

# Enhancing Quality Of Management Education In The Average Indian Business School Through Shared Responsibility

*\* Narendra Singh Bohra*

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## ABSTRACT

The Management education market in India has taken rapid strides during the last two decades, a post graduate qualification in management has been perceived as the passport to a fruitful and financially beneficial corporate career. This resulted in massive demand for higher education in management and true to orthodox economic theory; there has also been a corresponding supply response. However MBA/PGDM education now appears to be a victim of its own success. Deterioration in the quality of management graduates has contributed to a corresponding lowering of the job profile, a gradually emerging job market which considers MBA/PGDM degree merely as an entry level graduate qualification. Unsurprisingly, the compensation package has also reflected the changed job profile. This research paper is an attempt to focus on the root causes of low grade management education in average business schools in India, and also aimed to explore the responsibilities of average B-Students and B-Schools to overcome with this unwanted situation.

**Keywords :** Management Education, Average B- Schools, Root Cause Analysis, Responsibility Matrix, Cost/Benefit Analysis

**JEL Classification:** I21

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## INTRODUCTION

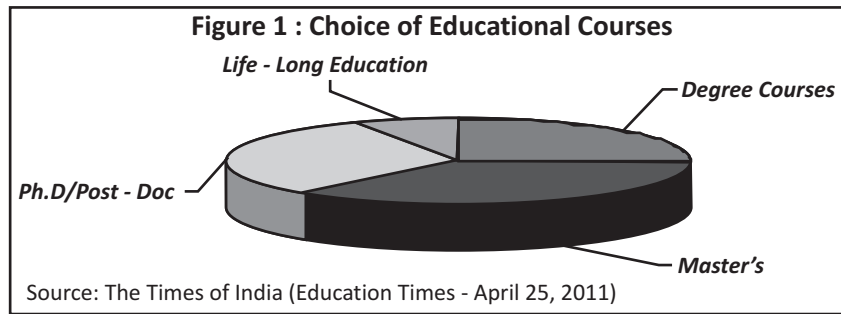
Economic reforms in India have opened the doors for global companies to enter the Indian market, and it has accelerated the demand for skilled human resource in industries. Before liberalization, the existing framework of technical education in India was unable to fulfil the demand of the skilled human resources. As a result, the Government of India opened the entry for private players in technical education. Establishment and flourishing of these Private Technical Institutions is divided into two phases.

The first phase of establishment was between 1990 - 2000. This was the golden phase where the total focus was on providing world-class amenities with quality education. Thereafter, a sudden and massive surge of B-Schools in the country emerged, almost doubling every five years in a geometrical progression. In second phase between 2000-2010, the focus shifted on expansion, this led to an increment in students' intake (until 2003, the number was somewhere around 800, whereas by 2008, it reached to about 1700) and led to the establishment of new flagship institutions. It resulted in the deterioration of quality of students passing out from average B- Schools of India. Now, the employability of management post graduate students of average Indian B- Schools is questionable.

❖ **Present Status of Higher Education In India :** In the present scenario, priorities of the Indian youth are higher academics, traveling and lifelong education - in other words, they want to lead a meaningful life rather than get trapped in time-consuming jobs. Though priority for higher earnings always remained on top, in a recent straw poll conducted by The Education Times across India on students between the age group of 18 - 28 years revealed that around 58% felt that life is more about intellect and being cerebral than it being about a good job and having a high-flying life. The poll was conducted among 150 people in Delhi, Mumbai, Chennai, Bangalore and Kolkata (respondents falling in the income group of ₹ 8 - 10 lakh per annum). As per the result of the poll, it appears that the post graduate courses have enough scope in India. About 21% of the youth were willing to go in for post graduation. According to a recent report by Ernst & Young EDGE 2011, India has the largest higher-education system in the world in terms of the number of institutions. Furthermore, it is the third-largest in terms of enrolments after China and USA. According to the Open Doors Report, 2010 published (Figure 1) by the Institute of International Education (IIE) in association with the Bureau of Educational Cultural Affairs of the US Department of State, Indian students

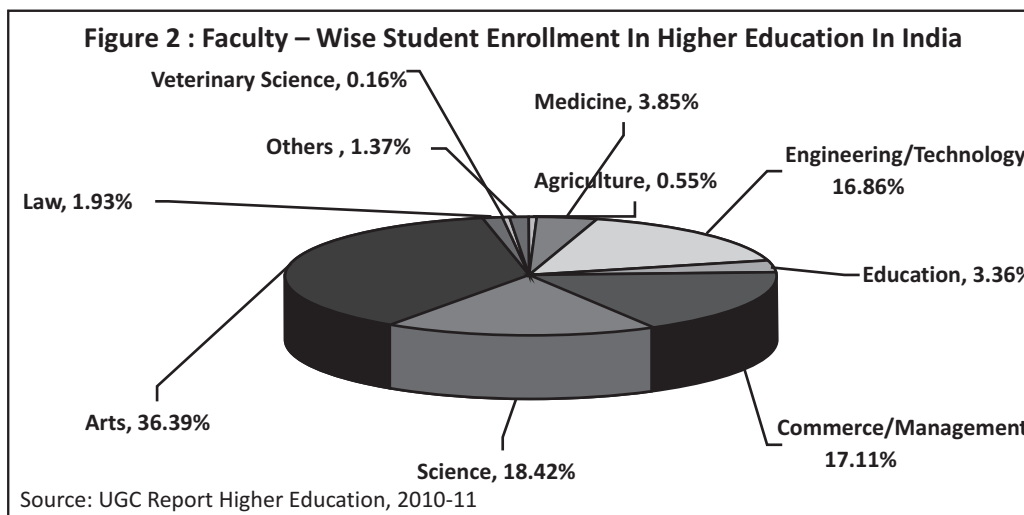
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*\* Assistant Professor, Faculty of Management Studies , Graphic Era University, 566/6 Clement Town, Dehradun -248002, Uttarakhand. E-mail : nsbohra7@gmail.com*



present 15% of all international students in US higher education institutes, and India is the second-leading place of origin. However, 20% of those surveyed believed that academics alone cannot give India the much-needed boost in terms of a strong economy.

❖ **UGC Report On Higher Education :** Recently, a report was released by UGC (University Grants Commission) regarding the prevailing scenario of higher education in India in 2010 - 11. This report threw up some interesting results regarding the higher education environment in India. As per the report (Figure 2), the Faculty of Arts held the first position, with a total share of 36.39 % of student enrolment, Faculty of Science was in the second position with 18.42% of student enrolment share. Some of the vocational and technical courses - like engineering and technology - attracted a handsome share of enrollment, with 16.86% share, and medicine with 3.855% share. The Faculty of Commerce and Management overall held the fourth position and second position in technical and vocational courses. This shows that management education could be forecasted as having a bright future in India.



❖ **Current Trends In Management Education In India :** Since 2011, 225 B-schools and over 50 engineering colleges across India have downed shutters. Many more colleges have trimmed programmes, branches of engineering or streams in the management course. On the academic floor, the Master of Business Administration (MBA) programme was once supreme. Arrogantly and unambiguously, it became the final sign-off to schooling, attracting not only those interested in business, but also those who wanted to master the tools of management. Now, for the first time, the overall growth of MBA education is negative in the books of the All India Council for Technical Education (AICTE). In 2011-12, 146 new B-schools came up and 124 that were already running closed down. In 2012, 101 management colleges have closed down; and only 82 have started. S. S. Mantha, AICTE chairman, said: "This is a turning phase for the professional education sector. Colleges in remote India and institutes of poor quality are not getting students. And for colleges, there is just one key to attracting students: institutes need to be top-of-the-line colleges. There is no payoff in running a bad college." The major variable factors that contribute to

the success of the management programs include faculty, measurement techniques, students, industry, course curriculum and technology. Several studies have been done on these factors and different scholars and committees have suggested a number of improvements, but still, no significant improvements have taken place except in the case of the top business schools.

## REVIEW OF RELATED LITERATURE

Several studies have been reviewed for the validity of this research. Some of the studies analyzed that the region of declining demand of management education in these institutions is the gap between potential employer expectations and skills acquired by the students during the duration of the course; this results in dissatisfaction and poor perception of the students of these B - institutions (Razavi, 2012). Indian management higher educational institutions have to focus on student centric environment for achieving success in producing employable students (Purandare, 2011). Some studies found that transparent accreditation process is one key, which can put institutions in a better arena, but an illogical process may be a main hurdle in the quality education system (Siddiqui, 2011).

Shortage of quality faculty is one of the important issues, and due to this, these institutions are unable to attract quality research scholars (Sinha, 2006). Commercialization of management higher education is another issue, which needs to be addressed from time to time and is perceived as the biggest problem for quality education (Pfeffer & Fong, 2002). The present scenario of management education can be handled by providing better quality education, with improvised teaching and learning processes through TQM and evaluation of teaching quality by peer-reviewing, student feedback and evaluation of the learning process. The authors proposed a new concept of 'teacher-accreditation', which may be more important over other accreditations (Chakka and Kulkarni, 2010). The internal stakeholders also interpret and assess the quality of higher-education provision. The emphasis for internal stakeholders is not only on quality assurance, but also on quality enhancement, which aims at an overall increase in the actual quality of teaching and learning, often through more innovative practices (Avdjieva and Wilson, 2002).

## METHODOLOGY

❖ **Objectives:** The main aim of the present study is to review and analyze the present situation of management post graduate programs in average business schools in India. It specifically aims to :

- ❖ Examine the current status of management education in average B - Schools in India.
- ❖ Explore the root cause for average quality of management students in these schools.
- ❖ Highlight the main role and responsibility of management institutions as well as students for enhancing the quality of management education in these institutions.

❖ **Sample:** The present study covers 250 management institutions specifically in North India (UP, Punjab, Uttarakhand, Delhi, Haryana, and Rajasthan). The institutions were selected on the basis of their similar fee structure and placement CTCs for the students.

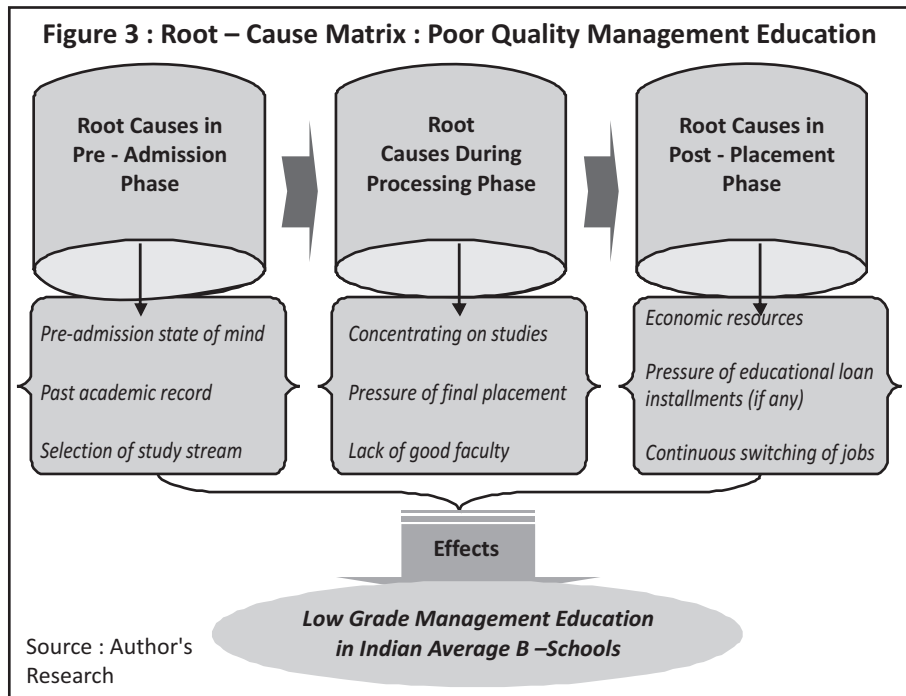
❖ **Data :** Keeping in view the of nature of the present study, the main data used is secondary in nature. The study employed both qualitative and quantitative data. The period covered for the study is four years (2007 - 2012), this period is considered as a declining period, as demand for management education in average business schools in India went down during this period.

## ROOT CAUSE ANALYSIS

In the case of management post graduation from average private institutions, the problem of quality is more serious<sup>1</sup>. To call for private investment in education, it ignores the greed of the private investor, who sees areas like management education as more profitable than any investment in industry. There are a lot of other causes responsible for low grade management education, but the nature of the present study is based on three student centric root causes phases (Figure 3). In these phases, the prime focus of the study is to find out the answer to the question : “What are the basic reasons behind the poor perception of management post graduate courses in average B - Schools in India?” The

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<sup>1</sup> NKC (National Knowledge Commission) Report on Management Education in 2005.



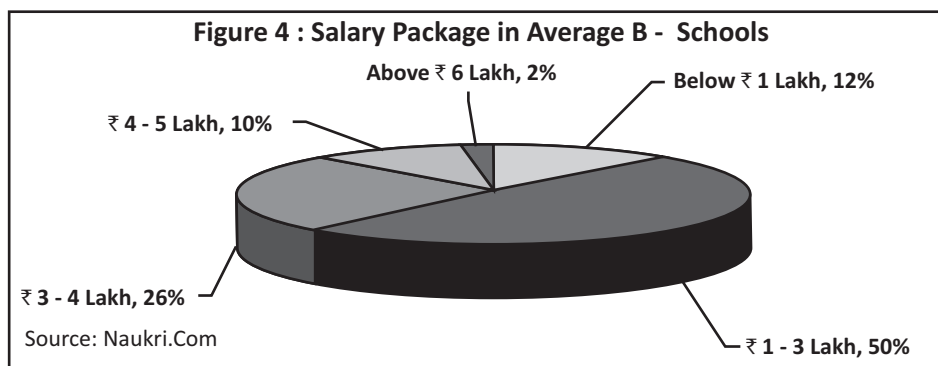
first phase focuses on the status of prospective management students as the “pre-admission phase”, the second phase explores the status of students in the “process phase” and the third phase discusses the status of students in the “post placement phase”.

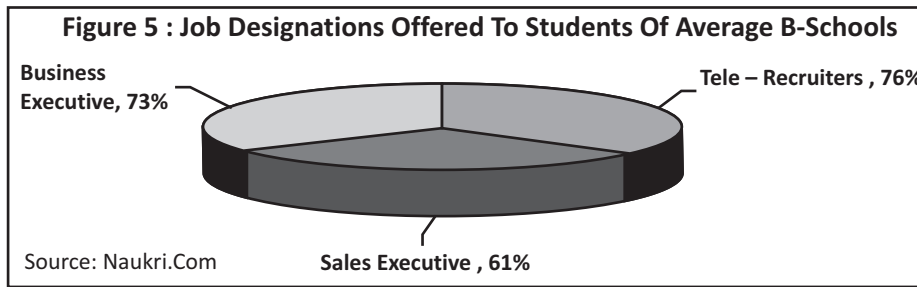
❖ **The Pre - Admission Phase :** The potential students seeking admission in average business schools in India do not possess the proper mindset for pursuing the course ; possess poor academic records, and immediate change of subject streams are other constraints.

❖ **The Process Phase :** Students in institutions feel a great amount of pressure in every aspect like course curricula, learning ability, family financial condition, lack of supportive faculty etc. This leads to lack of concentration and poor academic performance.

❖ **The Post Placement Phase:** When unprepared and unskilled students enter the industry with low paying jobs, they feel frustrated as they are unable to meet their expenses, which leads to frequent switching of jobs and finally, it hits their working efficiency.

❖ **Effect and Results - Salary Packages Offered :** The management post graduate courses lead to lucrative pay packages upon placements. But in the case of average B - Schools, this seems to be a misconception. The status of poor CTC (Figure 4) offered by the companies in their campus recruitments is that 12% of the total students get below

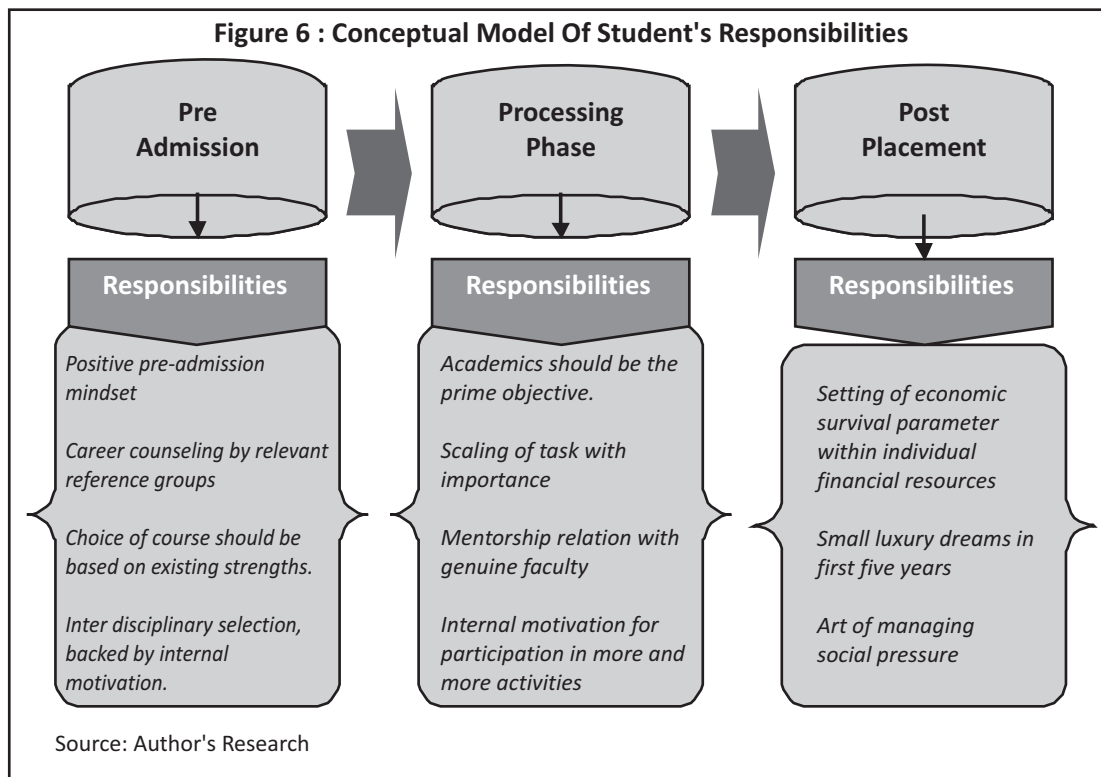




or equal to ₹ 1 Lakh pa, majority of the students i.e. 50% of the total students are placed between ₹ 1- 3 Lakh pa. Whereas only 26% of the students are placed with substantially good CTC between ₹ Rs 3-4 Lakhs per pa, 10% of the students land up in jobs that pay a satisfactory CTC of ₹ 4-5 Lakh pa, and only 2% of the exceptional performers get a CTC of more than ₹ 6 Lakh pa.

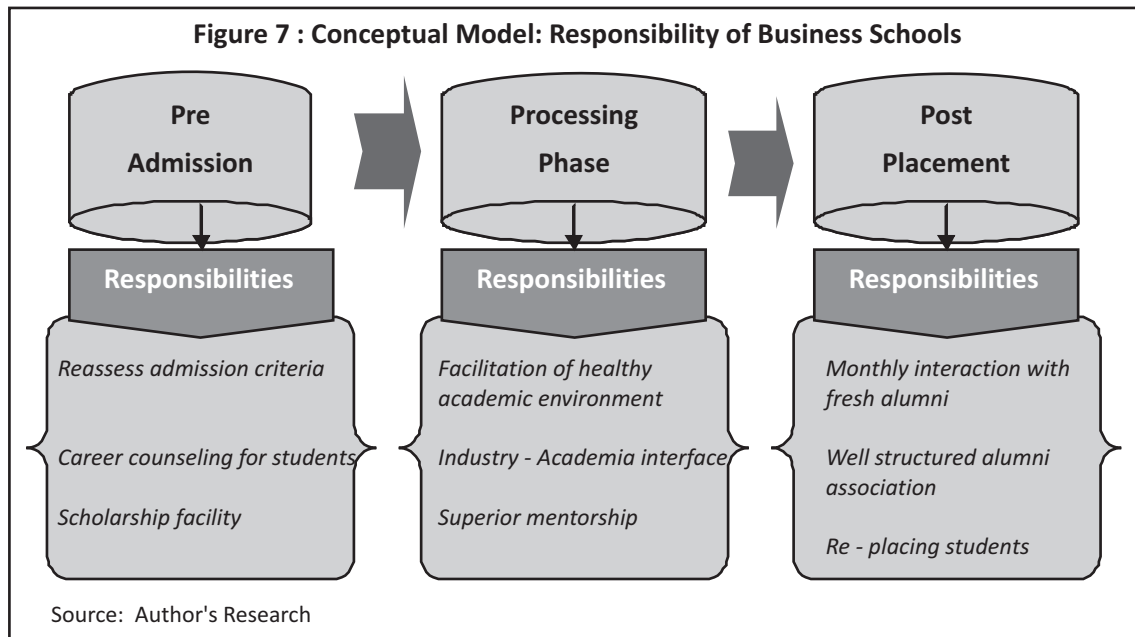
❖ **Job Designations Offered To Students** : Job designation plays an important role for improving efficiencies of employees as a hygiene factor of motivation; this aspect has been considered in this study by analyzing the resumes that were uploaded on job portals by students having 2-3 years experience.

In case of marketing specialization, 73 % of the students were placed with job designation of “Sales Executive” (Figure 5) (which is a soft skills intensive job designation, i.e., any graduate or post graduate having good communication and convincing ability is fit for this role in the organizations). In case of human resource specialization, 76% of the analyzed resumes were offered the job role and designation of “Tele Recruiters” (this role again does not require any specialized knowledge) . In case of finance majors, 73% were given the designation of “Business Executives” or “Accounts Executive” (which, again, can be taken by a B.Com. graduate).



## RESPONSIBILITIES OF THE STUDENTS

The prospective students of management must possess certain qualities such as good personality, aptitude, leadership skills, analytical ability, mental capacity, original/innovative thinking ability, creativity, adaptability, etc. It is also desirable that a student should possess knowledge of different subjects such as psychology, mathematics and statistics, general knowledge, accountancy, finance & costing, Indian and world economy, etc. Working knowledge of commercial laws such as the Factory Act, Sales Tax & other tax laws is also essential. For acquiring the desired skill set, a student should take certain responsibilities in the three different phases (Figure 6) of his/her academic life.



❖ **The Pre Admission Phase:** A successful journey of any course starts right from a positive mindset and by accepting and playing by one's strengths. A student should go in for career counseling to identify his/her strength areas and interests, and then make a decision regarding the interdisciplinary stream selection.

❖ **The Processing Phase:** While studying, there are chances that a student might get out of the study orbit, and this creates wrong directional waves and leads to wastage of money and finally results in mental frustration. To keep themselves focused, and in order to avoid distractions, students should scale their activities as per their usefulness and remain in touch with good faculty members and should try to participate in more and more indoor and outdoor activities organized by the B-School.

❖ **The Post Placement Phase :** Average B - School students, with low perks and high expectations, when they enter the industry, they get frustrated. To overcome these problems, the students should set small economic goals to be achieved within a certain duration of time.

## RESPONSIBILITY OF THE INSTITUTES

Business schools are supposed to make students capable of running and managing organizations. In addition, it also makes the students conversant with application software such as ERP, POS, Simulation, SCM & logistics. Business schools must build a brand and that can come from the quality of its students and the teaching methodology. The alumni should bring prestige to the school. Placement is a sequel to the quality of teaching staff and education provided in the school, but in case of average B - schools in India, these responsibilities are missing. This study is exploring the responsibility in a different phase of its running model (Figure 7).

❖ **The Pre Admission Phase:** Institutions' admission criteria needs to be redefined; the existing approach of intake fulfillment must be transformed to quality fulfillment. This can be done by adopting some undergraduate colleges (their surrounding) for students' career counseling, attracting potential students through attractive scholarships.

❖ **The Processing Phase:** In this phase, the student centric responsibilities of B-Schools includes, providing healthy academic environment, regular interface with industry for designing curricula and practical exposure to facilitate students, focusing on the high student-teacher ratio as well as maintaining the minimum standard of faculty.

❖ **The Post Placement Phase:** Institutions should have alumni interaction databases for the institute's curricula and industry requirement ; a well structured alumni association can also play an important role in institutions' brand building.

## CONCLUSION

This study aimed to understand the significance of responsibility sharing for improving management education in our country. This study revealed that there are a lot many root causes for the decline in management education demand in average Business Schools in India. The basic focus of this study was to highlight student centric root causes and how the situation can be improved through the shared responsibility of students as well as institutions.

The success of any academic programme is due to the combined efforts of all stakeholders; the main stakeholders in an academic programme are students, teaching and non-teaching staff and the Institute or university board. In a country like India, most of the academic institutions are started with profit making motives, institutions' management focuses on maximizing profit and the institutes adopt low cost faculty recruitment and limit academic infrastructure ; hence, the students become customers for them. A specific set of responsibilities shared by all stakeholders are needed to create outstanding educational institutions. A management institution has to realize that the student is not a customer ; he or she is a product for them. Refined and high standard student's centric management initiatives are required in this declining phase of management education in India, where foreign universities with their high educational standards are waiting to enter the Indian educational sector. Indian Institutions, whether big or small, can only give the foreign universities a tough competition by adhering to quality standards in all their practices. It's high time that the Indian educationists wake up to this fact before half of the poor-quality institutions become history.

This study is limited only to the student's perspective ; however, there is much improvement that is required in other edges of the institutions for high-quality management education. Future research works on this topic can be conducted with a better respondent sample size, which will give better results and such a type of study may act as a framework for building a comprehensive model of shared responsibility by adding some new components like faculty, governing bodies and some of the social associations.

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