

# Reinventing Management Education in India: An Objective Framework

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*The increased purchasing power of the middle-class segment in India has led to a tremendous rise in the number of individuals opting for professional education, specially management education, the roots of which can be traced back to the successful experimentation of economic liberalization and privatization of some Public Sector Undertakings (PSUs). The key transformation happening across the spectrum of higher education in the wake of the rising demand for technical and managerial personnel is further identified with the active involvement of private entrepreneurs in various forms. Against this backdrop, management education should aim to provide quality education and creative manpower to meet the business demands as per the global standards. This study aims to find solutions to some of the demands emerging in the context of reforming management education. The analysis and findings of the study are based on a critical examination of trends in the management education and student community in conjunction with industrial classes.*

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## **Introduction**

Economic recession has hit the world economy hard. Though the Indian economy was only moderately affected, it was enough to raise huge concerns about the fate of millions of knowledge workers of India. The sequence and scale of events in the direction, both at the global and local levels, also point to the fact that the future of economy lies in the hands of those entrepreneurs who could ensure a right balance between personal fortunes and general wellbeing. The spirit of general academia in recent times also got diluted in the wake of massive upsurge emanating from the layoffs across the globe, which once again brought to the fore the much talked about 'management education'. The fast growing demand for management education in various streams and channels across the country in the light of Liberalization, Privatization, Globalization (LPG) generated economic boom further opened the debate to explore the recent downturn scenario from a new perspective. Possibly, we come across a tussle between the Keynesian and Adam Smith's ideas. The Capitalist society now finds refuge in

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‘government intervention’. The developed world might question the capitalist ideology, but as a purport of Capitalism, Ayn Rand spoke about ‘innovative minds’ that rescue mankind at all times. Even the so-called ‘management gurus’ do talk about the relevance of preparing the Generation X for facing any eventuality in the field of business administration. The question—will the MBA degree become less valuable in the near future?—is haunting the minds of many sensible academicians.

Also, rising expectations from the Indian middle class, reflected in the acceptance of costly management education provided by the so-called ‘B-schools’, further underscore the need for a road map for reform towards ‘quality education’. Quality management education will be something beyond the stereotypic certification process followed by the current players, and this certainly calls for a new methodology of teaching/learning process. One has to admit the fact that it would be a market-driven management education, in the sense that it nurtures the talents of individuals on more creative lines. The need of the hour is to ensure that the corporate sector makes use of B-schools’ output in the required fashion without any further involvement of cost towards training and orientation. In other words, the search for tailor-made talent by the companies is justified on many counts. The cut-throat competition from global markets and fast changing customer preferences, coupled with rising quality consciousness among consumers, put a heavy premium on the ‘modus operandi’ of the B-schools in the country. This, no doubt, demands a shift in perception towards management education by the vendors; and the current scenario of bleak economic fortune provides the right context for taking up this challenge. Are the management institutions doing their bit or are capable of rising to the occasion?

### **Interface Management: The Need of the Hour**

Indian economy has been globalized rapidly and integrated with the world economy through exports and imports. The fact that India’s two-way trade (merchandise exports plus imports) as a proportion of GDP grew from 21.2% in 1997-1998, the year of the Asian crisis, to 34.7% in 2007-2008 also shows the need for strengthening the foundation of management education in India with an objective mindset. The debate over control of the government and free hand to the corporate seems to be an endless dispute of ideology and policy across various spectra of thought in recent times. Can we call it a deviation from strong fundamentals, ask a section of economists and management thinkers while probing the roots of economic downturn in the recent past. While perceiving these issues, the modern B-schools have the onerous responsibility of taking education to a higher plane with a value-addition motto. In other words, they need to rise to the occasion with new research on management thoughts and ideas. This alone can be described as ‘interface management’ and to achieve this academia-industry collaboration is important. Managing right interface with the society and industry at the right time deserves prime attention, and this has been the case with Western vendors like Kellogg’s, Wharton, Ivey League, and London School.

## **Creating ‘Brand Equity’ Through ‘Customized Curriculum’**

The historic debate between Alfred Sloan, the inventor of modern company, and Peter F Drucker, the father of modern management, with regard to the nature of subject needs to be reflected in the curriculum in a way that suits the local scenario. Since management is a practice like Medicine or Law, the curriculum has to continually challenge the theory and redefine the ‘what’ and ‘how’ of knowledge. The curriculum should have the power to resolve the local complexities in business administration, besides catering to long-term needs. This also demands much focus on sector/domain-specific knowledge and tools of management. Also designing the syllabi in the context of region and time acquires more importance, and this obviously calls for overlooking outdated concepts and practices. Rather than providing management degrees along generalist pattern (MBA/PGDM), they should be reoriented as per industry-specific demands and priorities. The customization also serves the purpose of image-makeover, leading to brand equity of the knowledge provider. The nurturing of innovative minds through curriculum inputs must be the focus of reform in B-schools administration in the country. The progressive evaluation methods that lay emphasis on the application of subject knowledge through live projects must be given attention. Doing away with the stereotypic method of classroom learning, the curriculum should further enable the students to carry out field studies and experimentation of concepts. Also, described as ‘localization’, the curriculum revamp should further remove the job placement hurdles by making the management degree more appealing.

## **From ‘Teaching’ to ‘Learning-Centric Models’**

What should be the role of a management teacher? This question haunts the minds of many sensitive thinkers when they try to locate the current scenario from an institutional perspective. The clear shift of responsibilities from ‘deliverers of knowledge’ to that of ‘facilitators of learning’ was found to be one of the acceptable modes of operations as perceived by visionary leaders of contemporary times. The teaching community needs to redefine its role and responsibilities more in the context of learning outcomes as perceived by the student community. This calls for a massive shift from the age-old framework of operations.

Many are of the view that there is a need to evaluate the Learning Outcomes (LOCs) on Group Discussion Model (GDM) by taking up at regular intervals subject issues which are a bone of contention. The promotion of ‘soft skills’ as attempted in some places, also requires a new direction that needs to take a critical look at the reality prevailing across the institutional environment. The cross-composition of diverse educational backgrounds in the class-room setting also poses a challenge to the management teachers as to how to achieve synergy in the learning process. The difference in the wave lengths of Intelligence Quotient (IQ)/Emotional Quotient (EQ) factors need to be channelized in the right direction with efficient handling of learning sessions across the times. More student-participative models like case methods, role plays and simulation techniques

are suggested. While opting for more innovative methods of knowledge dissemination, the scope to involve industry professionals on a much large-scale gets endorsed. The conversion of classrooms into 'social laboratories' and making industrial internships more meaningful gain paramount significance.

### **More Space for Industrial Internships: A Replacement for Soft Skills Learning?**

Looking at the current allocations of budget for higher education in GDP which stands around 1.1%, far below that of countries like South Korea (2.4%) and United States (3.1%), one has to look at the role and responsibility of the state in terms of promoting quality education in engineering, management and applied sciences where there is scope for further enhancement of abilities and competencies. Today's workforce lacks 'soft skills' or core competencies, and that's what exactly the modern-day business firms and management institutions are focusing upon. While answering the debates on how to rejuvenate the technical and managerial workforce that is growing by leaps and bounds in recent times with increased sources of learning through various online and offline media, we can propound the concept of integrating industrial applications into the curriculum. Implying the need for creating more space for industrial internships, the said proposal would further enhance the visibility of an upcoming management professional. Also reducing theoretical study for two semesters and enabling internships in a new format of learning would be helpful in bridging the skill gaps across the country. In the past four years, research shows, 'quality' and 'quantity' of management education have taken a back seat. Ultimately, the industry being the sufferer, the blame has to go to the delivery mechanism adopted in management education. Instead of focusing more on class-room learning for about four semesters as being practised by most of the B-schools and management institutions in the country, emphasis should be laid on one-year rigorous internships where they would almost be trained and groomed as future management professionals. This can be a replacement for the soft skills training in the real sense, and the focus on acquisition of soft skills can be diverted to other core functional areas of knowledge. Also the pattern of industrial association needs to be reconfigured with a proper evaluation mechanism by mentors in a more meaningful way as being followed in western countries. The reliance on practical way of learning is more suitable to the current 'Gen Y' who is more articulate and vociferous in terms of realizing their potential unlike the previous generations. This has been the need of the hour as most of the business firms are unable to make use of the recruited talents who are more 'book smart' rather than 'street smart'. In areas like finance and marketing, there is a sea difference between what is taught in the classroom and what is practised in the industrial setting. It is not just the perspective that differs, but the fundamentals hardly find application in actual industrial scenario. The basic rubrics like 'knowledge', 'skills' and 'attitudes' need to be tested in a full-fledged form as part of industrial internships spanning across a year and that alone makes them ready for the job by the time they finish the course. Providing 'employability' to the management graduates is

found to be the harsh reality of contemporary times, and as such, any attempt to restructure the industrial internships in the light of this need would be justified in the Indian context.

## **Management Development Programs as Learning Management Systems Tool**

When we are trying to emphasize on 'interface management' as part of revamping the management education on modern lines, attention should be paid to the practice of Management Development Programs (MDPs) being adopted widely. Merely looking at the MDPs as resource generator may not be the right context in the long run, rather there must be value-addition to the course of Learning Management Systems (LMS) of the organization. It is not just about providing the required modules of knowledge required by the industry as part of MDPs, rather they can be treated as an opportunity to explore further in terms of brushing up the fundamentals of subjects and their application in the industrial context. Also the problems and experiences of the working professionals can be captured in the form of case studies by taking them back to classrooms. This would certainly enable the interns to adapt their working style to the situation. For the sake of illustration, the basic accounting and audit practices taught in the classrooms can be re-configured more on practical lines if we properly make use of MDPs in finance domain. The consultancy sector which is fast developing in recent times also has a critical dependence on the academia and a road map needs to be drawn on how to enable mutual learning processes through MDPs rather than identifying them as profit/money-making avenues. The stereotypic way of running MDPs needs to be done away with, and in its place, the perspective, Returns on Investment (ROI) needs to be considered. In a win-win format, both industry and academia should be equal partners in the process of LMS. The indifferent attitude of people who attend the MDPs in most of the firms is further reflected in the context of poor management of the events with no basic objectives set forth. As such, most attend the MDPs for emotional relaxation, rather than gaining knowledge and skill development. Lack of synchronization with the existing requirements is another hardship of the modern management MDPs run by most of the institutions. There should be no hesitation in propounding simulation techniques and workshops as major tools for achieving results of MDPs, and this alone makes the format of management education more comprehensive.

## **Adding Culture Context to Management Education**

The basic requirement of modern-day management education across the nation is to provide a culture context for what is being taught within the four walls of a classroom. Anything taught without a context becomes unsound in terms of learning outcomes and may not create an impact on the learners. As such, bringing cultural sensitivity to management education is found to be the fundamental requirement as the businesses and organizational excellence derive a lot of strength from the core of these fundamentals

if they are properly contextualized. This further enhances learning from the past and applying it to the changing times. As opined by many management gurus and thinkers, the best practices of management in the past certainly have a message and relevance. The failure to read them in proper time and space contexts would result in missing the benefits of learning outcomes. For example, the modern-day curriculum of subjects like Organizational Behavior and Marketing Management is rooted in the fundamentals and theories that originated in the early 20<sup>th</sup> century, and while transferring the knowledge of those times to the current generations, an attempt should be made to re-examine its practical sense of application. Because in the management arena, time and culture have their own role in the dynamics of business world. This is more inevitable in understanding the relevance of 'Best Practices' of early times while imparting them to the 'Gen Y' of contemporary times whose value systems are totally different. This naturally enables us to coin the 'Next Practices' suited to the modern-day firms and times. Hence, any attempt to compare the current happenings in business world with those of the previous times may not be justified for some reason or the other. The angle of vision and perception varies from time to time. Also expounding the need for reinventing the existing principles of management, be it in business strategy making or operational excellence, attains a logical meaning. Naturally, the 'next practices' of management will find more acceptance in terms of execution by the managerial clan only through proper sensitization of the major stakeholder of the firm, i.e., Board room, customers and employees. The next practices concept also finds more justification in the context of the new millennium culture predominantly responsible for nurturing the Gen Y, and the management education cannot afford to ignore this reality.

### **Sensitization of Core Ethics and Values Through Soft Skills**

When we talk about the inculcation of soft skills as part of promoting management education, mention must be made about core ethics and values of the time which would determine the issue of personality development of students. Any attempt to mold the personality and decision-making abilities of a human being must be integral to the ethical framework upon which the future orientation of a performance in the company depends. The judgmental capacities and crisis management traits which occupy prime attention in the process of soft skills can be associated with certain core principles of justice, equity, integrity and commitment, and focus has to be laid on these areas of business application on campus itself. The elements like social visibility and acceptance which have a profound impact on the leadership qualities of an individual must be introduced in the context of the classroom in various forms as the system permits. The development of entrepreneurial qualities as part of management education obviously figures prominently, but certainly demands a generous application of ethical set of standards both in terms of thinking and practice. The convergence of thoughts and practices will again take prime attention if we enable the learning processes chosen by the system to focus on the neglected dimensions of education, i.e., ethics and values. This would ultimately determine the so-called 'managerial effectiveness' and 'efficiency' undisputed

by any school of thought. The sensitization of basic values in the process of business management is also justified keeping in view the rising tide of white-collar crimes and economic offences across the regions. The scheme of social accountability and social responsibility should further become the bed-rock of curriculum in management education, if possible through soft skills training. The underlying current should not ignore the triple bottom line concept, i.e., people, planet and profits; and soft skills should try to re-examine the business applications on this vital area of neglect. The real personal effectiveness aimed through soft skills training can be achieved only through pursuit of a meaningful agenda on core ethics and values applicable to the business world in the changed scenario. There is no doubt that the liberalized business scenario across the globe is promoting a new agenda suiting the material benefits of entrepreneurial class by and large, but there is still a remote possibility of achieving fine balance among major stakeholders of the corporate world.

### **The Real Customer for Management Education**

The real scenario prevailing across the globe certainly makes us to re-explore the line of thinking held by most of the academicians and management gurus that the student community cannot be perceived as the end-customer just because they pay the cost of education. Instead, the industry and recruiters who make use of the products in management education would become the end-customers, and as such, the perspective towards management education needs to be changed in terms of gearing up the systems as per the requirements of industry. The real assessment and accreditation of an institution of learning has to be based on the satisfaction level in the past few years prevailing among campus recruiters on several criteria. This becomes more evident in the light of the fact that almost 20-30% of new recruitees are tending to leave the company in the first year on various grounds. Though the reasons for this high level of attrition are manifold, its alarming effects on the organizational performance in sectors like banking, finance and insurance are quite visible that need more attention. The inevitability of retaining the young talent recruited from premier institutions based on several expectations cannot be questioned. The role of institutions in terms of motivating the students towards the chosen job profiles is one interesting thread of analysis in the contemporary management education arena. Lack of seriousness and indifference towards certain job offers among the student community is partly responsible for the malfunctioning of placement departments across the nation. The quantitative approach adopted towards measuring the progress and potential of an institution especially in terms of scale and degree of placements has to be re-examined and a further study needs to be undertaken among the freshers in corporate firms for about three years on issues like job satisfaction and ability of knowledge applications in workplace settings. This would further strengthen the academic environment toward a more meaningful agenda accepted by the industry. Failing to capture the emotions of the industry and the workforce who happen to be the customers of the institution is a serious lacuna in the current education system. Once it is achieved, the real interface with industry can take a meaningful shape and content.



## Conclusion

In recent times we have seen many incidents which have had a profound impact on the global business management arena, making us re-examine the pattern of education system adopted by many of the upcoming institutions of the country. Looking at some dates from the recent past i.e., September 2001 (World Trade Center Attack), November 2008 (Mumbai Attack), September 2008 (Lehmann Bros bankruptcy), December 2008 (Madoff Ponzi Scheme), January 2009 (Satyam collapse), it does appear that 'financial terrorism' is keeping pace with the physical acts of terrorism. As Edward Heath, the former Prime Minister of UK, asked, have we started seeing the unacceptable face of Capitalism? Does academia have a role, both diagnostic and curative, in derisking the businesses? Can management education be reinvented for this purpose? Shouldn't the B-schools strive to become seats of free and scholastic enquiry in this regard? Should today's students not be made aware of what Paul Krugman said, i.e., "there is an innate tendency on the part of even the elite to idolize men who are making a lot of money and assume that they know what they are doing"? Should they not be asked to heed Emilio Botin's advice, "never buy a product that you do not understand, and don't sell a product that you would not buy yourself"? Since the world is looking for a new financial order, the B-schools have a long way to go in trying to adapt to the changing needs of business world. We call it the reinventing exercise. Do our students know what major and creative programs are launched by the governments of Mexico, Norway, Spain, Australia, Malwi, and Mali too for poverty alleviation and rural empowerment? As part of re-designing the curriculum, there should be an attempt to familiarize the students with the global developments, which in turn develops in them the required financial skills and analytical capacities that lead them to innovative financial thinking. The role envisioned for soft skills training in this mammoth task is no doubt unquestionable as seen in the patterns of recruitments taking place in management institutions across the country which focus much on the soft skills besides hard skills. As such, any attempt to reinvent the management education, which appears to be at the crossroads, is to be understood from an objective framework that adds strength to the efforts put forth by many.⊙

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