware of the problem in the beginning but only the experience of a decade made them fully conscious of the stupendous magnitude of it. This is evident from what they say in the Report of the Third Five Year Plan. "The administrative machinery has been strained and, at many points of the structure, the available personnel are not adequate in quality and numbers In the recent past, certain aspects of administration have attracted pointed attention. They include the slow pace of execution in many fields, problems involved in the planning, construction and operation of large projects, especially increase in costs and non-adherence to time schedules, difficulties in training men on a large enough scale and securing personnel with the requisite calibre and experience, achieving coordination in detail in related sectors of the economy and, above all, enlisting widespread support and cooperation from the community as a whole As large burdens are thrown on the administrative structure, it grows in size: as its size increases, it becomes slower in its functioning. Delays occur and affect operations at every stage and the expected outputs are further deferred. New tasks become difficult to accomplish if the management of those in hand is open to just criticism. In these circumstances, there is need for far-reaching changes in procedures and approach and for re-examination of prevalent methods and attitudes". In spite of this realization, the fact remains that not enough was done in this field and the serious failure in many sectors of the development effort in recent years was predominantly due to this factor.

There are no dependable authoritative studies showing the existing number of managerial personnel in the country and indicating the requirements for the next five or ten years. There are, however, vague estimates made by the National Planning Commission, the Institute of Applied Manpower Research and

others. A major defect of these studies is the lack of a proper definition as to who is a manager. Nevertheless, they are capable of giving an idea of the stupendous magnitude of the problem.

Taking the managerial cadres of only the manufacturing industries, Banking and Insurance, Trade and Commerce, Construction, and Transport and Communications, the requirements for the period 1961-1966 were about 53,000. The corresponding figures estimated for 1966-71 and 1971-76 are 106,000 and 146,000 respectively. From the point of view of selecting, training and placing such large numbers in themselves provide a formidable problem. When we add to these the requirements of the other sectors of the national economy, particularly the small industries, the agricultural sector and the public services, we may realize how gigantic are its proportions. The present efforts in the field of management education have to be viewed against these requirements of the country as a whole.

The first serious endeavour to develop a program of management education in India was made when in 1954 the All India Council for Technical Education set up a Board of Management Studies for facilitating coordinated development of management education and training in the country and for ensuring proper standards with respect to courses of study and examinations in the field. It was the result of the recommendations of an Expert Committee appointed in 1949 to examine the question of education and training in public and industrial administration and business management in its various aspects and to draw up a scheme of management studies for its implementation. The Board consisting of twenty members was fully representative of the various interests concerned, viz., industry and commerce, universities, technical institutions, professional organizations, and government. On the recommendations of the Board, for the first time, a program of management studies was initiated by 1955 in four selected centers, namely, Bombay, Delhi, Calcutta, and Madras. Considerable progress has been achieved since then.

Taking the country as a whole, today one can witness an increasing interest in the field of management education and there are several institutions and agencies devoted to its cause. The National Productivity Council with a network of over 45 branches, almost one in every major industrial center in the country, has been rendering signal service in spreading the message of management training during the last eight years of its existence. While the N.P.C.'s attention has been primarily directed to the immediate problems in the managerial sphere and more particularly to the techniques and procedures affecting productivity, other institutions have emerged to devote their endeavours to a more comprehensive program of training, research, and service in the field of management.

Among these are some of the leading universities of India, such as Delhi, Bombay, Calcutta, and Madras. There is also a network of a score of Management Associations affiliated to the All India Management Association which organizes special courses on management from time to time. The Institute of Personnel Management and the Institute of Industrial Engineers of India, both with a good number of branches all over the country are indeed interested and devoted to management training with emphasis on specialization in their own chosen fields. In addition to these there are three institutions which deserve

special mention. Of these, the Administrative Staff College of India, Hyderabad, on the pattern of its counterpart in England was the first to be established, in 1957, and meant almost exclusively for the training of senior managers both from the public and private sectors. The Indian Institutes of Management at Calcutta and Ahmedabad which have been established three years ago have very comprehensive management education programs. A special feature of these Institutes is their collaboration with two leading American Business Schools, namely, those of M.I.T. and Harvard respectively.

A welcome addition to these institutions of management education, which is of special significance to Kerala, the south-western State of India, is the recently established School of Management Studies at the Ernakulam Center of the University of Kerala. There are at present about a dozen Universities and four Institutes of Technology, besides the three institutions mentioned earlier, which conduct separate courses in management. The picture of management education in the country becomes complete only when we add to the above list the commerce degree courses both at undergraduate and graduate levels conducted by most of the Universities in India, the Staff College conducted by the Indian Railways, the training institutions maintained by the private and public sector companies and a few State Governments, the National Academy of Administration, the Indian Institute of Public Administration, the National Institute for Community Development and Research, the Institute of Applied Manpower Research, the Small Industries Service Institutes including the Small Industries Extension Training Institute at Hyderabad, the Company Law Board, New Delhi, the Indian Standards Institution, the Indian Statistical Institute, Calcutta, the National Council of Applied Economic Research, New Delhi, the Institute of Chartered Accountants, the Institute of Cost and Works Accountants of India, the Indian Institute of Bankers, the Bankers' College of the Reserve Bank of India, the Federation of Insurance Institutes, Bombay, and a number of Management Consultancy Firms located in the major cities of India. While some of these institutions are engaged in teaching, research and allied activities, some are only research institutions while others are only examining bodies which prescribe courses and conduct examinations.

Organized education for management is a comparatively new development even in the industrially advanced countries of the West. Consequently it is still in a somewhat formative and experimental stage of development. Hence management education as a relatively independent educational discipline has yet to establish itself. Even in the United States of America, which is acknowledged not only as the pioneer but also the leader in management education, the movement is not older than a little over half a century. No doubt men like Frederick Taylor and Henry Gantt had begun the movement for scientific management during the last decades of the nineteenth century. But institutions devoted entirely to management education have been established only much later. The Wharton School of Finance and Commerce of the University of Pennsylvania which claims to be the first in the field and which was established during the latter half of the nineteenth century, had oriented towards management education as we understand it today only some fifty years ago. The famous School of Business Administration of Harvard University which is one of the pioneers in the field was established only in the year 1908. Other famous institutions such

as the Stanford Business School or Chicago University Business School are of still later origin. But in the United States during the last two decades, there has been a tremendous upsurge indeed in management education. Viewed against this picture of management education in the United States, the most leading country in the field, the progress achieved by India during the last ten years is creditable indeed.

The current programs offered by different institutions can be divided into three categories: (1) Full-time two-year post-graduate programs leading to a Master's degree or a diploma equivalent to that. The Universities of Andhra, Bombay and Allahabad have such Courses. The Institutes of Management at Ahmedabad and Calcutta have diploma courses equivalent to a Master's degree. (2) Three-year part-time evening courses for working managers leading to a post-graduate diploma in Business Management or Industrial Management. About a dozen Universities or Institutes offer these courses. Among these are the Universities of Bombay, Delhi, Madras and Kerala and the Indian Institute of Social Welfare and Business Management at Calcutta and the Tyagarajar Institute of Management at Madura. (3) Regular short-term courses lasting one week to twelve weeks. Among the institutions offering such courses are the Administrative Staff College, Hyderabad, the Ahmedabad and Calcutta Institutes, the National Productivity Council, the State and Local Productivity Councils, the All India Management Association, a few consultancy firms and private companies such as the Tatas and the Hindustan Lever and Government Companies such as Hindustan Steel Ltd.

The total number of candidates who are annually admitted to the two year full-time and three-year part-time courses for the whole country will not exceed 1,000. The number of candidates who attend the short-term courses is, of course, much larger. Even so, the total number of such candidates will, at the most, be around 5,000 a year showing how inadequate are the present facilities for management education and training in India against the total requirement of over a 100,000 in the next five years.

Almost every School or Department of Management Studies in India aims to undertake a comprehensive program of teaching and research with a view to assisting the industrial and commercial establishments of either the region in which the institution is located or the country as a whole, to raise standards of management and help them develop a nucleus of managerial personnel with scientific training. Preparing young executives for higher managerial responsibilities and opportunities together with development of the personality of the individual is the primary objective of all these institutions. In the realization of this objective, special emphasis is given to the development of the skills, knowledge and attitudes required of modern managers through the study of various disciplines underlying managerial decision-making. Important environmental factors which influence their work also are given special attention.

The content of a typical three-year part-time University program (for example, that of the School of Management Studies of the University of Kerala) meant for working managers of junior and middle level may be of interest in this connection. The program is divided into two parts. The first part consists of background and tool subjects, such as, Managerial Economics, structure and Growth of Industry, Business Law, Social and Industrial Psychology, Financial

and Cost Accounting and Business Statistics. The second part which is covered in two years deals with general management subjects as well as areas of specialization. Among the former are the theory and Practice of Management, Personnel Management, Financial Management and Higher Management Control. The latter consists of two principal areas of specialization, namely, Marketing and Production Management.

Among the special subjects under Marketing are Sales Management, Transportation, Market Research, Advertising and Publicity and Foreign Trade Management. Those under Production Management are Production Planning and Control, Materials Management, Maintenance Management and Research and Development. In addition, some of the Schools insist on the students preparing a Report on a Project based on field study.

There is no uniform practice with respect to the instructional methods. While the old lecture method is used by all institutions with widely varying degrees of emphasis, several new methods are increasingly made use of in recent years. The Administrative Staff College of India at Hyderabad, largely a prototype of its counterpart at Henley in England, primarily depends on the syndicate method while the Ahmedabad Institute, following the practice of its collaborator, the Harvard Business School, follows the case method. Among the other popular instructional devices are the conference method, seminars, role playing, and business games.

Most of the institutions believe in a judicious combination of several of these methods rather than any particular method. The case method, however, is becoming increasingly popular in India. A few volumes of published cases based on Indian business situations are now available. The Administrative Staff College has already produced two such volumes, the result of a project financed by the Ford Foundation.

Although management education has been making steady progress in India during the past one decade and more, there is yet no universal acceptance of management as an academic discipline capable of being taught in the class room as any other discipline. Management, according to many professionals in the field, is an "art" to be practised rather than a "science" to be taught by academic people. There are still the extreme exponents of this view who go to the extent of claiming that "managers are born and not made". Fortunately, their number is becoming less and less. But even among those who concede that management can be learnt, there are many who still insist that it can be learnt only on the job and only from practising managers. They give only a very limited role to educational institutions in this respect. Is this view correct in the present context of India's development? The question was examined recently in considerable detail by a high power Education Commission appointed by the Government of India and presided over by the Chairman of the University Grants Commission of India and which included as many as six educational experts from England, U.S.A., U.S.S.R., Japan and the U.N.E.S.C.O.

The Commission was of the view that the time has arrived when educational preparation of managerial administrative manpower must be recognized to be a distinctive function for which organized educational preparation has to be provided in the educational system. The Commission calls this new type of specialized education as "managerial arts education" and advances the following five reasons in support of its development: (1) The ordinary graduate, in the

context of the growing inflation of the educational system, has no distinguishing mark of educational attainment. He is no good to be taken for a managerial position even if on the job training is given to him after the selection. (2) It is necessary to institute a new degree program, Bachelor of Managerial Arts (B.M.A.) just like the Engineering and Medical degree courses to attract good students who would look for a career in management or public administration. In the absence of such a course, the present trend of poorly equipped ordinary graduates will continue to be the only stock from which managerial recruits would become available. This means that the educational inflation will continue to grow unabated. (3) It would facilitate the distribution of talented pupils among those fields with the maximum usefulness to the nation and the maximum satisfaction to the individual pupils themselves. (4) The new degree course will make it possible to equip every new entrant to the ranks of managerial-administrative manpower with the basic stock of knowledge—a knowledge of the country's constitution and laws, the working of the national economy, the political, administrative and cultural institutions and, finally, the objectives and methods of the new system of organizing development through the Five Year Plans—which is essential whether he works in the public sector or the private sector. (5) The establishment of this concept of a national stock of managerial-administrative manpower with the functions thus specified and nationally uniform system of educational preparation for the performance of these functions will make a far-reaching contribution to the processes of national integration. "All public administrators and all corporate managers, no matter where they are working, and on what particular activity they may be engaged, will come to regard themselves as members of different cadres of one and the same public service."

The conclusions and recommendations of the Education Commission have been generally accepted by the Government of India. Hence it is only natural to expect the active support of the State for regular programs of management education including a full-fledged program for a basic degree in management. This certainly augurs well for the future of organized management education in India, particularly through the universities and other higher educational institutions.

There are, however, very serious handicaps to the real progress of management education in India which should deserve the special attention of everyone interested in the movement. Among these the most serious is the paucity of qualified and competent teachers. Since management as a discipline for academic handling has been of very recent origin, there are few who hold degrees in managerial subjects. Hence teachers have to be found from other disciplines or from amongst practising managers. Teachers from other disciplines, such as Economics, Commerce, Public Administration, Psychology, and Statistics, can with some effort qualify themselves to handle different subjects included in a management course. But this takes time and also a willingness on the part of such persons to reorient themselves to the requirements of a modern management course. A major drawback of the present Indian educational system is the utter lack of involvement in practical problems of life. It is unnecessary to emphasize the need for management teachers to gain deep insight into the working of modern business by watching its operations from a very close vantage point.

Practising managers are not yet willing to come over to educational institu-

tions, mainly because the emoluments offered are not attractive enough. There is great disparity between the top salaries in industry and education and the possibility of bridging the gap in the near future even to an appreciable degree is remote. One possible way of meeting the situation is to persuade practising managers to take up part-time teaching assignments. This has been tried in several University Centres but with limited success only. A professional manager, however successful he may be in his business, will not succeed in a classroom unless he is willing to take pains to read extensively, prepare his lectures thoroughly and has the ability to put across his ideas impressively. It is not easy to find many such managers. One possible method to remedy the situation is to induce interested professional managers to take up short term teaching assignments of one to two years. This should produce beneficial results both in the educational and industrial fields.

Many leading business houses in India still look upon management education, especially of the College or University type, with doubt if not contempt. They believe that management has to be learned the hard way through experience and not through class room exercises. They have abiding faith in the efficacy of 'family or hereditary management' and are convinced that managers are "born" and cannot be "made". Since a large share of the Indian business today is dominated by persons who hold such views and they form closely-knit communal-religious or geographical concentrations, their present attitude will provide a continuing source of discouragement to the cause of management education. Mention must, however, be made of evidences of a gradual change in this attitude, especially among the members of the younger generation of this class of managers.

Among the different levels of management, that which has been least affected by management education in India so far, is the top level. This is true both of the public and the private sectors. While a good number of top managers in the public sector enterprises and progressive private sector concerns have been encouraging their colleagues in the lower echelons to undergo regular management courses, they themselves mostly keep aloof from such programs. As a result, they are, by and large, ignorant of new ideas, techniques and practices of management and are therefore opposed or reluctant to introduce changes in their organizations. This has been a source of much frustration to those who have been exposed to new ideas and who want to practise them to the extent possible in their own organizations. Naturally, this has a dampening effect on the spreading enthusiasm for management education. The only way this situation can be remedied is by attracting more and more top managers to suitable management programs which will sell new ideas to them and will persuade them to adopt and practise them.

It is well known that the Indian industry is operating at present in a seller's market. There is a shortage of almost any commodity and hence anything that is offered in the market irrespective of its quality is bought up instantaneously. Such a situation is not quite conducive to create conditions which compel managements to search for new ideas and practices with a view to improving the quality of management and thus ensuring its success in a competitive world.

Although there has been much backing for management education from both the government and private industry, India has not yet reached a stage when educational institutions and industry are collaborating intimately with each

other in the field of research to produce the best results. There has been very little research by faculty members on actual problems of Business in India. The fault lies squarely on both parties. On the one hand, industries do not provide adequate facilities for academic men to study their problems on the spot; on the other, there are not many academics who are prepared to take the trouble to spend time and energy and work laboriously even if they have not the facilities which their counterparts in more advanced countries enjoy. In fact, academic institutions in India have to go a long way to produce appreciable results by doing high quality field research.

There is much to be yet done in building up well-equipped libraries on management subjects. Laboratory facilities for deep study of subjects such as production management, work study, industrial psychology, business statistics etc. also are almost non-existent. The use of computers in management education is yet to find a place in India. Teaching aids such as films, slides etc. are also in short supply for use in educational institutions. Because of the non-availability of most of these facilities, the possibility of adopting the latest techniques of instruction is yet remote.

In spite of all these handicaps the progress India has made during the last one decade has been remarkable indeed. There is a growing awareness all over the country for increasing the facilities for management education and improve its quality. Simultaneously, there is increasing appreciation of the decisive role which management education can play in the transformation of the predominantly rural agricultural economy of India into an urban industrial economy and thus pave the way for the eventual emergence of a really modern society in India.