Chapter 1

INTRODUCTION

The chapter deals with a basic introduction about management education system in India and worldwide. It also gives a brief scenario of the recent trends in the management education in India. The chapter also mentions the changes that have taken place over a period of time in management education system.

In the modern economic scenario all over the world- “Management” – as a stream of education and training has acquired new dimensions. Management is an exciting field where you can have an immediate impact on the operations of any business. The field of Management is dynamic in nature. New tools and techniques are continually being introduced to improve the efficiency, productivity, and profitability of any organization. All organizations and their departments, functions, or groups use Management methodologies, which include problem solving techniques and guidelines for various related activities.

1.1 Management Education: The Global Scenario

Global competition is changing the relationship between management education and business. The efforts for building leadership pipelines in organizations have intensified in the last five to six years (Conger & Fulmer 2002). Continuous changes in both technology and economic systems, along with the speed of change, require executives to be engaged in a constant learning process. Management education has become a major profession that attracts considerable attention across the world. Evidence of this is the inception of a new journal: “Academy of Management Learning and Education” by Academy of Management in 2002. Though the market has been growing, there have been attempts to assess the adequacy of efforts at various points of time. This part is divided into three sections:

1) Market for management education;
2) Some introspective attempts reported so far;
3) Directions in which it is moving.
1.1.1 Market For Management Education

There is little doubt that business education is big business across the world. It is estimated that the global corporate education and training market is around US$65 billion. The global management education market is estimated to be US $22 billion (Friga, Bettis and Sullivan 2003). It is growing at about 10-12 percent per annum. US is the largest market. About 900 American Universities offered masters in business (Pfeffer and Long 2002). Since the market is lucrative and entry costs are relatively low, there is continuous growth and new entry. As competition is increasing the reputed schools are globalizing and branding their products. This is likely to see a reputation and brand driven growth. Although the general value chain of business schools has remained relatively unchanged over the past 50 years, business schools have created some unique characteristics in their value chain that have molded their strategies over time. The sources of value creation are branding and niche creation. At the same time corporations are intensifying their efforts for management development. The number of corporate universities is on the increase.

1.1.2 Earlier Introspective Attempts On Management Education

The first management education program started at MIT in 1931. The second was at Harvard, dating back to 1943. The first review of business education that has been reported in the public domain was from University of Pennsylvania in 1931 (McFarland 1960). This report stated that schools of business should establish a genuine discipline to be credible. Carnegie Foundation brought out a report on management education in 1959 (Pierson 1959). This report stated that schools of business have changed very little since the 1931 report of Bossard and Dewhurst. They have failed to identify and establish a genuine discipline characterized by its own body of subject matter, its own theoretical problems, its own research and its own methodologies (Pierson 1959). It raised key questions concerning the role of the management department among the traditional groupings in schools of business. As a way out, it suggested that sub-disciplines should grow, leading to specialization. Management faculties should not cling too closely to the historical traditions of the
scientific management movement. A three point agenda for improving management education was proposed by McFarland (1960), and is given as follows:

- Management departments and their faculties must redefine their own academic image.
- After formulating their most important objectives, management departments must cast off the shackles of an undistinguished past.
- Management departments must increasingly orient themselves toward genuinely scientific research, unlike in the past.

It goes on to state that, more than anything else; management departments need a solid research orientation. Subsequent to this debate, there was another attempt to review management education (Powell 1963). These debates induced many to study the impact of management education. An MIT study showed that significant attitude changes had taken place in students after management education. Another major study, on the impact of management education, attempted to move one step closer to empirical validation of management education. It concluded that self development was dependent on individuality rather than on specialized formal education. It came to the conclusion that a college degree is a self validating criterion for success (Luthans, Walker and Hodgetts 1969).

The major consequence of these series of debates was that the professional accrediting association for business and management education, the American Assembly of Collegiate Schools of Business looked into the concerns. Not surprisingly management education showed continuous improvement and grew rapidly.

Japanese domination in the global economy led much heart searching as to the relevance of current management education. In the light of the erosion of American business dominance, the quality of management education came under the microscope. In the 1980s, American higher education of business has been accused of training highly specialized managers with short term technical and monetary goal orientations for the nation’s traditional organizations. American Managers were seen as ill-equipped to develop appropriate policies and creative consensus-based organizations necessary to actualize the full potential of their employees. There was a proliferation of low quality Master of Business Administration Programmes. This
triggered a second wave of introspection on management education (Rehder 1982). Four major weaknesses that the Carnegie Foundation Study of 1959 reported continue to operate as a drag on management education. These are essentially related to financial and academic dimensions:

- A central cause of poor academic standards was that there were far too many faculty members who were not academically qualified, and there was an inappropriate number of part-time faculties.
- Business education lacked a clear sense of mission and goals.
- A disproportionate number of business administration students had modest or poor admission records.

The academic standards of business administration schools were generally low.

Another set of studies appeared from 1982 onwards, highlighted the imbalance between a specialized education and a liberal education which was a handicap for the development of a large and significant segment of the nation’s business talent. It appeared that the forces perpetuating this imbalance towards highly specialized and applied business education were formidable and resistant to change (Rehder 1982). The roadmap that emerged for improving the quality of management education suggested that an ongoing dialogue between university educators and leading managers from all sectors concerning the contemporary and future needs of American managers would provide a necessary first step to overcome both the attitudinal and institutional inertia that perpetuates the technical specialization imbalance and other educational problems previously addressed. It suggested that it would be highly productive to combine the talents and considerable resources of a select group of America's business, government and educational states — of people who were well aware of the need for change in management education, in an ongoing series of symposia that addressed the above and other related problems. Rehder (1982) also predicted that, if business schools fail to adapt, their functions would be increasingly carried out by Corporations. A number of corporate universities have subsequently come up.
In the same year a joint effort by AACSB and EFMD appeared (Dymsza 1982), known as: “Managers for the XXI Century.” This study represented the first comprehensive initiative to make management education more relevant for the future since Carnegie Corporation and Ford Foundation established standards for professional management education in schools of business in 1959. The major recommendations of the joint AACSB and EFMD study were:

✓ Management Schools should provide an education that combines both generalist and specialist components.

✓ Management Education should be much more holistic in character. It needs to be more integrated — incorporating a number of functional, quantitative, non-quantitative and analytical fields including the humanities and sciences — to educate the “whole” manager to meet the responsibilities and challenges of the future.

✓ Management schools, thus, should aim to develop future managers with a “portfolio of capabilities” quantitative, computer and other analytical skills, functional knowledge and communications, interpersonal, bargaining, negotiation, entrepreneurship, administration and other non-cognitive skills.

✓ Management education involves a lifetime process — a “continuum of learning” — with self teaching and initiative beyond the business school, work experience, on-the-job training, and management at the corporate level and possibly refurbishment of management knowledge at business schools at least once during a career.

✓ Management schools should teach more effective environmental scanning and analysis which is particularly important for domestic and international business

✓ A closer partnership should be developed between educators and managers in the future.

✓ Management schools should strive to develop experiential courses in creativity and managerial innovation.

As ‘knowledge and action’ are inseparable, we have to educate wisely and well those who will manage critical institutions of our world (Dymsza 1982). Two studies (Wexley and Baldwin 1986, Keys and Wolfe 1988) appeared on management
education that emphasized the need for a comprehensive approach to management development such as:

- Enhanced institutional accountability for quality;
- Increased use of experiential techniques;
- Intensive use of educational technology; and
- A recognition of the need for lifelong learning.


Both these were based on extensive baseline surveys. These identified that providing staff of sufficiently high quality to support a significant expansion of management development activities is a major difficulty across all supply sectors. Implementing appropriate measures to overcome this problem is one of the most critical factors in improving both the quantity and quality of future supply of executives (Osbaldeston and Barham 1989). As the lead time involved in recruiting and training new staff is long, this issue must be tackled with the greatest urgency. These reports emphasized that training is a strategic weapon, while learning needs to be linked to organizational and individual goals. The second report brought out by the Ashridge Group considered the issue of “Management for the Future” (Storey and Sisson 1990), and emphasized three aspects:

- Organizations should promote learning as a cherished organizational value and must seek to link training and development to business strategy and plans.
- If the business schools and other providers of management education are to help their clients develop learning cultures, they will need to develop new skills and services that will enable them to contribute more effectively to clients’ real business needs.
- The business schools will need a much deeper understanding of the business needs of companies and will have to build closer relationships with them through partnerships and joint ventures.

Because of the continuous dialogue between corporations and business schools there was a convergence of approach between that of AACSB and practitioners. The
competency based movement, begun in corporate and professional training organizations was followed closely by the AACSB outcome measurement project. This convergence of approach of practitioners and academicians resulted in focused management development efforts. This led to combining knowledge and conceptualization, skills development and assessment processes. A concurrent UK-based initiative the Management Charter Initiative — was started in 1989 (Frank 1991). This was initiated mainly due to the poor performance of the British Economy compared to that of its competitors. There was a broad consensus on the linkages between management talent and competitiveness of various economic sectors. The Charter defined that making of managers’ needs attention across five fronts:

- Company specific work on competencies;
- Target setting;
- Evaluation of performance and analysis of developmental needs;
- Formal training and developmental interventions; and
- Support for self-development.

An assessment after three years indicated that the Management Charter Initiative led to comprehensive changes in management education.

The debate on the role of MBA restarted in US in 1990. It was argued that the traditional instructional process was deficient in many elements. One of the problems that was identified was many educators suffer from the misguided belief that they routinely emphasize critical thinking in their instructional tasks. A series of criticisms about the operation of business schools that appeared in 1992 and 1993 (Hasan 1993, Raelin 1993), reported that business schools chose increasingly to teach what they wish to, rather than what business organizations need. It was decried that 20 to 25 years of academic business school research had yielded little or no fundamental knowledge relevant for the management of contemporary or future business organizations. These criticisms led to a series of changes. AACSB adopted new accreditation standards for both business and accounting programs (Hasan 1993). As instructors and mentors for business and management, the schools had the opportunity to develop and demonstrate new ways of working with their clients (Wild 1995).
The global challenges exerted pressure on management schools to change. Growing globalization of national economies through trade and investment made it even more vital to further the understanding of processes and consequences of internationalization. It was certain that institutions lacking a vigorous, systematic and coherent strategy for internationalization of existing management curricula, putting all concerned at a serious disadvantage in the years to come. Global companies increasingly recognize the need to develop leaders who are equally comfortable and effective working anywhere in the world (Miller 1998). Howe and Martin (1998) indicated that best practices cannot be easily transferred across the globe. One of the major problems they identified was to find an internationalization strategy that accommodates the interests of Western business schools as well as those of the host countries. It was becoming clear that as one of the most market oriented sectors, business schools have the opportunity to participate in the transformation of higher education. Business schools started becoming initiators of change.

Management education and management practices are converging (Martin and Butler 2000). Reputed schools have created value through research, cases and action research. Internationalization of business called for a series of new skills. It was clear that Management development needed to create a portfolio of learning through the use of a variety of approaches. Till recently, there have been no major discussions on funding support for management education. A UK study reported that when universities depend on tax payers, their independence and standards suffer. As per this, American Universities with their mighty reserves of talent and money, look comfortably placed to compete with the new academic powerhouses emerging in India and China (Stevens 2004).

One of the major elements that helped the professionalization of management education in US and UK has been the accreditation process. In response to criticisms leveled at collegiate business education and programmatic accreditation, and the threat of competition from the ACBSP, AACSB introduced revised business accreditation standards in 1991. AACSB linked the new accreditation evaluation process for a school to its mission statement (Henninger 1998). The general consensus was that the new standards would increase the number of accredited schools by making it easier for business schools to achieve accreditation. The standards required
all programs of a particular level to demonstrate comparable minimum levels of excellence in teaching, research and service. Though accreditation as a process was well received, AACSB faced a potential dilemma. If it continued its pace of accrediting MBA programs, within 10 years two out of three programs would be accredited. It has been shown that Doctoral granting institutions with students primarily in masters programs comprise a dwindling percentage of those accredited, with the public typically judging the quality of these top tier schools by their admission selectivity, grants availability and faculty research (Jantzen 2000). The new process was also criticized by many. Under the new AACSB standards, business schools may designate teaching as their primary mission, making teaching effectiveness rather than research productivity as their goal (Yunker 2000). Some of the learning that we can have of the existing mission linked standards accreditation process are:

✓ It is considerably more difficult to assess teaching effectiveness than it is to assess research productivity, since career success of graduates is virtually impossible to measure accurately.

✓ Business School faculties preparing for accreditation or reaccreditation thus are forced to emphasize superficial and unrealistic indicators such as the number of course changes approved by curriculum committees.

✓ The AACSB should devise a set of reasonable accreditation standards with numerical guidelines established for measurable variables, and issue certificates of distinction to a minority of business schools that maintain very high levels of faculty research productivity.

Accreditation has enhanced the variety as well as standards. Re-accreditation processes make sure that the business schools are dynamic. The main learning from the accreditation process is that linking mission of the business schools with performance has been a good practice. Various levels of programs should use different yardsticks such as: teaching effectiveness, research productivity, client relationship and novelty of programs.

Quite apart from the basic accreditation there could be one, two or more levels of superior performance. Accreditation has made business schools measure learning skills and this had led to continuous improvement. Research productivity has to be an
essential element of accreditation as it will induce faculty to learn and evolve. One of 
the criticisms of accreditation process is that schools with client relationship and 
otherwise are not differentiated. It became evident that broad-basing accreditation, 
and creating levels within, may be the best mechanism for continuous improvement.

1.1.3 Trends In Management Education

After the media first introduced ranking system for business schools in 1988, business 
schools appeared more proactive in making changes, although they focused primarily 
on product tinkering, packaging and marketing. Subsequent to this, the popularity of 
MBAs rose. Global competition, emergence of consulting business and Internet based 
transactions are changing the product offerings in management education. The trends 
of evolution of management education indicate that knowledge creation is becoming 
more student based (Friga, Bettis and Sullivan, 2003). This will usher in a variety of 
changes, including, paradoxically, a trend towards closer interaction among industry, 
students and faculty. E-learning and computer based learning packages are making 
inroads slowly. A recent study has concluded that although the creation of knowledge 
will always be an important mission for business schools, other organizations are 
developing more formal management programs and creating knowledge; this may 
cause a shift in strategy as schools become more focused on gathering and sharing, 
rather than on creating knowledge. It is important to recognize that knowledge 
creation is taking place not only in ivory towers, but also in corporate boardrooms. 
Computer based tools and technologies are being used for themes where content is 
crucial. On the other hand, themes that is rich in tacit knowledge such as leadership, 
entrepreneurship and multicultural sensitivity experiential contexts are being 
generated for bringing teaching closer to real life. Thus, business schools are focusing 
more on gathering and sharing new knowledge. Many niche organizations and global 
consulting firms are increasingly becoming the source of management knowledge 
creation. It is clear that management education will emerge as one of the main foci of 
higher learning, as service economy takes precedence over other segments. Three 
roles are getting differentiated, viz., management knowledge creation, knowledge 
gathering and knowledge sharing. This will change the face of management education 
further. A recent study on management education has shown that there will be a 
fundamental shift in business school product offerings away from traditional MBA
programs to more part-time programs and education within corporations and in people’s homes [Friga, Bettis and Sullivan 2003]. The anticipated shift in primary product offering by business schools is schematically.

The future of the business school is a highly topical issue, as it is a growing business. The global education and training market will continue to be growth areas. Short courses offered by consulting companies are emerging as alternative business schools and the research conducted by various professional service firms are becoming alternative sources of business research. It has been stated that business schools, if they have to survive, have to focus on research to solve problems of enduring importance and to build such (evaluated) curricula that can actually prepare students to be effective in practicing the profession. This is with reference to the role of business schools. On the other hand, a recent report on financing of universities has stated that when universities depend on taxpayers, their independence and standards suffer (Stevens, 2004). Under-priced goods and services are usually wasted. Flexibility in setting sources of income is necessary for inducing business schools to compete on standards. Competition will make business schools continuously evolve and develop relevant and result-oriented curricula and teaching tools. Such is the scenario of global management education market.

1.2 Global Management Education Market

1.2.1 Europe:

In 1957, INSEAD became the first European university offering the MBA degree, followed in 1964 by IESE (first two-year program in Europe), UCD Smurfit Business School in 1964, Manchester Business School and London Business School in 1965, The University of Dublin (Trinity College), the Rotterdam School of Management in 1966, the Cranfield School of Management in 1967 and in 1969 by the HEC School of Management (in French, the École des Hautes Études Commerciales) and the Institut d'Etudes Politiques de Paris. In 1974, AGH University of Science and Technology in Cracow, Poland began offering a degree similar to the MBA. In 1991, IEDC-Bled School of Management became the first school in the ex-socialist block of the Central and Eastern to offer an MBA degree. Because of technology advances, distance or online MBA programs have recently emerged in Europe. Several business
schools in the United Kingdom now offer distance MBA programs. In 2007, ESCEM became the first French Business School to offer their own distance or online MBA.

Accreditation standards are not uniform in Europe. Some countries have legal requirements for accreditation (e.g. most German states), in some there is a legal requirement only for universities of a certain type (e.g. Austria), and others have no accreditation law at all. Even where there is no legal requirement, many business schools are accredited by independent bodies voluntarily to ensure quality standards.

1.3.2 Germany:

Germany was one of the last western countries to adopt the MBA degree. In 1998, the Hochschulrahmengesetz (Higher Education Framework Act), a German federal law regulating higher education including the types of degrees offered, was modified to permit German universities to offer master's degrees. The traditional German degree in business administration was the Diplom in Betriebswirtschaft (Diplom-Kaufmann; Master's degree equivalent) but since 1999, bachelor's and master's degrees have gradually replaced the traditional degrees (see Bologna process). Today most German business schools offer the MBA. Most German states require that MBA degrees have to be accredited by one of the six agencies officially recognized by the German Akkreditierungsrat (accreditation council), the German counterpart to the US-American CHEA. The busiest of these six agencies (in respect to MBA degrees) is the Foundation for International Business Administration Accreditation (FIBAA). All universities themselves have to be institutionally accredited by the state (staatlich anerkannt).

1.3.3 United Kingdom:

The UK based Association of MBAs (AMBA) was established in 1967 and is an active advocate for MBA degrees. The Association's accreditation service is internationally recognized for all MBA, DBA and Masters in Business and Management (MBM) programs. AMBA also offer the only professional membership association for MBA students and graduates. UK MBA programs typically consist of a set number of taught courses plus a dissertation or project.
1.3.4 Australia:

In Australia, 42 Australian business schools offer the MBA degree. Universities differentiate themselves by gaining international accreditation and focusing on national and international rankings. Most MBAs are one to two years full time. There is little use of GMAT, and instead each educational institution specifies its own requirements, which normally entails several years of management-level work experience as well as proven academic skills.

Ratings for Australian MBAs are carried out by the Graduate Management Association of Australia, which publishes an annual Australian MBA Star Ratings.

1.3.5 Japan:

Being the second largest Economy in the World, Japan has many universities offering MBA programs. The quality of universities and higher education in Japan is internationally recognized. Many Japanese Business schools offer Full time MBA programs, Part Time MBA programs, and E-Business Management.

Japan has about three million students enrolled in 1,200 universities and junior colleges and is consequently the second largest higher educational system in the developed world. Japan also has one of the largest systems of private higher education in the world. The 710 odd universities in Japan can be separated into 3 categories: highly competitive, mildly competitive and non-competitive (the schools that are first-tier being the most infamously difficult ones to enter).

MBA in Public universities are generally more prestigious than their private counterparts with only 25 percent of all university-bound students being admitted to public universities. The Public universities such as Nagoya University, University of Tsukuba, Kyushu University, Kyoto University offer Management studies and Business Administration and are the oldest and most prestigious universities in Japan.

1.3 Innovations in Management Education

Innovations in management came from thought leaders and consultancy firms as well as from business schools who designed and delivered MBAs. One of the major drivers
of changes of management education has been the influence of thought leaders. They brought in new concepts and new perspectives that enriched management education. Porter introduced the diamond of competitiveness [Porter, 1980]. This helped in conceptualizing the sources of competitiveness in firms as well as in industry. Prahalad and Hamel [1990] brought in the concept of core competence and this has been used widely. The third major thought leader in management has been Senge. Senge emphasized the role of learning. It plays a major role in developing and implementing strategy [Senge 1990]. The next major contribution was “emotional intelligence” [Goleman 2004]. The movement by Goleman led to “rationalize” feeling and emotive or intuitive aspects in a western cognitive frame rather than a European/Oriental existential and simultaneous frame of reference. These provide for richer frameworks that are more integrative and provide new insights for decision making.

There have been serious criticisms about the current management education pattern, both in US and in Europe. Mintzberg has been one of those who argued for significant changes. Some of the major concerns and the manner in which they are being addressed are dealt with in this section.

Mintzberg stated in his book that MBA prepared “people to manage nothing”. Synthesis, not analysis is the very essence of management. Mintzberg finds fault with the emphasis that many MBA programs place on frenetic case studies which encourage people to come up with rapid answers based on meager data. This has lead to the question “are business schools teaching the right things?” Today, business schools face more competition and more criticism about the quality of their work, than they have ever done before. This is leading to fundamental changes in the structure of the business school market and perhaps in what schools teach and how they teach it. In the US, about 25% of all masters’ degrees are MBAs. Business schools need to change their perception that the enhancements of their student’s careers are measured mostly in terms of salary.

Most of the business schools have moved away from public funding. MIT and Stanford derive their funding from endowments. Columbia, INSEAD and IMD derive their income from executive education. Kellogg focused on customized programs, made students a priority and preferred teamwork. Kellogg has a stable model and it
continuously changes its core curriculum. The current downturn has lead to a shake out of weaker and less established providers, but in the long term, executive education will remain a lucrative market. Good business schools are continuously innovating. Oxford gets back its erstwhile students while at work, for interaction with faculty for short periods. This model has been admired by many. MIT has announced a major change in the Sloan Fellows Program by giving greater emphasis on technology, innovation and entrepreneurship. Minimum requirement for this program is ten years of work experience. The program will be a flexible one, with three months stay and the remaining spread over a longer period. On the other hand, Goizueta Business School, at Emory University in Atlanta increased the University – Business interaction through field trips and client interactions. Through this model, it has been able to react in a very practical way to the shrunken job market. Goizueta Business School helped the students by being more flexible in choosing where, and in what field, they work.

INSEAD responded to the demand by pricing its Executive MBA at a lower level. It also started a new campus at Singapore. INSEAD began as an independent school with corporate help with strong focus on teaching. In the 1990s, it began devoting more time to research and putting more emphasis on research when professors come up for tenure. 65% of the revenue of INSEAD came from executive education program with the market in both Europe and America shifting away from open program towards custom designed ones. INSEAD is building a partnership with Wharton and sending faculty members to American corporate sites.

The intense competition, coupled with the changing market, has forced most business schools to look at cooperation among the schools themselves. Business school – business school partnerships, and business school – industry partnerships are increasing. MIT and BP have started a cooperation project, with MIT providing the leadership inputs. Top business schools are specializing and customizing their program and curricula, as well as changing the sources of their income. Many business schools are attempting to use executive MBAs as a source of major revenue.

Different business schools have different approaches for giving a new thrust for management education. Some more innovative approaches to management education are discussed here. As technology, globalization and the post New Economy are
changing the paradigms of business, business graduates coming out today must be
critical thinkers on an international scale in order to make insightful decisions across
multiple disciplines. MBA at McGill has taken a new direction to enhance the
educational experience. It draws on strengths of the existing programs, provides a
strong international perspective, and focuses on interactive teamwork and an
integrated approach to study. The approach attempts to maximize interaction and
critical thinking in the classroom. It considers true leadership “as engaging, not
heroic”. According to Mintzberg: “The attainment of knowledge and the enhancement
of competencies are important, but we wanted our program to go beyond these, to
help people become not just more effective managers but wiser human beings – more
thoughtful, more worldly, more engaging”. The thrust of MBA is called E3:
Enhancing the Educational Experience.

Leicester Business School redesigned its MBA in 2003. The uniqueness of the
program is that it links the teaching and research strengths of the Business Schools
with the business experience of participants. The MBA commences with an induction
program covering the fundamentals of management education. This leveling program
will facilitate participants from both business and non-business backgrounds to attain
equivalence in their knowledge base. The MBA will lead with core modules that
broaden and critically examine key business and management of fundamentals. The
integration of the core modules is achieved through a module called “Strategy in a
complex environment”. The integration is achieved by pulling together the strategic
management skills within the core modules, equipping participants with the ability to
think conceptually and holistically. One of the innovative elements of this MBA is the
flexible approach to learning that allows students to switch between the modes of
study. The MBA students have to undertake either a full-length research based on
dissertation or a shorter in-company problem that could demonstrate real life
problem-solving capabilities.

1.4 Content And Method Of Teaching

The major features that distinguish top and ordinary business schools are “what they
teach” and “how they teach”. Considerable attention is given to themes, contents and
pedagogy.
Although MBA rankings have forced business schools to pay closer attention to what its students want, Kellogg is still the standard-setter. Kellogg has devoted time to deepen its links with potential employers. Secondly, Kellogg continuously changes its core curriculum. The new system allows students to specialize sooner, making them more useful to employers. In the MBA they have moved up the courses on leadership and ethics to the fore. A class on “Leadership in times of crisis” once optional, is now mandatory. And there is a new core course on “Business in its social Environment”. Given the striking ethical failures of some recent corporate leaders, business schools are making a big deal of their improved offerings on leadership and ethics. Business schools are focusing on promoting ethical leadership. Columbia aspires to discuss ethics in every course, rather than teach ethics separately. University of Maryland’s’ business school now takes students to visit white-collar criminals in prison.

There has been focus on both what they teach and how they teach. Innovative designs and innovative delivery methods are the order of the day. University of Maryland’s R.H Smith School of business has been using a minimum security facility as a training ground for its MBAs. The program involves a visit to the prison and speaking to the executives about the ways in which deadlines and other pressures within companies can spawn ethical lapses. The objective of a program like this is stated as: “We want executives to have a look at what can go wrong, and if and when that happens, what that would mean and where you would end up if you fall into various traps”. To dramatize these traps, the program organizers use role playing exercises in which participants can ‘experience’ what punitive reaction to such ethical lapses is like. The topics covered include crisis communications coaching, instruction in the effects of corporate incentives on ethics, and social responsibility lessons.

The innovations in content delivery have been on themes that cannot be learned in a class. Through pure instruction, Harvard Business School developed a new way of teaching negotiations. The program is designed with a broad objective of learning to understand the thought processes involved in negotiation, to compare rational and intuitive decision making strategies, and to identify common mistakes made by even the most experienced professionals. The program draws on some of the most advanced concepts from the emerging areas of behavioral economics, behavioral decision research and behavioral finance. Negotiating takes many forms. Auctions are
becoming increasingly common. Coursework on negotiations focuses on analysis of case studies and on simulations that give participants a chance to roll up their metaphorical sleeves and put themselves to the test. The design is to eliminate the commonly heard complaint: “I have heard some interesting things, but I couldn’t apply them once I got back to work”.

Kellogg has a Dispute Resolution Research Centre that teaches managers to become better negotiators. These are for both MBAs and for executives. Here the approach is different. The program has a heavy emphasis on simulations, which start out as simple one-on-one negotiations and gradually become more complex. Emotionless style of negotiating, or one that seeks resolution through encouragement and positive reinforcement, usually seems more effective than one that relies on threats and bullying. Originally, negotiation was taught by the Law School at Kellogg. Kellogg Business School now offers a program that is based on experience. The major learning that made faculty revisit the course on negotiating skills is that negotiators rarely get feedback, positive or negative, on their skills and end up relying on self perception which can be unduly flattering.

Apart from ethics and negotiations the themes that used a different approach have been leadership and interpersonal skills. Ashridge Management College has been focusing on interpersonal skills. Ashridge mostly focuses on understanding their own strengths and weaknesses and give suggestions on how to strengthen their skills. Emotional intelligence approach is becoming more popular. Wharton used mountaineering in real life to teach principles of leadership. For some of the courses Judge Institute of Management has joined hands with MIT. Richard Ivey School of Management considers that organizations need leaders to be able to assess situations that are frequently complex and seldom identical to past situations. Hence leaders must recognize patterns without assuming that a situation is identical to one they have encountered before.

Business Schools across the world have introduced themes that can make the managers re-examine their own frames of reference. Babson College has introduced a course on “history of management thinking” that teaches managers not to think too much of themselves. Another theme that is receiving close attention is globalization.
Fuqua School of Business at Duke University joined hands with business school at Seoul National University, for exposing students to the realities of globalization.

On the whole, business schools are bringing together various bundles of experiences, situations and contexts including cultural sensitivities to bring management education closer to the practice of management.

1.5 History

The first graduate school of business in the United States was the Tuck School of Business, part of Dartmouth College. Founded in 1900, it was the first institution conferring advanced degrees (masters) in the commercial sciences, specifically, a Master of Science in Commerce degree, the forebear of the modern MBA degree.

In 1908, the Graduate School of Business Administration (GSBA) at Harvard University was established; it offered the world's first MBA program with a faculty of 15 plus 33 regular students and 47 special students.

The University Of Chicago Booth School Of Business first offered working professionals the Executive MBA (EMBA) program in 1940 and this type of program is offered by most business schools today.

In 1946, Thunderbird School of Global Management was the first school to offer an MBA program focused on global management.

In 1950, the first MBA degrees awarded outside the United States were by The University of Western Ontario in Canada, followed in 1951 with the degree awarded by the University of Pretoria in South Africa. The Institute of Business Administration, Karachi in Pakistan was established in 1955 as the first Asian business school by the Wharton School of the University of Pennsylvania. In 1957, INSEAD became the first European business school to offer an MBA program. In 1986, the Roy E. Crummier Graduate School of Business at Rollins College (Florida) was the first MBA program to require every student to have a laptop computer in the classroom. Initially, professors wheeled a cart of laptops into the classroom.
The MBA degree has been adopted by universities worldwide, and has been adopted and adapted by both developed and developing countries.

1.6 Basic Types of MBA Programs

Two-year (Full Time) MBA programs normally take place over two academic years (i.e. approximately 18 months of term time). For example in the Northern Hemisphere beginning in late August/September of year one and continuing until May of year two, with a three to four month summer break in between years one and two. Students enter with a reasonable amount of prior real-world work experience and take classes during weekdays like other university students.

Accelerated MBA programs are a variation of the two year programs. They involve a higher course load with more intense class and examination schedules. They usually have less "down time" during the program and between semesters. For example, there is no three to four month summer break, and between semesters there might be seven to ten days off rather than three to five weeks vacation.

Part-time MBA programs normally hold classes on weekday evenings, after normal working hours, or on weekends. Part-time programs normally last for three years or more. The students in these programs typically consist of working professionals, who take a light course load for a longer period of time until the graduation requirements are met.

Executive MBA (EMBA) programs developed to meet the educational needs of managers and executives, allowing students to earn an MBA or another business-related graduate degree in two years or less while working full time. Participants come from every type and size of organization — profit, nonprofit, government — representing a variety of industries. EMBA students typically have a higher level of work experience, often 10 years or more, compared to other MBA students. In response to the increasing number of EMBA programs offered, The Executive MBA Council was formed in 1981 to advance executive education.

Distance learning MBA programs hold classes’ off-campus. These programs can be offered in a number of different formats: correspondence courses by postal mail or
email, non-interactive broadcast video, pre-recorded video, live teleconference or videoconference, offline or online computer courses. Many schools offer these programs.

Dual MBA programs combine MBA degree with others (such as an MS, MA, or a J.D., etc.) to let students cut costs (dual programs usually cost less than pursuing 2 degrees separately), save time on education and to tailor the business education courses to their needs. Some business schools offer programs in which students can earn both a bachelor's degree in business administration and an MBA in four or five years.

1.8 Admissions Criteria

Most programs base admission on the Graduate Management Admission Test (GMAT), significant work experience, academic transcripts, essays, references or letters of recommendation and personal interviews. The Graduate Record Examination (GRE) is also accepted by some schools in lieu of the GMAT. Some schools are also interested in extracurricular activities, community service activities and how the student can improve the diversity of and contribute to the student body as a whole. All of these qualifications can be important for admission; however, some schools do not weigh GMAT scores as heavily as other criteria. In order to achieve a diverse class, business schools also consider the target male-female ratio and local-international student ratios.

Depending on the program, type and length of work experience can be a critical admissions component for many MBA programs. Many top-tier programs require five or more years of work experience for admission.

Most top MBA programs cover similar subjects within their core required courses. For information about the typical content of an MBA programs core curriculum. MBA programs expose students to a variety of subjects, which students may choose to specialize in a particular area. Students traditionally study a wide breadth of courses in the program's first year, and then pursue a specialized curriculum in the second year. Full-time students typically seek an internship during the interim. Typical specializations include: accounting, economics, entrepreneurship, finance,
1.9 Evolution of Management Education in India

Management Education in India has not grown in an evolutionary manner. American experience was grafted on to an existing educational system and did not emerge from the native educational and business context and culture. Its development has been random and its objectives, content, pedagogy and other aspects need re-examination in relation to the needs of India, in an increasingly globalizing economy. Organizations are becoming more complex and businesses more competitive. The demands on the skills of Indian managers are changing. It has become essential to re-examine the entire structure, content, purpose and pattern of Management Education.

1.10 Management Education in India: Some Emerging Issues

Excellence in any economic segment needs excellent managers who are capable of conceptualizing ideas, converting them into products and services, satisfying customer needs, enabling seamless working and continuously maintaining the competitiveness. India continues to lag in its ranking on competitiveness. If India has to become a global economic power, it has to give attention to management education as coordination of assets, supply chain and knowledge flows will become critical for maintaining the competitive edge. Before examining the issues, a review of steps proposed by various committees for improving management education are examined. This is followed by a section that highlights the emerging issues in management education in India.

1.10.1 Management Education: Some Systemic Issues

A number of committees have looked into management education in India in the past. This section attempts to identify the systemic issues faced by management education as identified by the earlier committees. Most of the problems identified by the committees continue to be there as no major corrective measures have been initiated, hence a revisit of the critical suggestions.
1.10.1.1 The Nanda Committee

Nanda Committee was the first committee that reviewed the working of the three Management Institutes of Management at Ahmedabad, Kolkata and Bangalore, to make recommendations for the promotion and development of management education in India. The Nanda Committee suggested a series of measures in 1981 for strengthening management education in India, viz.:

- Adequate funding for research to be provided without soliciting project funding. Consultancy research should cover both basic and applied types.
- IIMs should act as mother institutes and foster growth of other management Institutions in the country.
- There is urgent necessity to develop expertise in international management and offering of educational and training program in international management.
- Government control should be progressively reduced as each institute becomes more and more self-reliant.

Management education has to be research based, and utility based, the institutes should become self-reliant and the government must relinquish control over the years.

1.10.1.2 The Kurien Committee

Government of India appointed a second review committee under the Chairmanship of Mr V Kurien in 1991, to look into the direction and functioning of the four institutes of management. The committee submitted its report in 1992. The salient recommendations were:

- The mission of the Institutes of Management to strengthen management in business, industry and commerce is still relevant. The mission statement however, needs to be expanded to emphasize the IIMs’ commitment to public service and public management.
- The inter-relatedness of teaching, research and consultancy needs to be better emphasized for greater synergy. Choices in approving research and consultancy must be exercised to strengthen their interconnectedness and mutuality.
There should be a much greater emphasis on the development of relevant teaching materials and research. Appropriate policies and rewards should be initiated to strengthen this aspect of IIMs functioning.

The Government should take a flexible view in providing financial support to the different IIMs and encourage the institutes to vigorously pursue revenue generation, cost cutting, and fund raising efforts. The non plan maintenance grants may be provided as Block Grant for a period of five years.

After the institutes have become financially self supporting with the creation of the corpus fund and the package of measures for augmenting its internal resources and cutting down cost, the government grants may be limited to program considered high priority and of social relevance by government including the area of public system management.

IIMs reoriented their operations subsequent to this report. They revised the fee structure and started raising resources through industrial consulting. This helped the IIMs to become financially self-sufficient.

1.10.1.3 The Ishwar Dayal Committee

Many management institutes came up between the years 1995 and 2000. Government of India appointed another committee to develop future perspectives of management education in the light of the fast changing economic, social and business environment. The main challenge in management education has been triggered by globalization of economies, rise of market economy, rapidly changing technology and developments in communication. During 1950-1980, about 118 management institutions came up and during the 1985-2000 periods 673 new institutions came up.

Most institutions that were set up during the 90s did not follow conditions prescribed by AICTE in respect of faculty strength, library, computer facilities and the like.

They did not promote research, development of faculty or of the teaching material.

Due to rapid expansion of teaching institutions, AICTE was unable to develop an adequate mechanism for enforcing standards.
✓ The teaching methodology shows inadequate concern for applying cumulative knowledge in dealing with managerial problems.

Among all the action areas, faculty development was considered the most critical. It was proposed that 8 to 10 institutions should focus on this. Though the Committee gave its report in 2001, there were no major initiatives from AICTE for faculty development or development of teaching materials so far.

Subsequent to this, a committee was constituted by AICTE to review management education in India.

1.10.2 The Management Education Review Committee

AICTE appointed a committee in 2003 to come up with a policy and action plan for the development of management education in India, in the context of our current national requirements and national trends.

This committee suggested the following steps for strengthening management education, viz.:

✓ Increase the focus on under managed sectors such as cooperatives, forestry, urban management, infrastructure, rural development, education and legal systems.

✓ The admission of students in management schools should be only through recognized tests organized on an all India basis and used for short listing candidates for group discussions and interviews. The number of admission tests could be progressively reduced, say to two or three tests.

✓ Accreditation is one of the major means of assuring quality. Only 15 PGDM program and 30 MBA program out of the 927 MBA/PGDBM program approved by the AICTE have been accredited.

✓ In spite of having some excellent institutions, research output, by and large, of even the more prestigious institutions has not been adequate. This needs to be rectified. Over the next decade, research has to get its rightful place in the activities of management schools. While the accreditation process will help in improving the quality of teaching and training, it is imperative that research
also figures prominently as a major element in the portfolio of activities of accredited institutes.

✓ In order to have a better global exposure, to suit the requirements of industry under globalization there is a pressing need for globalization of management education.

✓ Another element which is important for globalization would be to keep our country open to the presence of foreign business schools and universities. It is necessary for Indian Institutions to work out strategies to go abroad, and allowing foreign universities to come to India, without too many obstacles.

✓ That there is a severe shortage of faculty in the entire technical education system is well recognized. In management education, the problem is more acute.

All the four committees have unequivocally indicated that management education in India faces the following systemic problems:

✓ Shortage of faculty and quality of faculty are the most critical aspects that need to remedied soon.

✓ Most of the management institutions have been neglecting research.

✓ There has been very little attention provided for preparing course materials specific to the Indian context.

✓ Library and computer infrastructure has been poor, except in the top management institutes.

✓ Management institutions did not develop interactions with industry and this acted as a vicious circle giving merely non-practical education.

✓ Management institutions invested very little for faculty development even though most of the committees earlier had identified this as a major lacuna.

These recommendations broadly indicated the lacunae in management education in India. Before a management development roadmap can be prepared some of the issues that management education is facing are delineated.
1.11 Official Accreditation

AICTE is the formal body that gives recognition to management institutions except that under universities. In India, recognition is given to institutions as a whole and not for specific courses. In other countries, accreditation is used most as a quality tool and is done for courses independently. Again, the recognition in India is based on facilities, faculty and infrastructure. Research and industry interaction do not find a place in recognition. The recognition is not sufficient to ensure that the quality norms are met with. India needs a professional body that provides accreditation to management institutes. The management schools could be classified under four distinct classes:

- Research based Schools;
- Specialized Schools;
- General MBA Schools;
- Practice Oriented and Industry linked.

1.11.1 Background of AICTE

All India Council for Technical Education (AICTE) was set-up in November 1945 as a national level Apex Advisory Body to conduct survey on the facilities on technical education and to promote development in the country in a coordinated and integrated manner. And to ensure the same, as stipulated in, the National Policy of Education (1986), AICTE be vested with statutory authority for planning, formulation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.

The Government of India (Ministry of Human Resource Development) also constituted a National Working Group to look into the role of AICTE in the context of proliferation of technical institutions, maintenance of standards and other related matters. The Working Group recommended that AICTE be vested with the necessary statutory authority for making it more effective, which would consequently require restructuring and strengthening with necessary infrastructure and operating mechanisms.
Pursuant to the above recommendations of the National Working Group, the AICTE Bill was introduced in both the Houses of Parliament and passed as the AICTE Act No. 52 of 1987. The Act came into force w.e.f. March 28, 1988. The statutory All India Council for Technical Education was established on May 12, 1988 with a view to proper planning and coordinated development of technical education system throughout the country, the promotion of qualitative improvement of such education in relation to planned quantitative growth and the regulation and proper maintenance of norms and standards in the technical education system and for matters connected therewith.

The purview of AICTE (the Council) covers programmes of technical education including training and research in Engineering, Technology, Architecture, Town Planning, Management, Pharmacy, Applied Arts and Crafts, Hotel Management and Catering Technology etc. at different levels.

1.11.2 The Organization

In accordance with the provisions of the AICTE Act (1987), for the first five years after its inception in 1988, the Minister for Human Resource Development, Government of India was the Chairman of the Council. The first full time Chairman was appointed on July 2, 1993 and the Council was re-constituted in March 1994 with a term of three years. The Executive Committee was re-constituted on July 7, 1994 and All India Boards of Studies and Advisory Boards were constituted in 1994-95. Regional Offices of the Ministry of Human Resource Development, Government of India, located at Kolkata, Chennai, Kanpur and Mumbai were transferred to AICTE and the staff working at these offices were also deputed to the Council on foreign service terms w.e.f. October 1, 1995. These offices functioned as secretariats of Regional Committees in the four regions (East, South, North and West). Three new Regional Committees in southwest, central and northwest regions with their secretariats located at Bangalore, Bhopal and Chandigarh respectively were also established on July 27, 1994.

The AICTE has its Headquarters in New Delhi which has the offices of the Chairman, Vice-Chairman and the Member Secretary and is presently housed in a building having a covered area of 38542 sq. ft. located in Indira Gandhi Sports Complex, Indraprastha Estate, New Delhi. The present building is taken on lease from the
Sports Authority of India. The Government of India has allocated 5 acres land in the campus of Jawaharlal Nehru University, New Delhi, for constructing the administrative and other buildings of the Council.

**The AICTE comprises of nine Bureaus, namely:**

Faculty Development (FD) Bureau

Undergraduate Education (UG) Bureau

Postgraduate Education and Research (PGER) Bureau

Quality Assurance (QA) Bureau

Planning and Co-ordination (PC) Bureau

Research and Institutional Development (RID) Bureau

Administration (Admin) Bureau

Finance (Fin) Bureau

Academic (Acad.) Bureau

For each Bureau, Adviser is the Bureau Head who is assisted by technical officers and other supporting staff. The multidiscipline technical officer and staff of the Council are on deputation or on contract from various Government Departments, University Grants Commission, academic institutions etc.

**1.12 AIMA**

The All India Management Association (AIMA) was created as an apex body of professional management with active support of the Government of India and Industry in 1957. AIMA is a group- a body to pool management thoughts in the country, a forum to develop a national managerial ethos, an organisation to facilitate the furtherance of the management profession in the country. AIMA is a federation of Local Management Associations (LMAs). AIMA today affiliates 58 LMAs across the country and two Co-operating management associations i.e. Qatar Indian Management Association and Mauritius Management Association. AIMA has established close linkages with over 3000 institutions and over 30,000 individual
professionals directly and through network of the Local Management Associations. AIMA’s activities include Distance management Education, management Development Programmes, national Events, Competitions, Research, Publication and Testing Services. AIMA is represented on a number of policy making bodies of the Government of India and a number of National bodies / organizations. Some important ones are as under:-

All India Council for Technical Education (AICTE), which is the apex regulatory body for professional education in the country under the Ministry of Human Resource Development (HRD), Government of India

- Council of Institute of Applied Manpower Research
- Boards of Governors, Indian Institutes of Management (Ahmedabad, Bangalore, Calcutta, Indore and Kozikode)
- Bureau of Indian Standards, New Delhi
- National Productivity Council, New Delhi Central Direct Taxes Advisory Committee
- AIMA is frequently co-opted by the Government on Specialised Committees.

AIMA is an active member of the Asian Association of Management Organizations (AAMO), which is the Asia-Pacific regional body of the World Management Council (CIOS).

AIMA maintains close links with a number of overseas professional institutions like the American Management Association, Chartered Institute of Management (UK), all the National Management Organisations in the Asia Pacific Region and St Gallen University of Switzerland among others. AIMA could play a major role in the accreditation process as it is the apex professional body for management. It is active in management education and represents a large number of stakeholders. Probably for Indian Business Schools, a multi-parameter benchmarking could be used. We cannot use the American and European accreditation process directly, it needs to be modified and adapted to our specific context. Accreditation will improve transparency in the ranking process. In Europe/America, accreditation is done at the Programme level. For example, Accountancy Programmes are accredited. In India, we have to start with
a school wise approach first. Accreditation could facilitate both specialization and research focus. The accreditation should include assessing the mission of the schools and its own strategic plan for upgrading the curricula and developing the teachers. Though recognition is predominantly a government function, accreditation has to be linked to the richness of the offering and the process orientation of the business schools, and that can best be performed by a professional body. Accreditation has to be a continuous process and it has to lead to continuous improvement in quality. These changes could help in bringing a certain degree of competition among the business schools. The prerequisite for changing management education is a consensus based approach to accreditation in association with major stakeholders. One of the major changes taking place in management education is increased customization of programmes. Accreditation has to consider the extent of customization of programmes. In the Indian context, if accreditation has to lead to real improvement in management practices in real life, it has to encompass “commerce education” since it has a much broader base, and a larger coverage.

1.13 Business School Ratings

There are about 1400 b-schools in India, most of which are private entrepreneurial ventures. It includes university departments, government funded (like the IIMs) or heavily supported by business houses. About 80 to 100 b-schools are added to this pool every year. With that the competition also heats up gradually and so does the importance of ‘branding’. No wonder the (private) education industry has emerged as one of the biggest ad-spender. The campaigns between June and October every year turnout to be the biggest attractions for media, and hence the ‘special issues’. In this brand-building exercise all sorts of exaggerated claims are advanced, naturally to attract as many applicants as possible. The media-supported b-school ratings serve as an important platform for branding exercise. For many poorly rated b-schools, the ads work as a neutralizing agents. As the number of b-schools goes up, so does the confusion for the average MBA aspirant. The students, therefore, are becoming more discerning as the time passes by. They seek ‘more and better’ information on b-schools in order to short-list their choice of destination. Almost all b-schools have information on their websites but it is, at times, not considered reliable. Thus the rating/ranking of b-schools has gained importance over time. For media this increases
the circulation of the special issues containing ratings but also fetches them huge ad revenues.

After AICTE was set up, approvals were granted to a variety of institutions to run post graduate programs. Due to the time pressure the process adopted by AICTE was not fool proof. As a result some of the approved institutions did not even have bare minimum facilities such as faculty, library, building, computers etc. The need to have a proper accreditation process was badly felt at that time. AIMA’s attempt to implement an objective accreditation mechanism did not bear fruit. Many b-Schools with little or no capability had received accreditation from AICTE’s National Board of Accreditation. Although AICTE had a well defined accreditation process on paper. But when it came to implementation, questions were raised. As a result AICTE drew flak from experts in management education all over the country. The need to have some objective and impartial B-School rating was felt at this stage.

This opportunity was seized by Prof Dharani Sinha, whose consulting firm COSMODE was pioneer in launching the b-school ratings in 1998, with Business Today as the media partner. After COSMODE did the first ranking with Business Today magazine, other ranking agencies/ and publications also jumped the bandwagon in course of time.

1.14 Global B-School Ratings

Cosmode-BT’1998 rating may be the pioneering effort in India to grade/rank b-schools, but globally such exercises have been undertaken for decades. The first ever b-school ranking was done by Columbia University in the US in 1972. This was more of an academic standard evaluation. This pioneering effort used two different types of data. Factual information on research /publications by the faculty members of the b-school under scanner and Perception-based evaluation by the Deans about b-Schools. Columbia’s ratings were followed next year by yet another university -Georgia State University, albeit with a modified criteria. GSU added two new factors -the curriculum of the b-school and more importantly the employability of its graduates.

We have not seen so far any academic institution taking up the cudgels to undertake a rating exercise as happened in US. Media dominance of evaluation /ranking in India is also based on international pattern. Even in the US the b-school ratings was taken
over by the media. Prominent among them are: Business Week (BW), Financial Times, U.S. News & World Report, the Wall Street Journal. Since 1986, BW had conducted surveys, every two years, of graduating MBA students and recruiters to create a customer satisfaction scorecard. US News and World Report launched its B-school ranking exercise in 1990, Asia Inc in 1995, Financial Times in 1999, Forbes in 2000, and Wall Street Journal in 2001. The methodology used, parameters and the weights allocated in these surveys are different. The ratings therefore are drastically different from each other.
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<th>Media</th>
<th>Started</th>
<th>Frequency</th>
<th>Weightage &amp; Ranking Criteria</th>
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<tr>
<td>Business Week</td>
<td>1986</td>
<td>Every 2 years</td>
<td>45% students’ survey, with different parameters</td>
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<td>45% recruiters’ survey with different parameters</td>
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<td>10% faculty publications</td>
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<td>Annual</td>
<td>40% Deans’Survey</td>
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<td>35% Graduates Employability / starting salaries,</td>
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<td>25% Students academic quality ( GMAT Scores included)</td>
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<td>Asia Inc</td>
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<td>Annual</td>
<td>20% Peer-Reputation Ranking (by Deans)</td>
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<td>45% School &amp; Faculty Quality</td>
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<td>35% Students’ academic quality</td>
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<td>Financial Times</td>
<td>1999</td>
<td>Annual</td>
<td>20% Graduating Students starting salary</td>
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<td>20% 3-year growth in salary post MBA</td>
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<td>10% faculty research/ publications</td>
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<td>10% international faculty &amp; students</td>
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<td>5% Ph.D. students placement</td>
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<td>5% faculty with doctorate</td>
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<td>5% women faculty and students</td>
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<td>25% other criteria related to admission, curriculum etc</td>
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<tr>
<td>Forbes</td>
<td>2001</td>
<td>Every 2 years</td>
<td>Surveys alumni; Measures “return on investment in dollars and cents” by focusing on salary and gains in comparison to tuition costs</td>
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1.15 Management Education: Some Emerging Issues

Though there have been a number of committees that suggested improvements in management education, there have been no significant changes in management education except in the top ranking B-Schools. This section examines the major issues that need to be addressed if management education has to improve in India, so that managers could respond to the challenges of global competition.

- **Implementing Changes in Management Education**

There are too many agencies dealing with management education. Management education must be the concern of the body created by law for governing management education – The All India Council for Technical Education and its subsidiary – The Board of Management studies. Combining the governance of technical and management education under one body was a mistake. A National Task Force on Management Education should be appointed. The Task Force needs to address the following issues as stated in an article by Mr. R. Gopalakrishnan, current President, and All India Management Association.

- Identify the steps that can be taken to extend management education to domains such as cooperatives, hospitals, NGOs, public governance etc.

- Create greater awareness and sensitivity through extension of the management curriculum to agricultural marketing and rural economy as two-thirds of our population lives there, and the gap between the per capita incomes of the agrisector compared to the non-agrisector has been widening since Independence.

- Identify the measures needed for upgrading the quality of faculty and research, as most of the committees have pinpointed the inadequacies.

- To explore ways in which the interaction between academia and management could be improved.

- Consider ways in which standards of several mediocre and in different institutions of management are enhanced, possibly through an accreditation approach, as management is an experience based theme.
Look into the possibility of formation of All India Council of Management Education quite independent of AICTE.

The purpose of the Task Force is to create an enabling institutional mechanism that will give a new thrust to management education. This will ensure that there is an independent institutional mechanism to specifically deal with management education and also give a new thrust for management education.

- Ensuring Quality Faculty

The establishment of AICTE resulted in the sanctioning of a large number of B-Schools. While giving sanctions to a large number of institutions, AICTE was unable to create adequate machinery for the development and training of faculty to teach in management courses with an applied bias. As AICTE was unable to monitor the quality standards in the institutions, they stipulated in 1997 that from that year onwards, institutions would have to seek affiliation from a recognized university before they are given sanction to start a program of study. The new requirement concerning university affiliation, the inadequacy of the monitoring systems and the shortage of faculty for teaching management resulted in the following conditions:

- Institutions engaged part-time faculty of individuals on contract who taught a course and in most cases, had little involvement either with the institution or the students

- New faculty members without any experience joined institutions on low salaries and carried a heavy teaching load. They had neither time nor the necessary background to take up research or development of teaching material. They gave lectures mainly drawn from textbook or materials from textbooks or materials based on their company experience.

- Except for the 10 % or so institutions which updated their programs and teaching technology, the quality of management remained substandard in the sense that they paid inadequate attention to application of knowledge, self awareness among students and development of problem solving, and decision making skills.

The two critical issues to be addressed are mechanisms for ensuring quality of faculty and making the learning student-centered. This requires faculty experienced in student
centered learning and adequate library and computer support. The issue is to change the bottom rung of 70% of the institutions that are located away from metros/cities.

- **Developing Material Relevant to the Indian Context**

  There is an increasing awareness that many of the ideas and concepts that have been effective in the countries of their origin have been less effective in India. While many industrialized countries have tested and adopted management practices that are in perfect harmony with their culture and tradition, India is yet to do this exercise through systematic research and study. For example, we do not have good cases or teaching material on managing ITES. The materials available are not specific or relevant to our context. There are no easy approaches for solving the issue of inadequacy of context specific material, but to develop an agenda for that, as developing material is a specialized and time consuming task.

- **Promoting a Research Culture**

  The management institutions do not have a culture that is supportive of research. This problem existed even in (low ranked) B-Schools in US. Imbibing a research culture requires faculty with interest in research and a good library support system. A research culture needs a research community and a research agenda. Such a culture will be created only when it becomes an organizational priority and there is top commitment for building that. If the targets of B-Schools are predominantly monetary, a research culture will not emerge. It was been proposed that the enhanced support for research can be brought about in three ways, viz.:

  - Certain themes that need special study in the next 5/7 years should be funded, and scholars should be invited to undertake research in those areas.
  - Research granting procedure should be seriously reviewed to support individual project proposals and
  - Encouraging institutions that have adequate support systems to start Ph.D. programs.

  The issue is how to make B-Schools create and support a research culture.
• **Evolving An Accreditation System**

As indicated in the earlier paper on accreditation, one of the emerging issues is to identify the process to be adopted for implementation of an accreditation system. Accreditation needs to be separated from recognition. The accreditation has to be fair, transparent, independent as well as ruthless. The accreditation process (indicated in the previous section) that is used by EFMD has been reported to be a widely accepted one. As accreditation process tends to become a political one, the issue is to evolve a method to insulate it from the political interference. Accreditation that uses benchmarks of various parameters could reduce subjectivity. The rapid growth in the number of management institutes requires a specialized body rather than the all-encompassing AICTE to carry out accreditation. A council exclusively for management education is needed, and the process of accreditation and recognition needs to be made separate. The accreditation process has to cover commerce education as well. In most other countries, management education covers this as well. This will ensure that management education has a broad base in India. All the degrees covering management commerce and accountancy should be under one agency.

• **Corporate Governance for B-Schools**

As indicated by S. L. Rao in his paper a major weakness is lack of a corporate governance system in B-Schools. This issue needs careful consideration. Though the primary responsibility for upgrading and maintaining the quality of education must rest with the concerned institution, in the absence of a proper corporate governance system, this has not been so. There is a need to induct independent directors as well as to implement independent audit committees for managing the B-Schools. Nothing has been done so far in this direction. The B-Schools should become process driven. Corporate governance has to be made an element of accreditation. Faculty development as well as faculty involvement in the administration needs to be a part of the corporate governance agenda. Transparency has to be the root of corporate governance. Information on faculty qualifications, the size and contents of the libraries, availability of computer facilities, adequate provisions for scholarships, reach out programs to take management education to deprived sections of the population, a rating for all institutions that guides students and recruiters in making sensible choices, have to become a part of the corporate governance agenda in B-
Schools. The issue is how to make B-Schools implement such an agenda. This may require a strong monitoring system and statutory reporting on the lines of SEBI, for corporate governance in listed companies.

- **Student Testing Service**

  This again is crucial as testing becomes the basis of input quality in management education. Many institutions have their own admission tests for which they usually charge fairly high fees. The issue is to ensure that admission and testing need to be segregated, as in the case of US. Evolving a national testing service and evolving a comprehensive testing system have to examine comprehensively. There seems to be no need to have so many tests and the proposed All India Council of Management Education would need to examine the possibility of reduction in the number of tests while at the same time ensuring that the quality of testing is not sacrificed for the sake of uniformity.

- **Developing Interaction with the Industry**

  Except in the case of the top ranked B-Schools, there are no mechanisms to forge close relationship between B-Schools and industry groups. Development of industry interaction is an evolutionary process. The main strength of top class B-Schools like Kellogg, Wharton, Sloan and Harvard is their strong relationship with industry through teaching, research, student placements, problem solving and case study preparation. As indicated in the first section of this paper top level B-schools continuously interact with major corporations. The recent example of BP setting up their learning centre adjacent to MIT, Cambridge shows that as competition increases, industry–B-School cooperation will go up. The issue in India is to make this happen in the case of the low ranked B-Schools in India. There has to be an institutional mechanism for developing liaison with industry in each B-School.

- **Bringing in Specialization**

  There are some business contexts specific to India. The issue to be examined is how one could bring in an element of specialization so as to enhance the relevance of management education. For example, agricultural services, infrastructure management, contract research, high tech entrepreneurship, hospital management,
NGO and ITES are rapidly growing areas in business. These businesses need customized management education. Curricula customization, specific material development and faculty specialization are some of the neglected factors that led to poor quality management education in India. Though some B-Schools have introduced MBAs focused on telecom, financial services and infrastructure management, there have been very little efforts on customization. On the other hand, materials prepared for other contexts are being directly used without examining the contextual validity.

- **Broadening the Perspective**

One of the major concerns that have been expressed widely about B-Schools has been that the people coming out have a very narrow perspective. Management education and more specifically the MBA has little if any discernible positive effect upon career success or managerial performance. Management is a value laden field. The group of critical management thinkers are of the view that management needs have to be taught in ways that explicitly acknowledge the political, ethical and philosophical nature of management practice. Management education does not make better managers. This is not because of deficiencies in management education, but due to the nature of management as a value laden activity. Reconstruction of management education has to recognize that managers need to attend to interpersonal relations, communication, conflicts, feelings, politics and the like. This brings us to the issue that there is a need for managers to connect to a wider set of public duties than that of corporate performance through a liberal education. Gray of Judge Institute of Management, Cambridge University has shown that management education has to facilitate the broadening of perspectives. Linstone has been one of the management thinkers who showed that management is all about grappling with multiple perspectives. Technical, organizational and personal perspectives on any issue could differ considerably. The issue is how one can inculcate multiple perspectives thinking in management education.

- **Learning Real Business Issues**

One of the issues that management education has to consider is the manner in which experiential learning elements could be enhanced. This could also enhance the context
specificity while learning. Given the considerable contextual and institutional varieties of management education not just between different countries but within them, learning has to be experiential. Real life situations are complex. Bringing in a living experience is a more promising vehicle for the introduction of messy, irrational complexity which is arguably closer to management realities. The challenge of management education is to bring students close to real situations. There are no easy solutions as there are many unknowns in real life situations and many events unfold in an evolutionary manner as decisions are made. In the recent past, a series of studies known as “Critical Management Education” have emerged. Critical Management Education is that body of education practice arising from a research tradition known as “Critical Management Studies”. This school considers that management education has been typically, although not exclusively, informed by the interest of corporations and of managers rather than by those of stakeholders in organizations and wider society. Facts are always impregnated with values and there is no real distinction between morally and politically neutral means such as management has traditionally concurred to be and the value laden ends. The issue is to ensure that management education makes people capable of handling real life situations and at the same time make them understand the value frame they use for solving problems and dealing with real life situations.

- **Inculcating Values**

Pfeffer and Fong of Stanford Graduate School of Business have brought out some lessons from the US experience on business schools. B-Schools in U.S. face a number of problems, many of them as a result of offering a value proposition that primarily emphasizes the career enhancing, salary increasing aspects of business education as contrasted with the idea of organizational management as a profession to be pursued out of a sense of intrinsic interest or even service. These arise from a combination of a market — like orientation to education coupled with an absence of a professional ethos. The issue in India is to make B-Schools create greater impact by focusing on values and ethics as the guiding principles.
Creating a Global Mindset

London Business School recently published a study that identified the knowledge, skills and attributes young leaders need in order to succeed. The competition is nothing but a race for mastering knowledge and skills. If Indian industry has to compete globally we need executives with world class talent. The issue is how to inculcate a global mindset, though managers may act only locally. Andrews and Tyson recently published a study that identified, the elements of knowledge, skills and attributes that young leaders need to succeed. These are based on a survey of executives from 20 countries. The survey brought out some issues viz.:

- Executives have to move from the cheap seat to the front row of business leadership, and business schools must develop a new approach to teaching and learning. How can business schools carry this out rapidly?

- Business schools have traditionally provided a reflective learning space, a place to absorb information and knowledge. How can they be made to imbibe an agenda that is practical and action oriented?

- Globalization is an art – an art of human relations that, like other arts, is presented through insights gleaned from teaching and from experience, and honed by continual practice, day in day out, in the executive suites of the world’s corporations. The issue is to create executives with management and leadership capabilities on a worldwide scale. The study shows that there has been a shift in companies recruiting and development emphasis from knowledge to skills and attributes. This means that each business school must pick the place it intends to compete, creating a differentiated mix of teaching and training opportunities drawn from the three sets of meta attributes that companies require of their executives.

1.14 Management Education in the 21st Century:

Institutions today aim to achieve their goals by offering and exchanging values with various markets and publics. It involves the institution in studying the target markets’ needs, designing appropriate programs and services and using effective pricing, communication and distribution to inform and serve the market.
Marketing of education has been well established as a global phenomenon. The modern day system of higher education is marketed with many new features and ideas. The salient features of education in the new-age are: an open and flexible system, direct and easy access to every learner, a broad based and futuristic visionary stream of learning, edutainment and infotainment and centered learning i.e. more emphasis on insight and knowledge than mere information collection, new knowledge with a personal touch and need and utility oriented learning.

The universities in the third world countries today are on the threshold of a new era. Population explosion, rapid advancement and expansion of new areas of knowledge, increased reliance on aid in solution of social and scientific problems have all contributed to the reshaping of the responsibilities and goals of the universities and schools imparting management education.

Management education being an integral part of higher education is also on the verge of transformation. The present educational system, no doubt, is a great advancement in many of the ancient areas. However, there is a feeling that, it is based on an insufficient knowledge of human psychology and human personality. It is worthwhile examining the demands in the present system of higher education from two angles: the existing status and the future changes which besides other changes highlights innovative thinking and liberalized learning. (Annexure 1)

The eminent educationalist and academician P. Khandawala (cited by Adhav and Joshi, 2002), has rightly envisaged the future of education in India in the coming decades, “Only the learning organization can cater to today’s dramatic demands quickly. Not only will the global markets reward learning, but they will severely punish the lack of it”. The first step to overcome the shortfalls in the Indian education system is to know whether its customer is satisfied and if not how can this be achieved?

1.15 The Indian Scenario:

Postgraduate education in management in India is currently enjoying a higher demand than ever before, for several reasons:

- A large number of graduates are coming out of colleges and institutes every year, making every job opportunity highly competitive and difficult to get. With job opportunities not being expanded in similar proportion, the majority of these graduates turn towards postgraduate education.
• Many multinational companies attracted by India's "open door" policy, adopted due to economic liberalization and globalization, have recently set up their branches and offices in India. These companies, during campus placement and recruitment, have shown a preference for candidates with postgraduate management degrees.
• Several companies have raised the entry-level qualification itself to post-graduation with specialization in management. This is being done to ensure availability of candidates with better skills and knowledge and also to filter out the large number of applications they receive for every job that they advertise for.
• Many students feel that a postgraduate qualification, particularly in management, will provide them with special skills like good communication abilities, ability to work in teams, leadership quality and exposure to current trends in business and commerce, thus enhancing their employability.

Table 1.2 Factors Influencing the Quality of Management Education System.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Institutional Factors</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Goodwill of the institute</td>
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<tr>
<td>2</td>
<td>Quality Admissions</td>
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<tr>
<td>3</td>
<td>Good Placements of the students</td>
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<tr>
<td>4</td>
<td>Research &amp; Consultancy</td>
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<tr>
<td>5</td>
<td>Healthy Academic Environment</td>
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<tr>
<td>b) Personal Factors</td>
<td></td>
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<tr>
<td>1</td>
<td>Promotions &amp; Rise in Payscales</td>
</tr>
<tr>
<td>2</td>
<td>Personal Knowledge Enhancement</td>
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<tr>
<td>3</td>
<td>Recognition in the society &amp; industry</td>
</tr>
<tr>
<td>4</td>
<td>Research &amp; Post Doctoral Studies</td>
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<tr>
<td>5</td>
<td>Better Job Opportunities</td>
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<tr>
<td>6</td>
<td>Self Satisfaction</td>
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<tr>
<td>c) Customer Factors</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Strong Knowledge Base</td>
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<tr>
<td>2</td>
<td>Practical Orientation</td>
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<tr>
<td>3</td>
<td>Experiential Learning</td>
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<tr>
<td>4</td>
<td>Personality Development</td>
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<tr>
<td>5</td>
<td>Career Guidance &amp; Counseling</td>
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<tr>
<td>6</td>
<td>Higher Jobs &amp; Pay scales</td>
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1.16 Need and Objectives of study

Need of study arises due to the changing trends in management education. And the numbers of Business schools have been mushrooming. Many research agencies do surveys of top B schools, taking different parameters in consideration. So in this we will study the overall factors affecting B schools and then compare the B schools performance and their rankings by different Research agencies. The main focus of the study is to study the existing management education in India

Objectives of Study:

1. To study the existing management education system in India.

2. To analyze the opinion of the selected interest groups regarding existing management education system, i.e. students, faculty and HR executives.

3. To compare the performance of selected B schools in India.

Chapterisation of The Thesis:

In the introduction chapter of the dissertation, global and Indian scenario of the management education system is discussed. Various committees that have been formed over the period of time to bring out reforms in the management education system have also been discussed. Along with this certain key issues facing the management education system are also discussed in length. Next in the review of literature, various research papers and journals were studied to understand the management education system in general. Thereafter in chapter three, a detailed research methodology to carry out the research is discussed. Later in chapter four and five a comprehensive detail about the analysis of objectives is discussed thereby satisfying all the objectives of the study. In the latter part of the report, findings and suggestions are mentioned.