

Globalization of Indian Business Education

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ABSTRACT

Out of 5 lakh pursuing MBA, only one fifth are employable. While the MBA seats are increasing at 35 per cent since 2007, the quality is not improving resulting in only 21 per cent business school graduates being employable. This was found out by a research team from the MeritTrac, an assessment company with help of business school portal on 100 business schools. Currently India has over 3500 business schools. (Chitra Unnithan, 2012). Thus it becomes necessary to study the Indian Business education system and provide fruitful insights into maintain and improving the quality of Indian Business education to increase India's global rankings. The researcher in this paper makes a comparative analysis of top rated management educational institutions and Indian Business educational institution and provides insightful suggestions to improve the quality of Indian Business education system. This research paper provides a holistic view of the Indian business education and discusses the issues and challenges. Effort is also made to provide viable suggestions to meet the global standards.

Key words: Management Education, global rankings, student teacher ratio, pedagogy

Review of literature

The major criterion in world ranking of management educational institutions is student teacher ratio. Though the student teacher ratio of major Business Schools in India is on par with the world's high ranked business schools of UK and US, still the author opines that the Indian Business Schools are under worked. They should decrease the faculty or increase seats. In a populated country like India, the student teacher ratio of 4:1, 5:1 is not enough. The student teacher ratio in Germany is 30:1. This would be ideal for India also. [6]. There are also many governing bodies like AICTE, NBA, UGC, NAAC to approve the MBA colleges, but still there are many discrepancies seen in such colleges. The need arises for these bodies to be uniform and strict in their action so as to make the colleges more responsible and accountable for the claims made by them during the inspection or the approval process. [7] The students in many Indian MBA programs lack work experience which is essential for the Management education. Lack of experience make the students unaware of the practical problems and practical application of the theoretical study they make in the MBA programs. [2] Thus while the researcher came across these gaps in the Indian Management Education system, it became necessary to dig deep into the root cause of these lacking and come up with solid practically viable suggestions to improve the quality of Indian Management Education. This paper is the result of such research.

Objectives of the study

1. To understand the standards of global business education.
2. Identifying the issues and challenges of Indian business education.
3. Providing suggestions and recommendations to globalize Indian business education.

Research Methodology

This descriptive study is based on secondary data.

The required data is collected through books, articles, published reports in various national, international magazines, websites of companies etc. Extensive review of literature and case studies are also considered for the data collection. The annual survey reports of Forbes, UNCTAD, Harvard Business Schools, Cambridge University, IIMs of India, reports published in newspapers, and such other magazines are referred.

Introduction

India is no more a closed economy now. There are around 3,057 MNCs doing business in India, according to the World Investment Report, 2009, issued by the UNCTAD (United Nations Conference on Trade and Development) . From 2004 to 2009, in about 5 years, the Indian-based MNC decreased by 50% and the number of foreign affiliates increased by 90%. There are about many Indian companies working all over the globe. Just following an open economy does not ensure the success of these companies. Human resources have to be competent enough to face the global challenges. The Indian graduates must not only be trained to face Indian problems but also the global problems. With MNCs increasing, exchange of human resources also comes along with it. Human resources must be trained to work in multi cultured companies. The education system plays a very important role in shaping the talent of human resources. The education pattern of Indian universities is more oriented towards theory than other universities.

Rank	Title	Teaching	International outlook	Research	Industry Income	Overall	Student staff ratio	International students	Female: male ratio
1	California Institute of Technology United States of America	92.2	67.0	98.1	89.1	94.3	6.9	27%	33:67
2	Harvard University United States of America	92.9	67.6	98.6	44.0	93.3	8.9	25%	
3	University of Oxford United Kingdom	88.6	90.7	97.7	72.9	93.2	11.6	34%	46:54
4	Stanford University United States of America	91.5	69.0	96.7	63.1	92.9	7.8	22%	42:58
5	University of Cambridge United Kingdom	89.7	87.8	95.6	51.1	92.0	11.8	34%	46:54
6	Massachusetts Institute of Technology United States of America	89.1	84.3	88.2	95.7	91.9	9	33%	37:63
7	Princeton University United States of America	86.6	61.2	94.7	82.7	90.9	8.4	27%	45:55
8	University of California, Berkeley United States of America	84.2	58.5	96.7	44.8	89.5	16.4	15%	50:50
9	Yale University United States of America	88.5	59.8	90.8	42.0	87.5	4.4	20%	50:50
10	Imperial College London United Kingdom	84.6	65.2	89.9	36.8	87.1	11.7	51%	37:63

Source: <https://www.timeshighereducation.com/world-university-rankings/2015/world-ranking#1/page/0/length/25>

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Looking at the above ranking, it can be seen that universities of United States are ranked highest next to United Kingdom. To know the reason for these universities to be ranked highest let us understand the education system followed in these countries.

In United States, education is compulsory till the age of 18. Though the basic division of education system is similar i.e. Elementary, middle and high school. After this, they would join a college or university for their under graduation and post graduation. The classroom environment is entirely different where class participation of students, interaction of students with the teachers is given more importance. Other than the exams, one or more projects or research papers have to be submitted by the students. Quizzes, short exams and live activities are conducted more during the class time and then a final examination is given. The evaluation is based on grading systems. Marks are not allotted but the students are graded there. Wide variety and combination of subjects are given there for the students to opt for. This is same for UK also.

India

The Education system itself is very rigid. Rigid in the sense, scope for the subject choice is not wide. The universities fix the subjects for the course and students don't get choice to choose the subjects of their choice like the courses in US and UK provide. The way of teaching is also based more on text book context with very few industry examples. The interaction sessions are lacking and the students get limited to what the teacher has taught and their thinking capacity gets handicapped. The examination pattern also is very traditional with only written examinations. The creativity of students, research skills, are not tested. Students are not given enough opportunities for hands on experience with the industry.

Coming to the Business education system, India still lags behind. According to the Global MBA Ranking 2015, ranked by the Financial Times India's Indian Institute of Management, Ahmadabad is ranked 27, Indian School of Business is ranked 34 and IIMB ranked 82 among the top 100 business schools of the world. [1] the survey considered the average salary drawn by the graduates of the concerned B Schools and also the percentage increase in salary. No doubt the developed countries like US and UK stand highest in rankings, but the small neighbours like Singapore, China also are ranked higher than Indian B Schools.

This is something to be worried about. What is it that is making India rank lower than these B-Schools. One such reason pointed out by Abhijit Bhaduri, chief learning officer of outsourcing pioneer Wipro Ltd., is that the B schools in India do not give importance to the hands on experience of the student. The teaching techniques concentrate on only the theoretical knowledge and are not supplemented by the practical exposure. IIM – Ahmadabad do take in only students with an average work experience of about two years or sometimes even less. The rest of the B Schools all over the world are following the practice of admitting students with work experience of five years or more. This experience would come handy to change the way the students take on the subjects and the curriculum.

As pointed out in the article by Aditi Malhotra in The Wall Street Journal[2], in a survey of about 200 plus Indian Business Schools, it was found out that the few students specialized in Finance dint know what IPO stood for. If this is the fate of students of the Business Schools, it would not surprise if the ranking of business schools of India would be below 100 also.

Rank in 2015	3 year average rank	School Name	Country	Weighted Salary (US\$)	Salary percentage increase
1	1	Harvard Business School	US	179910	96
2	3	London Business School	UK	154147	97
3	3	University of Pennsylvania: Wharton	US	171543	90
4	3	Stanford Graduate School of Business	US	177089	80
4	5	Insead	France / Singapore	155015	86
6	5	Columbia Business School	US	169252	106
7	7	Leese Business School	Spain	144992	121
8	8	MIT: Sloan	US	158926	97
9	9	University of Chicago: Booth	US	161289	97
10	11	University of California at Berkeley: Haas	US	158518	88
11	14	Ceibs	China	149504	147
12	12	IE Business School	Spain	152286	104
13	15	University of Cambridge: Judge	UK	146664	93
14	12	HKUST Business School	China	132416	117
14	14	Northwestern University: Kellogg	US	159598	90
16	19	HEC Paris	France	129544	104
17	14	Yale School of Management	US	154175	96
18	18	New York University: Stern	US	146701	90
19	21	Esade Business School	Spain	133138	117
20	17	IMD	Switzerland	148148	70

It is known fact that by 2050 India and China would be the world's largest economies as compared to the stagnant economies of Japan, US , UK and the others. India is becoming

house for many foreign brands and it would own greater share of foreign business in the coming decades. With this progress at a faster pace, who will manage these companies is the question. India is providing larger workforce, but fewer managerial workforce. Indians are managing the major brands like Pepsico and Deutsche Bank but it is necessary to produce more number of such outstanding individuals from India. This can be possible only if the Indian Business Education brings out certain drastic changes in the education system in the following decades.

Findings

Issues and Challenges in Indian Business Education

The main problem seen in the Indian business education system is quality of intake. The universities abroad take students having 3 or 4 years of work experience into the management courses. This work experience is the base for management education. but in India, the culture is to finish Post graduation and then join work. The universities here also do not stress on work experience as a major criteria for admitting a student. Though the trend is changing, Harvard University has started admitting students with good academic scores, leadership qualities even if they do not have work experience, for the Indian management education it is better to admit students having atleast two years work experience. The Indian School of Business, Hyderabad has set the trend by housing students with three to seven years experience. The other schools are yet to follow the trend.

If work experience is one problem, the other would be to continuously make students associated with the corporate with programs like summer internships, case studies, short duration programs; joint projects etc. so that the students get hands on experience with the organizations. This would help them to practical apply the theories being taught in the various subjects in the curriculum. Many of the business schools have followed this system and are also been able to provide summer internship to all students. But the non-business schools providing management education have failed to focus on the importance of summer internships. These have their role models at home and have to follow them closely to improve the overall quality of management education in India. It is known fact the final placement of the students would highly be based on the internships done by the students. The IIMs have topped the chart of highest salary package offered to its students and 100 per cent placements to its students most of the years. But the non-business school MBA graduates are not been able to live upto the expectation.

The reason being the infrastructure facilities, faculties, curriculum etc. The non-business schools MBA programs offered by various institutions and universities are lagging behind as they do not have well equipped infrastructural facilities, in terms of libraries, membership to various databases, magazines, etc. The number of Doctorates in the faculty list is also less compared to the business schools abroad as well as at home. These faculties lack research aptitude and follow lecture method based on the content of the textbooks.

Lack of innovative and modern teaching techniques also add on the vows of management education. lastly the curriculum itself is highly outdated and gives less scope for practical application in today's corporate field. Students in the teaching environment would have closed minds where they will not be able to grasp new concepts quickly. Their thinking capacity would get adapted and limited to the context of their curriculum and nothing more.

What India needs is a drastic makeover of the teaching-learning culture in the business education. If India fails to bring this change in over a decade, it would be losing the opportunity to surpass China to become the world's largest growing economy.

Recommendations

Indian management institutions should admit foreign students and increase foreign participation. Students exchange programs can also be incorporated. Not only students, they should also accommodate foreign doctorates and expertise professors into Indian education system. This helps students to understand foreign culture and foreign way of thinking, problem solving etc. Indian professors, teaching faculties should be provided with orientation programs or faculty development programs to orient them with the modern teaching techniques, research techniques to make them closely associated with the industry. This would in turn help them to train the students and make them ready to take on practical issues bothering the industry. The curriculum must also include international subjects like international accounting, international production management, international human resource management, international economics, international finance etc. Training in soft skills, placements, in all walks of management education foreign participation should be encouraged to make Indian management education a global phenomenon.

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