



## **Changing Scenario of Management Education in Recession**

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### **Abstract**

Imparting teaching and training of business management has to go in the similar drive of the business firms in formulating strategy, implementing plans of action, defining the future role, preparedness for the future troubles and crisis as the industry in reality practices. Crisis management has to be some thing beyond the books in the management institutions. Recession in reality has lot more things in store for the management institutions to learn and act for the future. Dynamism and the trend to change and the continuity of it is pivotal in the decision process of the management education in India. Management education is at the infant stage in India, it has miles to go in order to compete with the world in class and need to contribute a system like other Asian nations "Japan" in particular. Strategy, Planning, Dynamism, Action, Pragmatic approach as the benchmarks are required to be incorporated in the management education to stand apart and to stand with. Recession is like an unwarned storm, economic storms are obvious, every industry needs to stay prepared with the disaster management strategy so is the education industry too. Industry oriented and society oriented approaches of management education in building the nation is as vital as the imparting of the quality education to the young professionals. Influx of expertise is required from all walks of life and professions along with the non bureaucratic interference in the content development. Formalities of the government norms need to be well measured and validation of the training programmes too. Certifications to be recognized through a proper technical evaluation board rather than, with an age old depicted guidelines. Barriers of the content development to be relaxed and practical orientations to be prioritized in management education. Quality only sales, B' Schools should deliver the same to survive and win in the recession. Recession has a lot in store to learn from the situations in the management education.

**Key Words:** Liberalization, B- Schools, Privatisation, Japanese Management, Degree Education, Cooperative Business.

### **Introduction**

#### **1. Management Education in India**

The drive of India from closed economy to open economy was not a shift rather a compulsion in 1991. Major pressure was from the changing economy in the neighbourhood China which was simply twelve years ahead of the India in liberalizing the economy in 1978. Asian tigers were also a threat to this closed economy. Super 303 and other trade embargos were by the US and allies disturbing the national industries and other trends like high import duties, Monopolistic market, regulated exchange rates etc. were causing higher spending for the consumers.

The country realized the significance of the open market as benefit for the consumers and the industry to act as global players in the future. MNC's ventured at a swift pace to this second

biggest market of the world with offerings of the global quality and competitive prices. Fierce competition in the market place forced many leading Indian companies to wind up their business. From 1990 to 1995 India experienced the scarcity of the technical and managerial manpower. Realising the trend government turned liberal in opening up of the technical and management institutes under the surveillance of the statutory bodies. The trend continued and today India has more than 1500 Business Schools with legal validations. Similarly, technical education has also mushroomed through institutions across this country. In this process government curtailed the education budget and also successfully made this department a profitable one.

Indian B' Schools in the process of inception adopted the American model of education to cater to the global companies need without proper research in this field. New B' Schools which came up with the objectives of profitable business added Deshi blend to the management education by adopting couple of Japanese Management papers to the curriculum without understanding the relevance of it. Undoubtedly the world is crazy with the Japanese Production Management Techniques and style. The mad race of management education institution building continues in this country as it's customers are more willing for a technical degree rather than any general post graduate qualification. This decade from 2000 - 2009 is faced with new challenges of specialized management education and the skills training as the bench mark of any institution.

## **2. Boom in Management Education**

Realising the need for the growth of the society in India, Management education has a big role to play in the nation building by catering to career plan of students keeping the new trends in the economy in mind. Job oriented education or the profession oriented education is the key theme of the career planning of the youngsters. M.B.A. or PGDM with specialization in any of the available streams makes an easy entry path for a job in the corporate sector. Knowing it very well, that jack of all trades is master of none, the management education – ensures a good job for the sincere students in the business world, hence majority of the students opt for these courses.

Privatisation of the Universities and providing of the Deemed university status to institutions fulfilling the norms of the statutory bodies, have added many new universities in the country. This process has encouraged many such organizations to provide an uplift standard of education away from the traditional patterns as their unique selling proposition of the organization. At the same time government assisted institutions have also gone up for expansion drive and market matching fee structures resulting in the expensive proposition of the higher education to the masses of the country as well as denying the higher education to the meritorious students of the society. At the same time protagonists of the private education drive do have the logic of stating that high fee structures are the result of a non economical student enrollment permission provided by the government. It's not simple to argue that privatisation of the education is the right thing for the country like India. Every year more than ten universities are added to this country's profile of education. Unfortunately, none of the Indian universities are within the top 250 universities of the world in the Times ranking of the world universities.

Higher education controlling and regulating bodies role have been minimized and some of them are justifying their stand as the profit making government organisations. Profit is a good word for the industry but, how good it is for the education which has benevolent objectives. Defined control mechanisms do have much illogical standing as norms to control the higher education in this country. Medical education is one of the sufferers of these norms. Technical educations such as non degree education are the gainers of these norms. Management education being a post graduate programme is based on a fallacious scale of economy of the operation. Initial operation costs of the institutions are non economical but on graduating to the higher enrollment of the students operations cost and economy of business becomes smooth. Even some of the universities using the commercial loopholes are able to produce more than 12000 MBA graduates per year and have minimized the value of the management education. Those having an edge over the others being premier in this segment have justified their stand with multiplied fee structure. In the last couple of years top B' Schools fees have gone through the roof and mind blowing figure if compared to the figures of the fees years before. Which have redefined their clientele.

## **3. Paradigm Shift in the Management Education & Training**

World economy has taken a new turn. Driving forces of the market is shifting from developed world to developing world. Financial Crisis, Economy Slowdown. Recession etc. are going to be more frequent in the world market. Happenings of such situations are more frequent in the last two

decades. Preparedness of the society and the industry in particular is required with defined strategies. Last year's situation of this financial crisis is a lesson for the US and European society to learn at large from the post colonial effects.

Majority of the B' Schools of India are following the American pattern of teaching to prepare the business graduates for the corporate houses as professionals. Industry too has the inclination of following the western management styles. Such syndromes of the industry turned fatal with this financial crisis and the recession. Presumably, scholars of the technical education patterns do argue for such events to happen again and again in the near future. Can India afford such a borrowing style and techniques of the western world to fit to its education system? Many may disagree to the concept of Indianisation of the technical education. Same can be learned from the Japanese who championed from the Asian region in managing the sound economy of the nation.

Management education in its history is very new in this country and professionalism has not been poured in to it in full swing. Copying the masters of this trade is our motto. Changes which are required in this system are not yet fully realized. B' Schools are trying to cater to the needs of the industry to place its graduates at different positions in the industry. Missing links in the education pattern is least care for the entrepreneurial education in the B' Schools. We are teaching management and forgetting trainings for the future utilisation. Basic skills trainings are missing in the top B' Schools MBA programmes in India. To list few training programmes like Medical First Aid, Basic Fire Fighting and fundamentals of preparedness for the Disaster Management are not incorporated in to the Management curriculum. Skills trainings are missing to a great extent in the curriculums of the Management Institutes. Regional trade and industry learning methods are missing in the management teaching. Nothing is called as "Indian Management System" to learn in the B' Schools of India, but we have enough literature to learn about Japanese Management Systems and our teachers are sincere in imparting Japanese Systems to the students as high funda and powerful punch lines of learning skills. Practical orientation like Managing Small Business, Mixed Farming Business, Livestock Management, Agribusiness, Cooperative Operations Management, Applied Rural Marketing, Managing small business within limited resources, managing small service outlets and many such streams are missing in our B' Schools curriculum. Graduates produced by the management institutions are fit for the jobs at large rather than to be the entrepreneurs.

When the job market collapse due to recession, unemployment of the management graduates become high. Neither the graduates nor the management institutes are prepared to cope with such a situation. Number of entrepreneurs produced from the management institutes are at the lowest in percentage terms in India in comparison to the western world. Recession also severely affects the B-Schools' economy and operation. Student intake depends on the placement track record of the institutes. Quality institutes are able to sale their graduates and at the same time average institutes struggle hard to achieve some campus placement success. Hiring organizations look for a defined standard in the graduates and expertise of the candidates in different industry skills. Matching to their needs is an expensive matter for the industry. Industry look for hiring professionals, are shifting due to recession impacts. Management education should have the curriculum of imparting specialized learning of managing organizations in the crisis.

#### **4. Specialized learning**

As this is always accepted that management education is more dynamic as a stream, frequent changes in curriculum is obvious. Specialised learning skills and trainings are the call of the day. Retail Management, Agribusiness, Cooperative Business Management, Small Business Management, Live Stock Business Management, Commodity Trade and Business Management, Supply Chain and Logistics Management, Port and Infrastructure Management, etc, needs due clearances from the education control bodies to be the fulltime programmes in many B' schools in India. Many such specialized learning like Media Management, Events Management, Campaign and Promotions Management, Social Services Management, Non Profit Organizations Management, Public Affairs Management, Environment and Forest Management etc. do have some presence in this country but insufficient to the need of the time.

#### **5. Mid Size Management Programmes**

Some of the B' Schools are offering one year specialized programmes of contracted companies as a strategic tie up with the hiring organizations. Such programmes are Insurance and Banking Services Management, Events Managements etc. which are of more on sales skills programmes

and in the industry the manpower turnover is very high. Infact, such programmes have no statutory validity and recognition. These programmes do needs attention of the authority for legal validation and recognition. Many such new programmes needs to be introduced based on the corporate needs and the society's requirements. Even many additional management programmes are required for the professionals skills enhancement of the qualified MBAs which should be incorporated in the management institutes as additional training modules. Mid size management programmes should spread over from six months to one year at large and conglomeration of such programmes should constitute a specific level of degree depending on the time frame of learning with validation endorsed by the statutory body.

#### **6. Certificate Programmes**

Significance of certificate programmes are very well recognised in the last couple of years in Indian management education. Durations of such programmes ranges from week to six or eight weeks. Certification programmes with the MBA degrees are treated as an extra advantage in seeking a corporate assignment of choice. Numbers of skills training are meant only for couple of weeks. To name few as prime requirements of the management graduates are Six Sigma, JIT in Services, Stress Management, Effective Communication, Team Work Skills, Leadership Skills, Crisis Management, Kaizen, Disaster Management, Negotiation Skills, TPM, TQM, Medical First Aid, Industrial Fire Fighting, Disaster Rescue Operations, etc. Some of the B' Schools have already adopted to their curriculum such time based programmes. Similarly corporate houses do train their executives, which they can avail based on the institutes corporate interface and the public relations. B' Schools do need to augment their expertise in the skills training and to bank on the certificate programmes as a quick revenue generating scheme. Certification programmes recognition should come from the statutory education bodies to encourage the participation. To keep up the global standards of management education in India, certification programmes will be of great help to the management institutes. Some of the advanced certificate programmes could stretch up to six months or nine months even.

#### **7. Management Education in Trouble Times**

Recession has many things to offer to the organizations to experience and learn. Core industries, Service sector, Life style products, and the industry in toto experienced the power of the trouble and unpredictable market buying behavior in this recession. Management institutes being associated with the industry and a part of the education industry should move more cautiously in a calculated way so far risks are concerned. Post recession situation is going to prove that only quality survives in the management education and many B' Schools are going to be "sick for sale" like the industry experienced in the previous recession situation. Quality education doesn't comes from the quality infrastructure (Building), it comes from the Quality Manpower and Dynamic Teachers. Quality manpower hiring can not be sufficed by the pay scales provided by the AICTE or UGC. Management education very well needs industry professional's infusion in the teaching methodology and fraternity. Industry interface shouldn't be a fashionable event in the B' Schools rather a real interaction between the students and the professionals. Industry standard pay packages will attract more industry professionals to pick up the teaching assignments. Some B' Schools have already adopted the recruitment patterns, rest needs to follow this. Students intake also requires proper filtering because a common statement stands valid "Garbage in is garbage out". Many B' Schools are at the premier positions because of their students intake not by the faculties they have. Availing the advantage of the same many of them have hiked the course fee so high that meritorious students will think ten times before opting for these institutes. Post recession phase is going to be a tough time for them. Mediocre B' Schools have strategies to gain mileage out of these situations. Current recession has a short life span to continue, but the next will not have the similar duration. Recession kills the industry as well as the management institutes. Survival strategies are very much important to meet the situation. Management education teaches the business strategy but has less strategy for the self.

#### **8. Conclusion**

To survive change is a must. Either you change or you perish. Management institutes should opt for dynamism in the management and it's strengths the faculty should go for knowledge enhancement and industry oriented trainings to adopt innovative teaching and training methods and modules. Barriers of the entry of the professionals should be minimized and statutory authority should redefine the norms qualitatively and liberally. Research works of the institutes needs

overhauling. Quality should take place instead of tagging of the higher degrees. Proper mechanism of research work should come in to force in the varsities.

Management education has no option, change as per the need of the time stands is the Mantra of success. Strategy to meet the future challenges can only come from the think tank of the faculty for which ownership feelings has to be injected by strong retention policies of the management. Job security & right environment only motivates the good faculty to continue for a long in the current assignment. Good faculty and some star performing faculty do attract the better students to opt for the institute and its programmes.

The course fees of the business education are going through the roof. To avail the best intake affordable course fees should be offered by the institutes. To offer competitive fee structure seat limitations by the AICTE to be relaxed, and more qualitative monitoring methods to be implemented rather than the structural mechanisms. To avail the justified regulatory mechanism the B, Schools should stand up on a proper platform with constructive think tank ideas and techniques. Monitoring mechanism of the B' Schools should be sizably free from the redtapism and irrelevant formalities as prescribed by the statutory authorities. Recession has a lot in store to learn from the situations for the management education.

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