



Challenges for Management Institutes and Management Education

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ABSTRACT

The paper explores the challenges faced by management institutes and management education due to changing times and dynamics. It delves into the critical role that management education plays in not only making better managers but better leaders and importantly better humans also.

Keywords : Management Education, Management Institutes.

Introduction

Management was one of the greatest human innovations of the twentieth century. Previous centuries had seen major advances in scientific discovery in Europe & Asia, but the application of science & its impact on most people's lives had been limited. At the same time, a true revolution was under way in the organization of industrial production in Europe & the United States, on that would allow those discoveries to have a wider impact - the emergence of the modern corporation – which shaped manufacturing & distribution – and of management, as a new profession needed to master the complexities of corporation. (Chandler 1990). Together, the modern corporation and professional management opened the door to mass manufacturing and the application of scientific knowledge to the development of products and services that meet the basic human needs in our societies, including automobiles, healthcare, electricity & and communications.

In the last century, management became an important new profession. Its basic principles were applied to the essential functions of organization, marketing, finance, operations and people development in a more rigorous and systemic way. The growth of enterprise in the twentieth century and the global reach of many companies bear witness to the rise and social relevance of modern management. (Khurana, 2007)

Business schools were the academic domain in which the foundations of management profession could be systematically learned and developed and research could be conducted into management problems and challenges. Wharton, set up in 1881 within the University of Pennsylvania, was the first business school to be founded in the United States. (Khurana, 2007) A few more graduate schools were founded in the United States in the period before the First World War, including Dartmouth, Harvard and Kellogg, but it was before and after the Second World War that they flourish. In Europe most of the leading schools were founded in the late 1950s and 1960s.

Business schools are still very young institutes in India. All in all, by developing generations of managers they have had a positive impact on people, companies and society. Thousands of people around the world are enrolled in MBA programmes and open, executive education programs. The positive effects of business school education on the lives of many people and on the success of many companies is widely acknowledged.

In a relatively short time, leading business schools have become important paradigms of excellence in graduate education and many of them have globalized education as no other universities had done before. The many threats and opportunities facing organizations and society in the 21st century will keep the demand for professional managers and entrepreneurs very high and business schools will continue to play a decisive role in educating them and providing society with the managerial talent it needs in order to meet some of its most compelling challenges. It is true that business schools face major tasks and have some questions to answer, particularly regarding their contribution to the society. They must also take a decisive hand in reshaping the notion and mission of the firm and rethinking the role of senior managers in the organization.

An important function of business schools is to develop important, relevant knowledge, serve as a source of critical thought and inquiry about organizations and management, and thus advance the general public interest as well as the profession of management. In this role, business schools would stand connected to, but also somewhat apart from business and other organizations, providing objective research and critical consideration of business, business practices, and their effects on people and society in an effort to serve not only business but also broader social concerns (Pfeffer & Fong, 2004).

Today, an MBA has become a basic prerequisite for employment. Bright young students are lured by the glamour and opportunities offered by a B-school education. Business schools on the other hand are making the most use of this opportunity to increase their capacities and leverage their infrastructure to the best possible extent. The challenge that business schools must tackle is how they can contribute to a reframing of the notion and purpose of the firm in society and what the role of business leaders should be. This is a priority because business schools need healthy companies with a clear purpose if they want to have a positive impact on them. If companies do not enjoy a high reputation in society, business schools are likely to become less relevant and to encounter serious difficulties in attracting outstanding faculty, top firms and excellent students. (Rosanans, 2008)

Despite its importance, there is relatively little research done on the role of business schools in career building of students.

That is the reason which calls for research in this field. This study will explore Role of Management Institutes in career building of students in the future.

2. Review of Literature

Graduate business schools were originally a US phenomenon. The first MBA program was offered by the Tuck School of Business in 1905 at Dartmouth College. Some of the ideas presented in this section were reported in an interview that appeared in the Australian Financial Review (Mair, 2002). Since the mid-1990s, the demand for business education has surged worldwide, to the obvious benefit of business schools.

After globalization, there is a great opportunity for business schools, particularly those located in high-growth economies. But it also raises a number of challenging issues.

- In recent years, India has experienced a large increase in the number of institutions offering management programs. Most of these have been private institutions. Three particular consequences of this are of significance. Given the relative infancy of graduate business education in India—the Indian Institutes of Management (IIM), Indian Institutes of Technology (IIT), and a handful of other well established and highly reputable institutions apart—it is not clear whether international standards have been achieved within much of the sector (Kannan, 2008).
- An additional challenge is that attaining status as a 'deemed university,' which is required to offer an MBA degree, can come only from the University Grants Commission (UGC). The UGC is a government body that establishes and maintains educational standards within the higher education sector. However, the actions of the UGC are not necessarily driven by academics but also by politics and influence (Phatak, 2005).
- Even though the demand for business education is expected to remain strong, this does not imply that business schools are producing the right graduates or that the future of business schools is safe, Pfeifer and Fong (2002, 2003), Connolly (2003) and Mintzberg (2004).

All the challenges, if met successfully, create opportunities for business schools to differentiate themselves from the crowd of business education providers. For example, Business schools that globalize successfully and offer innovative programs will strengthen their competitive position.

For many years universities have enjoyed a strong position at the heart of the global economy of knowledge, and business schools have been one of the major success stories in higher education over the last 40 years (Ivory et al. 2006, and Mintzberg 2005). Adenekan (2009) also identified that many top business schools are witnessing a surge in applications, as diminished job prospects force many people to get new skills.

In 2005, Deans at the EFMD Conference (GRLI, 2005) were in unanimous agreement, that business schools should do more to influence students so that after graduating they make decisions and behave in ways that reflect globally responsible leadership. Researchers and analysts increasingly are criti-

cizing the approach business schools are taking. Bones (as cited in Arkin, 2009) argues *'this is a sector about to sleep-walk into significant change'*. Starkey (2008) calls for business schools to create MBA programmes that go beyond merely a passport for careers in hedge funds, private equity, investment banking, venture capital and consulting. He identifies the need to cultivate an appreciation of history, the role of the state and of collective action to counter the fixation on markets and individualism (i.e. greed and selfishness).

Although Bradshaw (2009) argues that business schools need to give students more insight into what the new role of business will be in society, he agrees with Holland (2009) that this need has already been recognized by some schools and that their teaching has begun to change. (Bradshaw 2009)

3. Expert Views

A lot of views emerge in terms of what could be the role of a management institute and the role that a management professor would play. In the words of Professor Clayton Christensen, Harvard Business School, management education needs to help a participant further into his life and help him generate a strategy for life and not just his career. According to him, a management student needs to address three issues. First, how can one be happy in one's career? Second how can one manage one's relationship with one's family and make it an enduring source of happiness and finally how can one live a life of integrity without crossing the law.

In *Managers Not MBAs*, Professor Henry Mintzberg (McGill University) challenges the validity of the perennially popular MBA program: a program that top-tier companies continue to rely on as essential to the creation of successful corporate leaders. As one of the great iconoclasts of management theory, Mintzberg emphasizes the need to reexamine and drastically change our traditional form of management education. As Mintzberg boldly asserts: MBAs do not managers make. Henry Mintzberg offers a sweeping critique of how managers are educated and how corporate management, as a result, is practiced. Mintzberg goes on to make thoughtful—and controversial—recommendations for reforming both. The author makes the case that because conventional MBA programs are designed almost exclusively for young people with little, if any, managerial experience, the programs overemphasize science, in the form of analysis and technique, and downplay experience and insight. As a result, graduates leave with a distorted impression that management consists entirely of applying formulas in order to solve complex situations. Mintzberg argues compellingly that this has had a corrupting and dehumanizing effect not just on the practice of management, but also on our business, non-profit and community organizations, and even our social and cultural institutions.

4. Conclusion:

The above discussion indicates that management education and management institutes need to look beyond the syllabus and identify finer areas of development like building better leaders and better humans for tomorrow. After all a good human would make a good manager and its vice versa may not.

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