CHAPTER I

INTRODUCTION

1.1 EVOLUTION OF MANAGEMENT EDUCATION

Management denotes the professional disposal of business concerns, public projects, institutions and organization of all forms and efficient use of resources for optimizing benefits to all the stakeholders is a wide definition of “Management” which is used. The term Management in English lexicon evolved sometime in the 16th and 17th centuries, taking cue from Latin ‘Manus’, Italian ‘Manegiare’ and French ‘Mesnagement’/ ‘management’. All these terms preceded ‘Management’ implied control over others, especially manual workers in order to get things done or decide about how to utilize the available resources. Management, if performed with the personal modesty and a sense of service to the community can be one of the noblest professions. It produces growth, wealth and development in the society, provides jobs, fasters innovation and improves living conditions.

The management is the backbone of organization and administration all to for the most business establishment in today’s competitive world. During the Pre- First World War period (1890-1914) a rapid change of economic systems in terms of trade, capital, and migration of people took place. Transport and communication development in this field led to globalization and made management one of the important aspects in the world.

The background or the origin of Management has developed with civilizations of the world. The education on Management has got its stronghold in India since the ancient times with the development of education in India. The education system got its foundation set in the Medieval Period with the adding up of the Muslim rulers. The
traders who came to India from all parts of the world brought about the intermingling of cultures and this had an impact on the education system.

Globalization is a historical process which commenced during the first phase of the Pre First World War in which a rapid integration of economies took place in the context of business deal, capital flow and engineering. The intermingling of the domestic market and the international market took place and with this the exchange of ideas also underwent changes. Globalization had its impact on education and the liberal market philosophy exchange of faculties and students started passing.

In 19th century, Ecole Superior Commerce of Paris (now ESCP, Europe 1819) was founded and in 1881 Wharton School of University of Pennsylvania first started up a Business School within a broader University. In 1900, the Tuck School of Business at Dartmouth College was established as the foremost Graduate School of Business in US providing the first Master’s Degree in Business Administration, entitled as “Master of Commercial Science (MCS)”. This was followed by Harvard Business School in 1910 and later this spread to Asia and other regions of the globe.

The University of Edinburgh set up the first faculty in the field of Business and Commerce in Scotland in 1918. Later in 1921, Nanjing University moved the Faculty of Business from Nanjing to Shanghai to establish the University Business School which was the first professional Chinese University Business School. After the school became the Shanghai University of Finance and Economics, the Nanjing University Business School was revamped as the School of Management at NCU in

Taiwan. By 1973, the École des Affaires de Paris became the first Business School with campuses in three states.

With the development of Management Studies, the evolution of management theory also took place. Over the last few centuries one can observe that the character of leaders in organizations and in the political arena has undergone modifications. The field of management saw a transition in the 19th century from entrepreneurship to early century managerial capitalism. The pillars of the management theory are Fredrick Winslow Taylor, who used to design a job that is better known as the “Father of Scientific Management” and Max Weber, a German Sociologist who focused on Management Organization and Structure. Elton Mayo, a Harvard Professor proposed that managers should become people oriented. Andrew Ware and Charles Dupin propounded and advocated the Study of Management. Henry R. Towne emphasis on the need of the study of management separately and to learn managerial skills to run a business efficiently.

It is not that with the development of management education or with the evolution of management theory that management started in India. It was being practiced since ages with the beginning of civilization in India, the development of management skills emerged. The town planning and administrative arrangement for the management of drains and water supply which is seen in Harappa and Mohenjodaro cannot be experienced in any parts of India today. In the Rigvedic and Later Vedic period also one can find the sound administrative structure. The Mauryan Empire laid the basis of the administrative structure and the functioning of the bureaucracy. The Gupta Kings run the Central and Provincial Administration efficiently.
With the establishment of the Delhi Sultunate, six main departments were established to run the empire efficiently. The Land revenue system was managed well and taxes were collected efficiently. In the Mughal Empire, the Mansabdari system was efficiently run which was established for the management of the army. With the establishment of the British Empire after freedom the framing of the constitution laid the foundation of the administrative organization and management education in India. Thus, one sees that management let it be in any field, has always experienced changes and stressed its importance on organization\(^2\).

The Management Education in India dates back to the Pre - Independence Era. The first college level management institute was established in 1913 in Mumbai and another college was opened in Delhi in 1920. These business colleges taught the basics of barter and commerce to clerks and supervisors from other fields as diverse as banking, transport, and accounting. In 1950, the Department of Commerce of the Andhra University started the first ever MBA programme in India. The first Business School in India was the Indian Institute of Social Welfare and Business Management, Kolkata was founded in 1953. The All India Institute of Management and Labour Welfare and the Department of Management, Delhi University, New Delhi came up in the year 1968.

Several Universities also introduced MBA programmes in 60s. The IIMs were patterned on the suggestion of Dean Robbins of the University of California which was invited by the Planning Commission. This led to the establishment of the Indian Institute of Management, Kolkata (November 1961) by the Government of India in collaboration with MIT Sloan School of Management, Government of West Bengal,


The MBA course in India was offered as a programme of different types which aims at building up the intellectual ability of the student’s executive personality and managerial skills through an appropriate blending of commercial enterprise and universal training. Management Sciences programme aims at building up a student's intellectual ability in terms of realizing the theoretical and philosophical underpinnings of modern occupation. The MBA or MS curriculum provides students with a comprehensive management education of globally recognized best practices with the flexibility of their adaptation to indigenous entrepreneurial and societal setting.

Therefore, the primary aim of the plan is to grow an unique leadership qualities among the young students which is required for successfully managing business functions, an organizational unit or an initiative. It aims at molding the students to a broadly educated business managers and administrators who understand the nature of commercial enterprise as a whole with the instruments and techniques applicable to a broad assortment of job positions. The programme affords the students a chance to bring together all of the theories, skills and tools studied during the programme and integrate them into a learning experience that highlights the nature of rivalry and the kind of strategic maneuvering that must be answered in order to win.

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In recent years, the Management Education has its own impact on the education system to serve the needs of the brightest young persons who have completed twelve years of education and looking for a career education in entrepreneurship, management profession or towards higher education in business administration\(^4\). The business schools in India can be classified into six categories\(^5\). These categories are as listed below:

i. Indian Institutes of Management (IIMs) set up by the Government of India.

ii. University Departments of Management Studies

iii. Colleges (Government or Private) affiliated to Universities

iv. Private or Government institutes approved by the All India Council for Technical Education (AICTE)

v. Private Colleges or Institutes which are not affiliated to any University and not approved by AICTE (Standard alone Institutions).

vi. Private colleges or Institutes offering MBA courses in India in collaboration with foreign Universities, where the degree is awarded by the Foreign University.

The Management Education includes Undergraduate, Postgraduate Diploma, Postgraduate and PhD courses. The courses offered in terms of full-time, part time, executive, distance learning or specialized. The courses come with a variety of names such as Master of Business Administration (MBA), Master of Management Studies (MMS), Master in Finance Control (MFC), Master of Public Administration (MPA), PG Diploma in Management (PGDIM), PG Diploma in Human Resource

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Management (PGDHRM), PG Diploma in Financial Management (PGDFM), PG Diploma in Operations Management (PGDOM), PG Diploma in Marketing Management (PGDMM) and so on.

1.2 STATEMENT OF THE PROBLEM

The Management Education in the academic world is very demanding and competitive. It sustains continuous knowledge, issues and challenges in the process that affect the students and faculties within the institutions. The Management Education Institutions generate information about the students, courses, faculty and staff that includes managerial system, personal and lecture details. The quality of infrastructures serves as a strategic input for improving the education process. Sufficient attention is paid to the issues related to institutions, culture, evaluations, courses, students, counseling and admissions.

The knowledge sharing analyses the diversified leadership. The study of management increases the success of students performance and programmes. The Institutes invest in Information Communication Technology (ICT) about their students to gain insights into bigger issues, placement and importance to the institutional structure, process and culture adopting a new software application including ranking system. The institutes assess the quality of lectures and courses. They measure the performance of students and faculty, tracking research and faculty development. The management course ensures the effective allocation of resource and staff. It increases the productivity by increasing the cost.

The Management Studies enhance the quality of the academic learning process. Knowledge to be managed includes both explicit, document knowledge and tacit, subjective knowledge. The Management entails this entire process associated
with the identification and creation of the ability performance in organizational
learning. The advanced modern technology linkage such as e-mail, video conference,
interactive whiteboards, blog and wikis, discussion forums, chat service and internet
are also used to encourage an active collaboration among the people in the Business
Schools/ Institutions. The present study attempts to analyze the growth and strategies
of management education in Tamil Nadu.

1.3 OBJECTIVES OF THE STUDY

The specific objectives of the study are:

i. To study the trend and growth of management education in Tamil Nadu and in
   National level;

ii. To find out the different strategies adopted by the management institutions for the
devlopment of management education;

iii. To sort out the various challenges faced by the management students and faculty
    members of management institutions in Tamil Nadu;

iv. To analyze the strengths and weaknesses of management education in the study area;

v. To provide suggestions and suitable strategies for the development of management
   education.

1.4 METHODOLOGY OF THE STUDY

The present section deals with the research design, data collection, sampling,
tools and techniques used and the limitations of the study area. The primary data is
gathered through structured unbiased questionnaire. It was pre - tested and minor
modifications are made in the questionnaire on the basis of pre-test result. The
secondary data was gathered through the information received from the magazines
like Business World, Business Today, records of UGC annual reports, MHRD annual reports, AICTE annual reports, GMAC annual reports, AIMA annual reports, Directorate of Technical Education and Directorate of College Education (DTE & DCE), Online Sources, Reference Books and Daily News Papers.

The survey was conducted in the study area which consists of one IIM, one IIT, one Central Deemed University, seven State Universities, eight State Private Universities, two Government Aided Colleges, 24 Engineering Colleges, 10 Arts and Science colleges and 10 Business Schools. From these selected 64 Institutes/ Universities, 320 students and 320 teachers which forms a total number of 640 people are randomly selected for the survey purpose. The respondents are chosen as 5 students and faculty members from IIMs, 5 students and faculty members from IITs, 5 students and faculty members from each of the Central Institutions, 35 students and faculty members from State Government Universities, 40 students and faculty members from State Private University, 10 students and faculty members of Government Aided colleges, 120 students and faculty members from Engineering colleges and 100 students and faculty members from Arts and Science colleges.

The Likerscale technique was used to ascertain the degree of opinion and attitude of the students and faculty members. In Likertype scale, the respondents are asked to express their opinions on each of the statements in terms of degree, usually 1 to 5 degree (like strong agree, agree, neutral, disagree and strongly disagree). For the analysis of the primary data, the statistical tools like percentage methods, mean scores and ANOVA, $t$-Test and Simple Rank Method are used for the study.
The pre-tested questionnaires are developed to collect the primary data from Management Education students and faculties. The primary data are collected through questionnaire methods.

The ranking given by the respondents is converted into per cent position using the following formula

\[
\text{Per cent position} = \frac{100 \times (R - 0.5)}{N}
\]

Where,

\( R \) = Rank is given to the factors by an individual

\( N \) = Number of individual ranked

The per cent position of each rank thus obtained is converted into the score by referring to the table given by Garrett. The scores of all the respondents for each factor are then added together and divided by the number of the respondents experiencing the particular factor. The mean scores of each thus arrived at, are arranged in descending order and corresponding rank is allotted.

ANOVA analysis uses ‘F’ statistic which tests whether the means of dependent variable varies significantly across the category of the independent variable. The ‘F’ statistic calculates the ratio between the variance within the group and variance between the groups. In order to test the hypothesis that there is any significant difference between sources of trend, opportunities, strength and weakness of management education and Type of Institutions, Age, Community, Place of living, Entrance Examination, Discipline UG degree, Nature of the family, Living Area and Occupation of Father questions are asked from students. On the another hand, Marital status of faculties, Types of Institutions, Designation, Age of faculties, Educational
qualification of faculties, Discipline of faculties, Nature (permanent/ temporary) of the Job, Years of experience, Working hours per week, Types of family and the salary of the respondents) are studied and for these respondents the One ANOVA was used.

The ‘F’ ratio was calculated by using the formula

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F = \frac{\text{Variance within the sample}}{\text{Variance between the sample}}
\]

A t-test is used to determine whether the means of two groups are statistically different from each other. If the means are statistically different then the null hypothesis \( (H_0) \) is rejected and the alternate or research hypothesis \( (H_1) \) is accepted. The t-test can also be carried out on a single sample by comparing a study’s group mean with a known value.

The t-test produces a test statistic termed the t-score or t-ratio. This value is used to find the corresponding p-value by means of a t-table. The t-ratio is comprised of the difference of the means being tested divided by the variability of the data which is represented by something called the standard error of the difference.

\[
t = \frac{\bar{X}_1 - \bar{X}_2}{S_{\bar{X}_1-\bar{X}_2}}
\]

The following partial reproduction of a t-table is used to determine the probability associated with a given t-score taking into consideration the number of subjects in the groups under study (termed degrees of freedom [df] which equals the number of subjects in each group minus 1).

There are statistical tests that can determine whether or not the data in a given study are normal and whether variances are equal. However, the results of a t-test are not entirely black and white. The results actually indicate that the means are probably different or if the study fails to show an effect and the means are probably the same.
To find out the most significant factor which influences the respondent, Garrett’s ranking technique was used. As per this method, respondents were asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = \frac{100 \cdot (R_{ij} - 0.5)}{N_j}$$

Where

- $R_{ij} =$ Rank given for the $i^{th}$ variable by $j^{th}$ respondents
- $N_j =$ Number of variable ranked by $j^{th}$ respondents

With the help of Garrett’s Table, the percent position of estimate is converted into scores. Then scores of each individual factors are added from this the total value of scores and mean values of score is calculated. Which factors having the highest mean value are considered to be the most important factor.

### 1.5 SCOPE OF THE STUDY

The study will be helpful to know about the growth and development of Management Studies in Liberalization, Privatization and Globalization (LPG) period. The study analyses the strategies of strength and weakness of Management Studies from the students and faculty members of important institutions at National level universities, Government Aided and Private reputed business schools. Further the study focuses the growth and development of innovative skill and knowledge, information communication technology (ICT) facilities for adopt a strategy of innovative techniques in management studies. The study is also concentrating the level of creating more employment opportunities for international standardization of Tamil Nadu Management Education.
1.6 LIMITATIONS OF THE STUDY

The period of research is only two years of the academic frame. The study is confined to the national importance of educational institutions like Indian Institute of Management (IIM) Tiruchirapalli, Indian Institute of Technology (IIT) Chennai, and other Universities, Arts and Science colleges and Engineering Colleges, Government Aided and Private reputed business schools in Tamil Nadu only. It cannot be generalized for all educational institutions such as Technology and Medicine. The present study focuses on the factors of growth and development strategies, like analysis of strength and weakness and globalization challenges in Management Studies.

1.7 CHAPTERIZATION

The present study is divided into six chapters. First chapter reveals the background and design of the study. The second chapter discusses the review of literature of the past studies. The third chapter deals with the profile of the study area and the profile of institutions of management studies that located in Tamil Nadu. The fourth chapter explains the trend and growth of Management Education in India and at the global level. The fifth chapter analyses the different strategies adopted by the Management Institutions for the development of Management Education and also challenges, the strength and weakness of the faculties and students in the Management Education Institutions. The sixth chapter presents the summary of the findings and suggestions for the development of the Management Education.