ECONOMIC SLOWDOWN AND MANAGEMENT EDUCATION SYSTEM IN INDIA

Dr. Charusheela Birajdar
Principal
Maharashtra College of Science and Commerce, Pune, India
Email: charusheela_birajdar@rediffmail.com

ABSTRACT

India being world’s one of the largest economy and largest democratic country had faced the economic slowdown few years ago but this economic slowdown is impacting on all areas of economy including education field in general and management education field in particular. Rapid changes are required to be made in the present management education system to cope with the turbulent time. Our management student must learn lessons out of this and show their importance to the industrial world by their professional skills. It is still not delayed we must wake up and start to act on this.

Keywords: Economic slowdown, Management Education and change in Strategy

INTRODUCTION

Everybody is aware about the hard times of economic slowdown. It is cycle of up and down in economy. A serious thought needs to be given that whether our present students who have acquired a management degree can face the challenges of economic slowdown.

In the first phase of article what is economic slowdown & what should be done to face the economic slowdown is written. The second phase of the article contents that what is the present scenario of management education. The last phase of the article contents that what should be done to improve the present management education

HYPOTHESIS

The present management education system needs lot of reforms in order to develop aspiring managers to cope up with the challenges generated by changing environment.

RESEARCH METHODOLOGY

The research article is based on library research work. The researcher has searched many articles on Economic slowdown & on higher education. After collecting lot of information on above topic, the article is written. As everybody knows economic slowdown has affected the whole world & India is not an exception to it. It is inevitable & beyond our control. It is a natural phenomenon as after every hot day there are rains. It is a cycle again that after economic slowdown there would be a boom.

It is a possible to overcome it. The only thing is that we have to change our strategies drastically. If we can manage the change easily it will be possible to deal with the problem of economic slowdown successfully.

It is first necessary to understand the symptoms that decide the recessionary trend.

1. Diminishing demand for luxury products.
2. No demand for products already produced.
3. Low production, lower returns & lower profits.
5. Payments are delayed for the products delivered.
6. Distributors do not want to stock the products.
7. Quick service is expected by the customers after placing an order for the product.
8. In many organizations, confirmed orders are either cancelled or kept on hold or post phoned for indefinite period.

OBJECTIVES

1. To study the causes of economic slowdown
2. To study the present scenario of management education
3. To suggest measures to improvement in education to cope up with market challenges.

These are some alarming symptoms visible all over the world because of economic slowdown. In order to understand more details about economic slowdown let us discuss the causes of economic slowdown. It has been observed that on the basis of previous year projections companies have produced much more than the need or requirements of the market. Due to this there was a saturation stage in the market. A product life cycle has stages like birth, growth, maturity, saturation, decline & death. The same stages were applied for the market and a saturation stage was reached. The customer psychology changed drastically, the companies started curtailing their salary expenses and other expenses. As the salaries of employees were reduced they stopped buying; only the demand for necessities remained constant. Demand for products of comforts as well as luxurious products was reduced. Due to the change in customer behaviour the companies also started facing the problem so they started lowering variable cost in the form of recurring expenditure. The fixed cost could not be lowered down but then the companies’ started functioning on the basis of breakeven pricing. The intention was just to survive in the market. The goal of every organization changed from profit making to survival in the market. Survival of the fittest is the rule so there was competition for survival and various measures were adopted to survive in the recessionary period.

1. Companies started saving more and more and tried to apply cost reduction technique wherever and whenever possible; right from buying of raw material till selling of finished products money was saved.
2. The workers were advised to work continuously without wasting even a minute time so that the overtime cost can be avoided.
3. Careful use of electricity, fuel and water was emphasized.
4. The instructions were issued to the workers that machines and tools should be handled properly and carefully, so that repairs and maintenance cost would be at minimum. At this point of time the companies did not afford to spend on repairs and maintenance cost.
5. Strict control on the use of stationery was exercised. The employees generally have a tendency to use stationery casually.
6. There was emphasize on use of the available knowledge and skills properly. So right person at right job was the motto of all companies.
7. Total capital expenditure was banned during the period. As the future was uncertain and volatile, profits were not assured in this period. As far as export market is concerned, the currency rates were also showing unpredictable trends.
8. Companies established new markets in those fields where economic slowdown had not affected in any way.

9. The Research & Development Department struggled to find out new techniques to save time and cost of all the employees. It is the need of the hour to make time & motion study, suggested by Frederick Taylor.

10. The SWOT analysis was made for every project & investment and for every decision of management. It gave perfect perspective about the viability of the proposal then it was easy to take corrective action.

It is not always possible to make cost reduction every now & then, some strategies to face the economic slowdown & survival and grow can be as follow-

1. To reduce the different components of pay packages which fall under variable pay? It is in fact a challenge before the top management to give this bitter pill to the employees. All the allowances related to the entertainment can be reduced. The bonus or rewards carrying significant monetary prepositions must be put on hold. This strategy may prove to be dangerous for extraordinary talents. In such situation frequent communication & making all the employees understand the present scenario is essential for every company.

2. Another important aspect is to identify non value added activities. They can be reallocated or eliminated because otherwise non value adding activities become a liability to the organization.

3. The manpower which is excess and had joined last in the organization can be removed first [LIFO Method]. During this period the morale of the existing expert manpower needs to be kept high because of this move probably the employees who are good performers will start feeling unsecured. They should be pacified by constant counseling. The employees may get themselves involved in some nonvalue added activities like trade union meeting and discussions which are against the policies of the company such activities should be controlled in time.

4. Another strategy can be removal of chronic absentees over a stipulated period of time. It is a good opportunity to remove the employees who are regularly irregular.

5. Participative forums for dealing with difficult times ahead can be one more important measure. Sustaining in such turbulent times is not only the responsibility of the chief Executive Officer but also every employee of the Company too. It is a joint responsibility of all the employees. By creating participative forums a detailed discussion can take place and frustration & mental depression can be given a way out by adopting positive approach of thinking.

6. It is important strategy to retain the top performers. It is wrong to presume that since there is no recruitment, the top talents will not leave. On the contrary top talents will always have opportunities to pursue their career and get new opportunities. There can be new appropriate retention plan to retain good talents.

7. Performance appraisal can be made rigorously so that non-value adding employees can be found out easily and removed. As otherwise such employees become forever liability to the organization.

8. Last but not the least, networking with HR people is essential as they have updated knowledge about what is going on in the market and what strategies various industries have adopted to do away the economic slowdown.

9. There is continuous demand for health products, cosmetics, medicine field etc. If possible restructuring of business can be made. At individual level persons can adopt strategies like doing social work upgrading his/her qualifications & do personal development physical as well as mental.

Economic slowdown can be the best opportunity to do such value adding things as there is leisure time with the employees.
The management plays an important role in man’s life. All the problems like economic slowdown if managed properly gives success. As management is called as ‘OMNIPRESENT’ like a god, seen everywhere but now the time has come to give a retrospective look on today’s management education that whether it is really capable to face new challenges.

PRESENT SCENARIO OF MANAGEMENT EDUCATION SYSTEM

Dr. Sarvapalli Radhakrishnan’s view about education was that education should be liberating & life giving. It must give basic meaning to personality & existence & equip us with power to overcome spiritual inertia & foster spiritual sensitivity. According to him seat of learning should produce men & women who will move together to develop common ideas & purpose, love each other & co-exist to create a co-operative common wealth. Education should be a process of giving the individual knowledge & skills which can be applied in the day to day life. Management education is not an exception to this.

At present the need has arisen to see that whether our present management education is capable to face the existing economic challenges.

Right from the admission procedure to completion of MBA course, everywhere there is room for improvement for unreasonable delays. Impact of this is that the available teaching hours are very less which ultimately comes to only 10 to 12 weeks which is just sufficient to understand the subject and getting expertise on the subject would be a long process. The conceptual clarity itself becomes a problem.

Present job market is rapidly changing so the person needs to be versatile. He should not only work hard but work smart, which is not taught in any curriculum.

PRESENT SHORT COMINGS IN MANAGEMENT EDUCATION

1. Outdated Methods of teaching – management education must teach the students about current market trends & keep their knowledge updated. But presently the syllabus is revised after every three years which probably a long time span considering volatile economic situations.

2. In the present scenario in management institutes, there is dearth of good faculty. No. of management institutes are more & as compared to no. of management institutes, the number of expert, sincere, intelligent, research prone faculties is very less. The owners of management institutes are having different mottos to run the management institutes, even the basic infrastructure is not provided to students in many cases. There are stringent Government controls in the form of two central bodies like U.G.C & AICTE. In exercising these controls also there is tremendous bureaucracy.

3. After studying the present scenario it can be concluded that there is no common goal of all the parties involved. Because of diversified goals of different authorities, the management education system suffers a lot. Our student can not stand in the storm of economic slowdown & frustration develops.

4. Lack of Research & development facility- Research & development is necessary in each sector. Multinational companies can set up their own research institutes and encourage the professors to do maximum research. Presently in majority cases it is unwritten law that the person who is pursuing his doctoral work is bound to get his doctoral degree by hook & cook after submitting his thesis. There is no qualitative difference in the research work of Ph. D. students. Everybody gets the Ph.D degree after submitting their thesis work. Faculties are not encouraged to do the research work through paper presentations and in some cases where it is encouraged to do the research, the financial burden lies on faculties which is not feasible.
5. Faulty Regulation system – As mentioned earlier, there are basically two agencies in India regulating higher education, UGC and AICTE. Both these institutions are under ministry of education. The process of accreditation is strenuous & bureaucracy prevails many times and quality is hampered because of that.

6. Lacks of Industry, Institute & University interaction - Many industries do not allow management students to do their project work which is must at M.B.A level. It is the only source where the students will gets practical knowledge. Industry support is available to the extent of providing only basic data without any valuable guidance. Student’s interest is to complete the project without taking any extra efforts and Institutes’ interest is to complete the syllabus without giving any more extra knowledge to the students. Under these circumstance how management student will face the challenges in the big industrial world in general and economic slowdown in particular.

7. Attitude of M.B.A students - It is found that many times the attitude of M. B. A. students is very rude & arrogant. It hotel management the students are taught practically to clean the bathrooms as well as to cook the meals.

8. In this light, if the attitude of MBA students, is studied they are not ready to-do any kind of job so the development process stop there.

9. We teach at MBA grand theory but nowhere the wisdom is taught. We prepare our students from multinational company’s point of view but here we forget that in India there are many family owned businesses. We teach our students culture, values & moralities but when the real money is in vice –selling cigarettes, alcohol, gambling, in catering consumer needs, the controversy a rises.

10. To give the students an idea of market

SUGGESTIONS TO IMPROVE MANAGEMENT EDUCATION SYSTEM TO FACE GLOBAL CHALLENGES

1. Upgrading the curriculum- the syllabus should be market oriented, knowledge, skills, and values, are to be considered as necessities and are considered as country’s valuable currency.

2. The syllabi should be need based & customer oriented. The curriculum though upgraded time to time does not fit to the needs of current market scenario so that market situations should be studied first and then syllabi should be designed. The teaching work is limited & stereotype it should be changed & should be made more research oriented. It is expected that educated product should be saleable in global market. Syllabus must be included with more live projects apart from summer / winter projects.

3. Innovative approaches for reforming management education – The education reforms must match with the industrial, agricultural, service sector & other reforms in the country. Innovative approach for reforming management education should be based on socioeconomic background of people & other ground realities of society so that the youth will not face reality shocks like economic slowdown and others.

4. More spending of Government on Education and education reforms - The Government must plan some excellent strategy in imparting education policy. Some part of the tax collected in the various forms must be reserved for education reforms and it should not be diverted to some other expenditures.

5. Emphasis can be given on Expert power - The teacher should be capable & expert in his area so that he can design his own plan of action. There should be scope for upgrading qualifications for a lecturer without any restrictions. The teacher should upgrade himself continuously in the form of current knowledge & current market trends. In order to face economic slowdown, it is necessary to pay attention towards getting expertise in the subject through effective blend of class room teaching as well as industrial consultancies.
6. The students should be taught to fail. We don’t have a course on failure; the student should be encouraged to take part in different seminars and conferences so that they will learn competitive environment and will understand that where they stand. It is really a need to study that why we need only Prof. C.K Pralhad to give lessons of management. Why we cannot produce homegrown management gurus who can boldly spin these tales.

7. Capacity Building & nurturing talent - All of us in management education need to ponder more deeply and creatively on how to advance the awareness, reasoning skills & ethical behaviors in ourselves first. So that later on it will percolate in the students.

a. As article written in 1973 by McClelland titled ‘Testing for competence rather than for intelligence’ provided empirical proof that motives affect the behaviour of individuals, organizations, and also cities and ultimately decides culture of the country. It can be suggested to teach motives also.

8. Management education must teach our students to rise above national interests. Multicultural education can be provided in the M.B.A curriculum so that the students of management can be fitted in global economy. Critical thinking & evaluation of one’s own activities in an international perspective & respect for other people culture & value must remain a cordial element of management education.

9. Lessons of leadership should be given to the student. Decision making ability should be enhanced in them. As the ultimate measure of a leader is not how she/he stands in happiness or comfort but how she/he reacts at times of challenge and controversy. The current challenges have brought to the fore front the need to nurture leadership in students.

10. Qualitative growth of B-schools- The present systems are really dominating the education sector but whether we have found the qualitative output is a question of fact. All the law should be in line with maintaining quality and not quantity of B schools. There should not be a market of B schools.

CONCLUSION

The market conditions are always changing so in order to cope up with market conditions, management education should be geared up. The students should be academically strong to understand and identify market environment and they should be mentally strong to face adverse market conditions.

Excellence can be achieved observing following elements like decentralization of administration & greater involvement of community, modernizing super-visions, monitoring system of autonomy & accountability, result oriented management, greater private participation and increasing competence in improving quality instead of increasing quantity in management education. Such a change can be inculcated through market oriented upgraded curriculum, infrastructure and the staff by making qualitative improvements. With these types of changes the success is bound to come.

According to our Hindu philosophy, success in achievement is a state of mind. Somebody who has made Rs 1 Crores can look at the corners of people below him & feel happy & successful. At the same time somebody who has made Rs 1000 Crores can look at the thousands above him and feel frustrated. Money is but one parameter of success. As long as you have done your job with honesty, integrity and to the best of your abilities, you are a perfect and balanced person, according to Bhagwatgita. He is the same self actualized person according to Prof. Abraham Maslow, these teachings must be imbibed in management students so that they will be successful in the battle of life.

REFERENCES

1. Outlook – Weekly magazine
4. The Chartered Accountant – A journal of Institute of Chartered Accountants of India.
5. The Company Secretary – A journal of Institute of Company Secretaries of India.