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## **Value Orientation and Significant Insights as well as Critical Review on Major Challenges and Significant Opportunities on Commerce and Management Education in India**

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### **ABSTRACT:**

It has been widely debated that *while scholars like Nitin Nohria Dean Harvard Business School from Indian origin are leading the world's top B-Schools; B-Schools in India are struggling to find a place among the Top 100 Global Institutions.* Out of top 100 institutions 55 are from USA followed by U.K and Canada. India's expenditure on education as a % of GDP is more i.e. 4.1% compared to 3.6% in Japan and 3.8% in Russia. We often question on the quality of "Made in China" products, but China have clearly excelled India in terms of the quality of management education. There are 10 AACSB (Association to Advance Collegiate Schools of Business) accredited institutions in China as compare to none in India., when there are more than 2000 business schools in India as compared to around 230 in China. The management education in India is in pathetic state. Every year more than 1, 10,000 management graduates pass out from various B-Schools, but not even 5% of them reach the professional heights within 5 years of their career. India B-School concentrates on the quantity rather than quality. It had become money based rather than value based. Industry exposure forms a vital part of management studies and the present system does not provide adequate interfaces with the industry. Commerce generally refers to the exchange of products, services, and anything that make these exchanges easier. In India, commerce education is a key factor in the country's economic growth. Students majoring in commerce often land jobs in industries including banking, insurance, finance, and foreign trade. Therefore, it is crucial to pay attention to this matter. Today's commerce education is facing several severe concerns, including an aging curriculum and increased student unemployment. To gain the full picture, significant studies and literature have been evaluated. It has been discovered that students are becoming less interested in studying commerce. For graduates in the business field, employment opportunities are many. There are numerous employment options available to them. People from all walks of life contribute to the function of finance and accounting in society. Everyday activities such as accounting and finance affect everyone. The leadership of an organization often determines its success. The capacity of regular employees and specialized people to efficiently support management with day-to-day operations by analyzing issues and offering solutions. Students who choose the commerce course can find employment in almost any sector that uses finance. Today, finance is used in practically all industries. Comparing with other top B-schools in India and abroad under the present curriculum, designed by the Indian Universities, the time allotted for industry exposure is about two to three months, which is comparatively low compared to the other top B-schools. Also there is a lack of coordination between Academic and Industry. This paper is an effort to examine the present scenario and drawbacks of management education in India. Also to find out ways to improve it, so that it can be considered at par with the global standards.

**Keywords:** Value based, Quality, Interface, exposure, professional heights, curriculum

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### **Introduction:**

Education as such for now in recent years is the pragmatic application of knowledge for the betterment of people, society, and self. Education sustains our present and insures our future. Unfortunately, the education scenario in India is very disturbing. The present education system in India mainly comprises of primary education, secondary education, senior secondary education and higher education. Elementary education consists of eight years of education. Each of secondary and senior secondary education consists of two years of education. Higher education in India starts after passing the higher secondary education or the 12th standard. Depending on the stream, doing graduation in India can take three to five years. Post graduate courses are generally of two to three years of duration. After completing post graduation, scope for doing research in various educational institutes also remains open. The pupil-teacher ratio, too, in schools in India is very low (1:40) compared with countries like UK (1:21.6) and Japan (1:19), despite the fact that India allocates more expenditure as a percentage of GDP on education i.e. 4.1% compare to 3.6% in Japan.

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### **Present scenario of Management Education in India**

During the past 35 years India has emerged as a major centre of management education. More recently and particularly during the last five years the country has witnessed a phenomenal growth in the founding of management institutions most of them in the private sector, offering two year full time/3-year part-time post-graduate and/or 1-2 year Diploma programmes in different functional areas of management. At present, 422 management

institutes/departments have been recognized by the All India Council for Technical Education (AICTE) for imparting postgraduate programme in management having a total annual intake of 38,500 students - 25,600 full-time, 6,600 part- times and 6,300 distance education. This number is about one half of the number of MBAs produced in the USA and is the largest for any country outside of USA. Of the 100 schools quite predictably USA has dominated the proceedings. **55 out of 100 schools are from the USA.** It is distantly followed by UK and Canada. It is hard to find an Indian school on a list.

MBA education in India is presently passing through an expansion phase with a large number of colleges, courses and study options. As the job market for management professionals has been strengthened because of the arrival of numerous multinational companies, there is no need to make a trip to outside of the country for a lucrative career. Various MBA colleges in India have also made a big contribution in popularizing such education among budding students through their world-class. Infrastructure, teaching standards, and course structure and placement record. However the quality of MBA passed out's from various universities and private autonomous colleges is a serious matter of national concern. As per the words of **Cyrus Guzdev, CEO Airflight Express**, the state of management education in India, "*The B Schools are not sufficiently in touch with the real world, and the pace of change, which is challenging management through today, is threatening their credibility.*" The result is that management education in India is in a sorry stage of disrepair, it does not mean that demand is going down but it is the result of bad quality production.

In India, intermediate-level commerce instruction began after the tenth grade. Commerce bachelor's degree variety ascertains of undergraduate courses must be taken to achieve this degree. Either a general degree or a specialist degree can be obtained. The student who performs extraordinarily well on the final exam and succeeds in their studies is recognized. The candidate may opt to specialize in one of the subjects he or she studied for postgraduate study. Education has always been one of man's most significant endeavours. In actuality, without some form of knowledge, man cannot maintain government, family life, religion, or earn a living. All purposeful attempts by one person to change the behavior of another are included in education. Learning from others, such as family and other organizations in the social and physical environment, is a component of informal education. Education of this kind happens by accident rather than being consciously intended. Planned education is formal education. Through the process of formal education provided by teachers in settings like schools and colleges, it is significant. In the past 15 years, the future of commerce education in India has transformed. In fact, the original goal of commerce education was to prepare the workforce needed by the entire industrial sector. The subject of commerce education has been around for about a century. In India, it was initially implemented in 1889. Prior to India's independence, it was viewed as a tourist destination with the restricted goal of producing clerical and accounting personnel, with an emphasis on typewriting, shorthand, letter writing, and business methods. However, as trade, commerce, and industrialization grew, so did its scope and it eventually become a major component of India's higher education system. But the significance of commerce education as a subject of study is waning daily due to the rapid expansion and innovation of the business sector, as well as competition in higher education. The foundation of the nation's economy and development is commerce education. A large area of business and society is protected by education in commerce. It provides students with learning that is skill-oriented. According to Fredrick G. Nicholas, commerce education is a type of training that will contribute to the achievement of education's overarching goals by preparing students for careers in business or those already in the field to perform their jobs more effectively and advance from lower levels of employment to higher ones. Every firm must engage in commerce since it is an essential activity. Commerce, in a nutshell, is the large-scale purchasing and selling of goods. The study of commerce combines accounting, economics, and business studies. These three things serve as the foundation of commerce. There is no business if there is no commerce. The most crucial benefit of commerce is the progress it brings to the business in terms of direction and stability. With the aid of balance sheets, journals, ledgers, and other accounting tools, an organization can better understand the true state of its business. One of the most crucial components of business is economics, which teaches how to maximize profits in the short term by making the best use of scarce resources. Business studies offer information on marketing, HR, and sales management, among other topics. Because of this, there would be no business without trade. All company activities, including planning, promotion, manufacturing, etc., involve commerce. Sometimes, despite appearing to be the same, business and commerce are actually quite distinct. Business refers to economic activity to earn profit. Business is aided by commerce. It indicates that activities carried out to support business are included in commerce. Both trade and business are lucrative endeavours. Economic growth is greatly impacted by commerce education. It is one of the secrets to achievement in all spheres of the economy. Due to the fact that activities related to commerce are impacted when the business cycle is strong, commerce education has become increasingly important. Students are introduced to the commercial sector through commerce education. It emphasizes how crucial it is to distort economic ideas when making business judgments. It educates students on issues that are social, economic, and political and how commerce fits into any company's distribution strategy. Production must be used, and a sufficient distribution channel is available to facilitate this use. And that is what business accomplishes by establishing a market for overstock goods. The worldwide market has been broadened, and it has also helped to speed up trading in local marketplaces all over the world. It has long been recognized that successful business practices are crucial to the nation's economic growth. The establishment of a commercial institute in Madras by the then-Government of Madras in 1886 marked the beginning of commerce education in India. Since that time, the nation has witnessed phenomenal growth in this area of education. The number of students enrolled (provisionally) in the Faculty of Commerce/Management in Universities/Colleges and other institutions of higher education in India has increased from 36,347 "commerce students" at recognized institutions in 1950–1951 to 26,07,638 (provisionally) in 2009–2010. Despite having the third-largest student enrolment, the Faculty of Commerce has not received favorable attention from the general public or from business and industry in particular. Even yet, it has grown in size as a result of the growing demands on the qualitative front. The current paper's major goal is to examine the current state of commerce education in India as well as the system's challenges. Additionally, ideas for raising the caliber of business education have been proposed. The students in the commerce stream could become a global product if these procedures are put into place. The establishment of a commercial institute in Madras by the then-Government of Madras in 1886 marked the beginning of commerce education in India. Since that time, the nation has witnessed phenomenal growth in this area of education. The number of students enrolled (provisionally) in the Faculty of Commerce/Management in Universities/Colleges and other institutions of higher education in India has increased from 36,347 "commerce students" in recognized institutions in 1950–1951 to 26,07,638 (provisionally) in 2009–2010. Despite having the third-largest student enrolment, the Faculty of Commerce has not received favorable attention from the general public or from business and industry in particular. Even so, it has grown in size as a result of the growing demands on the qualitative front. The current paper's main

goal is to examine the current state of commerce education in India as well as the system's challenges. Additionally, ideas for raising the caliber of business education have been discussed. The students in the commerce stream could become a global product if these measures are put into place.

### Major drawbacks in various B Schools in India

Management education is in great demand especially after the change towards liberalization, privatization and globalization. There are several challenges of management education which require change in the character and structure of management education with corporate sector. Today our education system is strong enough but central and State government should change their roles within the education system. They should realize themselves as facilitating and supervisory organizations. Some of the possible reasons for these differences in quality across various management institutions are as follows:

- There is a substantial shortage of good PhD holders. The faculties must be highly qualified and must excel the ideas and concepts they are discussing, but the thing which really makes a faculty special is the ability to teach and communicate in a very effective ways. One of the important things which an excellent faculty understands is that very few business situations fit text book examples. To be able to do this, one should be able to analyze a situation, examine various alternatives and come out with solutions to solve the particular problems being faced or to achieve organizational goals. A qualified faculty understands these situations and can correctly incorporate them into learning process.
- Another important aspect for management education is industrial internship and practical knowledge. Academic institutions should constantly generate valuable inputs from industry to train and mould students according to the need of industry and current scenario. Most of the institute have very poor students faculty ratio.
- There is also need to improvise the varying syllabus across universities. Few universities concentrate only on practical aspects and few of them only on theoretical aspect. There has to be balance between both. Most of the time either the syllabus is outdated which does not help students getting the actual picture of industry or there is no similarity between what is taught and the core ground reality.
- Teaching pedagogy is another important part which matters a lot and most of the management institutes do not realize this. Our system is trainer centered rather than learners centered .Most of the Top B schools has it the other way round and that's what makes it different from an average B school.
- Good governance is one thing which is missing in most of the colleges. It is expected that the institutes should be transparent .What is in the printed form should be followed properly. Also there are various authorities above institutions which make it possible for institutions to meddle around with certain laws. Most of the institutions do not comply with the criteria, and wrong promises are made at the time of admissions. This created cheated feeling among the students and it ultimately affects their academics and attendance.
- The current quantum of research taking place in India is insufficient. Of the 11 million students enrolled in higher education in 2005-06 only 0.64% were enrolled in research programs. A study conducted by the Indian business lobby the Federation of Indian Chambers of Commerce and Industry (FICCI) and consulting firms Ernst & Young states that India has app. 130000 researchers, a tenth of the number of researchers in the US and one-Seventh the numbers of researchers in China. Inadequate infrastructure and lack of strong incentives to practice quality research are major causes of decline in interest towards research work. Administrative hurdles add to the already unfavorable environment for research.
- It not only the development of students which matters but faculties as well. Majority of B Schools do not provide any scope for faculty developments programs .Business Schools need decent budgets for FDP and incentives to faculty for publishing in reputed journals. They should also make sure that teaching staff get ample opportunities to participate in faculty exchange programs in collaboration with international business schools. They should also be paid market driven salary. The significant difference in salaries between various B School leads many professors to look for greener pastures outside.
- It is normally believed that the B-schools with a good number of visiting faculties provide varied and rich industry exposure to the MBA students. Hence we will focus majorly on the Visiting Faculty (both domestic as well as international) for measuring the quality of a B-school. From the Table below you can yourself find out the B-schools that provide excellent mixture of Permanent, Visiting, and Visiting-International faculty. The combination of the three provides multi-faceted learning experience to the MBA students.

### Significant importance of Industrial exposure for MBA:

- It is not just the quality of education which gets improved with the introduction of industrial trainings but it also has to do with the quality of network .B-schools want people from industry not only because they add value to learning but also because they bring valuable networks and contacts that other student can access through them. The excerpts below indicated why industrial exposure is important for MBA students.
- Without work experience, the students may not exactly know that what his or her area of interest is. A hand on work reveals personal and professional traits, which might be helpful at the time of taking specialization. Most of the time students are not well aware about their own qualities and land up with wrong specialization. This poses a problem for the institute as well because a confused student can never be placed rightly.

- A student with industrial experience contributes better to the class room discussion, and may understand the framework better.
- Work experience help at the time of recruitment and interviewing also, as better level of understanding could be depicted from the students end.
- Industrial exposure gives students a reference point to use as they study business. Maturity level also increases as people learn from different types of bosses and with often challenging co workers.
- When experienced student share what they have observed while working, it add depth to the educational experience of the entire MBA class. Industrial exposure provides a mean for demonstrating personal performance.

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### **Significant strategies adopted for sustainability and development of management institutions:**

Carlson (2005) is of the view that universities have an important economic development role through their education system. Jack and Anderson (1999) argue that universities should not be focusing on mass production of graduates, rather they should instead emphasize on having graduates who are reflective practitioners. The study reveals that through classroom training students can be developed through certain extent. Industrial exposure and Internships is the main foundation stone for career development. Moreover industries have now started looking for candidate with good corporate exposure. Therefore universities have to go beyond teaching and classroom and collaborate with industry into the catalyst for better education system. Basically there are three factors and three activities that need to be taken care of in the process. The three factors are: (a) the quality of the physical and academic infrastructure, (b) the quality of the incoming students, and (c) the quality of the faculty. Following are the opportunities India has to reinvent management education in a way that can catapult it to the forefront of leadership and management training worldwide.

- It is felt through research that course content should be on practical business skills. The belief is that when the students know the operation of a business, the chances of them succeeding in the business are higher.
- The academic staff should posses multidisciplinary skills and knowledge to enables them to teach the course effectively. Do not employ too academically inclined person. Get someone with hands on experience. It is normally believed that the B-schools with a good number of visiting faculties provide varied and rich industry exposure to the MBA students.
- Internship should be compulsory and it must be from variety of companies. This helps in creating a wide base of different skills and all round development of student. India's corporations must become true partners in building the management education programs by supplying ideas, knowledge, capital, financial investment, and on-site experience for students, enabling them to learn in real-world situations
- There should be a defined system between institute and company for providing students feedback. This helps the faculties to know more about students and the skills lacking in particular student. Let the teachers teach on the bases of feedback. This will not only help in developing students, but would create a better placement profile as well.
- Indoor training courses, especially tailored from industrial experts should be provided to the management students. Also these should be reviewed periodically and the entire outdated training program should be replaced with new updated skill requirements. Embrace all forms of management training.
- Cross-disciplinary educational programs will foster new levels of innovation and opportunity.
- Serve locally but train globally. Leaders of Indian management education are quickly realizing that they must look outward as they train business leaders. They can't be provincial. It will not be enough to focus on educating Indians for India. Business schools in India can design themselves as global institutions, building globally distributed educational programs
- Institutions should be encouraged and incentivized to focus on their strengths, to represent themselves accurately to students and employers, and to let a diverse and vital system of institutions emerge. Government policy, rankings, and accrediting systems that inevitably will emerge should reflect and support this approach.
- Business schools can very effectively utilize their alumni network for generating academic and financial resources for themselves and thereby improve the quality of their offerings. Past students of business schools (especially those who are in high positions in the corporate sector, of whom there will be many from good schools) can help their *alma mater* with guest lectures by corporate executives, student projects and research work, student placements, subscription to executive education programmes, endowments, research chairs and scholarships, financial support for physical assets, and so on. While all these are possible, the actual accomplishments would depend largely on the image of the business school and the systems and skills they have for networking with their alumni.
- Alliances and potential mergers with other universities are a departure from traditional strategy but will be increasingly common in the future for several reasons. First is the critical success factor of geographic reach. Alliances with international business schools allow Indian B schools the opportunity to expand their reach without the significant investment required for new facility construction. Second is the need to understand and play in global markets. And finally, with increased competition and declining resources, certain schools will be forced to squeeze out redundancy from their cost structures and focus on core competencies. This corresponds with the potential industry shift toward increased specialization, as all business schools do not need to offer all programs, especially with the advance of distance learning. These business school partnerships are not limited to dual university domains, and there are additional advantages to multibusiness school

arrangements, such as the development of International MBAs.

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### Conclusion:

India has a one-of-a-kind combination of location, culture, and demographics. It has the opportunity and motivation to leverage the lessons learned by the world's business schools, and create a management education system that will spur economic growth—and become the ultimate state-of-the-art laboratory for global business education innovation. It is an immediate requirement to shape the management education in accordance with the global changes to improve competitiveness with the global level. There would be a certain amount of pressure on Indian institutions with the arrival of foreign schools. However, this should motivate our schools to raise the bar and improve their standards. Overall, massive change forces are in place, and without proper adjustments to strategy and structure, many business schools may fall victim to the more macro dire prediction of universities made by Peter Drucker.

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