CHAPTER – 2

CONCEPTUAL FRAMEWORK OF MANAGERIAL SKILLS, MANAGERIAL EFFECTIVENESS AND MANAGEMENT EDUCATION

2.0 CONCEPTUAL FRAMEWORK OF MANAGERIAL SKILLS, MANAGERIAL EFFECTIVENESS AND MANAGEMENT EDUCATION

2.1 MANAGERIAL SKILLS AND MANAGERIAL EFFECTIVENESS

2.2 MANAGERIAL LEVELS AND SKILLS

2.3 MANAGEMENT FUNCTIONS WITHIN THE HIERARCHY

2.4 CURRENT SCENARIO OF MANAGERIAL EFFECTIVENESS

2.5 MANAGEMENT EDUCATION AND ORGANIZATIONAL NEED

2.6 MANAGEMENT EDUCATION SYSTEM AND ISSUES

2.7 REFERENCES
2.0 CONCEPTUAL FRAMEWORK OF MANAGERIAL SKILLS, MANAGERIAL EFFECTIVENESS AND MANAGEMENT EDUCATION:

2.1 MANAGERIAL SKILLS AND MANAGERIAL EFFECTIVENESS:

The report identifies major changes in the business environment up to 2020:

• There will be three very different generations in the workplace for the first time. The needs and aspirations of Generation X and Generation Y are likely to prove very different from those of the baby boomers, which have dominated the workplace for the last 20 years.

• The services economy is likely to globalize (possibly following the path of manufacturing during the 1980s), creating a major change task and a much more complex management environment.

• A likely long-term structural labor shortage will lead to much more flexible working environments, more organized to suit employee needs and desires. Flexibility will become the key to attracting and retaining high caliber staff.

• The obsession with short-term shareholder value, which dominated the last decade, will be replaced by a much broader perspective on the obligations of a company to a wider range of stakeholders.
These changes are likely to have a major impact on the skills and attributes that successful managers will require:

- Managers will need to rethink their role in the years to 2020. They will be asked to balance a wider range of interests, under greater internal and external scrutiny. Managers will still be required to achieve good returns for shareholders, but the results they achieve will also be assessed on the basis of how well they have met a wider range of stakeholder needs.

- Managers will need to become more team focused. The cult of the CEO, a worldwide phenomenon of the last decade, is likely to decline, with greater focus on the team rather than the individual.

- Managers will face greater personal challenges about the balance in their own lives. Dramatic increases in remuneration will give them greater choices than their predecessors. They will need to become much better at managing their personal wealth, and will face more tensions and trade-offs between work life and personal life. Executives will need to spend more time thinking about their personal choices and managing stress than any previous generation.

Management is a practice of consciously and continually shaping organizations. All organizations have people who are responsible for helping them to achieve their goals. These people are called Managers. These managers – coaches, conductors, sales executives – may be more obvious in some organizations than in others, but without effective management, organizations are likely to founder. Management is the principle activity that makes a difference in how well organizations serve people affected by them. (Harold Koontz., 2007).
How successfully an organization achieves its objectives, and satisfies social responsibilities as well, depends to a large extent on its managers. If managers do their jobs well, and organization will probably achieve its goals. How well managers do their jobs – managerial performance – is the subject of much debate, analysis and confusion. The measures of how efficient and effective a manager is – how well he or she determines and achieves appropriate objectives can be defined as managerial performance.

The measure of how efficient and effective an organization is – how well it achieves appropriate objectives can be defined as organization performance. Organizations are confronted by continuous change to their products, services, processes, markets, competition and technology. These changes require managers to respond with new ways of thinking and behaving. (Udai Pareek., 2009.) Increasingly, it is recognized that the knowledge and skills of managers affect the competitive advantage of organizations. Numerous researchers have studied the managerial role and the skills required for effective performance.

Limerick and Cunnington (Australia) (1987), McCall etal (USA) (1988), Cox and Cooper (UK) (1989) identified a set of fundamental managerial skills, which include: strategic thinking (seeing the big picture, visioning, helicopter view, setting and implementing agendas), analytical, problem solving, decision making, action orientation (getting things done), interpersonal and team skills, leadership, learning from failure (personal reflection), and personal attributes relating to maturity and Temperament and personal awareness.
Government, industry, and education groups have also explored skill requirements for managers and business graduates. In Australia, the Business/Higher Education Round Table reported concerns that students have insufficient breadth of knowledge and poor capacity to apply their knowledge in business decision making and problem solving (Commissioned Report No.2 issued by the Business/Higher Education Roundtable, 1992).

With reference to this research, business leaders were asked to rate the importance of desired characteristics of newly graduated professionals. The key characteristics identified were: communication skills, capacity to learn new skills and procedures, capacity for cooperation and team work, capacity to make decisions and solve problems, ability to apply knowledge to the workforce, capacity to work with minimum supervision, Theoretical knowledge in professional field.

The Industry Task Force on Leadership and Management Skills (Karpin Cormminee) prepared a report titled “Renewing Australia’s Managers to meet the challenges of the asia-pacific century” for the federal government on how Australia prepares its managers for work and leadership. The eight managerial skill areas identified by the Task Force as needing improvement by managers are: soft or people skills, leadership skills, strategic skills, international orientation, entrepreneurship, broadening beyond technical specializations, relationship building skills across organizations, and Utilization of diverse human resources.

A number of managerial skills are common to most of the above streams of research. They are: Analytical/problem solving skills are important along with strategic thinking, Decision making, team skills, communication and Leadership.
There is a clear need to incorporate these desired characteristics into the teaching and learning strategies employed in schools of business. If this is not done, university programs will attract continued criticism from business for their lack of relevance.

The importance of generic management skills is reinforced by examining likely changes in the HR profession. Over the past decade, management scholars have built a strong case for a shift to a more strategic and integrated approach to the management of employees and some pioneering organizations have successfully made this transition. Should the strategic approach be widely adopted, the job of the HR professional will be substantially enlarged, to include roles such as business partner, strategy formulator, innovator, and change manager. The HR professional of the future will need to be able to perform these new strategic roles as well as integrate them with traditional HR knowledge and competencies.

A manager's job is varied and complex. Managers need certain skills to perform the duties and activities associated with being a manager. According to Management skills, effective managers must be competent in four different skill areas:

1. Conceptual skills involve an understanding of how the different components of the business are related to each other and to the business as a whole. Decision-making, planning, and organizing are specific managerial activities that require conceptual skills.

2. Human Skills require the ability to understand oneself, work with others, to understand and to motivate others. Human skills include developing self-awareness, managing personal stress, coaching, counseling, motivating, managing conflict effectively, and empowering others.
3. Technical skills revolve around the ability to use the tools, procedure, and specialized knowledge and techniques of one's field. This might include competency in financial management techniques, general and specific computer skills, and pharmaco-economic analysis.

4. Political skills include the ability to enhance one's position, build a power base, and establish the right connections. Skills in this area include gaining power and influence.

Katz’s taxonomy of managerial skills was probably the first major classification of the skills that were thought to be required by all managers (1974). In his classical article ‘skills of an effective administrator’, which was first published in the Harvard Business Review in 1974, Katz showed concern for the sets of skills that managers needed for their increased effectiveness. Lately, managerial skills have been conceptualized in terms of basic observable inter-related categories that are termed; task, people-related and self and career development sets (Analoui, F. (1993). Research by Robert L. Katz (1974) found that managers needed three essential skills. These are: Technical skills, Human skills and Conceptual skills.

**Technical skills** include:

- Knowledge of and proficiency in a certain specialized field, such as engineering, computers, financial and managerial accounting, or manufacturing.
- These skills are more important at lower levels of management since these managers are dealing directly with employees doing the organization's work.
**Human skills** involve:

- The ability to work well with other people both individually and in a group.
- Because managers deal directly with people, this skill is crucial!
- Managers with good human skills are able to get the best out of their people.
- They know how to communicate, motivate, lead, and inspire enthusiasm and trust.
- These skills are equally important at all levels of management.

**Conceptual skills** are:

- The skills managers must have to think and conceptualize about abstract and complex situations.
- Using these skills managers must be able to see the organization as a whole, understand the relationship among various subunits, and visualize how the organization fits into its broader environment.
- These skills are most important at top level management.

However, Managers at different levels may need to be more proficient at some skills than others. For example, as one moves up in an organization (*e.g.*, upper level executives), conceptual skills are required to a greater extent than at lower managerial levels (Caproni, P.J., 2001). It has also been shown that human skills (*i.e.*, ability to listen, verbally communicate, show patience and empathy, and understand a subordinate's needs) are most important to success at any managerial level. (Whetten, D.A. and Cameron, K.S., 2002).

In today's demanding and dynamic workplace, employees who are invaluable to an organization must be willing to constantly upgrade their skills and take on extra work.
outside their own specific job areas. There is no doubt that skills will continue to be an important way of describing what a manager does. Management training programs and management training courses are meant to hone the managerial skills of a person.

2.2 MANAGERIAL LEVELS AND SKILLS:

Level of Managers in an Organization:

- Top Managers
- Middle Managers
- First-Line Managers
- Non-managerial Employees

First-line managers (or first-line supervisors) are those managers having the least authority and are at the lowest level in the hierarchy of the organization. First-line managers are at the lowest level of management and manage the work of non-managerial individuals who are involved with the production or creation of the organization’s products. They’re often called supervisors but may also be called line managers, office managers, or even foremen. They are directly responsible for the work of operating (non managerial) employees.

a. Titles often include the term, “supervisor.”

b. Factors changing the jobs of first-line managers include emphasis upon worker participation and teamwork and the use of computers to regulate many activities formerly regulated by first-line managers.

c. The jobs of first-line managers are likely to change toward a greater emphasis on dealing with internal human relations. (Richard L. Daft, 2009).
Middle-level managers are those managers beneath the top-levels of the hierarchy and directly supervise other managers below them. It includes all levels of management between the first-line level and the top level of the organization. These managers manage the work of first-line managers and may have titles such as department head, project leader, plant managers, or division manager. (L. M. Prashad, 2007).

a. Typical titles include “manager,” “director of,” “chief,” department head,” and “division head.”

b. Middle managers are mainly responsible for implementing overall organizational plans so that organizational goals are achieved as expected.

c. They plan, allocate resources to meet objectives and coordinate and link groups, departments, and divisions within a company.

d. They monitor and manage the performance of the subunits and individual managers who report to them.

e. Implement changes or strategies generated by top managers.

f. The modern trend of adding layers of middle management is reversing as companies reduce the number of levels in the managerial hierarchy.

g. Reducing the number of levels of managers’ results in greater power and responsibility for those managers who remain.

h. It is predicted that there will be increasingly less emphasis on hierarchical levels in organization.

Top managers are those managers at the very top levels of the hierarchy who have the most authority and who are ultimately responsible for the entire organization. They are those who are responsible for making organization-wide decisions and establishing the
plans and goals that affect the entire organization. These individuals typically have titles such as executive vice president, president, managing director, chief operating officer, chief executive officer, or chairman of the board.

a. Other titles include “chief executive officer (CEO),” “president,” “executive vice president,” “executive director,” “senior vice president,” and sometimes, “vice president.”

b. They oversee overall planning for the organization, work with middle managers in implementing and planning, and maintain overall control over the progress of the organization.

c. In those public corporation that sell their stock to the public, top managers’ report to the board of directors whose function is to represent the interests of the stockholders.

d. They are responsible for the overall direction of the organization and for creating the context for change.

e. They develop in employees the attitudes of commitment to and ownership in the company’s performance and create a positive organizational culture through language and action.

f. The board of directors appoints the CEO (who sometimes also serves as the Chairman or Chairwoman of the Board). The CEO then appoints the other top managers subject to board approval.
2.3 MANAGEMENT FUNCTIONS WITHIN THE HIERARCHY:

A number of aspects of the management process differ within the hierarchy. The importance of each of the functions of management differs from one managerial level to another.

a. **Planning** tends to be more important for top-level managers.

b. **Organizing** tends to be more important for both top and middle-level managers.

c. **Leading** is more important for first-line managers.

d. **Controlling** is important among all levels of the hierarchy.

Management Skills, Knowledge and Performance:

Managers need a **knowledge base**. This knowledge base provides a context for the manager’s activities. It can include information about an industry and its technology, company policies and practices, company goals and plans, company culture, the personalities of key organization members, and important suppliers and customers.

Managers need three types of **key skills** to perform the duties and activities associated with being a manager.

1. **Technical skills** are skills that reflect both an understanding of and a proficiency in a specialized field. Technical skills include knowledge of and proficiency in a certain specialized field, such as engineering, computers, accounting, or manufacturing. These skills are more important at lower levels of management since these managers are dealing directly with employees doing the organization’s work.

2. **Human skills** are associated with a manager’s ability to work well with others both as a member of a group and as a leader who gets things done through others. Because managers deal directly with people, this skill is crucial! Managers with good human skills
are able to get the best out of their people. They know how to communicate, motivate, lead, and inspire enthusiasm and trust. These skills are equally important at all levels of management.

3. **Conceptual skills** are skills related to the ability to visualize the organization as a whole, discern interrelationships among organizational parts, and understand how the organization fit into the wider context of the industry, community, and world. Conceptual skills are the skills managers must have to think and to conceptualize about abstract and complex situations. Using these skills, managers must be able to see the organization as a whole, understand the relationships among various submits, and visualize how the organization fits into its broader environment.

Indeed, it is ironical that India has a peerless demographic advantage in being a young country. Over 770 million of its population of 1.2 billion is under 35 years and the country’s average age is 25 years, a near decadal advantage over China’s average age of 34 years. Also, India churns out about 200,000 MBAs, 600,000-plus engineering graduates and an even larger number of ordinary graduates every year — among the highest in the world.

Yet, by some estimates, only a third to a fourth of these are employable. Again, there are about 7,000 Industrial Training Institutes (ITIs) in the country, but it is an open secret that most of these have curriculums that are so outdated as to be useless. The net result — as elsewhere in the education sector — is the mushrooming of dubious private institutes that derives rents from this yawning delivery gap. At the other end of the scale is persistent unemployment. According to government statistics, about 13 million people enter the
labor market every year, but the government is able to provide only 2.5 million vocational training seats.

To understand the crisis, consider the steel industry. Indian steel makers plan to add 120 million tone of capacity in 2010-2020. To achieve that, according to one website, the sector will require more than eight million people. Yet today, finding even a crane operator is a huge issue; it entails paying huge premiums for relatively low-value skills, a practice that will eventually eat into companies’ competitive advantage.

To be sure, the government has launched various initiatives to create 500 million skilled people by 2022 but given the fate of similar past initiatives, it would be optimistic to pin too much hope on them. That brings us to the private sector; it is already finding its own solutions by investing heavily in training. The issue, however, is one of rapid scalability, which is why it is difficult to escape the PPP model. Some early partnerships are beginning to pay rich dividends, notably in Haryana where the state government allowed vocational training institutes to be registered as not-for-profit societies. Similar ventures on these lines will go a long way towards converting private initiatives into a sustainable public good.

**Four trends** are likely to impact managerial work in the future.

1. Successful managers in the twenty-first century will have to be able to guide their companies through shifts in economic conditions, modifications in customer preferences, rapidly changing technology, and other changes. Increasingly, successful companies will relay on innovation to successfully meet these changes.
2. The work force is becoming increasingly diverse. Managers will need to be able to effectively utilize a much broader selection of personnel in the immediate future. Managing diversity is the planning and implementing of organizational systems and practices that maximize the potential of employees to contribute to organizational goals and develop their capabilities unhindered by group identities such as race, gender, age, or ethnic group. In the coming millennium, managers themselves will reflect the emerging diversity and, at the same time, will need to be able to effectively utilize and increasingly diverse work force.

3. Businesses increasingly face global competition; therefore, managers need to have greater knowledge of international business and to develop a global perspective. Businesses are also more likely to be operating in more than one country.

4. Quality management programs have become increasingly important and total quality management program aimed at continuous improvement have been implemented in many business. Global competition has created an emphasis for better quality.

Continuous changes in both the economy and technology, as well as changes in the speed of change, suggest that managers who lead modern organizations need to be engaged in a constant learning process. It is axiomatic in today’s world of business that change is the only constant. Successful managers walk a learning treadmill to keep up, and run that treadmill to succeed. (Robert Hogan, Rodney Warrenfeltz. “Educating the Modern Manager”, Academy of Management Learning and Education, 2003, Vol. 2, No. 1, 74–84.)
2.4 CURRENT SCENARIO OF MANAGERIAL EFFECTIVENESS:

Effectiveness of executives is very important for the success of an organisation in the contemporary business arena (Bao, C., 2009).


Organizations need effective and skilled executives to facilitate corporate success in the long run. Moreover, managerial effectiveness is a key component, which enables effectual operation and delivery of complex initiatives (Analoui, F., “Eight parameters of managerial effectiveness: a study of senior managers in Ghana”. Journal of Management Development, 18(4), 1999.). In the words of Drucker, an executive is expected to get the right things done and this is simply saying that he is expected to be effective. (Drucker, P.F., “The effective executive”. London: Henman, 1988).

Researchers have described managerial effectiveness in various ways, though there is yet no conformity on concept and method of mapping managerial effectiveness (Luthans, F. “Successful versus effective real managers.” Academy of Management Executive, 2, 1988). Broide and Bennett defined managerial effectiveness as, “…results and
consequences, bringing about effects, in relation to purpose, and giving validity to particular activities.”


Boyatzis underlined effectiveness as qualities, intrinsic abilities or personality strengths of an individual, (Boyatzis, R., 1982) while Mintzberg defined an effective manager as one who identifies the need to understand the functions and uses the available resources to carry out these managerial functions. (Mintzberg, H.,1973).

Drucker differentiated efficiency and effectiveness and delineated effectiveness as the foundation of success. A review of the literature revealed that there is not a lone definition of managerial effectiveness, which could be single handedly applied in every aspect of management. (Drucker, P.F., 1988). Managerial Effectiveness The result of new researches show that high performance organizations are consistently outperforming their competitors on a number of human resource factors, including the level of teamwork and openness between co-workers, the training and development opportunities they offer to employees and the degree of pro-activity in HR planning. (Jean-Marie, H. (1999).
Developing this capability begins with the realization that effective human resource management underpins the competitiveness of organizations. What is effectiveness? Which factors are involved in increasing the effectiveness of Managers? In response to these questions definitions of managerial effectiveness often provide a starting point. Though expected to clarify, their diversity may point to the presence of confusion rather than creating an understanding, as they should. This however, is not unique to the topic of managerial effectiveness (Langford, V., 1979).

The dictionary definition refers to effectiveness in terms of results and consequences, bringing about effects in relation to purpose and giving validity to particular activities. How effective are managers? How effective can they become? These are two basic questions. The notion of managerial effectiveness has always been an important part of managerial thought and action, but recent years have seen a dramatic increase in pressures and constraints on managers and on what they are expected to achieve (Brodie M. and Bennett R., 1979).

Reddin also views effectiveness as being the extent to which the manager achieves the output requirements of the job, by what he or she achieves, rather than by what he or she does. (Reddin, W. J., 1970), Thus, effectiveness from the stance of managerial output seems to be a function of three interrelated factors: behavior, task and circumstances (Analoui, F., 1998).

Moreover, from this point of view, the conversion of input to output in a given system would prescribe congruence or fit between managerial inputs and output, this however, may not necessarily be true. There is also another cluster of theorists and writers on
effectiveness who subscribe to the presence of multiple contingencies, both internal and external to the organizations as influential factors that affect the degree of the managers effectiveness (Child, J., 1977).

There is also another group of theorists and researchers whose work could be viewed under the banner of an alternative perspective; they place the individual managers, the social actors in the centre of analysis. (Silverman, D. 1993)

This view is in contrast with the views of those writers who subscribe to the underlying assumption of positivism and therefore they do not tend to view the organization and management as part of an objective and concrete reality (Willcocks, S. G. (1992).

The social action approach is therefore based on the premise of interpretative paradigm (Burrel and Morgan, 1979; Silverman, 1993), which places emphasis on pluralism and goes as far as suggesting that the form and content of managerial work is shaped by political forces within the organization (Willmott, H. C., 1984). In line with the social action theorists, Mintzberg (1973) and Stewart (1982) cautiously state that, managers themselves shape the nature and design of their jobs, as a result of the demands, constraints and choices they experience while carrying out their jobs (Steward, R. (1982).

Drucker (1974; 1988) is a firm believer that effective skills such as use of time focus on outward contribution, building strengths, concentrating on priorities and systematic decision-making could be taught. There are indeed a host of management writers and theorists, such as Willmott (1984); Kakabadse etal (1987); Jones (1988); Drucker (1988);
Peters (1989) and Analoui, (1998), who support the view that the acquisition of the right managerial skills will contribute to the effectiveness of managers.

The views of major works in the literature concerning managerial skills and effectiveness could be summarized as:

A. Managers are aware of their own effectiveness.

B. Managers can learn from their own experiences and the experiences of others with whom they interact.

C. Managers can become more effective by the acquisition of managerial skills, which enable them to deal with the task in hand, people, and situational demands and constraints.

D. Manager’s perception of the range of skills which they require to realize their increased effectiveness reveals aspects of their job believed to play a significant part in their effectiveness.

E. The range of skills which managers perceive as necessary for their increased effectiveness includes those which will consequently enable them to overcome the demands, constraints, choices and situation at work.

(Analoui, F., 1997).

To varying degrees, the aim of organization and management theory has always been to gain practical knowledge, or to generate normative theories. This is also manifested in the effectiveness concept, which lays at the heart of many organization theories (Arie Y. Lewin, John W. Minton, 1986). At the same time the literature shows uneasiness with the fact that, when scrutinized more closely, effectiveness keeps proving to be an elusive concept. Difficulties pertain to definitions, levels of analysis, criteria for measurement, and predictors for effectiveness (Goodman, P., Atkin, R.S. and Schoorman, F.D., 1983).
The quest for universal theories of effectiveness seems doomed to failure in the face of the complexity of organizations. According to the principal agents theory managers pursue value-maximizing ends in proportion to the buffers they can secure for themselves against the demands and pressures put on them. Here, managerial effectiveness is evaluated from an external, economic perspective (Glenn M. Macdonald, 1984).

2.5 MANAGEMENT EDUCATION AND ORGANIZATION NEED:

After economic liberalization in 1991, management education in India really took off and it is ensuing structural changes in the economy of the country. However, India is already known for its large collection of engineers and it may be the next day when the country will also be known for its managerial talent. As we know that Business Schools are proliferating and turning out management graduates but, this is not enough to meet the growing demand for management education in India and corporate management training requirements of the flourishing manufacturing and services sectors. With a work force of over 400 million, India will require around 15 to 20 million managers, a requirement that existing management education infrastructure simply may not fulfill. (Dr. Surinder Singh Kundu and Dr. Sanjeet Kumar, 2009).

Generally, it is accepted that knowledge is the driving force in the rapidly changing globalised economy and society. There are two determinants i.e. quantity and quality of human resource by which a person conquers the world. In the same way, the skills of the human resources determine the competency of a person in the global market. (Doraiswamy, P. K., 2004).
Globalization is the boon for the countries having the highly skilled human capital and it is the bane for those countries that have not such type of human capital. Therefore, developing and transition countries like India are challenged in a highly competitive world economy because their higher education systems are not adequately developed for the creation and use of knowledge as per the demand of global market.

Therefore, such types of countries have to adapt the changed environment or reform educational system to converting the challenges into opportunities. In the present era, it may be realized that Indian government and Indian corporate sector have recognized the significance of management education in the changing international scenario.

Therefore, the reforming economic conditions, integration of the Indian economy with world economy take for granted efficiency and competitiveness in the domestic front as well as in the international arena. As the process of globalization is technology-driven and knowledge-driven therefore, the success story of economic reform policies depends only upon the competence of human capital available in the nation. (Joshi, Mahesh Chandra, 2008).

Many current management concepts and practices can be traced to early management theories. The practice of management has always reflected the times and social conditions, so many organizations are responding to technology breakthroughs and developing Web-based operations. These new business models reflect today’s reality: information can be shared and exchanged instantaneously anywhere on the planet.
Management courses have a rich heritage from humanities and social science courses.

**Anthropology**—the study of societies, which helps us learn about humans, their activities, and differences in fundamental values, attitudes, and behavior between people in different countries and within different organizations.

**Economics**—concerned with the allocation, distribution of scarce resources, and understanding the changing economy, as well as the role of competition and free markets in a global context.

**Philosophy**—examines the nature of things, particularly values and ethics.

**Political Science**—studies the behavior of individuals and groups within a political environment, including structuring of conflict, allocating power in an economic system, and manipulating power for individual self-interest.

**Psychology**—science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.

**Sociology**: the study of people in relation to their fellow human beings.

Soon after gaining independence in 1947, making education available to all had become a priority for the government. As discrimination on the basis of caste and gender has been a major impediment in the healthy development of the Indian society, they have been made unlawful by the Indian constitution. The 86th constitutional amendment has also made elementary education a fundamental right for the children between the age group 6 to 14. According to the 2001 census, the total literacy rate in India is 65.38%. The female literacy rate is only 54.16%. The gap between rural and urban literacy rate is also very significant in India.
This is evident from the fact that only 59.4% of rural populations are literate as against 80. In order to develop the higher education system, the government had established the University Grants Commission in 1953. The primary role of UGC has been to regulate the standard and spread of higher education in India.

There has been a marked progress in the expansion of higher education if we look at the increase of higher educational institutes in India. The higher education system in India comprises of more than: 17000 colleges, 20 central universities, 217 State Universities, 106 Deemed to Universities and 13 institutes of National importance. This number will soon inflate as the setting up of 30 more central universities, 8 new IITs, 7 IIMs and 5 new Indian Institutes of Science are now proposed.

One primary objective of management education is to prepare people to be outstanding managers and leaders. This means helping people develop the functional, declarative, procedural, and met cognitive knowledge needed. For example, market segmentation for a new product, the time it takes a polymer to set, calculating the present value of a capital acquisition, and ethical principles as applied in international business transactions, respectively.

Management decisions are the result of complex factors influencing an organization. Management education cannot be offered as textbook education. Those who are the practicing managers can give better training to the management students. Management education is training not typical classroom teaching. Classroom interactions are nothing but exchange of ideas and communication centers. This actually makes it different from
other educations such as Technical education and other subjects to go along side management education.

Traditionally, collegiate business education is marked by the founding of the Wharton School of Finance and Economy at the University of Pennsylvania in 1881 (Pierson 1959). The initial growth in business schools occurred in the first part of the 20th century in the years prior to World War I. These business schools developed from different roots – some from economics, others from accounting, liberal arts, or secretarial-book keeping trade skills (Pierson 1959). Despite these differences in origin, the first decade of 20th century saw a decided shift from business schools’ early liberal arts roots to a practical vocational orientation that emphasized specific trade practices and business skills.

Then, management of organizations using scientific management thought given by Taylor was introduced in business school, virtually initiated by Harvard Business School. Though some schools directly imitated the Harvard model (e.g., University of Chicago and Dartmouth), the larger effect was to influence the development of a concept of management based on generalized principles, a basic assumption of the scientific model.

The decades following World War II were filled with many changes affecting both business schools in general and management education in particular. First, there was tremendous growth in both student enrollment and in the sheer number of schools offering business curriculum.
Although there had long been questions about the quality and direction of business education programs, its great size gave new urgency to these concerns. Second, older returning students put pressures on schools to increase the educational and long term value of a business degree. Third, field level players, such as the Academy of Management and the American Association of Collegiate Schools of Business (AACSB), gained in strength and influence. Fourth, business education began to be seen by organizations outside the field as ripe for change.

In the 1940s and 1950s, the state of business education captured the attention of two organizations external to the organizational field management education: the Ford Foundation and the Carnegie Foundation. Working through academic confederates, both foundations aspired to put the study of business on a more serious footing by making business education, including management, scientifically based. Of the two foundations, the Ford Foundation had more extensive involvement in transforming business education. It spent US$35 million between 1954 and 1966 on interventions designed to improve the academic quality of business education.

In the two foundations education and research were tightly coupled because the scientific Method was viewed as common to both endeavors. Important reports came out from their efforts to improve the situation. While the two foundations targeted business education in general, their efforts were an important impetus pushing a massive infusion of science into management education.

There have been at least two broad waves of change in graduate management education. One wave during 1960s was marked by increasing professionalism. A second wave,
during the 1990s, was marked by global competition and featured the emergence of many new MBA programs (D’ Aveni 1996). Fueled largely by increasingly prominent MBA program rankings, a key facet of the second wave of change was a move among MBA programs toward specialization or finding a niche in the marketplace. Consequently business schools differentiate their offerings by emphasizing a functional strength with a high quality faculty in that functional area. For example Wharton and University of Toronto have historically emphasized finance, whereas Northwestern has emphasized its strength in marketing (Latham et.al. 2004).

Business schools, however, are continuously criticized by industry for failing to produce graduates who have mastered business administration (Neelankavil 1994; O’ Reilly 1994). Functionalism in the MBA curriculum has unintended consequences for MBA graduates and the organizations that hired them. Witness the anger and frustration in industry with MBAs who understand mathematical equations, excel in finance, and are analytically sound but are not team players and do not understand customer driven strategies or consider the needs of the people who they assume will implement them.

A modern day Business Manager is required to have proficiency in: Functional knowledge of a business organization, In-depth knowledge of minimum one discipline of Management, The ability to adapt to new environments at micro- and macro- levels, Problem analyzing and solving, Inter-personal skills, Knowledge of functional interdependencies and adaptability, Communication skills, Self-confidence and motivational skills, Drive to succeed and control with initiatives, Entrepreneurial Skills and Management skills.
The present management education survived for nearly five decades in India and struggling to expand beyond national and geographical boundaries. With the boon of rapid changing technology and communication, the educational system is undergoing drastic changes although the pace is slow.

When government decided to liberalize its policies to attract more foreign investment in the country, and the foreign investors faced an acute problem of qualified workmen for to help them manage their businesses here. Government also loosened its lead on education sector and liberalized it. This privatization move resulted into a lot of management institutes all over India. The privatization raised a staunch competition in between the colleges and institutions and forced the survivors to provide high level of education which is directly applicable to current industries.

Management education is one of the most sought after options today. Aspiring MBA set their eyes on getting a toehold in the best business school. In order to become good managers, students should know what management is. It is part of every walk of life. Many aspirants have some vague idea about management. There are sub-options like finance, human resources, marketing, IT, communications and so on in the management field. Management schools should act more as academic institutes. They give knowledge and create a solid foundation. To be an effective manager or leader, a person needs the ability to use knowledge and to make things happen. These can be called competencies, which Boyatzis (1982) defined as “the underlying characteristics of a person that lead to or cause effective and outstanding performance” whether direct empirical research is reviewed or meta-analytic syntheses are used there are a set of competencies that have been shown to cause or predict outstanding manager or leader performance.
Regardless of author or study, main abilities from three clusters: (1) Cognitive or intellectual ability, such as systems thinking; (2) self-management or intrapersonal abilities, such as adaptability; and (3) relationship management or interpersonal abilities, such as networking. The latter two clusters make up what we call emotional intelligence competencies (Goleman, D. 1998).

Beyond knowledge and competencies, the additional ingredient necessary to outstanding performance appears to be the desire to use one’s talent. This seems driven by a person’s values, philosophy, sense of calling or mission, and unconscious motives and traits. These three domains of capability (i.e., knowledge, competencies, and motivational drivers) help us to understand what a person can do (i.e., knowledge), how a person can do it (i.e., competencies), and why a person feels the need to do it (i.e., values, motives, and unconscious dispositions).

Management education denotes those activities traditionally conducted by colleges and universities that focus on developing a broad range of managerial knowledge and abilities. Unquestionably, the major issue in management education is the curriculum offered in our business schools and this concern has been labeled the competency movement (Wexley, Kenneth N. and Baldwin, Timothy T., 1986).

The traditional management education curriculum, as presently constituted, may not be adequately preparing individuals for the challenges they experience as professional managers (Pfeffer J., 1977). Today one fundamental question comes, whether the
curriculum of a business school can produce future leader of the corporation with required management skill to meet contemporary challenges.

In today’s rapidly changing business environment, capable managers are crucial to organizations’ success in gaining and sustaining competitive advantage. This must be achieved against a background of intensified competition, incessant change, a power shift to the customer, collaborations across organizational and geographical boundaries, and a need to maintain high levels of talent (Tannenbaum, S. I., 2002).

Business programs across the nation recognize the need to change in response to external pressure from key stakeholders. An important dimension of such change is the redesign of business curricula. Achieving greater integration across curriculum is often a central focus of such efforts (McCuddy & Pirie 1988).

Management is a structured career as an activity, the purpose of which is to make the best use of available resources such as man, material, money and time in order to achieve the objective that is given. Management as a career at times seems to be a transferable skill that managers often take their expertise from one type of organization to another – say from manufacturing to travel and tourism industry. Managers are decision makers. They set goals and policies as a business executive, manages well to direct others in sales, purchase, accounting, production and research. As far as the nature of management people are concerned, they are expected to work principally as an analyst or a consultant who will be assigned to follow up/case study a team that works to solve a specific problem.
Such given task generally involved in the following stages:

- Defining the nature and extent of the project, identifying the problem/other issues
- Gathering data, collecting information, researching facts
- Analyzing and synthesizing the data
- Developing recommendations/proposing solutions
- Preparing written reports and/or making formal oral presentations
- Assisting in the implementation of their recommendations

With the future of businesses being affected by climate and environment changes, corporate governance, geo-political issues and redundancy, innovation and inclusive growth with environment empathy will define strategies in HR, marketing, finance, and product design almost every aspect of business.

Business organizations continue to transform themselves in response to the challenges posted by increased competition, the globalization of business, and rapid change in information technology (Hammer, M & Champy, J., 1993). Pfeffer (1994) argued that because of the accelerating rate of change, the workforce in terms of human and social capital should be seen as one of the critical factors in developing and maintaining competitive advantage, joining traditional factors such as technology and protected market. He also claims that an appropriate development of the workforce is closely related to appropriate management.

Related to this perspective and from a knowledge based view of the firm, Leonard-Barton saw core capability as comprising managerial activities and systems or what she describes as “the whole system of knowledge management” bound up with a particular competitive
advantage. Perform or perish are the key words in the industry. How to perform effectively, efficiently and intelligently will be taught in the best B-schools. Yet, a lot more will depend on the right attitude, competitive skills and personality of the individual. (Leonard – Barton D., 1995)

Conger, Spreitzer, and Lawler (1999) argue that intense and global competition, rapid technological change, new complex organizational forms, organizational alliances, and international capital markets are creating an increased demand for change leadership at a time when such leadership is increasingly difficult to find. Quinn and Snyder (1999) suggests that before expecting others to change, a leader must understand strategies such as those based on confrontation, facilitation, persuasive discourse, and the management of meaning to ensure that their actions are consistent with their vision of the future.

These scholars and others are suggesting that individual employees, not just top management, must become leaders who can work with the technological revolution and globalization of business and can continually acquire new knowledge and remain flexible (McDonald, Kimberly S. and Mansour-Cole, Dina 2000).

Therefore the business schools, responsible to educate future leaders of business organizations, need to understand the challenges faced by the organizations. This is how; they can try to bring necessary changes in their curriculum according to the needs of the changing situation of the environment. Which challenges are important to consider is more important to them? The following section of the paper describes the nature of the organizational challenges today. It can be termed as ‘paradigm shift’ of managing today’s businesses.
The management of business organizations has changed in significant ways since early 1990s.

The sources of these changes include the following (Hallinger and Snidvongs 2008).

- Growth and integration of a global, increasingly free market economy has raised standard of competition in all sectors providing goods and services.
- Greater openness of political systems among nation states allows greater access to global information and exchange of cross broader business.
- Developments in information technologies have fundamentally changed the way in which business is conducted, allowing for less expensive communication, easier sharing of information, and greater efficiencies in production and management of goods and services. (Hallinger, Philip and Snidvongs, Kamontip (2008). Education Leaders: Is There Anything to Learn from Business Management? Educational Management Administration & Leadership, 36(1), 11-12.)

Global change forces have brought fundamental changes to the way in which business organizations are managed. For example, we find the following management trends (Hallinger and Snidvongs 2008):

- Organizations are more restructured in response to more open competition.
- There is an increased emphasis on entrepreneurship and entrepreneurial management as engines of global economic growth.
- The recognition that ethical crises and environmental problems located in a single nation or organization are magnified in a global society has led to a greater emphasis on moral leadership and corporate social responsibility among business leaders.
• The ability to manage and use information for decision making is now a core competency required of managers throughout business organizations.

• There is increased emphasis on linking corporate goals with human resource practices, especially through the use of performance management and measurement.

• Knowledge is viewed as a key currency of organizations that requires conscious, proactive management.

• Capacities for innovation and change are viewed as competencies that distinguish Organizations that thrive vs. others that flounder in a rapidly changing.

These changes have required a cadre of business leaders who possess a broader set of both leadership and management capacities (Hallinger and Snidvongs 2008). More recently, attention from both academics and practicing managers has focused on the formulation and implementation of strategic initiatives within the realm of human resource management.

Organizational survival, development and prosperity reflect the extent to which an organization is able to obtain, allocate and control its resources to take advantage of changes in its environment perceived as opportunities: and avoid or overcome the threat posed by changes perceived as constraints.

Managerial competency is vital in such responsibility of the organizations. The more dynamic the environment, the more strategically important management development is to the organization. There is a growing awareness that survival and future success reflect to a considerable extent the ability of an organization to develop its management resource
in appropriate and anticipated ways. In response, educational institutions have made significant adaptations in the curriculum designed for business leaders.

Since long time ago, scholars from within the management education fraternity had questioned the ways of management schools. Henry Mintzberg wrote a book titled “Managers, not MBAs”. Joan Magretta a former editor of Harvard Business Review wrote: “Leading business schools certainly played a role in legitimizing the culture of easy money in 1990s.” Prof Jeffery Pfeffer of Stanford is a strong critic of what he calls ‘the economic model of human behavior’ taught at most of the management institutes. But these moderating voices did not get much attention in media as placements of management institutes. C K Prahalad emphasizes that to be successful in bottom-of-the-pyramid (BOP) markets managers need to possess not only contextual knowledge but more importantly right mindset and sensitivity. Institutes need to examine whether their entrance tests are leaving out potential managers who are best suited for tapping the BOP markets or social sectors.

An MBA degree in India is considered as a green card to earn a decent livelihood and an entry into the corporate world. The institutes and colleges offering MBA programs offer placement services to students so they don’t require hunting for job. National and International recruiters from diverse industries visits MBA Colleges to recruit MBA graduates in various domains, viz. Marketing and Sales, HR, Finance, IT, Retail etc. The candidates with an MBA degree from India enjoys lucrative pay packages and responsible position in the industry. MBA education, which is at the tertiary level, is to create gainfully functioning individuals for the corporate sector who will be required to deliver results on an ongoing basis as otherwise they can not survive. The question is, will
students doing their MBA today be groomed to face these new scenarios, with limited and
different resources to work with?

This would certainly require a fresh way of designing and delivering management
education. Therefore, when students and their guardians are scouting for an MBA
qualification from here on, they will need to look for signs of a futuristic management
programme. Most MBA students fail to grasp the interrelationships among the
knowledge, skills and abilities they are acquiring in one discipline and those that they are
acquiring in another. MBA students merely perceive that numbers are numbers and
people are people. That numbers are interpreted and acted on by people indifferent ways
often escapes them. Thus recruiting companies complain that MBA graduates fare linear
thinkers who lack flexibility.

Business schools need to reposition themselves to leverage the present wave of change in
business. The first step in redesigning MBA programs is to establish a vision or purpose.
Such a vision must be worthy of the faculty’s commitment. For example, a vision that
would get faculty commitment is as follows “An internationally recognized business
school that prepares high potential individuals to manage, build, and lead value creating,
globally competitive organizations primarily by providing integrated management
education”. So, the vision of MBA program should be to create talented future leaders of
successful entities.

A second step in the redesign process is to develop a structure for the business school that
will enable it to function effectively while focusing on current and emerging market
demands. From this perspective functionalism in an MBA program appears to be
dysfunctional. Whether growing leaders are for profit or non-profit organizations, the organizational challenges are similar. First, one must understand the environmental influences that affect the organization and the dynamic nature of those influences.

Second, an organization needs to develop strategies for competing effectively within its environment. Third, managers must understand the key financial drives of an organization, because it is difficult to implement a strategy unless the firm has the financial strength to do so. Finally, the organizations must have the leadership capabilities to put a team in place that can implement the strategy indifferent environments in ways that allow the organization to prosper.

Teaching students the leadership, strategic, and financial skills necessary to successfully compete globally must be fully integrated. To master one aspect of this challenge and not the others condemns MBA graduates of the 21st century to a career marked by frustration, ineffectiveness, and inefficiency.

If business schools are to survive and prosper in the future, they will need to be structured around five core integrated subject areas: (a) leadership skills that capitalize on knowledge of (b) strategy, (c) finance and (d) information technology (IT) within the context of and influenced by a (e) global economy. To understand the financial drives of a business, one must have a command of basic accounting principles to craft a business strategy, one must understand market dynamics to meet market imperatives for high quality as low cost with minimal delay, IT competencies is crucial to exercise leadership, one must be aware of global and cultural influences. It follows from this reasoning that the core competencies delivered by a leading business school should be fivefold, namely,
the (1) leadership capability to build a team that will implement (2) competitive strategies that will enable an organization to be (3) financially healthy in a (4) global market place, through effective use of (5) information technology (Lathem et. al. 2004).

McDonald and Mansour (2000) emphasized on the academics’ role to ensure that organizational change and transformation is at the core of the program’s curriculum. To ensure that the new MBA program has got the competencies described above, the curriculum goals and objectives are to include functional knowledge, problem solving, global perspective, leadership, ethical judgment and decision making, adaptability, communication, managing information technology and finally management competency.

2.6 MANAGEMENT EDUCATION SYSTEM AND ISSUES:

Corporate today are talking about reaching the bottom of the pyramid and seeing the business connect between being socially responsible and business-wise innovative and meaningful. In India, there are abundant issues that need to be resolved in every day walk of life, making the environment conducive to problem solving. All of this also requires business schools to look for students beyond their cognitive and mathematical abilities and also give due consideration to qualities such as: creative ability, capacity to work in a unstructured environment, ability to observe beyond the obvious and other such soft skills.

So, while a B-School may have taught you how to fish in the past, it's time to look for one that can teach you how to sustain the fish in the pond and keep the planet breathing. Reengineering of management education does not mean just examining pros and cons of
certain type of financial institutions and instruments. Institutes need to focus their attention on some far bigger issues such as:

- **Free market economy:**
  How to balance freedom of different stakeholders in a free market economy? If the corporate world wants to enjoy freedom in its product-market choices, how can the same are denied to farmers if they want to diversify into bio fuels?

- **Value addition:**
  What is the right metric for assessing a manager’s long term value addition to an organization? How to reward managers for their value addition in one sector without creating imbalance in other sectors of economy and social sectors such as defense, judiciary, law and order and education health.

- **Real versus virtual economy:**
  What is the right mix of real and virtual economy?

- **Scale of operations:**
  How to balance the need for economies of scale with the need of governments to ensure that it does not become impossible for them to ‘bail out’ organizations, if need be?

- **Economic minorityism:**
  When the majority of world’s population belongs to BOP markets, should rural or BOP issues becomes a mainstream subject or only one of the specializations?

- **Achievement motivation:**
  How to ensure that high achievement motivation does not lead to uncontrolled greed? Is it right to present business as warfare meaning a zero sum game? Management institutes need to ask themselves whether they are overdoing the competitive strategy and opportunity cost stuff.

- **Management of incremental and distant threats:**
How to create willingness to deal with incremental and distant threats like climate change? Will it be possible to ‘bail out’ our mountains, oceans, forests etc. after a climatic meltdown?

Management institutes may think in terms of quantitative targets for representing interest of varied stakeholders in all the three phases, viz, input, processes (curriculum, pedagogy, internship, examination system, etc) and output. For example, institutes need to ask in each of the course they teach, how many case studies are related to non-business issues? How many assignments are related to small-and-medium enterprises?

Very few business situations will fit the textbook examples. Each situation can be described as unique, requiring its own unique solution. To be able to do this, one should be able to analyze a situation, examine various alternatives and come out with solutions to solve the particular problem being faced or to achieve organizational goals. A qualified faculty understands these situations and can correctly incorporate them into the learning process.

In the real world of business, few people can be expected to solve a problem themselves. The value of multiple inputs in reaching a better solution is widely understood. Management education enhances the managerial skills by sharing of ideas, the acceptance of others’ ideas and many of healthy discussions. Learning from other approaches is not always a natural and single study process. It has to come with active participation in a group of people and it happens in the Management Courses.

Faculty and other students challenge statements, attack and defend ideas. The assimilation of other approaches forms an important part of the learning process. Students coming from different spheres of life, bring with them all the advantages, disadvantages, fairness
and prejudice of centuries of cultural heritage. These characteristics manifest themselves sometimes, in totally different approaches towards solving business problems and learning fundamentals of management. From all of these approaches there is something to learn.

The curricula of most Indian business schools dwell at the length of psychologist Abraham Maslow’s Theory of “Hierarchy of Needs” model that helps to understand human behavior and motivation. Maslow coined the term “self actualization” to describe an individual’s yearning for excellence. Now it seems that the top B-Schools themselves have taken a leaf out of Maslow’s books and are searching for their own “self actualization” to emerge as centre of excellence through ground breaking research.

Indian B-Schools now wants to be seen as thought leaders and not just disseminators of extant managerial wisdom. So cutting edge research by faculty is in. it not only enriches the pedagogy, but also provides the interface with the wider academic and corporate world.

India’s best B-School IIM Ahmadabad has seen a steady increase in its research projects. From 595 back in 1998-99, projects went up to 791 in 2009-10. it has evolved an incentive based structure for its faculty who get paid Rs. 5 lakh for research papers published in the front ranking journals. It has also developed in place for faculty development allowances and conferences grants.

Managers are required to work under high pressure most of the times. They may be expected to spend many weeks each year at clients' out-of-town locations, sacrificing
social and family concerns. But the financial and other benefits offered to management people are tremendous.

On the individual level, there is the reward of working in a field that values creativity and initiative, has a real impact on a client organization, and commands a great deal of status and respect in the business world! Everyone inherits these attributes depending upon one's background, yet to a larger extent a lot of learning and unlearning will have to be gone through by the students which will be a lifelong process, as otherwise CEOs & MD's will not be going to Harvard & IIMs for upgradation / updating programmes. MBAs will also have to be innovators, and innovation never ends. Joining the best B-schools cannot guarantee a placement if the students don't work hard dedicatedly, or if they exhibit negative attributes and attitudes, although the brand of the institute may attract great companies to the campus.

Similarly, a student from little known institute may get great jobs, if not immediately but ultimately within a short period of time if he has good attitude and earning capacity. The key words here are discipline, dedication and determination. The MBA institute provides a forum for specially including these attributes.

The dictum "fore-warned is fore-armed" was never more true than in today's fast changing world. The ancient Chinese strategist Sun Tzu, who wrote "The Art of War" in 650 B.C. said, "Rules of war never change - only weapons change". Thus, be it Alexander defeating Porus in 326 BC, Babur defeating Ibrahim Lodhi in 1526 AD or Robert Clive defeating Nawab Sirajuddaula at Plassey in 1757 AD, and the rules were the same, only weapons and technology differed. While the above warriors fought to rule the roost for
territory and booty, today's corporate warriors fight for market share and market
domination.

MBA education, thus, has to teach these students to keep re-inventing themselves. It has
to give them the latest tools and weapons to deal with, resolve, and overcome every new
situation. More than this, it has to inculcate in them the capacity to anticipate situations,
so that they can be dealt with and overcome before they actually occur.

The MBA institutes must have efficient faculty who have played this game before (and
won). As industry-academia collaboration is the need of the hour, Good B-schools try to
achieve by inviting industry veterans for interface with the students on a regular basis.
They must be aware of the law of the land (legislation), tools and weapons (place,
promotion, price, packaging), be able to change belief of the target market (product,
market stance) and so on.

The corporate stalwarts, being the fish of the water, have the capability to effectively
transmit this knowledge to the students and the capacity to inspire them to learn, adopt
and adapt in order to achieve goals. No management institute can install all the capacities
in all the students. If an institute provides 50% of the competencies through various forms
of grooming, the rest of the 50% will depend on the individuals themselves.

The MBA aspirants should question themselves as to why a student from the same class,
with the same degree, taught by the same faculties in the same specialization and
groomed in the same environment gets into a top class company with excellent
compensation, whereas others get lesser packages in the campus placement.
Therefore, a lot will depend on the individual. And if they work hard systematically and are determined, they can surely be the winners. The biggest democracy of the world with the greatest industrial growth will definitely need more and more MBAs. Therefore, obviously post graduation in management is the right choice. The fact remains that geniuses are made not born. Nothing is impossible, and it is the duty of the B-schools to develop and nurture these competencies.
2.7 REFERENCES:

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