

Management Education in India: Trends and Challenges

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The burgeoning Indian economy is creating a serious demand for high-quality managers to oversee the nation's growing businesses. That makes acquiring an MBA a valuable proposition that ensures a quick return on investment. Management education has grown considerably over the last 45 years to keep pace with the growing demand. There are over 1,250 approved business schools, 1,25,000 full-time and 1,00,000 distance MBA students and nearly 2 lakh MBA aspirants take the Common Admission Test every year. In terms of growth, management education in India has followed global (read US) trends with some lag. Just like in the US, in India too, the two year MBA was followed by one year executive MBA and currently the focus is shifting to evening and part-time MBAs, often backed with distance learning.

Unfortunately, Indian business schools vary widely in terms of the caliber of the faculty, quality of curriculum and infrastructure, and placement record. A few of the schools, including the Indian Institutes of Management, have built up a reputation for high quality education and their graduates compete successfully for global placement opportunities. However, academic standards of most of the business schools are pathetic. In fact at the low end of the spectrum we find outfits which charge exorbitant fee from gullible students but provide negligible academic value add.

The competition for admission to good schools has become tougher over the years. In 1968, IIMA got to select one out of 30 applicants. Today they get to select one out of 400 applicants (against one in 10-20 in comparable schools in US). The immediate challenge for management education is to enhance the academic standards across the board to create a reasonably large pool of good quality institutions. For upgrading the quality of education, paucity of good faculty is the major bottleneck. This problem can be addressed by having strong doctoral programmes in our top 20 business schools. In offering doctoral programs top Indian schools should collaborate with each other and with schools abroad making use of new technologies. Rating and accrediting agencies have to focus on the lower end of the spectrum of business schools, so that there is stringent enforcement of quality standards, leading hopefully to closure of substandard teaching shops.

Regarding content, management schools the world over have been modifying their curricula. Growing globalization of business has led to greater international focus in the curriculum incorporating courses on global leadership, diversity management, managing across cultures, etc. Moving a little away from the basic business proposition of western MBA programs defined as “the enhancement of the careers, measured mostly in terms of salary, of their graduates”, business schools in India need to take up the challenge of enhancing ethical, interpersonal and intercultural sensitivity of business students as an integral part of management educator’s responsibility! It includes holding a corporation accountable to a multiplicity of key stakeholders, not just shareholders, responsible not simply for wealth creation through fair means, but also for long-term preservation of harmony with the environment.

One of the emerging trends in business is the availability of large amounts of micro data through increasingly pervasive use of information technology. To make use of this data for managerial decisions, knowledge of quantitative data analysis and modeling needs to be strengthened. On the other hand, increasing size and complexity of organizations requires softer skills to manage diverse teams working in different geographies. It has been difficult for most schools to balance these two approaches in their curriculum. It is not even clear whether the two sets of skills should coexist in the same person or, like many large corporations do, a team of backroom analytical boys can support the field-savvy soft-skilled frontline managers.

Whereas good schools abroad have students from a variety of academic backgrounds, with their multiple perspectives lending rich insights to class discussions, in India there is preponderance of engineers among management students. The twin challenge for Indian schools is to increase the presence of non-engineers in the classroom, and to attract students from developed and developing countries both of which would enhance diversity in the classroom and would expose the leaders of tomorrow to the Indian business world.

Compared to some other disciplines wherein knowledge generation and its dissemination through education sets the direction for application of knowledge in the field, management as a discipline has been a lot more reactive to its environment. Much greater emphasis is needed, especially in India, on basic and applied research for management education to lead practice.

For bolstering their position, good management schools in the country need to keep the global best schools as their lodestars. Blessed with exceptionally bright students, dedicated faculty and staff, and a formidable reputation for professionalism, IIMs have the potential to emerge as global leaders in setting new aspirations for management education, and showing the way to achieve them. And they need complete autonomy in determining their salary structures, raising funds, etc. It is their autonomy which has brought IIMs this far. For raising management education in the country to the next level, it is vital that this autonomy of IIMs is protected and enhanced.