

**MANAGEMENT EDUCATION IN INDIA**

by

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**April 1992**

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## Abstract

In this paper, an attempt has been made to critically examine the management education in India and identify the factors hindering its effectiveness. According to the author, lack of clarity regarding the expected outcome of the management education programme, discipline-orientation and ivory-tower approach of the academicians, lack of involvement by practitioners in the industry and bias towards conceptual learning are some of the factors hampering the effectiveness of the Indian management education. He gives general suggestions for enhancing the effectiveness of Indian management education including: a) shifting the focus of programmes from conceptual learning to skill development, attitude change and value classification; b) acquiring a faculty having a greater practical orientation and an inter-disciplinary approach; c) establishing greater collaboration between the management institutions and the industry with regard to the design and content of management education programmes and research; and gradually discontinuing the government financing of management institutions and encouraging these institutions to generate funds from the industry and the market.

## **INTRODUCTION**

Management education in India is more than a quarter century old. During this period, there has been a

tremendous growth in the number of institutions offering management education. In addition to the four Indian Institutes of Management and five or six other premier institutions, there are more than 50 university departments offering post graduate level management courses. A systematic evaluation of the management education imparted in these institutions and the contribution of the management education in improving the functioning and performance of Indian organizations is overdue.

In this paper, an attempt has been made to critically examine the management education in India and identify the factors hindering its effectiveness. Some suggestions for enhancing the effectiveness of management education in India have been made.

The important issues discussed in this paper are:

- Perceptions regarding the quality and utility of the management education in India
- Lack of an inter-disciplinary orientation, the lack of contact between the academicians and the practising world and the consequences in terms of lack of responsiveness to the needs of the practising world
- Politics of curriculum design and review
- Bias towards conceptual learning in the design of management education programmes and in the admission process
- Lack of incentive for management institutions to adapt to the changing needs of the practising world

## **PERCEPTIONS REGARDING THE QUALITY AND UTILITY OF THE INDIAN MANAGEMENT EDUCATION IN INDIA**

The dominant perception regarding indian management graduates is that they are bright and that they make very significant contributions to the performance of organizations. The perspective, knowledge and skills acquired by them through the management education programmes enhances their effectiveness to a significant extent.

Conversely, an equally strongly held view is that management graduates learn a lot of theory and jargon. They are very impractical and impatient. They don't have the humility needed to comprehend the complexities of organizational realities. The truth lies somewhere in between. On the whole, the management graduates, particularly from the top ten management institutions are much sought after, and most of the management graduates even from the rest of the 50 and odd university departments manage to get fairly good jobs. Considering the high level of unemployment among the educated people in the country, the demand for management graduates does say something about the industry's perception of management graduates.

But the perception of various organizations regarding the utility of management graduates is very subjective and not based on any systematic study. Because of their high

conceptual ability and communication skills, management graduates make a good impression on the senior executives of organizations and get selected as executives. However, due to many external factors not under the control of these executives, it is often difficult to make an objective assessment of their performance on the job. The fact that the admission to management programmes is highly competitive (only 2 to 3% of applicants get accepted) and the selection usually involves a very rigorous procedure, contributes to the high quality image of management graduates.

Whether management graduates are more effective than others in managerial roles is itself not known with any degree of certainty. Even if they are more effective, then it needs to be determined whether their greater effectiveness is due to their high levels of conceptual and communication skills as revealed by the rigorous selection procedure or due to the education they receive in the management institutions.

It is quite possible that if the lists of candidates offered admission to the post-graduate programmes in management were available to the various organizations, many of them would be directly offered jobs. Some organizations may see the primary benefit of management institutions as one of screening the unwieldy (about 30,000) number of applicants and short listing a more manageable number (600)

of candidates, with good conceptual and communication skills. The benefits of management education per-se may be perceived as being of secondary importance.

All these arguments are not aimed at showing the present day Indian management education in a bad light, but only to highlight other aspects which need to be taken into account for making a more objective assessment of the effectiveness of management education.

#### **LACK OF A PRACTICAL ORIENTATION AND CLARITY REGARDING THE OBJECTIVES OF THE PROGRAMMES**

Though Indian management education does seem to have some practical value, there is scope for considerable improvement. In the last 25 years, India has undergone great changes, but like the proverbial Ambassador car, there has hardly been any change in the Indian management education during this period.

With significant changes taking place in trade, industry and economy, the Indian management education programmes are becoming less and less relevant. To cope with the increasing competition and globalization, due to liberalization, Indian organizations are trying out newer and newer management systems and techniques like TQM (Total Quality Management), JIT (Just-in-Time Inventory). But management education has not been able to keep pace with the

dynamism of the practising world. Very few academicians from the management institutions are in touch with the day-to-day reality in organization. Besides, their strong discipline-orientation makes a majority of them unable to comprehend the implications of the changes taking place in the practising world.

Changes in management practice often doesn't fit neatly into traditional disciplines like Economics, Behavioural Sciences, Marketing and Finance. Academicians, whose training is usually grounded in one of these disciplines seem to find it difficult to suspend their discipline-orientation and look at what is going on from a practical and inter-disciplinary perspective.

As a consequence, only small incremental changes are being attempted in the management education system. The design of the management education programmes is more often than not done by academicians sitting in their ivory towers. Feedback from the practising world is rarely collected and whatever little feedback is received, tends to be ignored. Academicians often tend to brush aside feedback saying, "the practitioners only think of the immediate utility whereas we need to prepare our students for the long term."

In the design of the management education programmes, there is insufficient clarity regarding the expected outcome

of the programme. There appears to be no clear idea regarding the knowledge, skills, abilities, attitudes and values required of a person, to be effective in Managerial roles. In effect, there is no model of an 'effective manager'. Management education programmes often merely imitate the graduate programmes of American Management Schools, as developed 30 years ago, with minor modifications.

### **POLITICS OF CURRICULUM DESIGN AND REVIEW**

In addition to the discipline-orientation and lack of contact with the practising world, the vested interests of faculty groups seem to play an important role in curriculum design and review, particularly in institutions where Post-Graduate Programme teaching is considered prestigious. The programme curriculum often tends to be viewed as a piece of cake to be shared among the different disciplines. The issue of "turf" seems to play an important role in curriculum design and review. Whether there has been an increase or decrease in the number of teaching hours in one's own discipline seems to be more important than whether the new curriculum is appropriate in the changed context. This struggle for a larger share of the cake often results in the curriculum review process becoming highly politicised and consequently, the outcome is often not in tune with the needs of the situation.



## **BIAS TOWARDS CONCEPTUAL LEARNING**

The design of the management education programmes indicates a strong bias towards conceptual learning. Development of appropriate skills, attitudes and values does not seem to be as important.

The underlying assumption in designing the systems and processes of management education seems to be that the primary task of a manager is one of making right decisions and leaving implementation to others. This assumption is very much at variance with the research findings regarding the nature of a managerial job. According to Katz (1974), conceptual skill is just one of the three skills required for being an effective administrator, the other two being technical and human skills, and at the lower levels of management, it is less important than the other two. According to Mintzberg (1971), a manager needs to play a number of roles: "interpersonal" roles of figure head, liaison and leader; "informational" roles of nerve center, disseminator and spokesman; and "decision" roles of entrepreneur, disturbance handler, resource allocator and negotiator. These studies indicate that in order to be effective in managerial roles, making the right decisions is not sufficient; one should be equally, if not more effective in playing all the other roles indicated above. In addition, one must also have good human skills.

If management education programmes are designed keeping the above factors in mind, the focus would shift from conceptual learning to greater skill development.

But since academicians have a strong liking for conceptual learning prefer to teach what they know best - concepts and models - rather than identifying what is required to be an effective manager and help the students to learn that even if it is difficult to teach.

### **BIAS IN THE ADMISSION PROCESS**

In fact, this bias towards conceptual learning in the design of the management education programmes has been carried even into the admission process. The admission process is geared to select candidates who are good thinkers, though good thinkers are not necessarily good doers. Studies regarding the relationship between admission criteria and performance of candidates in management education programmes indicate that there is a significant positive correlation between them, i.e., those who rank higher in the merit list at the time of admissions tend to obtain higher grades in the management courses and vice versa. But there are no studies to indicate a positive correlation between academic performance in management education programmes and on-the-job performance. In fact, many students who don't perform well in their

management courses, often get the most coveted jobs and seem to perform equally well in their jobs if not better than their classmates who got better grades.

This seems to indicate that the admission procedure and selection criteria of the management institutions are geared to favour those candidates who can learn the most from the management programmes and not necessarily those candidates who have the maximum potential to be effective in managerial positions. This appears to be a topsy-turvy Alice in wonderland situation where the programmes are designed to enable the management faculty to teach what they like best and the admission process is geared to select those who can learn the most from what is taught at the institutes. Whether the candidates admitted to the programme have the best potential for on-the-job effectiveness in managerial roles or not seems to be unimportant. In fact, not much has been done to develop a method of assessing a candidate's potential for on-the-job effectiveness in managerial roles.

There seems to be a confusion regarding the objectives of management education programmes. This seems to be a case of cutting the cart before the horse.

The idea of choosing candidates with maximum potential for effectiveness in managerial positions, even if they may not be the best learners (in terms of the grades), would, I

guess, look funny to most academicians. As the admission process prefers thinkers and doesn't care much with whether they are also doers or not, most of the management graduates prefer desk jobs where they can sit, think and analyse. They find it uncomfortable to take up line jobs like selling and production management, which require them to squarely face and successfully cope with the harsher realities of the organizational world.

### **LACK OF INCENTIVE TO ADAPT TO THE CHANGING NEEDS OF THE PRACTICING WORLD**

Since management education in India is predominantly in the Government sector, management institutions continue to flourish inspite of their not being responsive to the changing needs of the practising world. The tuition fee charged from the students is ridiculously low and a large proportion of the capital as well as revenue expenditure is subsidised by the Government. For this reason, even if the practising world feels that the value addition from management education programmes not much, there won't be any effect on the viability of the management institutions. Secondly, since the Indian industry is growing rapidly, the management graduates from the top institutions are in a sellers' market. Most of the graduates from the 50 and odd management departments in universities are also able to get reasonably good jobs. In any case management departments in universities may not consider job placement as their responsibility. In such a situation, there is no

incentive for the management institutions to adapt to the changing needs of the practising world and improve the quality of their management education.

This situation is very similar to that of the Indian Industry, which, due to its protection from global competition, has been able to sell inferior quality products at high prices and flourish.

### **HOW TO IMPROVE THE EFFECTIVENESS OF THE INDIAN MANAGEMENT EDUCATION**

Taking into account the above factors I have made the following suggestions for enhancing the effectiveness of the Indian Management Education and making it more relevant to the changing needs of the Indian practising world:

- i) DEVELOPING A CLEARER UNDERSTANDING OF THE EXPECTED OUTPUT AND HENCE HAVING CLEARER INPUTS AND TRANSFORMATION PROCESS

Firstly, each Institution needs to make a conscious decision regarding the kind of output it wants, i.e., whether it wishes to develop entrepreneurs, or managers who are primarily thinkers and analysts, or managers who are primarily doers. Keeping this objective in mind, systematic studies need to be conducted to develop a model of an effective entrepreneur/manager. If necessary, instead of a single model, different models of effective

managers in marketing, sales, production, finance, etc., have to be developed. Skills, knowledge and abilities, traits and attitudes required of each type of manager/entrepreneur need to be identified. Based on these models of the desired output, the input and transformation processes need to be designed. To do this, the traits, abilities and skills, knowledge and attitudes required to be an effective manager need to be classified into those which can be learnt in the classroom relatively easily in a two-year programme and those which can't be learnt/acquired easily in a short span of two years. The second category of traits, attitudes, skills, abilities, and knowledge need to be incorporated into the admission process as necessary selection criteria. The management programme should focus on enabling the students to acquire the first category of attributes, i.e., the necessary traits, attitudes, knowledge, skills and values which can be taught/easily acquired during the short span of two years. If the input and transformation process are designed with clear objectives based on a clear idea of the desired output, the effectiveness of the management education programme will improve very significantly. Consequently, the focus of management education will shift from conceptual learning to greater skill development, change in attitudes and beliefs, and value clarification.

## ii) FACULTY SELECTION AND DEVELOPMENT

Though Management Institutions do need to have faculty members with a strong grounding in the basic disciplines, they also need to have a larger proportion of faculty members without great depth in any single discipline, but having greater breadth and inter-disciplinary orientation. In addition, institutions need to recruit practising managers with sound conceptual abilities in greater numbers as faculty. Faculty members, having no experience of working outside of the academia should be given a feel of the practising world so that they develop a better understanding of the practitioner's perspective. They should be encouraged to work, either on sabbatical leave or otherwise, in industrial and commercial organizations for a period of at least two to three years. This will enable them to test out the applicability of their concepts. This will also encourage them to do more practice-oriented rather than theoretical research. This will, in addition, develop an inter-disciplinary approach even among the discipline-oriented faculty members and bring in a greater practical orientation.

## iii) GREATER COLLABORATION BETWEEN INDUSTRY AND THE INSTITUTIONS WITH REGARD TO MANAGEMENT EDUCATION AND RESEARCH

The current level of collaboration between the institutions of management education and the practising

world is grossly inadequate. A few Executive Development Programmes are conducted or a little consultancy service is provided by the institutes to the industry. Occasionally, a few organizations permit research to be undertaken on their premises. In addition, management students are given a feel of the practising world during their summer projects of two months duration.

In spite of all these activities, there is not much meaningful exchange of ideas and knowledge between the practising world and the academia.

In order to achieve greater collaboration between the practicing world and the management institutions, as suggested earlier, faculty members need to spend a few years in the practising world. Likewise, the practitioners need to be encouraged to spend a year or two at the management institutions to facilitate exchange of ideas and knowledge.

In designing and conducting the management education programmes, greater collaboration is needed between the institutes and industry. At present, the involvement of industry in this activity is very minimal and this needs to be changed.

Like the German technical education system, in designing the management education programmes, greater practical orientation needs to be developed. Instead of a



two-month summer project of dubious value, approximately half the period (say 10 to 12 months) should be spent in the practising world grappling with real life problems. The programme design should be such that practical learning in organizations should be interspersed with class room learning i.e., after a term at the institution, the students should spend a term in the industry and then back at the institution. To guide the students and help them to gain meaningful practical learning, in the organizations also teachers/mentors need to be identified. For this type of education system , a far greater degree of involvement and commitment by the Industry is required in the design and conduct of management education programmes. As the students returning after one or two terms in the industry are likely to raise uncomfortable questions, this system would also put pressure on the faculty to reduce the gap between theory and practice.

So also, in the conduct of research, greater industry-academia interaction is required. As in the other applied fields like medicine and engineering, management research needs to be more practice-oriented, i.e., unlike the current practice, the applicability of new concepts and theories need to be tested in real-life situations. This would encourage researchers to come out with more practically relevant research designs, concepts and theories.

#### iv) BRINGING IN GREATER MARKET ORIENTATION

To provide a greater incentive for management institutions to adapt to the changing needs of the Indian Industry, it is suggested that Government financing of the management education should be curtailed. Instead, over a period of time, in tune with the increasing free market orientation of the economy, management institutions should be encouraged to depend on the industry and the market to finance their expenditure. When the industry has to provide funds, it would have a greater say/influence in the design and conduct of the management education and research activities. The institutes will be more responsive to the needs of the practising world.

So also, when the students have to pay tuition and other fees close to the actual costs (about 30 to 40 thousand rupees at present), there will be greater public scrutiny of the costs incurred vis-a-vis the quality of education received and the value-added. Together, these two forces are likely to make the management institutions more dynamic, more responsive to the changing needs of Indian organizations and more cost-effective.

#### **CONCLUSION**

To conclude, though management education in India, like Indian industry, is flourishing in a Government-subsidised

sellers' market, it lacks the incentive to respond to the changing needs of the practising world. Though management education does add value to the management graduates, there is considerable scope for improvement. Lack of clarity regarding the expected outcome/goals of management education, discipline-orientation and ivory-tower approach of the academicians, lack of involvement by practitioners in the industry and bias towards conceptual learning, are some of the factors hampering the effectiveness of the Indian management education.

Suggestions for enhancing the effectiveness of Indian management education are:

- Design of the admission criteria and curriculum need to be based on a clearer understanding of the goals of the management education;
- Focus of the management education may need to be shifted from conceptual learning to skill development, attitude change and value clarification;
- Acquiring a faculty having greater practical orientation and inter-disciplinary approach ought to be made an important objective in the faculty selection and development;
- Establish greater collaboration between the management institutions and the industry with regard to the design and conduct of management education programmes and management research;
- In order to provide greater incentive to the management institutions to respond to the needs of the practising world, Government-financing of management institutions should be gradually discontinued and management institutions should be encouraged to generate the funds they need from the industry and the market.

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