

Emerging TQM issues in Management Education in India: Restructuring for Global Competition

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ABSTRACT

The quality of Business Education dwindles at a complex pace in the world. This phenomenon forces academicians, researchers, policy makers and think tank to scrutinize and review business education to make it objective oriented, mission based, qualitative and beneficial for all the stakeholders. Management education institutions in India are expected to deliver quality out comes to the stakeholders namely employers, society and higher educational institutions. There are various issues which require to be addressed for restructuring of management education which will be helpful to create jobs rather than finding it. This paper discusses various TQM issues like changes in management education, accreditation, quality faculty, promoting research culture, creating global mindsets, corporate governance, learning real business etc. which are needed to handle and reduce the gap between industry and academia. This paper examines the TQM issues that need to be addressed and possible directions so that management education can be rejuvenated, create jobs and make innovations in entrepreneurship and business.

Keywords: Entrepreneurship, Management Education, TQM

Introduction

Growth in India's economy has accelerated in recent years, driving demand for technically and professionally qualified manpower. Education plays a vital role in bringing about development in the society and the quality of higher education cannot be ruled out. Teachers have a great responsibility in creating awareness among the students about different entrepreneurial opportunities available in the society and also in nurturing their interests and preparation for self-employment as a career alternative. Inadequate education and skills render a large proportion of educated youth unemployable. Corporate investments in employee education and training, therefore, continue to play a critical role in skilling India's youth. Evolving demographics unambiguously point out that India will remain a young nation, and the largest contributor to the global workforce, over the next few decades. From 2010 to 2030, India's total working-age

population is poised to rise to 962 million from 749 million, accounting for 28 per cent of the global increase over the period. If the Ministry of Human Resource Development, Government of India is to attain the targeted gross enrolment ratio, the country will need to set up a large number of universities and colleges. This indicates the urgent need for scaling up delivery in higher education, and more importantly, ensuring continuous improvement and quality of education provided.

India's burning issue is not that of lack of talent pool, but the lack of talent pool which is on par with quality of world class and employable. Employers presume that only 15 percent of people coming out of Indian colleges are employable. The rest are branded 'not employable.' Again, not for the lack of theoretical knowledge, but for the lack of skills and attitude necessary for doing the job successfully. This is truly a challenge as well as a social responsibility. The need of the hour is to produce employable and quality manpower.

Higher and Technical Education Scenario

The higher education system in India has grown in a remarkable way, particularly in the post-independence period, to become one of the largest system of its kind in the world. It is more than half a century ever since the government initiated a planned development of higher education in the country particularly with the establishment of University Grants Commission in 1953. During 1950 and 2012 the number of universities has increased from 20 to about 634, and colleges from 500 to 36154, and teachers from 15,000 to 9.46 lakhs. Consequently, enrollment of students has increased from a mere of 1 lakh in 1950 to 189.29 lakhs.

Also, Indian Technical education system has undergone massive expansion in post-independent India with a national resolve to establish several Universities, Technical Institutes, Research Institutions and Professional / Non-professional Colleges all over the country to generate and disseminate knowledge coupled with the noble intention of providing easy access to higher Technical education to the common Indian. However, India is short of the professional and technological workforce it needs to sustain its current rapid pace of economic growth. The current education system cannot meet the requirements created by its world-class IT industry and a growth pattern that is now dominated by exports based on professional and technological services. It may have one of the world's largest cadres of science and technology expertise on an absolute level but, in relative measure, it is falling behind. According to a World Bank report, India will require 23 million professionals by 2011; the current shortfall is 500,000 (Dutz, 2007).

The New York Times reported on 17 October 2006 that India was only half way toward attaining the enrolment rate it needs in professional and technological personnel training to sustain its rapid economic development (Tilak, 2007). The rapid growth of Technical Education in India in the last two decades is primarily due to two reasons, large gap in demand and supply and steep growth of economy. The growth of industries in the Country, just after independence, also demanded the need for qualified professionals in other fields in addition to engineering, such as Business Management, Architecture, Hotel Management, Pharmacy etc. Despite the fact that necessary financial aid is ready at disposal, Technical education in India is facing certain problems in its quality, and the general observation is that the quantitative expansion of technical education has resulted into lowering of standards.

Market for Management Education

Why do the best youth study management? There is a huge demand for managers not only in business enterprises but also in non-profit and non-governmental organizations. Intense global competition has propelled management education into an increasingly central role in the success of individuals, business and corporations. 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 a master 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. At the same time corporations are intensifying their efforts for management development.

Today, an MBA has gained importance due to the emergence of professionalism in corporate sectors. The competitive business environment has paved the way for increased demand for management graduates in the employment market. This has led to a significant expansion of management education across the country. Though the market has been growing, there have been attempts to assess the adequacy of efforts at various points of time.

Management Education in India

Although the diverse elements of Management such as Commerce, Economics, Finance, Psychology and Industrial Sociology were being taught for a long time, the need for Management Education in a formal way was felt in India only in the fifties. The first department of management studies was set up at Indian Institute of Science, Bangalore in 1948. However, it offered courses only in economics and social sciences. Soon, management courses began to be offered by the already running institutions. Some of these institutions were XLRI School of Business and Human Resources, Jamshedpur (1949) and Indian Institute of Science and Indian Institute of Social Welfare and Business Management, Kolkata (1953). The institutes which started the full time MBA program in the 1950s and 60s are Delhi School of Economics (1954) which later on was passed to the Faculty of Management Studies under University of Delhi, Department of Commerce and Management, Andhra University (1957), Motilal Nehru Institute of Research and Business Administration, Allahabad University (1965), Faculty of Management Studies, Banaras Hindu University (1968) etc. This brought an era of merging of commerce and humanities with management and the establishment of department of management in the Universities. Parallel to this was the setting up of IIMs- the most sought after institutes of management in the country. IIM-Calcutta is the oldest IIM in the country set up on November 1961, followed by the establishment of IIM-Ahmadabad on December 1961 in collaboration with Sloan School of Business and Harvard Business School respectively. The third IIM appeared in 1973 in Bangalore & the fourth IIM was inaugurated in 1984 in Lucknow. Subsequently, IIM Indore and IIM Kozhikode came up in 1996 and 1997 respectively and today, seven more IIMs have been started at Ranchi, Shillong, Guwhati, Tiruchirappalli, Raipur, Udaipur and Kashipur. There was a time when managers were distinct from engineers. Today is the age of cross functionality and techno management; merging engineering and management education. The pioneer in this was NITIE, Mumbai (1963). Today, the IITs play a big role in producing techno managers. Gradually, departments of management were set up in Kharagpur, Delhi, Bombay, Madras, Kanpur and Roorkee within the IIT system. Over the years, a number of institutes began to offer various types of management courses. However, the real growth was from 1991 (the year of liberalization in India). Table 1 and Table 2 show the growth of Management education in India since 1950. This data shows tremendous rush for Management admission in the country.

Table-1: The Growth of Management Education in India

Period	No of Business Schools added	Average Annual Addition
1950-1980 (30 years)	118	4
1980-1995 (15 years)	304	20
1995-2000 (5 years)	322	64
2000-2005 (5 years)	1017	169
2005-2013 (8years)	2262	203

Source: Adapted from Dayal, I., "Developing Management Education in India", *Journal of Management Research*, 2(2), August 2002, page: 101 & AICTE Process Handbooks

Table-2: Number of Management Institutions and seats from 2005-11

Year	No. of Institutes	Annual addition	No of Seats	Seats added
2005-06	1052	127	80464	30663
2006-07	1132	80	94704	14240
2007-08	1149	17	121867	27163
2008-09	1523	374	149555	27688
2009-10	1940	417	179561	30006
2010-11	2262	322	277811	98250
2011-12	2385	123	352571	74760
2012-13	2450	165	385008	32437

Source: AICTE Process Handbook for 2011-12

The number of management education institutions is increasing rapidly. Global competition is changing the relationship between management education and business. There is considerable gap between actual expectations from the corporate and management education provided by the institutes. In the Indian context, it is imperative that B-schools strive continuously to make management education context specific. Over the past few years, exponential growth in the management education sector has compromised the quality of education. Therefore, it is imperative to look critically into the present continuing trends and emerging issues in management education to ensure its quality and utility to face the globalization.

Implications for Management Education in India

The quality of management education in India does not follow a normal distribution curve. At one end are India's best business schools, which have an enduring legacy of providing high-quality education, and are striving to reach international standards. At the other end, are the schools that offer a largely homogeneous education quality; these are usually managed by entrepreneurs with a greater focus on business goals than on academia and student development. The need for improvement in quality is reflected in the increasing training spends by corporate India on its entry-level management graduates. Reports suggest that corporate spend the equivalent of as much as two months' salary that is paid to the recruits, for training them in basic skills that should have been acquired by the recruits at a business school.

Until recently, there was not much focus on the need to improve the quality of management education, as demand continually outstripped supply. However, recent trends are likely to augur well for quality improvement in management education in India. Several business schools have not been able to fill their seat capacity for the academic year; as supply outstrips demand, business schools will be compelled to strive for and showcase good quality education.

Several issues plague quality standards in management education, from the operational constraints associated with attracting quality faculty and students, to the need for increasing interactions with the industry to ensure currency of the course material. More importantly, students tend to consider business school education to be a conduit to attaining a high paying job; acquiring the requisite skills for these jobs, however, receives secondary status. Business schools have, in turn, been investing tremendous efforts to ensure that their students get placed, rather than in inculcating employable skills.

Management educations have to focus on the topics to be taught (what has to be taught) and method of delivery (how it has to be taught). Management education has to give emphasis on making management education relevant to the Indian Context, the themes to be covered, and the way the topics have to be dealt with. Detailed coverage has to be developed for each subject. Since management is a practice oriented domain, management education has to incorporate an element of on-the-job training. This will need a mix of concepts, cases, exercises as well as simulations for themes such as business strategy, market planning, business negotiations, leadership, business ethics and team work. The main lesson that one can glean from an analysis

of US Business education is that they give considerable attention to context design and theme delivery modes.

The second point is that both European and US management education has been made context specific through cases, exercises, experiences, sharing, problem solution and simulations that are prepared for the respective business contexts, whereas management education in India has yet to be made context specific. There has to be a massive effort to prepare context specific materials. This will need willingness on the part of Indian business groups to share materials for case preparation.

Emerging TQM issues in Management Education

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. Followings are some 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.

Issue 1: 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 is not effective. Following issues are to be addressed for implementing changes and ensure quality in management education.

1. Look into the possibility of formation of All India Council of Management Education quite independent of AICTE.
2. Identify the measures needed for upgrading the quality of faculty and research, as most of the committees have pinpointed the inadequacies.
3. To explore ways in which the interaction between academia and management could be improved.
4. 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.

5. 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 agri-sector compared to the non-agri-sector has been widening since independence.
6. Identify the steps that can be taken to extend management education to domains such as cooperatives, hospitals, NGOs, public governance etc.

Issue 2: 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. AICTE is unable to monitor the quality standards in the institution due to inadequacy of monitoring system. This resulted in the following conditions:

1. 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.
2. 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.
3. 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.

Issue 3: 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.

Issue 4: Promoting a research culture

The management institutions do not have a culture that is supportive of research. 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 is proposed that the enhanced support for research can be brought about in three ways, viz.:

1. Certain themes that need special study should be funded, and scholars should be invited to undertake research in those areas.
2. Research granting procedure should be seriously reviewed to support individual project proposals and
3. Encouraging institutions that have adequate support systems to start Ph.D. programs.

Issue 5: Evolving an accreditation system

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 should 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. All the degrees covering management, commerce and accountancy should be under one agency. This will ensure that management education has a broad base in India.

Issue 6: 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.

Issue 7: 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.

Issue 8: 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. 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.

Issue 9: 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.

Issue 10: 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.

Issue 11: 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. 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.

Issue 12: 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.

1. 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?
2. 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?
3. 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. 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.

Conclusion

There are various emerging TQM issues about management education in India which are needed to be taken care for facing global competition. There is a huge gap between industries and academia. Industry bodies have little understanding of what is missing and wrong in management education. Nor are they sufficiently visionary to understand what should be the content of management education for the future development of India. The industries should come forward to academic institutions on a large scale by;

1. Sharing knowledge and resources through visiting faculty scheme
2. Permitting industrious academic staff to do sabbatical projects
3. Conducting workshops in latest technologies

4. Inviting innovative project design proposals
5. Establishing centers of excellence with institutions
6. Providing opportunities to do student internships
7. Insisting through proper forum the required changes in the curriculum development and revision of syllabi as and when required
8. Raise fund with in-house Research and development and backend support by academic institutions.

To conclude, B-Schools in India have to do considerable thinking and envisioning so that the products coming out are capable of meeting the job demands of a global marketplace, though the firms may operate only in some geography. The existing system of accreditation and benchmarking are insufficient to make the B-Schools respond to the new context. The schools that are not on the top need to be supported and they have to be monitored through an appropriate system of corporate governance. Emerging issues regarding quality assurance to be tackled carefully so that management education in India could be able to create jobs and sustain in global competitions. That leads towards innovation in entrepreneurship development.

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