

The World Of Management Education Today

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Formal business and management education is a relatively new phenomenon. Its origin can be traced to the trade schools which began to develop in the 1870s, which gradually transformed themselves into business schools and then management schools. The major influences on the development of management education have come from engineering, legal and medical training; the case-study method pioneered at Harvard Business School, for example, is an adaptation from similar methods used in law schools.

Management education emerged as a response to a particular set of needs, namely, the need for more and better quality training for managers of large organizations in increasingly complex environments. The dominant model of management education emerged in North America, a reflection of the more general dominance of American business methods and style.

Today, however, management education and development are in a state of transition. The growth of the service sector, the information revolution, delayering and re-engineering are just some of the factors affecting the business environment, and affecting in turn the nature of the demand for management development. Managers now require education and training that will help them to be more adaptable, to deal more effectively with uncertainty, and to integrate many different values and missions. The North American model of management education and research has tended to focus on quantitative research and analysis; but there is an increasing need to integrate these with qualitative research as well. Intuition and imagination are qualities which need to be stimulated and enhanced. The challenge of education is to prepare for the unknown using the known.

Uncertainty and complexity are part of the future of business. One of the main drivers is the information revolution which is connecting individuals and organizations to worldwide networks. One of the consequences of this is that we can search for and acquire services directly, without going through intermediaries. While this can lead to greater efficiency, it also leads to greater complexity; new skills are required to manage the vast new range of



information available to us.

While globalization is leading to greater uniformity of economies and societies, it is also, paradoxically, increasing the importance of individuality on the part of persons, communities and companies. Borrowing from complexity theory, we are increasingly becoming “strange attractors”; the actions of individuals are having ever more broad consequences. Accordingly, levels of uncertainty in business and society at large are increasing. In modern society, uncertainty and complexity are becoming conventional norms.

Management education and development must respond to these changes in the environment, and evolve to meet the changing needs of managers and organizations. Old categories and classifications are breaking down and disappearing, and new ones are emerging. Managers are becoming more individualized; their own levels of knowledge and education are becoming crucial determinants, perhaps more so than the organisations to which they belong or their job titles and levels of seniority. Managerial careers are becoming increasingly fluid, as managers move between functions and companies increasingly quickly and every more broadly in geographical terms.

As a result, management education

and development must focus on such issues as how to manage change and complexity, how to use technology more effectively and how to manage people. In Europe, there is the particular issue of how to ensure that best practice as it develops is also transferred to the emerging private sector institutions of Central and Eastern Europe. The best MBA and executive programmes around the world are already moving in these directions. What we have yet to see, however, is adaptation of this kind broadly across the entire field. For the last twenty-five years, management thinkers have been calling for business schools to be more flexible, to be better integrated in disciplinary terms, and to be closer to their business customers. Although there are notable examples of success in these efforts, most business schools still have a considerable way to go.

Management education and development are products of their time. They evolved to respond to certain historical needs. Care must be taken now lest they fail to adapt to new emerging needs. The choice currently facing management education is adaptation and future success, or a form of stasis in which the skills that are taught become increasingly outmoded and management education itself is ultimately seen as valueless.

“In order to take advantage of the favourable economic climate of the country, we need to have not just those who will work in the higher echelons of the corporate world, but also those who will fill up the middle-level vacancies.”

The education system needs to be made inclusive. “We need those who are average too.”

At least 30 percent of the recruitments in the Indian Institutes of Management (IIM) are for jobs abroad. “As aspirations increase, fresh managers prefer to move out of the country. So there is a constant need for institutions to feed the industries in India.”

In demand

Also, Indian managers are creating a niche for themselves in China, Africa, Australia and North America, where they are faced with challenging business situations. There are around 1.5 lakh seats for MBA in the country out of



which, only 10,000 - 20,000 are in quality institutions. However, the need for MBAs will never cease in a country such as India. Basic skills in management should be instilled in students even during the early phase of their education—at secondary school level—as it will help put things in perspective.

“The service sector in the country is experiencing a boom. The industry at present is gearing itself for the rapid growth in banking, financial services, telecom, insurance and consumer durables.” There are also areas such as entertainment that have not been exploited to its full potential.

“Unlike the situation 15 - 20 years ago, a lot of people are getting into entertainment. It is no longer seen as unprofessional. Apart from the creative part of it, it is also business. There is a lot of scope for considering media and entertainment from a management perspective.”

Retail is also catching up in a big way in the country with majors such as ITC, Bharti, and Reliance venturing into it. “In the US, the biggest employer is the retail sector. It has jobs for everyone.” The availability of qualified faculty for MBA is also a challenge institutions face. “This is because education is not as well paid as it should be. Money has to be invested in education. In India, money in education is still taboo. If this attitude changes, more people will invest their skills in the education sector, which is, indeed, very important.”

There is a gap between the industry and the academia, which institutions teaching management education should try to address.

Whatever you do in your professional life, the chances are that it will involve some ‘business’. Scientists, engineers, even artists, will inevitably have to

understand at least the basics of management, and probably a lot more. Today’s management gurus, the people who are forecasting the way we will do business at the beginning of the 21st century, are saying that the companies of the future will consist of groups of specialists who work together on a specific project and then disband. For the next project, the composition of the group will almost certainly be different. One of the consequences of this is that many more people will be what we call today ‘independent’, and will have to understand more about the opportunities and constraints of business. In other words, the combination of specialist qualification and business knowledge will become vital. But it is not just ‘knowledge’ of business.

Before embarking on a business education you need to ask yourself a basic question, ‘what should a business education give me?’ Most subjects that one studies are composed of theory and practice.

‘What will a business education give me?’

Management education offers all necessary tools to equip one with the necessary techniques of successfully handling various business and management related issues. Basic tools will enable you to make contributions to global economy.

Besides providing the basic management capabilities, it also provides :

- The ability to use the contingency approach to solve business problems.
- Combining the best parts of several solutions into a unique and better solution.
- Having a global perspective.
- Working with and learning from others.