

Global Issues and Challenges in Management Education for Industry and Academia

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Abstract

“By education I mean all round drawing out of the best in child and man- body, mind and spirit”. - Mahatma Gandhi

The term 'education' has a very wide connotation. Philosophers and thinkers from Yajnavalkya to Gandhiji and from Socrates to Dewey have given the meaning of education. The concept of education is like a diamond which appears different color when seen from a different angle. Some changes have take place come about suddenly and have a world wide impact. The changes that have influenced global economics and politics have also affected education. Because of the multidisciplinary nature of management education, it is often difficult to define. During the 1980s, Management educators used surveys to determine the needs for management education programs. Educators recommended that managerial endeavors focus not only on awareness, but also on attitudes, skill development and citizenship participation in managerial problem solving. A need was indicated by teachers for a new curriculum on all academic levels to address the goals on management education. Through this paper authors define the major issues and challenges that seem to be present in the way of management education.

Keywords: Skill Development, Citizens Participation in Management, New Curriculum.

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1. INTRODUCTION

"It is the pervasiveness of management practice, rather than its exclusivity, that makes quality business schools so vital to individuals, organizations, and societies around the world".

Change is the only constant in business. With the latest technological, political, economic and social developments, the industry is dynamic with new opportunities and issues. Core specialization is slowly replacing general management. The emerging trends in the business arena have to find their place in the curricula of B-schools, enabling them to adequately equip candidates for effectively dealing with the emerging contours of business. The unique position of business schools in the management education marketplace centers on their role as research institutions. New knowledge developed through the intellectual creativity and research efforts of business school faculty both shapes the content of business curricula in degree and non-degree education and enhances business practices. This unique role is threatened, however, by the turbulent marketplace in which business schools operate. The marketplace for business schools today is characterized by relentless change. Increasing competition from non-accredited schools and globalization of the business education market are among the root causes of the instability. Management education is at risk. Industry wide leadership is needed to position business schools to respond emerging priorities and challenges. These are as follows:

Business schools cannot overcome the above challenges on their own. Solutions will require collective approaches and, most importantly, the support and engagement of the business and societal stakeholders of business schools.

- Advocate for quality assurance globally and locally.
- Invest in mechanisms to engage business and government leaders in envisioning future organizational and societal needs.
- Facilitate and encourage investments in doctoral degree education and other infrastructure development.
- Create an international clearing house for data and information related to business schools and management education structures, trends, and practices.
- Facilitate multilateral collaboration among business schools.

How should Business Schools organize themselves for quality?

- Offer greater flexibility in program design e.g. moving into new areas such as Health Care Management, Technology and Higher Education Management, Social Enterprise Management etc.
- Accommodate cutting edge knowledge by greater customization and getting away from commoditization.
- Provide greater choices to students in the areas about which they are passionate and have fewer compulsory courses.
- There must be a change in the focus on what to deliver and how to deliver to make room for rapidly moving conditions.
- Introduce greater diversity in class rooms across disciplines, socio-economic groups, gender and geography. Too many engineering graduates (90 percent among IIMs) entering MBA classes are not desirable.

- Need to have greater diversity in faculty, bring in more global faculty, and send the existing faculty for exposure to best schools. Teaching with sans research backing is sterile and does not excite the bright students admitted to the best Management schools.
- Promote Quality on all fronts including governance (the Boards should be drawn from men and women of high caliber from all walks of life) and in internal management (hire those who believe in result-oriented processes).
- Instill and promote ethical conduct and values such as passion and commitment, contribution to community, breakthrough thinking and execution.
- Establish closer linkages with the corporate sector, non-profit sector, public sector, communities; have regular dialogues with private businesses and listen to their concerns.

What are we looking for in our graduates?

- Pay more attention in classrooms towards understanding of the forces and impulses driving globalization and establish exchanges for students to go overseas.
- Instill qualities of leadership through multiple competencies such as IQ (Intelligence Quotient), Emotional Quotient (EQ), and Spiritual Quotient (SQ).
- Prepare them for solving problems skills in a highly uncertain environment with the ability to think on the feet.
- Develop the ability to introspect and reflect rather than accept received knowledge at face value.
- Develop the ability to communicate, present, defend and persuade their ideas.
- Inculcate an integrated, holistic multi-disciplinary approach rather than throw isolated snippets of disparate facts originating from one particular discipline.. Team teaching is one of the ways in which this can be promoted.
- Nurture creativity and innovation rather than stick with the current single right answer approach. Don't give them fully cooked recipes and solutions but the tools to think, analyze and apply their knowledge.

Profile of a Global manager

- Meeting stakeholders' expectations
- Personal Integrity / Honesty
- Loyalty to India / Host Country
- Genuinely immerse themselves in the host country's customers and appreciate their Social, Economic, Political and Technological milieu
- Sharp business thinking / intelligence - win-win for home country / host country
- Managing Self, People and Operations - To be adored even after he /she has left
- Emotional Intelligence

What B-schools can do?

- Computer Literacy
- Internet & Library 24x7 mode
- Language Proficiency
- Interaction with foreign students / faculty/ practicing global executives
- Demanding Course Work - Cutting edge Syllabus

- Demanding out-of-class projects (Projects, Seminars, Workshops, Quizzes, Competitions, Foreign Tours, etc.)

What MBA students can do to become global managers?

- Live 20 hours a day (+ 4 hours sleep)
- Only one thought – of becoming an Effective Global Manager – No other focus
- Draw all possible inputs from Faculty (25%), Fellow Students (25%), Internet (25%), Library Books, Business Magazines & Business Newspapers (25%)
- Heightened sense of constructive business curiosity, especially at global level
- Watch as much as possible of CNBC, TV18, NDTV Profit & BBC Business Reports
- Develop polished manners, dress well – be presentable!

2. CHANGING SCENARIO OF MANAGEMENT

In the 1960s, the scenario was

- Domestic markets
- One-size-fits-all processes
- Homogeneous workforce
- Management oriented approaches

In 1970s to 1980s, the scenario was

- Multinational markets
- Technology advances
- Job enrichment and TQM
- Employee involvement

And from the 1990s onwards, the present scenario is

- Global markets
- Efficient core processes
- Workforce flexibility and competency development
- Performance ownership

Challenges of Globalization

- Managers from different cultures have different assumptions about the nature of management and organization
- These differences shape different value systems and result in different management and organizational practices
- As a result, executive development is one of the most complex challenges facing multinational organizations.

What Industry Business School co-operation can achieve

- A better alignment of education, training and research to meet the emerging needs of the industry.
- Help in setting up of think tanks on issues of strategic importance from a national perspective.
- Joint action to enhance corporate social responsibility and social audit.

Emerging Issues in Global Organizations

- Strategic Clarity: Innovation vs. Quality vs. Price

- Local vs. Expatriate Leadership & Executive Teamwork
- Creating a common culture across national & language barriers
- Building trust with customers, suppliers, shareholders and government agencies
- Human Capital Value

3. FIVE GLOBAL CHALLENGES IN MANAGEMENT EDUCATION

We have examined developments in management education in the context of accelerating global economic integration, expected demographic trends, advancement in information and communication technology, growth in global sourcing of services, and emerging priorities related to social responsibility, governance, and sustainability.

- 1. Growth:** All the indicators indicate a continuous increase in the demand for management education. This is driven by demographics, economic trends, business expectations, and initiatives that expand access to higher education, future demands will come not only from traditional college going populations, but also from working professionals who need to retool and reinvigorate their careers. Growth is, of course, a better scenario than decline or stagnation, but how do we maintain quality while continuing to grow? This is not a new challenge. We have seen that most countries have expanded their number of business schools and programs in recent years. We now know that these expansions have led to diverging quality of management education providers. Through strategic investments and accreditation, many schools have achieved higher levels of quality.
- 2. Balancing Global Aspirations and Local Needs:** A recurring theme throughout this report has been creating tensions between global aspirations – of countries, schools, faculties, and students – and pressing local needs. These tensions are revealed on many dimensions: curricula, strategy, and collaboration, for example. Further economic integration calls for strengthening our curricula emphasis on global perspectives, but we cannot ignore unique histories, politics, and cultures. At the same time, as many schools seek global recognition for world-class quality, and accreditation focuses on the best schools in the world, we cannot forget that wider access to quality management education can contribute to economic and social progress in countries or regions with fundamentally different goals. While supporting national initiatives to fortify international competitiveness, we must also capitalize on the advantages offered by multilateral alliances and increasing student and faculty mobility.
- 3. Quality Assurance:** We have argued that expansion in management education has brought greater diversity among the programs and providers in management education. Schools have different missions and aspirations; vary in governance structures, faculty characteristics, and financial models; and are embedded in a wide array of cultures, histories, and governing systems. All of this diversity is to be nurtured and celebrated. Diversity means that students and employers have choices to meet their unique goals and accommodate their circumstances. It also fosters innovation among schools and programs. However, as management education grows and students, graduates, and faculties become more mobile, we must be increasingly concerned about the maintenance and assurance of quality.
- 4. Sustaining Scholarship:** Throughout this paper, we have highlighted the difficulties that schools have had in recruiting and retaining qualified faculty. For many schools, the challenge is to recruit faculty with doctorates to support missions that include research and

scholarly approaches to teaching. Clearly, the demand for doctoral faculty has been outstripping production, leading to concerns about the ability of some of these schools to introduce or sustain an emphasis on scholarship. We have argued that the problem is complex. It is not a temporary issue that can self correct without intervention; rather, it appears to be a structural problem. In mature environments with a tradition of research excellence, there are systemic problems related to funding models and perceptions about academic careers. In less mature management education environments, the lack of doctoral programs has rendered it impossible to bolster faculty supplies. Even when there are sufficient numbers of doctorates, there are quality concerns that range from depth of knowledge of theory, capabilities to teach and conduct research, and experience to provide relevant education in a dynamic business environment. By itself, the challenge of recruiting and retaining qualified staff would already be alarming to business school leaders, for it will take many years of sustained investment to bring doctoral production to the levels required. However, a greater sense of urgency arises when we consider the challenge in light of the growing demand for management education, rising costs, lack of quality assurance, and the integral role that management education and talent play in fostering innovation. Together, these concerns send a clear message that the challenge of sustaining scholarship should be a top priority for business and government leaders.

- 5. Aligning with the Future Needs of Organizations:** By examining global economic and business trends, we have attempted to isolate the emerging needs of organizations around the globe. For example, we argued that the integration of economies will require stronger emphasis on global perspectives, fracturing value chains will require graduates to master important skills rather than just apply knowledge, and emerging emphases on social responsibility and sustainability will require new ways of thinking about business strategy. We should caution that these are only examples and are rather subjective. The point here is not that the needs of organizations have changed over time; they have and always will remain. The new thing is that the pace of change has been accelerating. How can business schools structure themselves and build systems to learn about, predict, and react quickly enough to emerging needs?

4. STAKEHOLDERS' EXPECTATIONS FROM PRESENT MANAGEMENT EDUCATION SYSTEM

Corporations, now a day, face pressures from different stakeholders of the business environment. The changes in the environment have created threats to all of today's organizations. So, the managers have to look for finding the best possible ways of striking the implications brought by the changes. Mostly, it depends on better way of educating their people to convert previous knowledge and experience into today's competencies required for best possible strategies. Today, the corporations want to give a clear message to the business school about their role to play in this regard, means to put all necessary efforts to come with proper set of management skills of the challenges to be faced by the corporations. The leading business schools of the USA and Asia Pacific have got proven records of maintaining standards in terms of vision, program design and offerings. It implies that the business school has to cope into the needs of changing situations to produce future managers with all the required skills.

Our analysis reveals that the global trends described above have already begun to shape the course of management education. It is worth asking ourselves two questions as we explore developments in management education in the context of global trends. Are business schools adapting quickly enough to provide what the world demands of them? If not, what are the critical obstacles or challenges?

5. CLASSIFYING BUSINESS DEGREE PROGRAMS

Most degree programs worldwide can be placed into one of three levels: undergraduate, masters, and doctoral. For example, any business can be categorized as general, specialized, or research-oriented. However, three cautions regarding the interpretation of this framework are in order. First, the visual structure of the diagram is not intended to prescribe a definite progression. For example, in some cases, a master's degree may not be required to enter a doctoral program. Similarly, an undergraduate degree in business is not usually required to earn a general business master's degree. Second, sometimes the lines separating degree levels are unclear. For example, undergraduate and master's programs are sometimes combined to form a single program, and certificate programs fill gaps between levels. Finally, we should caution that the terms *management* and *business* also vary, to some extent, by country. For example, some take *business* to exclude public sector and not for profit management. In some countries, business education includes accounting education. Some people apply the term *management* to exclude other fields, such as marketing, finance, and information systems.

6. GROWTH IN MANAGEMENT EDUCATION

Countries around the globe have experienced tremendous growth in management education. Perhaps, the most significant contributing factor has been growth in higher education, in general. In 1991, only 68 million students were enrolled in tertiary education (UNESCO, 2006). Driven by growth in college-age populations and increases in higher education participation rates, enrollment grew 94.1 percent to its 2004 figure of 132 million. According to UNESCO, between 1991 and 2004, the number of tertiary students more than tripled in Sub-Saharan Africa and the Middle East and more than doubled in all regions of East Asia and Latin America. Interestingly, East Asia and the Pacific now represent the largest proportion of tertiary students and have experienced the greatest growth in the absolute number (25 million) of students. It's also worth noting at this stage that North America and Western Europe now represent only one-quarter of the total participation in higher education. That's down from 38 percent in 1991. Due to the absence of good data, it is difficult to describe growth in business and management enrollments globally. However, in many countries, we know that participation in degree-based business education has grown rather quickly. For example, demand has been particularly strong in China, where in 1991 only 86 students graduated from MBA programs (Gatti, 2006). In 2006, 39,841 students applied for "fall MBA" programs in state-owned universities, of which only 15,217 were admitted (Wang, 2006). During the same period in the United States, the number of business bachelor's and master's degrees awarded expanded by more than 21 percent and 68 percent, respectively (National Center for Education Statistics, 2006). By 2004, the number of MBA students in India had risen to about 75,000, up from 12,000 in 1991 (Gupta & Gollakota, 2004).

We also see significant growth in business programs. According to the Graduate Management Admission Council, 3,710 new graduate management programs were added in the 10 years between 1997 and 2007. The growth has been accelerating, with 641 of these new programs added in 2007, compared to only 74 new programs added in 1997. Interestingly, less than 20 percent of all the new programs added between 1997 and 2007 were introduced by schools based in North America (GMAC, 2007).

Among the factors contributing to the growth in business education are the spread of democracy, transitions to market-based systems, and more widespread participation in the global economy. For more than 70 years before the break up of the Soviet Union, Russians and the other ethnic groups within the Union lived under a centralized economy that discouraged private enterprise. Therefore, prior to the early 1990s, business schools were negligible in higher education. However, since the market reforms were introduced during the early 1990s, the number of business schools grew rapidly. Puffer (1996) estimated that in the early 1990s, the number of business schools in Russia tripled. Even in long-standing market-based economies, such as Japan, retreating commitments to lifetime employment in companies have given rise to new graduate schools of business.

7. CONCLUSION

Business organizations have been giving pressures to universities to fit their professional mode. It becomes crucial for their successful survival in creating knowledgeable people to face the challenges of the environment. The management education has to be shaped into the needs of the industries today. But in today's situation survival of business school is questionable due to lack of professionalism in its management. The study shows that top ranking business schools have been playing proper roles in all the concerns addressed in this study. Indeed, we recognize that management education cannot be separated from business and society. Their interests are aligned, and they depend upon one another for success. My hope is that this study will assist business schools to contribute most effectively to serving the needs of business and society. But, we also hope that it will motivate business and societal leaders to be proactive in their contributions to strengthen the future of management education in business schools. After all, management education is our investment in the future of business.

"It isn't uncommon in the world of management education to debate whether its business or business schools that lead the way when it comes to new ideas, approaches, or practices. The answer should be both".

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