

Impact of Globalization on Management Education in India

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Abstract: The management education plays an essential role in today's dynamic business environment. The rapid trend of globalization and technological changes have made difficult for organizations to survive in the competitive world. As a result the importance of management education has been increased many folds. Business executives need to update their skills due to sudden changes in the external environment. Due to the increasingly complex nature of organizations and businesses, there is a need that the business schools impart relevant, current, and cutting edge knowledge to the students. The significance of management education which is essential for today's organizations, the business as well as engineering schools should play pivotal role in equipping our future managers with the emerging trends of management skills to face the challenges of dynamic business world. This paper emphasized the emerging trends in management education and updates the MBA curricula to come at par with the international standards of business education. This paper sets the foundation for future research focusing on improving management curricula for business schools in developing countries based on the international trends in business and management education.

Keywords: WTO, Knowledge Society, Simulation, Globalization, Ethics, Economic Growth

Management Education – An Introduction

"Management education is in great demand especially after the change towards liberalization, privatization and globalization. There are several challenges of management education which require change in the character and structure of management education, integration of management education with corporate sector, up gradation of curriculum and course content, designing of different programs for executives, maintenance of an efficient and effective regulatory system to check mushrooming, and emphasis on research. India being the part of global linkage in the aftermath of WTO agreement is becoming a technology driven society. Nearly one lac management graduates pass out every year in India, providing a tremendous potential to contribute to the creation of a 'knowledge society'.

In the modern economic scenario all over the world- "Management" – as a stream of education and training has acquired new dimensions. Management is an exciting field which an immediate impact on the operations of any business. The field of Management is dynamic in nature. New tools and techniques are continually being introduced to improve the efficiency, productivity, and profitability of any organization. All organizations and their departments, functions, or groups use Management methodologies, which include problem solving techniques and guidelines for various related activities.

There is also a need that our dependence on foreign literature and techniques should be minimized and management teaching and thinking should be based upon practical experiences deriving strength from Indian ethos. Management education need to be made value based, rather than money based. India is facing a crisis of quality management education. As compared to international standards the Indian management institutions (with a few exceptions) are far behind. There is a need to fill this gap. 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
- § Management skills

A business school is normally a university-level institution that teaches topics such as accounting, finance, marketing, organizational behavior, strategic planning, quantitative methods, etc. These include schools of "business", "business administration", and "management". It must also make students aware of application software such as ERP, POS, Simulation, SCM & logistics. In addition to this they must also get to learn of the

actual running of an enterprise. A business School is an entity by it self and can not be run as a department of a technical school now. Business school must have a branding and that can come from the quality of teaching and their richness. The alumni bring prestige to the school. Placement is a sequel to quality of teaching staff and education provided in the school.

Management education cannot be compared with studying other subject areas like chemistry, physics, mathematics or law etc. Management education can rather be compared with medicine. No doctor is allowed near a patient purely on the basis of theoretical knowledge. Doctors learn the professional skills by acquiring the practical knowledge that is taught by practicing doctors and hence they become experts in diagnosing the real physical condition of patients. In the similar way, in a business scenario also it has to do things, take decisions, take actions, and monitor results. It cannot operate any business by just planning what to do on paper. Planning is, though an important step in the process, there are many examples of businesses with excellent plans having failed because of non-implementation of proper ideas. Management education should actually supplement on job training being given by the companies to the management trainees. It should also develop the analytical skill and improve the ability to assimilate complex external and internal factors influencing an organization.

Critical issues of Indian Management Education:

Management education in India is in the phase of change. The two current developments sweeping India, namely liberalization and globalization, have

had a considerable impact on management education. The management education in India has come a long way. The first Business School in India was Indian Institute of Social Welfare and Business Management, Calcutta, which was established in 1953. The next one being Indian Institute of Management, Calcutta in 1961. Then IIM-A in 1962, Department of Business Administration, Delhi School of Economics in 1966, XLRI in 1966 and so on followed this. The early 90's saw the boom of founding new management schools, most of them in private sector. In the last three years alone 400 Business Schools came into being. Few Business Schools have also established collaboration with some western Universities.

The management education system of in India is beset with a host of problems and challenges. The sudden proliferation of management institutions has lead to a considerable decline in the quality of education that is being offered. In order to install the quality in the management education in India, the AICTE, apex institution in the country and universities should focus on the following issues:

- § Quality Assurance
- § Qualifies and Competent faculty
- § Proper Infrastructure
- § Accountability of Management Institutes

There are other critical issues which need to be addressed like: -

- § Faculty shortages
- § Values and Ethics
- § Allowing foreign institutes in India
- § Role of professional bodies and authorities

Challenges for responsible Management Education

The institutions of Management learning involved in the education of current and future managers are voluntarily committed to engaging in a continuous process of improvement of the following challenges, reporting on progress to all the people involved in business and management related activities and exchanging effective practices with other academic institutions:

Purpose: It is to develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Values: Is to incorporate into academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Method: To create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Research: Engaging in conceptual and empirical research that advances the understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Partnership: Interacting with managers of business corporations to extend the knowledge of challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Dialogue: It is to facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

The emergence of such a new dimension has already begun. Companies are feeling the need for global standards to benchmark human resources, and academics are encouraging the use of merit-based candidate selection systems. India's position as a lead contributor to the global IT human resources pool will need to be supported by the adoption of global standards for talent selection. It is out of this need that a council of companies, hiring experts, technology experts, psychologists, government agencies and test development experts came together and set up the Professional Aptitude Council. With a charter to develop and administer global, industry-standard examinations on behalf of the IT Industry, PAC helps test skills and aptitude to make a highly predictive assessment of a person's ability to perform in an IT job within a global business setting.

At the time of independence, Indian economy was developing and hence we required bureaucratic management skills. However 50 years after independence, the Indian economy has become more mature and hence we require entrepreneurial management skills. Our management schools have failed to meet this challenge. Therefore there is a need to revamp our management education.

Internationalize Management Education

As the business is getting global, day-by-day, there is an increasing need for the colleges to produce global managers. Therefore, it has become

necessary that Indian Management education should also become more global. The message is quite clear; the response to the globalization of business is the globalization of management education. The following are the directions in which the Business Schools can focus to make management education global:

- § The business schools must admit international students to the program. The Indian management institutes are the only ones with no international participation.
- § The business schools should induct a few international faculties and provide an opportunity to the students to listen about other country's business culture and systems.
- § They should provide an active program of students and faculty exchange with advanced countries.
- § To ensure that at least 25% of the curriculum deals with international subjects like international economics, international marketing, international financial management, etc.,
- § They should collaborate with some well known foreign Business Schools by which Indian students can do part of their education in those institutes.
- § Lastly the Business Schools also collaborate with some foreign placement consultancies to make sure at least some students can attain jobs abroad.

Management Education in India is at cross roads. With the dawn of new millennium, while there was phenomenal growth in the number of B-Schools, the benchmarks were also on the rise. The internationalization doesn't seem to have happened

just to the Industry but also to Indian B- Schools. The expansion of B- Schools (in Number) doesn't look to be in line with the challenges posed by the globalization of Indian Management Education.

Of the 1500 B- Schools India currently has, there might be around 200-250 schools, which might stand a standard test of quality. Should the internationalization of Management education India become a reality in terms of free movement of faculty and freedom of operations across the globe, the Indian B-Schools might have to take many initiatives to stand up to the challenge. The solution seems to be, 'While the affiliated colleges are needed to be more autonomy-both financial and academic, the autonomous institutions have to strengthen their curriculum'.

The fundamental scope of doing business in India is lying with its people. The huge population of India has created a large unsaturated market of consumers. This is one of the reasons why global companies are very much interested in doing business in India. In the post globalization era this scope has increased immensely for global multinational companies as Government of India has also played a very crucial and supportive role in this respect through liberalized policies and legislative structure.

Impact of Globalization on Management Education in India

The term 'globalization' means integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Cross border integration can have several dimensions – cultural, social, political and economic. In fact, some people fear cultural and social integration even more than

economic integration. Knowledge is the driving force in the rapidly changing globalised economy and society. Quantity and quality of specialized human resources determine their competence in the global market. Emergence of knowledge as driving factor results in both challenges and opportunities. It is well known that the growth of the global economy has increased opportunities for those countries with good levels of education.

Globalization has a multi-dimensional impact on the system of education. It promotes new tools & techniques in this area like E-learning, Flexible learning, Distance Education Programs and Overseas training. Globalization will mean many different things for education. In the near future, "it will mean a more competitive and deregulated educational system modeled after free market but with more pressure on it to assure that the next generation of workers are prepared for some amorphous 'job market of 21st century'.

The education system in India should deliver such education and training so that professionals can adjust themselves as per market expectations. It has underlined the need for reforms in the educational system with particular reference to the wider utilization of information technology, giving productivity dimension to education and emphasis on its research and development activities. The benefits of globalization accrue to the countries with highly skilled human capital and it is a curse for the countries without such specialized human capital. Developing and transition countries are further challenged in a highly competitive world economy because their higher education systems are not adequately developed for the creation and use of knowledge. Converting the challenges into

opportunities depend on the rapidity at which they adapt to the changing environment.

In India, over the years, there have been private initiatives in education initially for philanthropic reasons and eventually in professional and even in general higher education not only to meet the growing demands but also to realize the huge and quick profits potential. This was situational because government has shortage of funds so for the benefit of nation government allowed private institutions. Privatization of management education has emerged in several forms and types in the recent decade in India. Commercial management education emerges from market forces and tied to economic and global forces.

Globalization leads to challenges and threats also. The major concern is to deliver world class education with updated curriculum and practical exposure. This is possible only by attracting talented & experienced persons in to academics. At present it is difficult to assess not only the nature and dimensions of globalization, but also what it means to the field of education. A few educational researchers have attempted to make connections between the several dimensions of globalization and the policies of education. India is witnessing new era in the field of Management Education. Many Corporate groups like Reliance, Nirma, Tata, Sterlite etc. have promoted Management Institutes. Some reputed foreign universities are also coming to India. In India, there is a considerable hope and expectations regarding the value of management education and its potential contributing largely to nation's economic growth.

Conclusion

India's management education is under going a major transition. Internationalization, cross cultures, strategic alliances, partnerships, and mergers are the new trends in management education. The top priorities for management education institutions in India are to improve the quality of faculty; to address and respond to critical social, economic and technological issues facing Indian management. In a churning global marketplace, understanding the fundamental connections between business, the environment, and society has become essential. The roles and responsibilities of business as a global force are becoming more urgent and complex, and concepts related to societal responsibility and sustainability are gaining recognition as essential elements in business management.

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