

**Is Management Education in Sync with Industry Requirement?**

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**ABSTRACT**

The purpose of education is multi-fold. First is to train students to be employable after completion of education. This employment should be full in that the complete his complete financial requirements should be fulfilled. The second is to equip with such sufficient knowledge that they can further the knowledge in their field by engaging in research activities along with teaching. In the process their financial needs also should be fully met.

In the present management education, the main emphasis is on theory. Little is done to expose the students to real life situation. This results in producing graduates who may be well-versed in theoretical base of management with little exposure to practical aspects. So leaving out a few exceptions majority of management graduates are unemployable. So we have a peculiar situation having plenty with no use.

This paper attempts analyse the utility of present-day management education and suggest ways and means of making it purposive and make it synchronous with industry and society requirements.

*(Keyword: Financial Needs, Exposure to practical aspects, Theoretical base)*

**Introduction:**

Most of the management education across the globe is case study driven and the management educators are a blend of industry, teaching, training, research and consultancy experience. They are able to leverage their experience and share their knowledge with students who already have some years of industry experience. Such management education helps ensure effective takeaways in the students. The students will be able to relate the theoretical aspects with their practical knowledge. When such students hit the industry, they will be able to leverage their management education in the corporate world. They will be able to customize their knowledge as per their verticals, sectors and industry. On the other hand, when you look at management education in India, it is mostly faculty-centric, not student-centric. It is not customized as per the aspirations of the students. It doesn't cater to students as per the industry expectations resulting in a huge gap between industry and academia.

The management education in India emphasizes mostly on theory, not on practical education. When you look at engineering education, there are laboratories to experiment and verify the theoretical aspects. However, the same is not possible in the management education. Hence, the management educators emphasize on case study driven education to ensure takeaways to the students. They are supposed to create case studies as per the profile of students to share their knowledge. It is also essential for students to have some industry experience to enable them to relate what is taught in the classroom. Unfortunately, students in India pursue from KG to PG

without any break. Hence, they don't have any industry exposure and find it tough to digest the management education in the classroom.

- **Problems in management education:**

### **Low number of faculty members**

It is estimated that there are over 3000 management institutes in India. This high number is not matched by commensurate quality. This is brought out by the fact that only about 10 % are employable.

The main cause for this drop in quality is the total lack of corporate world in the formulation of Management course. Also the available resources are stretched to the point of breakdown. This is especially true of management teachers. Most of them have little experience of having worked in industry. In many cases fresh MBA s are appointed to teach management courses.

Another problem is that Indian students are interested to take management education at very young age compared to other countries students; in west countries students are generally go to business school after getting some work experience. Also in many cases MBA is treated as an extension course of B.Com. "The lack of experience creates a bit of disconnect with the kind of problem-solving that the industry wants,". Students are not able to relate to the subjects from their life experience, making such inputs very theoretical.

As compare to size of Indian population we should have good number of business schools. If we will able to create good managers, then we will able to create good students. So, economic growth can be possible with quality managers.

The industry too needs to invest a bit, both in time and resources. "Overall R&D (research and development) budget of most organizations is low, and so is their tendency to invest in something long term,". At the same time, academic institutions also need to open up and have discussions with the industry on how the two can work together in solving problems of practical significance.

### **No monitoring of teaching**

India has produced some of the best managers occupying top decision-making positions in renowned multinational companies. Prem Watsa of Fairfax Financial Holdings Ltd, Satya Nadella of Microsoft Corp. and Indra Nooyi of PepsiCo Inc. have managed to climb the organizational ladder and reach the top spot. "One would wonder—if there are so many people who have succeeded globally, why does India fare so badly in the international rankings?"

Indian management and technical education are largely theoretical, based on logic, mathematics and encourage rote method of studying. "As a manager, however, you need soft skills as much as the domain knowledge. This results in the process of un-learning and then learning on the job again. Hence, it takes another two-three years for the company to make an employee task-ready or to groom him for a managerial position,". Globally, institutes offering management education

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lay emphasis on work experience before enrolling for the course. “This accentuates managerial skills of students and helps them to use their precious management learning at work,”.

Second, a large number of Indian management graduates are not trained or inclined towards sales and operations roles, which are basic business functions and help in building a successful enterprise.

“Most management graduates want to take up strategy roles alone, which may not be the best option for them to start their career with a firm,”.

A system needs to be put in place to monitor the quality of the curriculum and coaching at management institutes.

### **Less Industrial involvement in education**

Indian higher education system is ready to shake hand with industries to boost research and employability. This association will surely do well in education sector and students not only get the practical exposure but also get ample opportunities of employment. Once industrial sector associate with higher education system then employability skill of the students will rise at expected level.

### **Entering Industry after Management Degree and Job Requirements**

It is essential for new comers to understand class materials during their management course at their management institute which will work as basic foundation in any job. It is common though that many are unable to correlate their studies with the job requirements.

There are two major reasons:

1. Studies for most of the management degrees concentrate on conceptual understanding most of which are used by senior level managers than the entry level managers.
2. Scope of proper field training before joining an institution is less. It is required to take internship very seriously by college and students. It is beneficial if students are able to identify their interest area before moving into an internship program and ask college authority to call related companies providing opportunities according to student's interest area.

It is essential to understand that companies are following stricter norms in selecting a candidate. They always prefer applicants having similar background and experience. If a candidate is having interest in ‘advertising’ but join sales for the sake of starting their career, he finds it difficult to switch in advertising without pursuing extra courses or certifications.

### **Growing Gap between What Business Needs and What Education Provides**

There are all sorts of reasons to get an education. It gives you perspective on the world, it makes you a complete person, and of course most importantly of all, it helps you build a career.

Unfortunately this link between education and jobs seems to be breaking down.

McKinsey just published a groundbreaking study of the impact of education on employment (“Education to Employment”), and it demonstrates the challenging mismatch between our educational system and the job skills employers need.

It demonstrates the tremendous need for skills in the workforce, and points out many gaps in the educational system’s ability to drive these skills.

- **Key findings:**

**1. The paradox of high unemployment and a war for talent continues.**

We don’t have a jobs crisis in the world, we have a **skills crisis**. Some clear evidence from this report.

- 45% of US employers say lack of skills is the “main reason” for entry-level vacancies
- Only 42% of worldwide employers believe new graduates are adequately prepared for work.

Companies need to invest heavily in internal development programs to stay competitive. Research shows that the training industry grew by 12% this year, the highest level in 9 years.

This research also shows that employers would be willing to pay new workers 22% higher salaries if they did have the skills they need. Employers want “ready made” employees.

**2. Worldwide educational institutions are out of sync with employer needs.**

While 42% of employers believe newly educated workers are ready for work, 72% of educational institutions do. This is an enormous mis-match. Primary and secondary educational institutions are not keeping in touch with corporate recruiters and the needs of business.

**3. Students don’t perceive that traditional education methods drive job skills.**

The most cited way (60%) students believe they learn skills is through “on the job training.” (Research shows that 72% of business managers say the same thing.) 58% cite that “hands-on learning” is best. Lectures are the lowest rated learning method (30%) tied with “traditional online learning” (30%).

Unfortunately most colleges still rely heavily on lectures and the “for-profit” distance learning institutions rely heavily on “traditional online learning.” (Only 24% of academic program graduates say that they use hands-on learning in their program.) Corporate L&D managers blend lectures with a wide variety of informal learning techniques, and today corporations spend less than 60% of all their training budgets on instructor led training.

**4. While vocational education appears to be a good solution, it has low or lesser perceived value among students and society.**

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This was a fascinating finding, which I think gets to the ultimate point. The research compared student “perceptions of value” between traditional education and vocational education and apprentice programs. In the research every country values traditional education over vocational education except for Germany, where 49% of respondents say academic education is more valuable.

- **Need to Sync Education System and Industry Requirements: President Pranab Mukharjee**

The President of India, Mr Pranab Mukherjee had round table discussion on ‘Technology, Innovation and Education’ on at Rashtrapati Bhavan with global industry stalwarts. He stated that there exists heaps of talent in India. The only thing that mars an effective utilization of the same is the edification system, which has to comply as per the needs of present times.

President Mukherjee further added that with over 700 universities, 47,000 colleges and other institutions and over 1.4 million schools, India has an enviable educational infrastructure. There is also no lack of talent or capacity. However, as he has been repeatedly emphasizing in every educational congregation, there is need for more educational institutions to be higher up in the world class rankings. He expressed hope that valuable insights at the forum on transforming the education system through technology and innovation would aid India’s policymakers and other stakeholders in this regard.

Mr Mukherjee also said that sharp talent and ability exist in the country, which is also laden with top class institutes. The only thing needed at this stage is to take some positive initiatives, which will satisfy the needs that emerge these days.

"For God sake it is the time for you. If at the age of 80 I try to learn from my grandchildren, you ought to take little initiative to comply with the requirements....," Mukherjee stated while referring to the education system in India.

There was a number of industry honchos that attended the round table discussion, like Snapdeal Co - Founder Kunal Bahl, Google CEO Sundar Pichai, DIPP Secretary Amitabh Kant, Paytm founder Vijay Shekhar Sharma, Hero MotoCorp Joint Managing Director Sunil Kant Munjal etc.

Accepting that not even one Indian institute made it to the top 200 rankings, the President further stated that the edification infrastructure is among the largest.

He added that, "I sincerely thank you, particularly Mr Pichai and many others who have come to participate. The subject on which you have spoken and various views which have emerged, I have no doubt will help the policy makers, administrators of the country...to reach at the core point of finding the solution,".

He mentioned that bright and sharp minds existed in the Indian subcontinent. Even the recruitment at the IITs is cent per cent, proving that there is no dearth of capabilities and talent. "... I used to have meetings with the vice chancellors of universities, directors of IITs, and today

I am having a totally new generations of the people, brilliant minds...this inspires confidence," Mr. Mukherjee further added.

- **Tools and Techniques to Ensure Quality Management Education**

The industry has certain expectations and the educational institutions are unable to match as there is no effective industry-academic interface. Here are some tools and techniques to adopt to ensure quality management education to students.

- Make management education student-centric, not faculty-centric.
- Interact with industry to find out the pulse and craft management curriculum accordingly.
- Impart practical education to students. Encourage them to interact with industry regularly to get adjusted and mould as per the industry expectations.
- Ensure that aspiring management students have minimum industry experience to enable them to understand and acquire knowledge in the classroom.
- Make sure that the faculty has the diversified experience including industry, teaching, training, research, and consultancy.
- Provide team teaching in the classroom where two educators teach to students – one from industry; and another from teaching. It helps students connect theory with practice quickly.
- Encourage innovation and creativity in education. Avoid memory based management education to students.
- Avoid outdated courses and streams. Introduce courses which will be in great demand in future. It helps students ensure employability and employment apart from enlightenment.

## **Conclusion**

What worked in the past will not work in the future. Hence, create new courses and customize them as per the aspirations of students and expectations of industry. If the Indian management education has to survive, it is essential address the challenges and reinvent with the rapid changing times and technologies. It must be in tune with dynamic global business environment. To summarize, the industry must come forward to support management education. The government must fund to encourage research in faculty. There must be support from all stakeholders including industry, educators, students, educational institutions, government and thought leaders to streamline Indian management education.

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