Globalization and Management Education in India: A Framework for Analysis

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Abstract: Management education in India is at crabbly path today. After the deregulation of the education sector in 1991, there has been an extraordinary growth in the establishment of management educational institutions in India. Though, there is a large number of management institutions in the country, a few have been accredited with the international accredited bodies and maintain international standards. This paper is an attempt to provide conceptual framework presents the impact of globalization on accreditation and business school standards along with stakeholders.

Keywords: Globalization, Management Education, Accreditation, Quality, Framework.

1. INTRODUCTION

In last twenty years, globalization has highly impact on management education also there was a huge growth in management education in India. This development, though satisfying the market demand for management education but also has to assure the quality and excellence in education. Except IIMs and top B-schools other affiliated and private colleges which provide management education are not endowing with quality education. In order to meet demands of the forceful business environment managers need to have appropriate expertise and ability for developing competitive strategies. Management education should focus on engendering managers for a globalised economy and to survival in a highly dynamic competitive environment. Accreditation has been used as a tool and is a voluntary, non-governmental process that includes an external review of a school’s ability to provide quality programmes. This paper is an endeavor to analyze the impact of globalization on management education and provide a conceptual framework/model to improve the quality in management education.

2. MANAGEMENT EDUCATION IN INDIA

Education is an essential component for social and economic development of the nation. India is one of the largest education sectors in the world. The history of management education in India dates back to the 1950’s when the Department of Commerce of the Andhra University Started the first M.B.A. programmes in India. IIM Calcutta and IIM Ahmedabad were both established in 1961 and 1962 respectively. IIMC tied up with the Alfred P Sloan School of Management (MIT), the government of West Bengal and the Ford Foundation. IIMA, in its initial years, tied up with the Harvard Business School. Many other management institutions came out in the 1960’s and 70’s. The third IIM in Bangalore was established in the year 1973 and the fourth IIM in Lucknow was established in 1984. But the real growth was in 1990’s when the change due to globalization occurred. Many private bodies opened numerous management institutions across the country. Thereafter there was an immense rush in the number of B-Schools in the country. Government recognized organizations also established to control and maintain the standards in sector.

The All India Council for Technical Education (AICTE) was established in November, 1945 under department of higher education, Ministry of Human Resource Development. AICTE is responsible for proper planning and co-ordinate development of the technical education and management education system in India. It is a national level government body that gives approval
and certification to MBA Institutes in India after surveying their standards and quality of education. At present 7,361 technical educational institutions are offering courses to nearly eight lakh students every year. The AICTE had given approval to 1,131 institutes last year and 545 new technical educational institutions to offer professional courses including engineering, management and Master in Computer Application (MCA), from 2010-11 academic session onwards. The National Board of Accreditation (NBA) was set up by AICTE in September 1994 in order to assess the qualitative competence of educational institutions from the Diploma level to the Post-graduate level in Engineering and Technology, Architecture, Pharmacy, Town Planning and Management. The National Assessment and Accreditation Council (NAAC) was established in 1994 with its headquarters at Bangalore. The NAAC is an autonomous body established by the University Grants Commission (UGC) of India to assess and accredit institutions of higher education in the country. The Association of Indian Management Schools (AIMS) was founded in 1988, a non-profit professional organization, has grown into a powerful network with over 400 management schools in India and is the second largest network of management schools in the world. It is officially represented in different bodies of Government of India connected with management education.

Structure of management education in India is divided into major divisions as outlined hereunder:

- Institutions of national importance and university departments;
- Colleges affiliated to the universities;
- Non-university autonomous institutions;
- Distance/correspondence based institutions; and
- Un-affiliated institutions.

At the top are the reputed institutes of national importance like IIMs and some university departments such as Faculty of Management Studies (FMS of Delhi University) which have maintained the high quality in their teaching and research of management education. The second rung institutes are those started by industrial houses, private institutes and state level educational institutes like MICA, Symbiosis and so on, offering quality management education at par with these reputed institutes. These come under the category of “non university autonomous institutions”. The third level management institutes in India are the university departments and other open universities which are providing management education through correspondence, distance and part-time mode.

3. GLOBALIZATION DEMANDS QUALITY IN MANAGEMENT EDUCATION

Globalization increases demand for education; this increases pressure on the system for higher quality education. The magnitude of changes in our economies and cultures is such that we should expect to find that globalization already has wreaked profound changes on national education systems. There certainly is lots of talk about how education must change (McGinn, 1997). Globalization means more competition, not just with other companies in the same city or the same region. Globalization also means that national borders do not limit a nation’s investment, production, and innovation (Carnoy, 2005). The opening up of world markets and the relatively free movement of capital and technology offer great potential for economic development (Stewart, 1996). Increasing emphasis on knowledge industries and more information-based technologies increase relative demand for higher education. (Carnoy, 2005) Companies needed man power who could sustain in the competitive world so they always seeking for world class standard education. Despite cross-national differences in higher education systems and local characteristics, countries have been increasingly accepting b-schools and MBAs as the most legitimate forms of professional management education. Globalization is providing great opportunities to countries which largely investing in education sector and also having increased competition for quality education. To reach this demand private education has been developed. It is not only pressure to the institution and government to provide quality education but also increased pressure on students to succeed and parents to invest in their education. Today, multinational companies want to give a clear message to government and business schools about their role to play that means to put all efforts to provide quality education and management skills.
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to compete with corporations. It leads to that government and management institutions have to survive into the needs of changing circumstances to produce capable future managers with all required “portfolio skills”.

4. GLOBALIZATION AND ITS IMPACT ON IMPORTANCE OF ACCREDITATION

Accreditation is being used as a major tool for ensuring quality of management education (Bowonder and Rao, 2004). Authors and organizations have defined the accreditation in different ways but the basic core meaning of accreditation is “the establishment of the status, legitimacy or appropriateness of an institution, programme (i.e. composite of modules) or module of study.”

According to one of the regional accrediting bodies, Middle States Commission on Higher Education (2003), Accreditation is a means of self-regulation and peer review adopted by the educational community. The accrediting process is intended to strengthen and sustain the quality and integrity of higher education, making it worthy of public confidence. The extent to which each educational institution accepts and fulfills the responsibilities inherent in this process is a measure of its concern for freedom and quality in higher education and of its commitment to strive for and achieve excellence in its endeavors (MSCHE, 2003).

Fraser (1994) pointed out that, “in some countries, accreditation would imply that at least a threshold standard was intended and being achieved”. For example, in the United Kingdom professional bodies accredit courses of study (programmes) meaning that graduates will be granted professional recognition.

The European University Association [formally CRE] defines accreditation as, “Accreditation is a formal published statement regarding the quality of an institution or programme following a cycle of evaluation based on agreed standards” (CRE, now EUA, 2001).

According to the European Training Foundation (1998), “Accreditation is the award of a status. Accreditation as a process is generally based on the application of predefined standards. It is primarily an outcome of evaluation.”

Importance of accreditation of B-schools and other management institutions is growing internationally. Accreditation of business schools has been used extensively in Europe and USA to ensure that they fulfill the purpose for which they have been set-up. Accreditation has improved management education and there have been considerable improvements (Bowonder and Rao, 2004).

The factors behind this growing substance in accreditation are varied: competition in worldwide, the trend toward privatization in many countries, recognition and brand image, increased importance of quality in education and identifying the quality education is an important factor to develop nation’s economy. Business schools or MBA programs may be accredited by external bodies which provide students and employers with an independent view of their quality, and indicate that the school’s educational curriculum meets specific quality standards’ Accreditation is increasingly becoming the most dominant form of quality assurance of management education in the world. Many private higher education accreditation agencies are increasingly visible in the global market. Some of the major accreditation bodies in the United States are Association to Advance Collegiate Schools of Business (AACSB), Association of Collegiate Business Schools and Programs (ACBSP), and International Assembly for Collegiate Business Education (IACBE), the European Quality Improvement System (EQUIS) and Foundation for International Business Administration Accreditation (FIBAA) in Europe. Government accreditation bodies such as the All India Council for Technical Education (AICTE) and National Board of Accreditation (NBA) are accredits across the India only. But in India there is no separate accreditation body for management education.

AICTE and NBA are the formal government bodies that give approval and accreditation to all technical and management institutions and individual programmes except that under universities. The “NAAC” of UGC is another formal body which gives accreditation to institutions including universities. These bodies follow the same criterion for management institution and programmes which is used to recognize the technical education programme and institutions. The recognition in India is based on facilities, faculty and infrastructure. Research, industry interaction and
internationalization have been given a low priority for recognition. This recognition and accreditation is not sufficient to meet the international standards. India needs a specialized body that provides accreditation to management institutes.

5. REVIEW OF LITERATURE

There is an extensive literature on the causes and consequences of globalization on education. Appadurai and McGinn findings (as cited in McGinn, 1997) on globalization define it to be an economic integration or in terms of a complex of processes that link different societies together; is not a new phenomenon.

Globalisation describes the broadening and strengthening of world links which have taken place progressively since the World War II, and have now reached a stage where almost no one is completely untouched by events originating outside their own country and where international constraints increasingly restrict independent national action (Stewart, 1996). He has analysed that links between the education and globalization. The growth of globalization has increased the opportunities for countries which having good levels of education but it is difficult for countries with weak levels of education. Even it is difficult for developed countries unless invest in good education.

It is widely argued that the nature of contemporary globalisation is best viewed as a multifaceted rather than a singular condition and that it is associated with various consequences at the economic, political and socio-cultural levels’ (Vulliamy, 2004). He is strongly argued that, primarily culture diversity playing an important role in formulating policies and qualitative research. Secondly, argued that knowledge and information revolution associated with globalization has created a positive climate for challenges for comparative education.

Education helps to enrich human lives, to empower people and thereby to raise human wellbeing (Stewart, 1996). He also discussed those two types of casual chain: first how the affect of globalization on country’s development critically depend on its educational (human beings) capacity and secondly how the ways in which some of the features of globalization have exacerbated educational conditions and therefore it is difficult for countries to succeed in the global economy.

The last ten years have seen massive expansion of the Master of Business Administration (MBA) provision around the world, with virtually every university business school having one and some having more than one. Blass and Weight (2005) mentioned that the MBA is positioned as a qualification that is plagued by market confusion as to what it actually represents and what its value is. A pre-emptive post-mortem is carried out into the future of the MBA and the future senior manager/leader, which highlights the gap between research and practice, league tables, e-learning and attempts at internationalisation as some of the causes of the current malaise.

Quality of education worldwide in general and specifically in India has suffered drastically due to massive expansion. Gupta (2007) identified various reasons for decline in standards are lack of appropriate infrastructure, shortage of adequately qualified faculty, compromise in research activities and converting education institutions into factories.

Accreditation is a viable option for ensuring quality across all institutions in a nation. It enables students to have access to similar quality institutions with similar educational standards. An accreditation system ensures a level playing field and can mitigate the problem of wealthy families having greater access to high-quality institutions. (Holzhacker et al., 2009)

Given the competitive environment for accreditation, what should a business school do?

1. Business school leaders must decide which one or more accreditation designations provide value to the school within its context, mission, student body, and its aspirations;

2. Secondly, the school must assess its probability of success based on its alignment with the accrediting body’s philosophy and focus (Trapnell, 2007);

According to Helmig et al. (2010), “accreditations are usually based on a three step process namely, self-evaluation, peer review and accreditation decision which is usually valid over a limited period of time of several years. The impact of globalisation on quality assurance, quality
assessments and accreditation, makes the following topics important issues for the near future (Vroeijenstijn, 1995).

Accreditation has become a major deciding factor for many people in choosing online schools and universities. Attaining an accreditation can sometimes be a difficult task for any school. However, lacking this accreditation can hurt the school’s student population, which makes this simple task the most arduous one. Failure to receive accreditation will serve to negatively affect the future of the school, and could even lead to its dismissal from academic standing. Therefore, the one thing a school prides itself on is its accreditation within the educational community. The online schools that have prospered the most are those which received their accreditation early on and promoted this as an incentive towards attending the school.

6. CONCEPTUAL FRAMEWORK

This paper primarily focuses on providing the framework which reveals the impact of globalization on management education as well as accreditation in Indian context. The diagram displays the impact of globalization on the accrediting organizations, institutions, students and other stake holders. Accrediting organizations have to improve their criteria and process by which they recognizing the institutions as having global standards to provide world class quality education. Accreditation has become a major deciding factor for many people (stakeholders) in choosing institutions and universities. Attaining an accreditation can sometimes be a difficult task. In the global competitive world management education has a huge demand. It is huge pressure to institutions to attest to provide quality education to get accreditation because it’s a brand label (image). Also it is very important to accrediting by reputed accreditation body. In India very few management institutions are accredited by international agencies like EQUIS.

![Conceptual Framework Diagram]

**Figure 1.** Impact of globalization and relationship among accreditation organization

Globalization is also influence the students and other stakeholders. Students need to success in the global market and parents have to invest amount in their children’s education. The organizations are seeking for expert managers to survive in different international markets. Ultimately governments have to assure quality education because education plays an important role for developing the economy of the nation.

7. SUGGESTIONS

The study focused on impact of globalization on management education and accreditation systems in India. From the extensive literature survey this paper has drawn valuable suggestions to improve the quality standards in management education India. Global management education is a highly challenged market. Internationalization of the business has forced the institutions to build up managerial with a global direction. Management education should bring on acquirement of a portfolio of competencies. Every executive needs to have a global mindset to face the competition from anywhere and in any form. To provide this kind of global knowledge Indian management education system has to improve the quality standards according the global market.
India is the biggest human resource supplier to the world, but it is about what quality of human capital is building. The quality of management education is poor when comparing with other countries. If America worries about illiterates, India has qualms about both illiterates and quality education. Government regulating bodies are needed to control these institutions to have basic standards to provide quality education. The norms for setting up of institutes and universities have been prescribed by regulatory bodies such as the UGC and AICTE in terms of physical and academic infrastructure and human resources. But there is no separate regulation body for management institutions. It is also common assessment criteria for accrediting the technical and management education institutions. The formal systems of accreditation being offered by NBA and the NAAC have to improve and suggested to follow separate criteria for management education. Government has to focus on quality education from these institutions and also should establish a strong body to regulate the institutions to maintain standards to offer quality education.

8. **CONCLUSION**

The quality of management education in India must be viewed as a considered issue for social and international development and economic growth. The objective of this study was to provide a small contribution towards identifying the impact of globalization on management education through a conceptual framework. This paper give emphasis to that the theoretical and conceptual reference which played an important role to understand the various blockades to provide quality management education in India. The study shows that the impact of globalization on management education in India. The present global organizations have been giving pressures to institutions to provide global standard professional education. It becomes critical for successful survival in creating skilled people to face the challenges of the global environment. Finally it highlights the important points to understand the significance of internationalization of management education in a country like India.

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