CHAPTER - II
MANAGEMENT EDUCATION IN INDIA: GENISIS AND GROWTH

A INTRODUCTION:

Several questions arise regarding the world's economy. Among these, the question which perhaps attracts our attention most is: why is Japan at the top. Is it because of availability of natural resources in abundance or, is it because of the large size of the country? Is it due to its large population or is it simply because of its ideal geographical location? Infact none of such conditions exist in Japan. The secret of Japan's success lies mainly in its art of managing human and material resources with utmost accuracy and precision. About the Japanese, it is said that they think, whatever they think they plan accordingly and whatever they plan they attempt enthusiastically to achieve it. Further, they cry over any deviations which by chance arise between the planned and actual results. Thus, there is strong emphasis on well thought planning, organising, directing, appropriate coordination and adequate control at all levels. Participative doctrine is a pre-requisite for decisions regarding all such acts. False ego and wastage seldom take place in Japanese system. This is how the Japanese have climbed to the top.

The above practices of prudent management are missing in other countries. This is particularly true in
the case of developing countries. For instance, India, inspite of its, genuine supremacy over Japan in the fields of natural resources, geographical area, and population etc. is no where near to the economic progress made by Japan. The reasons are quite obvious. We badly lack in the art of managing our resources efficiently and effectively.

"About India, no one can deny the following ground realities.

- natural gas approximately worth Rs. 3,000 crore a year is flaring up in Bombay High alone and we are unable to control it.

- about 8% of the edible oil remains unextracted because of defective refining techniques. The watage is worth about Rs. 1000 crores a year.

- an approximate sum of Rs. 500 crore a year can be saved by improving the plant load factor (PLF) of power units by 10%. This can be done without much problem but no step is being taken in this regard.

- The problem of adverse balance of payments, which is mainly because of a large import bill of petroleum products, can be solved provided we can shift from using petroleum products to shale oil. India possesses the largest stock of shale oil in the world. But this

rich mineral has not yet been touched because of fear of environmental pollution. Russia and China have already started using this mineral in place of petrol.

- Our actual imports are always well above the estimates while reverse is the story of exports. The failure on these fronts aggravates the twin problems of exchange crisis and trade deficit.

- Attempts are made by central and state governments to reduce the budgetory deficit while the actual deficits always go up abnormally. The gaps between the actual and the estimated budgets amply expose our managerial capabilities at the highest level.

- Several hundred industrial units become sick every year because of faulty financial policy, low productivity, ineffective marketing policies, shortage of raw material and disruption in power supply etc.

- Several million working hours are lost every year due to indifferent attitude of employees.

- Millions of hectare of land remain uncultivated although the country is facing acute shortage of edible oil and pulses.

- Because of lack of effective water resource management the country is persistently facing this problems i.e.,
the destruction of floods on one hand and inadequate irrigation facilities on the other.

Nature has been very kind for developing tourism in India. Inspite of the natural gift, we have failed to attract a large number of international tourists. Further, we have not yet developed the art to force the international tourists to spend more and more money while they visit our country. As a matter of fact they normally spend less money than they intend to spend here"².

The above discussion leads us to believe that resources are not properly managed here in India. In this fast changing world we cannot afford to plan in isolation and ignore the economic trends in the world. We will have to sharpen our knowledge, improve our technology and develop the art of optimal use of scarce resources so that we can exist comfortably in this competitive world. For all these there is utmost need to pursue the goals of formal education in general and management education in particular.

The need of management arises as soon as a team endeavour is required to accomplish a given task. In this context the importance of management education has been recognised since long but the world as a whole was never in a greater need of management education than at present. The

². Ibid., pp. 206 - 209.
evergrowing complexity of the job of managing enterprise ranging from a small business to the most confounding multinational corporation or project-for achievement of specific objectives has resulted in the demand for management education. Every sensible manager or entrepreneur is aware, that he cannot effectively carry on with his business for long unless his native wisdom, experience and intuition are supported by the tools and techniques of professional management. This awareness follows from the knowledge that all economic and social activities are directly or indirectly influenced by the intricate behaviour of technology, markets, financial resources and human being involved in it. Added to this the mind boggling impact of information technology and the expanding base of concepts and techniques in all disciplines of professional management. Popular awareness about the relevance of professional management is steadily growing in all sectors of organised economic activity. Most people who face complex managerial tasks are willing to try professionalism. As a result management schools have begun to receive requests for professional help from all types of enterprise. Concurrently, the new generations in search of professional career have begun to aspire for the management education which is now a new status symbol. Hence, institutes for general, sectoral and functional

management education have grown."(4) Such management institutes are not of recent origin. In fact the professional management education made its beginning in the west.

B. GENESIS OF MANAGEMENT EDUCATION:

Western Scenario:

Towards the end of the 18th century large trading centres and banks developed more complex business methods and needed better trained personnel to perform them. The first University level business school was established at Wurttemberg in 1782. Then in 1852 a business school was founded in Antwerp which became the prototype for similar institutions in France and Italy. By the end of 1925 there were as many as 183 Business Schools in the USA. The University of Chicago was the first to offer graduate business programme, but it was the Harvard Graduate School of business, established in 1905 which pioneered the development of the MBA programme. Today, approximately 800 American Business Schools offer an MBA programme.

Formal management education began in North America essentially to meet the need for managerial expertise for profit oriented business enterprise. Characteristically, most institutions offering management education are called

4. Ibid., p.5.
business schools and take pride in such an identity. However, as the business school syndrome spread to Western Europe and then to the excolonial countries in the Third World, it was recognised that professional management tools and techniques and hence management education could be employed in the service of all sectors of organised economic activity, ranging from voluntary organisations to all types of public and Governmental enterprise. It is far from fortuitous that the major national & international programmes involving issues of human survival (e.g., management of population control, food, poverty, pollution, natural resources) depend heavily on sophisticated management techniques.

The changes in the political and economic equations between the capitalist and socialist societies since the decade of the seventies gradually carried the winds of commercialism and liberalism into the socialist block. In consequence, management education entered the countries of eastern Europe and China. Concurrently countries such as Japan and Korea, inspite of their unique reputation for entrepreneurial and economic success without western type management practices began to adopt western management equation. As the Japanese and Chinese educational systems opened their doors to Western management concepts and methods, the business schools in North America
and Europe began to fall over each other to set up graduate and doctoral programmes in management in those countries.

Meanwhile, the world has witnessed an irreversible trend of political, economic, commercial and technological interdependence which has led to the concept of global economy, global business and global resource management. This globalisation process has led to the view of a global manager capable of using his managerial skills and concepts across economic and cultural barriers.

Revolutionary changes are taking place in Indian business environment. The economy is being sought to be made more global and liberal. There is the dawn of a new era of globalisation. As battles for global markets replace wars over territories, economic competition will be unprecedented and so will economic opportunities. For managers and investors, the shattering of old certainties will demand new ways of thinking and doing business.

"Consider the following scenario":

Mazda's newest sports car, the MX-5 MIATA, was designed in California, financed from Tokyo and New York, its prototype was created in Worthing, England and was assembled in Michigan and Mexico using advanced electronic components, invented in New Jersey and fabricated in Japan.

5. Ibid., p.6.
This narrative is just one of many such stories and highlights the all pervasive spread of what some term as the "Global Web", or the "Global Village". Putting in a nutshell it can be defined as Globalisation of business means to maximise profits by locating the production activities around the world for highest returns and investing wherever it is most efficient and strategically profitable.7

A new breed of tough global managers is fast emerging, who are driven by the irrefutable logic of global capitalism to seek higher profits, enhanced market leadership and improved stock price; with the world as their playing field. The new global manager invests in the most promising opportunities and abandons or sells off the underperforming assets—no matter how long they have been the part of the corporate family or where they may be located. In deciding where in the world to do what, the global manager seeks to meet the needs of customers world wide for the highest value at the least cost.8

Correspondingly, management schools in the west have been increasingly promoting international M.B.A. programmes involving exchange of students, teachers and research projects among themselves as well as with schools


in non-western cultures. As a matter of fact management and economic development are inextricably linked with each other and no country can afford to ignore the management education in these days. India is not be an exception in this regard. The formal and management education in India assumed greater significance as it is opened to the rest of the globe.

**Indian Scenario:**

Formal education may be described as a prestage to management education. It is imparted at a high level of abstraction and sophistication, has an unbroken tradition in India that can be traced back to the ancient times when the Guru would impart the principles of the Vedas to pupils selected from the priestly and ruling classes. Gurukula gradually expanded to include several Gurus and grew into a community of scholars. Parishads engaged in intellectual debate. As the parishads stabilised, residential schools or centres with various faculties evolved. Infact, these centres mark the genisis of university education.

"At present, in India, there are 134 universities, 16 deemed universities, 11 institutes of national importance and 5482 colleges. These institutions enroll 3.5 million students for graduate, post-graduate and research degrees and diplomas. Out of 5482 colleges, 1457 colleges provide education in professional disciplines like engineering,
medicine, and agriculture. Institutes of national importance provide advanced education in Management, Atomic energy and other highly technological and sensitive areas. Further, there are 5,28,079 primary 1,34,074 middle and 61,314 high and higher secondary schools enrolling 86.46 28.12, and 15.11 million students respectively every year.\(^9\)

The history of management education here is not very old. For the purpose of convenience, the whole saga can be discussed under three headings.

Pre-World War-II Era:

Prior to World War II, business in India, in fact, was in the hands of Britishers. They themselves were the owners and the controllers of their respective businesses. This left hardly any scope for the Indians to attain expertise in business affairs. Although there were a few Indian concerns, their overall control was in the hands of concerned families. Thus, management was by and large a family affair at that point of time. It was highly centralised setup, lacking modern business techniques and practices\(^10\). The concepts of organisation and planning were missing. Financial returns were the basis for business

\(^9\) D.S.Bhardwaj, "Some thoughts on Management Education in India, in Pramod Verma et.al., op.cit., p.205.

\(^10\) Ibid., p.208.
decisions, while loyalty to the employer, and kinship were the criterion for providing jobs in the business. For all practical purposes, business and its management were family affairs.

Because of the above reasons, no step was taken to initiate management education in this country. No institution or university had any provision for imparting formal education in management. If there was any scope for management education as such, that was possible within the corridor of business houses and that too only for family members. This was the state of affairs of management education at that time.

**Post-World War II era (1945–1955):**

Due to speedy economic development in the country, particularly after independence, numerous large scale businesses came into existence. Not only this, rather the nature of the business also became exceedingly complex because of changing technological and economic trends. It no longer remained easy for the family members or proprietors alone to run the business efficiently and effectively. This resulted in separation of ownership and management, and consequently, growing demand for managers.

In the early 50's most of the demand for managers came from British Industrial concern, who inducted primarily public school products and art graduates from
upper class, westernised backgrounds into their programmes. Social status and Communication skills were the main criterion for recruiting the management trainees. In big Indian business houses, by and large, the old pattern of retaining trustworthy men, mostly kinsmen, in key positions continued. But hiring professionals for various middle-manager positions in different operational departments was a rare practice.

Thus, as a result of above changes, business began to look for such persons who could assist the owners in the analysis of managerial problems and decision-making. The changes also indicated the need of fully trained, professionally sound and forward looking managers in the years to come. Keeping all these facts in view, the All India Council of Technical Education appointed an expert committee in 1949 to examine the question of education and training in Industrial Administration and Business Management. The Committee was asked to draw a suitable scheme of management studies. Based on the recommendations of the committee, a Board of Management studies was setup in the year 1955 to explore the possibility of offering suitable courses in Management Education. But the AICTE could not proceed further in the direction of growth of management education at this juncture owing to decimal demand for professional managers in Indian industries. However these steps, were pioneering and had far-reaching impact on the process of evolution of Management Education.
C) GROWTH OF MANAGEMENT EDUCATION

Today, we are living in an altogether new industrial and economic world. Not only has business become of large scale and highly specialised subject to hardened economic regulations but, it has also acquired international dimension. Multi-national Corporations are fast coming up and they have started dominating the business world. All these changes have required, the business at the national level to become highly competitive, sophisticated and professional. Obviously, the essential requisites of modern business have paved the way for professional managers to dominate the business world. Even the sons and grandsons who are the likely successors of the top family heads of the business enterprises are also being sent to management institutions in India and abroad for acquiring professional managerial skills.

Thus, there are strong symptoms of the increasing importance of professional management and consequently management education. Today, services of professional, managerial personnel are needed in various spheres such as, trade and transport, engineering, medicine, communication, banking, insurance, hotels, tourism, construction, manufacturing industries and agriculture. Professional managers are to play vital role in the planning, organizing, co-ordinating, motivating and controlling such activities\textsuperscript{11}.

\textsuperscript{11} "MBAs are Hotter Than Ever", Business week, March, 9, 1987, pp.46-48.
To fill the gap, management education has made tremendous strides during a successful beginning in late 1950's and 1960's and in 1980's the education has spread so rapidly that it would not be wrong to call it as a management education movement.

"The first evidence of government's interest in management education in India was provided in 1950, when the newly established planning commission was asked to make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements. This statement provided a basis for sketching the contours of management education programme and its topography."12

Infact, many countries such as, OECD countries and Japan had already taken up programmes of national reconstruction. India also setup the National Productivity Council in 1958 with its local affiliates. The NPC organised a large number of short term programmes for training technical and managerial personnel since its birth.

A few polytechnics had been established in India before independence such as, Harcourt Butler Technological Institute, Kanpur, which was raised to the status of an institution of higher learning in 1950. However, the main stress of the polytechnics was on vocational training rather than management education. Other significant events were, the establishment of Indian Institutes of technology at Karaghpur (1950), Bombay (1958), Madras (1959) and Delhi (1961). The Tata Institute of Social Sciences, Bombay (established in 1936) offered courses in personnel management and Industrial Relations and Social Welfare Administration. The Birla Institute of Technology and Science at Pilani, Rajasthan was founded in 1964. It started a three-year degree course followed by a two-year postgraduate Master of Business Administration Programme. The two institutes were the fruits of the initiative taken by two well known industrialists of India. Another institute, the Indian Institute of Social Welfare and Business Management, Calcutta, was setup in 1958,

Business management education in Indian universities was an outgrowth of commerce education. However, the Department of Commerce (and Management Studies) of Andhra University at Vishakhapatnam is the first to have started the M.B.A. Programme in 1957. Around the

13. Ibid., p.11.
same time, Jamunalal Bajaj Institute of Management Studies was established as a teaching department of Bombay University and Delhi University had also setup a faculty of Management Studies.

Another landmark in the history of management education in India was the establishment of the Indian Institute of Management at Ahmedabad (in collaboration with the Harvard University) and at Calcutta (assisted by Massachusetts Institute of Technology) in 1962 and at Bangalore (with emphasis on Public Sector Management) in 1972. The fourth IIM at Lucknow was opened in 1984.

Other institutes organizing management development programmes are the Administrative Staff College, Hyderabad; the Indian Institute of Public Administration, New Delhi; National Institute of Training in Industrial Engineering (NITIE), Bombay; Institute of Bank Management, Pune; Management Development Institute, Gurgaon ; Shriram Centre for Industrial Relations, and human resources New Delhi; the Institute for Financial Management and Research, Madras; the Institute of Public Enterprises, Hyderabad; and, the Institute of Health Management and Research, Jaipur.

Management Education by this time has acquired a new status. This is nearly from the opening of business management departments and administration faculties by
several universities and institutions and simultaneously 
great clamour on the part of bright young men and women to 
seek admission in these institutions. By 1991, as many as 
118 universities and institutes offer various types of 
management courses. Thousands of students are awarded 
M.B.A. degree every year by these universities and 
institutes, in addition to various diplomas and post-
graduate diplomas.

Management Education - Pattern of Growth :

It can be said about management education that it 
has a long past but a short history. The formal discipline 
of management came into existence only about four decades 
ago in our country. However, the need to formalise training 
for management and administration dates back to almost a 
century. Civil and revenue administration required a cadre 
of well-qualified, intelligent and well-groomed officers. 
This grooming process was, in a way, the pre-cursor to the 
formal management education and orientation. Table 2.1 
presents category wise number of business schools in India 
by 1991. It is clear from this table that majority of the 
business schools (68) belong to the category of University 
departments followed by University affiliated colleges (16). 
The other categories include private/independent institutes 
recognised by AICTE (13), Central Government established/fun

System in India", Report on UGC Research Project, 
<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Management Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Central Government Established &amp; Funded</td>
<td>12</td>
</tr>
<tr>
<td>B. State Government Established &amp; Funded</td>
<td>03</td>
</tr>
<tr>
<td>C. University Business Schools</td>
<td>68</td>
</tr>
<tr>
<td>D. University Affiliated College</td>
<td>16</td>
</tr>
<tr>
<td>E. University Recognised Institution</td>
<td>06</td>
</tr>
<tr>
<td>F. Private/Independent and Recognised by the Ministry</td>
<td>13</td>
</tr>
<tr>
<td>Human Resources Development, Government of India.</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>118</td>
</tr>
</tbody>
</table>

ded (12), University recognised institutes (6) and State Government established/funded institutes (3) totalling to 118.

One can also trace the periodic growth of management schools over the years. Table 2.2 provides information on this. Table 2.3 depicts the zonal distribution of management schools. From Table 2.4 we can get a view of the state-wise spread of management schools.

The responsibilities of overseeing the proper growth and maintaining minimal standards is entrusted to the All India Council of Technical Education. The AICTE operates through its regional offices and a panel of experts chosen from academic centres and industry. It is mandatory to seek the approval of the AICTE for launching a new management programme or getting recognition from the UGC for an existing programme.

Prospects and Problems of Management Education:

Because of rapid growth of industries and other developments since independence, there has been increasing demand for the managerial personnel. This is not only for managing the various businesses and other establishments but also for increasing their working efficiency. "In foreign

15. D.M. Pestonjee, "Management Education : Pattern of Growth", in Pramod Verma et.al., op.cit., p.50.
<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Management Schools established</th>
<th>Total Number of Management Schools during the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td>1957</td>
<td>01</td>
<td>02</td>
</tr>
<tr>
<td>1961</td>
<td>02</td>
<td>04</td>
</tr>
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<td>1963</td>
<td>01</td>
<td>05</td>
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<td>1964</td>
<td>04</td>
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<td>1965</td>
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<td>12</td>
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<td>1967</td>
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<td>14</td>
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<td>112</td>
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<td>1988</td>
<td>05</td>
<td>117</td>
</tr>
<tr>
<td>1989</td>
<td>01</td>
<td>118</td>
</tr>
</tbody>
</table>

# TABLE 2.3: ZONAL DISTRIBUTION OF MANAGEMENT SCHOOLS

<table>
<thead>
<tr>
<th>Zone</th>
<th>Number of Management Schools</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>18</td>
<td>15.25</td>
</tr>
<tr>
<td>West</td>
<td>41</td>
<td>34.75</td>
</tr>
<tr>
<td>North</td>
<td>26</td>
<td>22.03</td>
</tr>
<tr>
<td>South</td>
<td>33</td>
<td>27.97</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>100.00</td>
</tr>
</tbody>
</table>


**East Zone:** Bihar, West Bengal, Orissa, Sikkim, Assam, Nagaland, Manipur, Meghalaya.

**West Zone:** Maharashtra, Gujarat, Madhya Pradesh, Rajasthan.

**North Zone:** Uttar Pradesh, Haryana, Punjab, Delhi, Himachal Pradesh, Jammu & Kashmir.

**South Zone:** Andhra Pradesh, Kerala, Tamil Nadu, Karnataka, Pondicherry.
<table>
<thead>
<tr>
<th>State</th>
<th>Number of Management Schools</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>10</td>
<td>8.47</td>
</tr>
<tr>
<td>Assam</td>
<td>01</td>
<td>0.85</td>
</tr>
<tr>
<td>Bihar</td>
<td>05</td>
<td>4.24</td>
</tr>
<tr>
<td>Delhi</td>
<td>07</td>
<td>5.93</td>
</tr>
<tr>
<td>Goa</td>
<td>01</td>
<td>0.85</td>
</tr>
<tr>
<td>Gujarat</td>
<td>05</td>
<td>4.24</td>
</tr>
<tr>
<td>Haryana</td>
<td>03</td>
<td>2.54</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>01</td>
<td>0.85</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>02</td>
<td>1.09</td>
</tr>
<tr>
<td>Karnataka</td>
<td>08</td>
<td>6.78</td>
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<tr>
<td>Kerala</td>
<td>02</td>
<td>1.69</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>07</td>
<td>5.93</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>23</td>
<td>19.49</td>
</tr>
<tr>
<td>Manipur</td>
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<td>0.85</td>
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<tr>
<td>Orissa</td>
<td>06</td>
<td>5.08</td>
</tr>
<tr>
<td>Pondicherry</td>
<td>01</td>
<td>0.85</td>
</tr>
<tr>
<td>Punjab</td>
<td>05</td>
<td>4.24</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>04</td>
<td>3.39</td>
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<tr>
<td>Tamil Nadu</td>
<td>12</td>
<td>10.17</td>
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<tr>
<td>Uttar Pradesh</td>
<td>09</td>
<td>7.63</td>
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<tr>
<td>East Bengal</td>
<td>05</td>
<td>4.24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

countries, the average ratio of managerial personnel to the total strength of employees in various establishments is 1:5. In present context of Indian conditions, 1:20 is considered as the ideal ratio. Obviously, with greater advancement, it is hoped that the ratio may further improve resulting in greater demand for professional managerial manpower. Thus, the future of professional managers and management education is quite bright as far as demand aspect is concerned.

However, there are other aspects too which invite the close attention of those who keep the management education near to their heart. First, the UNESCO has indentified education as an investment and, therefore, the criterion that is applicable to investment in general becomes relevant in the case of education. It means that, as a result of the training given in educational institutions, the pupils must acquire productive capacity be in a position to add to the sum total of production, and in fact produce much more than they would have done in the absence of this education.

Return on Investment (ROI) in education, in India, can be judged on the basis of following parameters.

17. Ibid.
Employment:

ROI may be said to be positive if there is no unemployment among the educated persons. In India millions of educated youth are unemployed and hence ROI is said to be negative. As far as management education is concerned the position at the moment seems to be quite satisfactory. No unemployment is visible among those who hold MBA or equivalent degree. According to one estimate, if the present trend of increasing demand for professional managerial personnel continues then it would be difficult for the Business Schools to keep pace with the growing demand for managerial personnel.

Level of Earnings:

By and large, there is positive correlation between the height of education and the height of earnings. Further, there is a positive correlation between the professional training and higher earnings. Here again, management education, in general, has an edge over formal education. A management trainee with MBA degree approximately gets about Rs.2,000 to Rs.3,000 per month. Junior level positions, to which these trainees rise, carry a basic salary of Rs.2,000 to Rs.4,500 per month, middle level positions carry a scale between Rs.5,000 to 7,000 per month. Top level executives get more than Rs.7,500 or more.

as basic salary. In addition, there are other usual perquisites such as rent free furnished house, free conveyance and suitable car allowance etc.\textsuperscript{19}

**Average earnings:**

In the case of a large number of educated people and the income that they earn, we find that the relation between non-professional and non-production oriented education and the earnings accruing therefrom is perhaps even negative. Thus, in the case of a person who is a graduate clerk and a person who is a semi-skilled labourer and who may have studied upto only the 3rd or 4th standard, it is found that the former will be getting a lower income than the latter. This means a negative return as less expenditure on education gets a higher return.

**Self-Employment:**

Regarding self-employment, management education seems to be no better than formal education at the moment. However, a beginning has already been made in this regard as a few persons holding professional degrees are providing management consultancy services to their client, on the basis of consultancy charges. One can hope for the better in future.

Thus, management education enjoys a much better status than formal education in the matter of job

\textsuperscript{19} Ibid., p.211.
opportunities pay scales and average salary etc. Because of these factors, young students tend to clamour for a management career.

Finally, another question which the critics generally raise against the management education is, has the management education succeeded in resolving the unresolved problems of economic development of the country? Has it succeeded in producing managerial personnel who can ensure proper utilisation of available human and material resources through proper planning and control?

On the basis of above discussion, one can aptly describe that there is need for the right kind of managerial personnel who can ensure proper utilisation of human and other economic resources. In India, Business Schools have so far not been fully successful to meet the objective. It does not mean that there is something basically wrong with the business schools. But certainly, these schools suffer from serious drawbacks, important among them are:

Teaching faculty has been and continues to be a constraint. The possible reasons are -

a) Industry jobs are more lucrative.
b) Industry jobs offer better promotional avenues.
c) Adherence to rigid qualifications of doctorate even for the entry-point as a lecturer²⁰.

²⁰. Ambarish Kumar, "Struggling for Existence: A case of Management Education in Universities", in Pramod Vermal et.al., op.cit., p.72.
All Business Schools depend exclusively on meagre resources provided by the university through their budgets. There are no visible efforts on the part of the Business Schools to generate resources through other sources, like consultancy.

Offering consultancy is generally considered as a vital component, but it is conspicuous by its absence. This may be due to an outmoded notion that the teachers should not undertake any money-making activity. Thus, the teachers are deprived of the opportunity to translate their knowledge into practice and gain thereby. The plain inference is that the teachers in Business Schools tend to stagnate.

The need and appreciation for faculty development in spite of faculty constraints are totally lacking among university Business Schools. "Realising the problems of faculty Constraint, in Business Schools, the Indian Institute of Management, Ahmedabad has developed a faculty development programme, but the response from the Business Schools has been poor."[21] The discussion with the FDP participants revealed that most of them attend the programme on their own initiative but not on their Business Schools initiative.

Research activity is the biggest casualty among the University Business Schools. Most of the Business Schools

21. Ibid., p.73.
claim that research is one of the academic activities, and still it remains to be an individual and not an institutional activity.

Organising executive education/management development programme is considered as one of the activities of Business Schools. Except in some isolated cases this activity was completely neglected if not ignored.\textsuperscript{22}

7) There is a little interaction between Business Schools and industries. There is an attempt to enlighten the students to the practical industries' problems through the summer placement programmes. But this is done more as a partial fulfillment of course curriculum than as a serious exercise. The lack of effective co-operation from the industries and the absence of interaction between the Business Schools and the industries has plagued the programme.

The Business School curriculum has serious drawbacks such as: \textsuperscript{23}

a) Insufficient emphasis on generating vision in students.
b) Lack of integration across functional areas.
c) Too little emphasis on quantitative techniques.
d) Insufficient attention to communication skills, Business ethics and International dimension of business.

\textsuperscript{22} Ambarish Kumar, op.cit., p.73.

\textsuperscript{23} Ibid.
Obviously, the removal of deficiencies pointed out above shall help in making Management Education more meaningful and effective than it has hitherto been.

(D) THE PRESENT STUDY:

Though the management education had its origin in North America in 18th century and the first business school was started in Andhra University in 1957 the growth of management education in Universities in India can not be viewed as a spectacular growth either in terms of number of schools, programmes offered, relevance of the curriculum, quality of teaching, relevance of research, interaction with business community and ultimately the programme in total, in view of the shortcomings raised in the previous section.

This situation is probably due to absence of interaction and co-ordination mainly between the industry (The prospective employer) and the university business schools and among various business schools. Further lack of co-ordination among curriculum, teaching faculty and research is another reason for the above situation. It is viewed, at this juncture that absence of systems approach towards management education in Indian Universities would be the root cause for inability of university business schools to meet the expectations of the business community. An enquiry into the possibility of application of systems approach to management education will help us in the direction.
From the above analysis it is clear that the study on "Systems Approach to Management Education in India - A study with special reference to university business schools assumes greater significance.

Review of Literature:

A number of studies have been conducted on various aspects of "management education", Management of Universities, Management education in University management departments, Systems approach to education and systems engineering methodology in general. Some of the important studies are reviewed hereunder.

N. Hasan\textsuperscript{24} in his study on "Management Education: State of the art" covered how management education emerged as an outgrowth of commerce education. He discussed the basic issues emerging from the present state of the art of Management Education and the issues emerging from the policy dimensions.

D.S. Bhardwaj\textsuperscript{25} in his paper on "Some Thoughts on Management Education in India" discussed vividly the major areas of concern in management education apart from overall setbacks to the quality of management education and the imperative need for careful monitoring.

\begin{enumerate}
\item N. Hasan, "Management Education - State of the Art", in Pramod Verma et.al., op.cit., pp.10-14.
\item D.S. Bhardwaj, "Some Thoughts on Management Education in India", in J.L. Rastogi and Bidhi Chand, "Management op.cit., pp.201-214.
\end{enumerate}
Mc Grath, E.H. in his paper "Innovations in value and skill-oriented education for future youth in India" emphasized that the development of professional management is not merely a matter of imparting skills or techniques or even of style. It is essentially concerned with certain norms and values to be adopted by the managers who seek entry to the management profession.

R.N. Misra in his work on "Optimisation of resources in Management Education" expressed his view that at the University level management faculty should be a separate faculty and the management department should not be mixed up with departments of commerce and should be mostly linked to practical orientation.

D.M. Pestonjee and A.H. Kalro in their study on "Management Education in Universities: the present Scenario" analysed the different aspects such as courses being offered, infrastructure facilities, and the extent of involvement of business schools in executive development programmes.


27. R.N. Misra, "Optimisation of Resources in Management Education", in Promod Verma et.al., op.cit., p.41-48.

N.R. Dixit in his study "Need for autonomy for Management schools in Universities" emphasized the necessity of having an autonomous departments of Management.

Ambarish Kumar in his study "Struggling for existence: A case of Management Education in Universities" discusses how University business schools can achieve excellence if they have clearcut objectives and work for them.

K. Sampath, A.Panneer Selvam and S.Santhanam in their book "Introduction to educational technology discusses the importance of systems approach to educational technology. The instructional system is viewed as a system having backward and forward linkages with input system and recipient system respectively. The advantages of systems approach to education are vividly discussed.

Jenkins, G.M. in his paper on "The Systems Approach" discussed the four phases of systems engineering methodology. The phases he suggested are analysis, design, implementation and operation.


Checkland, P.B. 33 in "Towards a system-based methodology for real-world problem solving" emphasised in his methodology, the difficulty in quantifying objectives and generating alternatives when one deals with large social systems and hence proposes a generalised systems approach to problem solving.

Hall, A.D. 34 in "The 3-dimensional morphology of systems engineering" proposes his methodology in the broader context of the overall structure of systems engineering.

**Need for the Study:**

Though the study assumes greater significance, and is expected to contribute to the policy decisions by the Ministry of Human Resource Development, Government of India, All India Council of Technical Education, State Councils for Higher Education where ever they are in existance and the University administration, there are no studies on "Systems Approach to Management Education In India (A Study with Special Reference To University Business Schools). Hence the present study is needed and is expected to contribute to a great extent to the existing literature, policy formulation and management of University business schools.


Objectives of the Study:

The objectives of the study are:

1. To study the current status and condition of MBA programme in University business schools.

2. To enquire into the activity related to research and management development programmes of University business schools.

3. To examine the business school relations with business community.

Methodology:

To attain the above stated objectives information has been collected both from primary and secondary sources. Primary data has been collected mainly through administering three comprehensive and structured questionnaires to Heads of the business schools, teaching faculty and the students. The questionnaires were designed exhaustively to cover the information required to study the business schools education system at input, process and output levels. These questionnaires will also cover the opinions of Professors, Readers and Lectures on different aspects of the work environment of University business schools.

Apart from administering the questionnaires, informal discussions were also held with University Administrators, Students, Alumni of the business schools and management representatives of corporate sector to understand their feelings, problems and expectations.

In addition to the primary data that has been collected, secondary sources were also relied upon for
information. Secondary data was mostly collected from the records of the University business school and also from the records of the respective Universities.

Sampling:

There are as many as 68 University Management Departments/University Business Schools spread around 21 states. It is not possible to study all the 68 Schools, neither it is necessary to study all in view of the similarities in the nature and activities of business schools. So around 15 per cent of the total population - 10 schools are selected on the basis of random sampling. In this sampling, University business schools from six states have turned out. With in this sample atleast one business school from each of the three categories of State Universities, Deemed Universities and Central Universities, is selected.

The following table gives the sample selection:

<table>
<thead>
<tr>
<th>State</th>
<th>State Universities</th>
<th>Deemed Universities</th>
<th>Central Universities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Karnataka</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Tamilnadu</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Orissa</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Pondichery</td>
<td>-</td>
<td>-</td>
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<td>Goa</td>
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<td>10</td>
</tr>
</tbody>
</table>
There are as many as 450 students enrolled in all these 10 business schools. Around 33% of the population is taken as sample size which is about 150 in the case of students. There are 165 faculty members in the 10 selected University business schools. A sample of 33 per cent of the faculty is selected and it is about 55. In case of faculty at least one from each category of Professors, Readers and Lecturers from each University business school is selected for the study, maintaining at least 3 faculty from each University.

From among the Industries providing placement to the Graduates of the selected Business Schools, a sample of 50 units at least three units providing placement to the each of the respondent business schools have been selected to seek the opinions and feelings regarding various aspects of Business schools.

Scheme of Presentation of the Study:

The present study is presented in six chapters. Chapter-I deals with concepts associated with systems, types of systems, systems engineering methodology and limitations of systems approach. Genesis of management education, growth of management education and the present study is presented in Chapter II. Chapter III deals with systems approach to management education.
Chapter IV deals with the post-graduate programmes offered in business schools covering various aspects such as students and graduates, curriculum, faculty, teaching and business school relations. In Chapter V a detailed discussion on research activity and management development programmes of University business schools is presented. Evaluation and conclusions are presented in Chapter - VI.

Limitations:

An academic study of this nature has limitations in identifying respondents particularly for the categories of Alumni and business executives concerned the executives of the business organisations those provide internship and placement for the graduates of the respondent business schools, in view of either absence of even the data related to Alumni. However utmost care is taken to reduce this limitation to a great extent by interviewing the faculty, Heads and placement officers about the placements of the graduates.

Another limitation is casual nature of the respondents in expressing their opinions regarding some aspects covered in the questionnaire. But those opinions were cross checked through interview method.

The traditional bondage between the teacher and the taught in Indian Society has become a limitation as the students could not express their inner feelings about the
faculty, their teaching practices etc. This limitation has also been reduced to a great extent, by cross checks in interviews. However every effort is made to evaluate the situation as accurately and objectively as possible.