CHAPTER 3  
Management Education

3.1 Introduction:  
The word management represents administration of business concerns. The term evolved back in the 16th or the 17th century. The word Management is derived from Latin word ‘Manus’, French ‘Mesnagement/Menagement’ and Italian ‘Manegiare’. All the words which are starting with ‘Management’ means controlling subordinates, especially staff members or workers and get things done from staff or workforce. Management education is very important for the growth of society which creates the wealth and avenues and improve living conditions.

The present age is a competitive world, new ideas and technologies are emerging everyday which turns towards globalization and in such situation only survivors are young managers with management degree and is biggest challenges for the corporate world to fill this gap.

Reputed or well-known institutions management degree certifies one’s managerial skills and competencies to face the competition in the society. Management education produces skilled workforce and are leaders of tomorrow.

3.2 Management Education:  
Management is modern construct, gained popularity in European countries by reforms, renaissance, industrial revolution and scientific revolution and mainly because of Entrepreneurial spirit. At the same time authority body developed for management education by considering other disciplines like Economics, law and Psychology etc. At the beginning of the 20th century management education gave birth and considered as elite educational stream only for business people. That time it attracts many because of ever growing demand from corporates or industries.

Management education become very important vertical of the society in the most of countries in Europe. It is defined by reforms, industrial revolutions, renaissance,
mercantilism, scientific revolution, and very important is entrepreneurial spirit. Gradually, a body of knowledge developed around the thought of ‘Management’ even though the contributions came from various academic disciplines like sociology, psychology, economics, accounting, mathematics, and law. Management education started in the early 20th century, during that time already large amount of literature was available for education, training and further research. Initially management education was deliberated as an elite stream solely for business people. By that time millions of individuals attracted to management education by promising better future and to become successful entrepreneurs.

In the history of business school, EMLYON is the first business school, it was established by Lyon Chamber of Commerce & Industry Establishments in France in 1872. Joseph Wharton established, Wharton business school at the University of Pennsylvania in 1881, who is American Entrepreneur and Industrialist. In 1898 Boot School of Business was promoted by University of Chicago. In 1900 Tuck School of Business in Dartmouth College was started. Harvard University established Harvard Business School in 1908. During the same year Kellogg School of Management was established by North-Western University in Chicago with part time MBA programme. Following MIT Sloan established in 1914, Columbia School of Business established in 1916, and Stanford Graduate School of Business established in 1925 etc.

Later on other universities in USA, in second half of the 20th century, Europe and in Asian countries started management schools to support management education, INSEAD was established in 1957. In 1958 IESE Business School was established. Indian Institute of Management, Ahmedabad was established in 1961. In 1964 London School of Business came into an existence. In 1965 National University of Singapore’s School of Business came in to existence. I.E. Business School was established in 1973. Yale School of Business started in 1976. At these are reputed business schools of the International level.

In the last decade of the 20th century, however management education gained impetus because of Globalisation, liberalization, and privatization, it increase in number of good corporations labour market internationalization, capital market and commodity market created ample of opportunities for all, it increased quality of life, service sector
expanded by creating decent employment opportunities for millions of youth. Information Communication Technologies (ICT) brings revolution in the business world. All these developments ensured great development for qualified professionals. To overcome this situation management schools were come up in big way across the country to generate qualified managers with required skills and knowledge. Management education improves in strategic planning, action, decision making, leadership qualities, team spirit, corporate culture, standardization of process and policies. During that same period well known business schools gave birth to many schools they are: in 1990 IMD Switzerland, Hong Kong UST Business School in 1991, China Europe International Business School in 1994, in 1996 Said Business School at Oxford University and Indian School of Business.

Due to the Globalization, Management education receives greater critic from wider group of stake holders, technology demographics true management education has emerged compared to other academic disciplines. Management education across the world signifies professionalism, symbolises elasticity in learning, revolutions in programme/curriculum design are value for money. All these qualities of management education made management education as first priority of the students across the world.

Today at the global level, the management education makes a significant role & valuable contribution to the society but somehow suffering from stakeholders of management schools. There is very big gap between theory and practice, the Management schools design and develop their curriculum according to the needs of the industry. Management schools are critised for putting more efforts on research which is irrelevant and impractical. There are evidences of management researches which are very little relevance to management practice. Today management schools have the responsibility to critical study of the business requirements and accordingly curriculum should be designed and developed.

In the context of free economy Comuel said, “Management institutions have a important role to play in enhancing the way organisations are managed with the aim of safeguarding level of growth and there by confirming improvement in people’s life”. Over all Management education institutions undergo deep change particularly redefine the research they conduct and effective curriculum according to industry standards.
Today across the world Management institutions are mushrooming not only in advanced countries but in under developed countries also. This increase in number of business schools raised new issues and challenges. Curriculum of business schools should be updated according to industry need and it may be possible only when business institutes are free to function themselves. Because of this reasons autonomous institutions are providing quality management education.

Today a major issue in management education is lack of industry and academic interface. Already across the world renowned business schools like IIM’s Harvard, MIT etc. are revised their curriculum according to industry standards. Management institutions should caution that the students have mix of field knowledge and decision-making skills which are basic norm for successful managers. Effective curriculum according to industry standards is required for successful organizations.

3.2.1 Europe:

In Europe INSEAD became the first management school, it was established in 1957 and offered MBA degree. In 1964 IESE was established in Spain, same year UCD Smurfit Business School was established in Dublin. In 1965 London Business School and Manchester Business School were established. The Rotterdam School of Management was established in 1966. In 1967 the Cranfield School of Management was established and HEC School of Management in 1969 and the Institutd'EtudesPolitiques de Paris. AGH University of Science and Technology Poland start a degree similar to the MBA in 1974. IEDC-Bled School of Management became the first school in the ex-socialist block of the Central and Eastern to offer an MBA degree in 1991. French Business School ESCEM became the first to offer the MBA degree through distance mode in European continent.

3.2.2 Germany:

Germany was the last country to adopt management education in the western countries. In 1998, The Hochschulrahmengesetz (Higher Education Framework Act), a German federal law regulating higher education with the types of degrees offered, it was modified to permit German universities to offer master's degrees. In 1999 traditional German degree in business management was started, traditional degrees were gradually
replaced by bachelor and master degrees. Today most of business schools offer the MBA degree and these degrees should accredited by any one of six accreditation bodies officially accepted by the German Accreditation Council.

3.2.3 United Kingdom:
In 1967, AMBA, UK based Association of MBAs was established. AMBA’s Accreditation is recognised for DBA, MBA, and Masters in Business and Management (MBM) courses. For MBA students and management professionals AMBA is offering professional membership.

3.2.4 Japan:
MBA program in Japan was offered by many universities and their quality is recognized internationally. Generally MBA from public universities like Tsukuba, Kyushu University and Kyoto are more prestigious than private institutions.

3.3 Management Education: Indian Scenario:
In the 19th Century India recognised Management education. In 1886 the first Business school was set up in Chennai i.e. Commercial School of Pacchiappa Charites. In 1903 British Government started higher level commerce classes at Presidency College in Kolkata on Secretarial Practice, Business Communication, Accounting, Shorthand and Typing. In 1913 Sydenham College was founded and is the first Management College in Mumbai.

The commerce college was established in Delhi in 1920, and is known as Sri Ram College of Commerce. In 1948 Indian Institute of Social Science came into existence to train manpower for corporates. XLRI (Xavier Labor Relations Institute) founded in 1949 by Catholic Community at Jamshedpur. In 1953 Indian Institute of Social Welfare & Business Management (IISWBM) was established and was deliberated India’s first management institute.

In 1961 Government of India with grant from Ford foundation launched two Indian Institute of Management (IIMs) one at Ahmedabad and other one at Kolkata. The main purpose of the grant was helping American Business education knowledge & models to other countries and association with American Business Schools for providing
exchange of an ideas in education & learning. For faculty development and focusing on quantitative and operational issues of management, IIM Kolkata was established in association with MIT Sloan.

Two more IIM’s were started in Lucknow and Bangalore in 1973. In 1982 Indian Institute of Forest Management was established in Bhopal with the help of IIM Ahmedabad, to promote forestry education in India. In 1990 IIM Kozhikode and IIM Indore were setup.

During 1990 large number of MNCs started their business in India and same time national companies also followed to compete with Multinational companies. These companies witnessed commerce graduates fell significantly lack of demands of the executive managerial positions in a competitive world and they are lack of marketing skills, leadership qualities, communication and technological skills even though they have good accounting knowledge. Consequently, rather spending on commerce graduates for training companies start offering huge salary to MBA graduates. By the success of management education and demand was increased from students and employers universities started management education as independent vertical and started offering bachelors and master degree programs.
To cope with the situation, Government has taken initiatives in this direction and today total No. of IIM’s are 20.

Apart from IIMs, university’s across the country offered management education in their campus and affiliated colleges.

 Autonomous organizations approved by AICTE, distance learning program started by Central and State universities and open mode like IGNOU , Kurukshetra University, ICFAI and several others institutions are also offering management education courses. Deemed to be universities like NMIMS, Symbiosis providing world class high quality education in Management education. For working executives some reputed and recognized institutes and universities are also offering three years part time MBA program. Foreign universities have collaborations in Indian management institutions and are having students exchange program for limited-time studies abroad are also imparting management education.
Several private universities like Amity are coming up to impart quality management education in India.

### 3.4 Issues in Management Education:
Management education in India are facing multiple issues. Management education in India has not transformed/ changed according to industry requirement, before this gap escalations proper steps to be taken. Following are various emerging issues which can help in reducing the gap and produce efficient manager as per industry requirement.

- **a)** Dedicated accreditation/government body for management education
- **b)** Proliferation of Management institutions
- **c)** Quality of faculty
- **d)** Quality of education
- **e)** Curriculum design & development
- **f)** Research
- **g)** Governance and Business schools
- **h)** Specialization
- **i)** Real business exposure
- **J)** Internationalize management education

#### 3.4.1 Dedicated Accreditation body for Management Education:
In India AICTE (All India Council for Technical Education) is responsible for technical education and management education. Both technical and management education has different requirements so it is necessary to have an independent body which should deal with management education issues for providing quality management education. Issues are like quality of education, research, curriculum, industry exposure etc.

#### 3.4.2 Proliferation of Management Schools:
Management education in India started the early 1950’s with the resolution of generating professional managers to become entrepreneurs and to run industries. In the beginning the growth of Business schools was very slow, during 2000-2010 rose to alarming level. Proprietors of institution least bothered about infrastructure and quality.
Taking cues from industries many promotors created number of education institutions and their intention was suspicious. Quick Money making idea lured many players to start management institutions. This explosion of management institutions has slaughtered noble purpose of management education in India. Today several Management institutions are run like teaching shops, short of quality faculty, no proper infrastructure or proper learning supports. Thus pupil lose money as well as precious time behind these bogus institutions.

3.4.3 Quality of Faculty:
Authorative bodies have given permission and affiliation to large number of management institutions but they didn’t think of providing quality faculties to teach management education which created a very big gap in management institutions. The shortage of efficient faculties is a major concern for B schools. Most of the institutions are appointing faculties on lower pay scale with heavy teaching load which further worsen the quality. In some institutions they depends on visiting faculties, their involvement in the institution matter is very less, they prepare from text books and their quality of teaching remains inferior. Authorative bodies should address this issue immediately for quality management education.

3.4.5 Quality of Education:
The aim of Business institutions is to develop pertinent management knowledge and served as a basis of serious thought. Unfortunately most of the management institutions busy in marketing promotions and advertising rather than scholarly activities. AICTE is a statutory body to regulate Management schools in India. AICTE has given authority to management institutions on curriculum development, employment of faculties, tuition fees etc. However there are no frequent checks on these issues. AICTE has laid down standards but many institutions do not fulfill with the recommended standards once they get the approval. Now it is high time management institutions should improve their quality of education if they want to serve management education.

3.4.6 Curriculum Design & Development:
For any stream of education to be successful, it is very much important its curriculum should be continuously updated according to advancements. Curriculum should
periodically reviewed to match the industry standards. But in most of B schools it takes year’s together to revise the syllabus. This is because of bureaucratic approach of b schools and also they may appoint new faculties to teach revised portion. Today many good institution adopted case study teaching method but most of the cases referred are foreign cases which has limited relevance to Indian scenario.

3.4.7 Research:

It is observed that research in management institutions is very less rather no conductive environment that support research. Research is very much important to update existing knowledge, it creates new knowledge in that particular subject. Institutions should promote research culture among faculties and students, they should adopt yardstick to measure research in the institution which may also help in future promotions of the staff members. Accreditation bodies make research as a compulsory norms while giving affiliations to improve the quality of management education.

3.4.8 Governance and B schools:

Corporate Governance is very important factor after financial turndown in USA and Satyam’s matter in India. Deficiency of awareness on this in management institute is one of the issue. In management institutions corporate governance made part of accreditation norms. Government should thought of having strong independent accreditation body for management institutions. Corporate governance should include mandatory disclosure by institution on infrastructure, faculty qualification, library, computer lab etc. that could be useful to students while choosing the institution. According to UGC all institution display this information on their website but there is a big difference in actual and displayed information. Government should act against these malpractices.

3.4.9 Specialization:

Change or customization is need of the hour. Every industry need customization to cope with requirements. This could be done by introducing specialization in concerned field. Today management education/curriculum is not only limited to areas like Finance, Marketing or HR, as industry needs they may require specialization in Operations, Hospital management, Hotel management, Disaster management etc. Management
school must have revised syllabus and qualified faculties according to the specialization.

3.4.10 Real Business Exposure:

Real industry exposure is must to tackle real life situations which are more composite, demanding, critical messy. Management education should be more industry oriented instead of theoretical oriented. The budding managers should know the ground reality to take better decisions and to become successful managers.

3.4.11 Internationalize Management Education:

Today success in any field depends on how fast one enhancing his knowledge, sharpening his skills. In this today’s globalization world information is increasing like anything, to cope with this increasing information skills are necessary. If India to compete with global standards we need world class talented managers. Global mind set needs to be developed. Business schools should inculcate teaching skills to develop not general managers but international recognized managers.

The outcome all these issues, management education appears to be more relevant than ever in the global era. Main challenge should be more of practical approach.

3.5 Management Education in Maharashtra:

Maharashtra state is biggest state in India. It has many industries and recognized as industrial business hub. In Maharashtra state different types of management courses are introduced at different levels. These management institutions are controlled by Director of Technical Education (DTE) and All India Council for Technical Education (AICTE). Deemed Universities and Private universities are also providing quality management education in the state.

3.6 Management Education in Mumbai:

Mumbai being a capital city and educational city in Maharashtra, it has received great value for Management education. Mumbai being a corporate hub received a great need of young managers with high perks to fulfill this need many management institutions came up. Today we have about 88 management institutions affiliated to Mumbai
University, DTE, AICTE and autonomous organizations are providing quality post graduate management education. Few top institutions were providing 100% placements also. Being a corporate hub the future of management education in Mumbai is very bright. List of Management institutions in Mumbai as in Appendix 1 and list of top 10 management institutions in Mumbai were listed in Appendix 2.1

Summary of the Chapter:
In this chapter research scholar discussed in detail management education international and India in particular Maharashtra and Mumbai, also discussed many issues in management education.

References:


