



## Corporate Perspective on Development of Management Education in Gujarat

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### Abstract

Management education has grown immensely. From the areas of Marketing, Finance and Personnel Management it has now reached to areas of Human Resources, Operations, International Business, Supply Chain Management, Retail and many more. Globalization and Technological advancements have increased competition at a much greater pace. Therefore, the need of management education has increased exponentially. This study clearly focuses on all the critical factors which, if taken care of, then the development of management institutes shall be done on the correct path, keeping students' view point in consideration. The objective is to study the issues faced by management institute in current times with focus on Corporates. Identify the critical factors to be considered which will ensure the development of management institutes from Corporate view point. The methodology applied is exploratory research, followed by descriptive. The purpose of this study is to understand and analyze the corporate's perception on management institute of Gujarat and to find out critical factors to be considered to ensure the development of management institutes from Corporate's point of view. The findings indicate five critical factors which are responsible for any management institute to become centre for excellence from corporate's view point. The study is limited to the vicinity of Gujarat. The views are limited to management program conducted by Self-Financed Institutes affiliated to Gujarat Technological University. The study will give an insight on the improving areas of management education in Gujarat. The study will suggest the critical factors for developing management institute and making it a center for excellence. Management education has been discussed in the past researches. However, there is hardly any research which indicates the problems faced by management students with special reference to Gujarat.

**Keywords:** Management Education, Management Institute, Gujarat, SFIs, Students, Center for Excellence

**JEL Classification:** I23

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### Introduction

Management education had been formed by dynamic market forces since its commencement. Management education was evolved through corporate operational processes and practices.



These practical techniques were compiled to form management theories which were a part of management text books (Pierson FC., 1959). After World War II, there was a huge demand of skilled manpower for the expansion of business, and hence, the need for managers. Past researches indicate that management education does not have a robust theoretical background (Pierson FC., 1959). Since the program was new, it was discovered that there were weak linkages between theory taught in class and on the job experience. The demand for pursuing management degree was high and therefore, the gap was ignored as management institutes were doing really well without making any effort (Slaughter, S.G. Rhoades, etal. 2004).

## Management Education

Management education was very dynamic since its inception. It was molded based on factors like: inclination of end user of management education; knowledge, skills and abilities that were expected from students and kind of management institutes providing management degrees AACSB (2002). Management education teaches mere concepts of management and does not prepare students for the real challenges faced by them in the corporate world (Datar, M.S. 2010). Management institutes were considered to be the finest institutions across the world (Noorda S.2011) and therefore, for many years, they enjoyed dominant position and served as excellent professional course worldwide (Mintzberg, H.2004; Ivory et al. 2006). Management education was always considered to give lucrative jobs to management graduates. It has given inputs to resolve the issues like smoothly conducting mergers and acquisitions, change process implementation, formulating strategies, slowdown of business and so on. Since the beginning of 20th century, the main purpose of management education was to make a significant contribution in organizational functions by giving valuable inputs. A lot of changes occurred in management education and management institutes, due to change in skill requirement, globalization, society and demographics (GFME, 2008) Management institutes would collapse if the gap between management graduates and corporate will not be filled (Grey, C. 2002). Industry demands competent managers who can work dynamically (Spender, J. 1995). Course curriculum of business schools was not designed as per corporate requirements (Randall, R. F., 1999). The major responsibility of management institutes is to demonstrate professional challenges, as this is the prime requirement of corporates today (Klimorski, R. 2008).

## Background of the Study

Research indicated that management institutes in India suffered just like its international counterparts. Indian business schools adopted case study methods from Harvard Business School, but they could not implement it properly (Datar, M. S. 2010). Course curriculum of the management institutes must be as per the industry demands (Slaughter, S. G. Rhoades, etal. 2004). The journey of management education in Gujarat was very interesting. It started with rise of self-finance institutions in Gujarat. Before the advent of self-financed institutions, management education was restricted to university departments and premier institutions like IIM Ahmedabad or IRMA, Anand. According to the Government of Gujarat, industrialists or private entrepreneurs could help in boosting up the higher education and professional courses like BE, BBA, BCA etc. The need of higher education was realized by the 12th Five-year plan suggesting dire need of higher education and unfortunately the Government was not able to fulfill it. Therefore, SFIs were brought in. Post liberalization in the 90s, there was a huge demand of skilled professionals who could understand and manage the areas of finance, marketing, advertisement, procurement, HR, production etc. in any organization. Due to this huge demand, the self-finance institutes got

an opportunity to prepare and develop skilled workforce for the organizations. Therefore, many startups entered to start MBA Institute in Gujarat. But management institutes started to witness a fall in intake by 2010. Self-financed institutions in management failed to register admissions and many institutions shut down over time. Several reasons ranging from poor infrastructure to less qualified faculties were attributed to the fall in intake of management institutions.

## Objectives

- To study the issues faced by management institute in current times with focus on Corporates.
- To study and understand the critical factors to be considered to ensure the development of management institutes from Corporate view point.

## Review of Literature

Management education has been frequently discussed in past researches from different viewpoints. In most of the researches, the problem noticed was to align the business education with need-based program. Corporates have considered suggestions from management education to solve the issues like conduct of mergers and acquisitions, slowdown of business, organizational development, implementing change process etc.

## Contemporary Challenges for Management Education in India

The fascination of management education has been declining and this is apparent with the downfall of several enrollments in management institutes across the nation. A lot many of management institutes have been shut down. Management students lacked competencies and employability skills which led to loss of confidence of corporate. Regulatory bodies had not focused on improving the quality of management education rather, they were more focused towards giving approvals to management institutes. Due to this management education was diluted. This was accompanied by several other problems like weak governance, inexperienced faculty members, low student – faculty ratio, unmatched corporate demand etc. This scenario required instant correction in course curriculum and participation of all stakeholders to a greater extent. The main focus of any management institute has now transformed from imparting skills to placements. Institutes like Indian Institute of Social Welfare and Business Management (1953), Tata Institute of Social Sciences (1936) and Xavier Labour Research Institute (1946) were giving training program for the managers even before the establishment of formal management institutes. The main motive of running such programs was to impart managerial skills in skilled professionals so that they could either run the existing business or could become entrepreneurs. Management education was very lucrative in terms of employability, especially after the nineteenth century. Parents encouraged their children to opt for commerce stream and become successful managers in corporate, instead of science, as the competition amongst students was lesser in this.

After liberalization, economy of India experienced major shift as a lot of multinational companies entered Indian market. These multinationals gave a very tough competition to the existing domestic corporations. Due to this, the demand for skilled business graduates increased at a very large pace. Many business houses observed this gap and identified the opportunity, wherein they established management institutes at different parts of India. Soon, there were a lot of management institutes that were set up but could not continue to produce management graduates as expected. Soon the corporates started complaining about the incompetency of

management graduates, unskilled managers as the number of management graduates joining the market every year was huge. Later, the society was not sure about the ability of business schools to generate solutions to social problems.

## **Present Situation of Management Education in Gujarat**

Management education should be in relevance to the society. However, the main issue of management education is that they generally build students for finance and consulting industries. The management education in Gujarat is just like its counter parts. Immediate course correction is needed for greater involvement of all the stakeholders in business education. Research needs to be conducted to study the perspectives of all the stake holders namely students, faculty and corporate regarding existing management education system (Steiner S. and Xie C., 2013). The environment today is dynamic and continuous changes are taking place, therefore, in the current study, a dent has been made to study the view point of faculty members, students, and the corporate who recruit students for the B- Schools to understand the existing management education system, its functioning eventually finds some areas of improvement to cope up with the ever changing needs and requirements of the corporate world.

## **Research Methodology**

The study is exploratory followed by descriptive, where the research has identified major issues of management education by studying past researches. A closed ended questionnaire was formulated based on the views taken from in-depth interviews of stakeholders and past researches. 130 corporate professionals who regularly recruit students from SFIs across Gujarat were taken. Data was collected through a questionnaire.

## **Sampling technique**

For this study, convenience sampling was employed. Past similar researches have used convenience sampling, therefore, the present study used convenience sampling as a sampling method (Mehmood S. and Ahmad N.,2011); (John B. and Panchanatham N., 2011); (Hodges D. and Burchell N. 2003).

## **Exploratory Factor Analysis: Corporate**

Exploratory Factor Analysis (EFA) was performed and only those factors were retained which had an Eigen value more than 1, as only they were considered significant. An Eigen value shows the amount of variance associated with the factor. The result was that there was a total of 5 factors, which explained for 64.212 % of the total variance. The factors considered should together account for more than 50% of the total variance. Factor analysis indicated that five factors were critical for corporates. Corporate thinks that a business school must excel in those five areas for better functioning. This indicates corporate's perception about student's attributes, skills, attitude, faculties and overall business school (Malhotra, N.K. and Birks, D.F. 2003).

To determine the important factors, Principal Component Factor Analysis (PCA) with varimax rotation was performed for the 28 items measuring adoption. The result indicated that the Bartlett's Test of Sphericity was significant (Chi-Square 1500.681, p-value <0.0001). The Kaiser-

Mayer-Olkin (KMO) measure of sampling adequacy was high at 0.801 (Table 1a). This KMO value of 0.801 is excellent since it exceeded the recommended value of 0.6. The two results of (KMO and Bartlett's) suggest that the data is appropriate to proceed with the factor analysis procedure (Malhotra, N.K. and Birks, D.F. 2003).

**Table 1 (a): KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	3174.610
	Df	406
	Sig.	.000

**Table 1: Factor 1 – Student Skills and Attributes**

Factor No.	Variables	Factor Loading	Mean
F1a	Students have Analytical ability	.717	3.46
F1b	Students have effective Communication skills -written and verbal	.745	3.32
F1c	Students have Information and Communication technology skills- ICT skills	.774	3.50
F1d	Students have Initiative taking ability	.838	3.44
F1e	Students have Leadership skills	.777	3.46
F1f	Students have Planning and Organizational skills.	.798	3.33
F1g	Students have Problem solving and Conflict Resolution Skill	.862	3.62

**Factor 1** loaded on seven variables and shall be labeled as 'Student Skills and Attributes' as it comprises of dimensions related to analytical ability of students, ICT skills, initiative taking ability, leadership skills, planning and organizing skills, problem solving and conflict resolution skills. The items received mean ranging from 3.32 to 3.62 on a scale of 1 to 5.

**Table 2: Factor 2 – Professional development by Management Institute**

Factor No.	Variables	Eigen Value	Mean
F2a	Most B Schools work on enhancing student knowledge by sending students to companies for live case studies and company projects.	.622	3.64
F2b	Most B Schools actively collaborate with corporate for summer internship program and ensure that it is done in a professional manner.	.771	3.72
F2c	Most B Schools focus on professional development of their students.	.790	3.41
F2d	Most B Schools focus on developing KSA (Knowledge, Skills and Attitude) in students.	.616	3.52

**Factor 2** loaded on four variables and shall be labeled as "Professional development by B school' comprises dimensions related to B schools responsibility of enhancing student's knowledge by sending them for live case studies, company projects, summer internships, professional development of students, KSA development, creativity of students and about experience of faculties. The items received a mean ranging from 3.04 to 3.67 on a scale of 1-5.

**Table 3: Factor 3 – Student Attitude**

Factor No.	Variables	Eigen Value	Mean
F3a	Students have Enthusiasm and Willingness to learn	.792	3.62
F3b	Students indicate good team work and cooperation ability	.693	3.79
F3c	Students are Adaptable and Flexible	.716	3.63
F3d	Student have Analytical Ability	.712	3.42

**Factor 3** loaded on five variables and shall be labeled as Student Attitude as it comprises of dimensions related to student's enthusiasm, willingness to learn, team work, cooperation ability, adaptability and flexibility. The items received a mean ranging from 3.54 to 3.79 on a scale of 1-5.

**Table 4: Factor 4 – Faculty Aided Student Development**

Factor No.	Variables	Eigen Value	Mean
F4a	Faculties play a major role in overall development of students.	.786	4.00
F4b	Faculties play role of facilitator between students and corporate.	.809	3.83
F4c	Faculties have diversified Industry experience.	.734	3.00
F4d	Faculties have practical knowledge of the subject	.741	3.20

**Factor 4** loaded on three variables and shall be labeled as 'Faculty aided student development' as it comprises of dimensions related to faculty's role in student development. The items received a mean of 3.00 and 4.00 on a scale of 1-5.

**Table 5: Factor 5 - Corporate input driven for curriculum of management institutes**

Factor No.	Variables	Eigen Value	Mean
F5a	Most B-Schools are currently running industry specific courses that totally understand industry requirement and dynamics	.837	2.92
F5b	Most B Schools seek corporate advice to design the academic curriculum / activities	.743	3.10
F5c	Most B Schools take mentors or experts from corporate for guiding students through expert lectures, projects etc.	.722	3.64
F5d	Prime responsibility of a business school is to generate work sincerity and sense of responsibility among its students	.731	3.20

**Factor 5** is loaded on three variables and shall be labeled as 'Corporate input driven curriculum at management institutes' as it comprises of dimensions related to current scenario of business school, industry requirements, corporate advice in curriculum designing and mentors from corporate. The items received a mean ranging from 2.92 to 3.64 on a scale of 1-5.

## Interpretation

In the above discussion, corporate perception regarding management graduates of Gujarat is being studied. On running factor analysis, five factors were generated which a business school must consider for its development. These factors are as follows:

F1: Student Skills and Attributes

F2: Professional Development by Management Institutes

F3: Student attitude

F4: Faculty Aided Student Development

F5: Corporate Input Driven Curriculum at Management Institutes

Analysis of factors indicated that Factor 1: Student Skills and Attributes pointed towards corporate opinion about skills and attributes that a management graduate shall possess. F1b has a mean value of 3.32 which showed average response of corporate on communication skills of management graduate. Similarly, other factors F1c (Value = 3.50), F1d (Value = 3.44), F1e (Value= 3.46), F1f (Value = 3.33) and F1g (Value = 3.62) showed similar response where corporate were not very appreciative about the skills of management graduate and showed a mediocre response. Factor 2: Professional Development by Management Institutes revealed that corporates consider that management institutes working on enhancing student knowledge by sending students to companies for live case studies and company projects (Value = 3.64), they collaborate with corporate for summer internship program (Value = 3.72) and they must focus on developing KSA (Knowledge, skills and attitude) in students (Value = 3.52). All the variables in this factor showed average response from corporate. If a business school has to flourish then they will have to convince corporates that they are progressive, then only corporates will look forward towards prolific relation with management institutes. Factor 3: Student attitude inspected that students have enthusiasm and willingness to learn (Value = 3.62), good team work and cooperation ability (Value = 3.79), adaptability and flexibility (Value = 3.63), creative (Value = 3.67), honest and responsible (Value = 3.54). Corporate rated all the variables between average to good but to be the best performer more focus on improving these areas is required. Factor 4 – Faculty aided student development reflects corporates strongly consider that faculties play a major role in overall development of students (Value = 4) and they act as facilitators between students and corporate (Value = 3.83). Management institutes hence should pay very close attention towards faculty development. They are the stepping stone behind the success of any business school. Their correct guidance to students will help not only in development of students but entire ecosystem of business school. Factor 5: Corporate Input driven curriculum at management institutes points towards what a company desires from a business school. F5a has a mean value of 2.92 which indicates neutrality of corporate towards business school standing on their expectation. Further implications are that business schools need to work towards fulfilling corporate expectation if they want to create quality workforce for the corporate world. Corporate expects B-School to run industry specific courses that totally understand industry requirement and dynamics (Value = 2.92) which indicates below average rating. Institutes must seek corporate advice to design the academic curriculum / activities (Value = 3.10) besides incorporating their inputs through mentoring, expert sessions and projects.

**Table 6: Confirmatory Factor Analysis: Corporate**

Sr. No.	Factors	Goodness of fit measure	Acceptable fit	Actual Value
1	Student skills and attributes (F1a, F1b, F1c, F1d, F1e)	Chi-square	$2 \leq \text{CMIN}/\text{df} \leq 5$	2
		RMSEA	$0.05 \leq \text{RMSEA} \leq 0.1$	0.055
		GFI	$\text{GFI} \geq 0.9$	0.98
		AGFI	$\text{AGFI} \geq 0.9$	0.956
		RMR	$\text{RMR} \leq 0.05$	0.014
		CFI	$\text{CFI} \geq 0.9$	0.99
		NFI	$\text{NFI} \geq 0.9$	0.99
		PGFI	$\text{PGFI} > 0.5$	0.4
		PNFI	$\text{PNFI} > 0.5$	0.5
2	Professional development by management institute (F2a, F2b, F2c, F2d)	Chi-square	$2 \leq \text{CMIN}/\text{df} \leq 5$	8
		RMSEA	$0.05 \leq \text{RMSEA} \leq 0.1$	0.1
		GFI	$\text{GFI} \geq 0.9$	0.9
		AGFI	$\text{AGFI} \geq 0.9$	0.86
		RMR	$\text{RMR} \leq 0.05$	0.02
		CFI	$\text{CFI} \geq 0.9$	0.97
		NFI	$\text{NFI} \geq 0.9$	0.97
		PGFI	$\text{PGFI} > 0.5$	0.19
		3	Student Attitude (F3a, F3b, F3c, F3d)	Chi-square
RMSEA	$0.05 \leq \text{RMSEA} \leq 0.1$			0.1
GFI	$\text{GFI} \geq 0.9$			0.9
AGFI	$\text{AGFI} \geq 0.9$			0.86
RMR	$\text{RMR} \leq 0.05$			0.02
CFI	$\text{CFI} \geq 0.9$			0.92
NFI	$\text{NFI} \geq 0.9$			0.92
PGFI	$\text{PGFI} > 0.5$			0.1
4	Corporate input driven for curriculum of management institutes (F5a, F5b, F5c, F5d)			Chi-square
		RMSEA	$0.05 \leq \text{RMSEA} \leq 0.1$	0.1
		GFI	$\text{GFI} \geq 0.9$	0.9
		AGFI	$\text{AGFI} \geq 0.9$	0.8
		RMR	$\text{RMR} \leq 0.05$	0.02
		CFI	$\text{CFI} \geq 0.9$	0.9
		NFI	$\text{NFI} \geq 0.9$	0.9
		PGFI	$\text{PGFI} > 0.5$	0.1

The factors were identified through exploratory factor analysis and then CFA was run to confirm the identified factors. It was run to confirm whether the factors of the study are valid or not. Above mentioned factors are most important to understand the critical dimensions of management institutes from a corporate point of view. All the variables falling in the fit indices mentioned for CFA. All the factors fall in the acceptable fit category and hence validated.

### **Cluster Analysis: Corporate**

Cluster analysis was done to understand clusters among the data set. Based on measured characteristics, relatively homogenous clusters were identified and measured. The researcher carried out hierarchical cluster analysis using Ward's method applying squared Euclidean Distance as the distance or similarity measure. It gave the ideal number of clusters one should work with. Optimum number of clusters were identified based on the number of dendrogram formed after running hierarchical cluster analysis. In hierarchical cluster analysis, a hierarchy of clusters were formed which were represented in a tree like structure, known as dendrogram. Roots of the tree represent single cluster with all the observations while leaves represent individual observations. Algorithms for hierarchical clustering are generally either agglomerative, in which one starts at the leaves and successively merges clusters together; or divisive, in which one starts at the root and recursively splits the clusters. Any valid metric is used as a measure of similarity between pairs of observations. The choice of which clusters to merge or split is determined by a linkage criterion, which is a function of the pair wise distances between observations (MacQueen, J. 1967) Then K means clustering method was used on the data. Originally known as Forgy's Method, the Kmeans is one of the famous algorithms for data clustering and it has been used widely in several fields including datamining, statistical data analysis and other business applications. The K-means clustering algorithm builds clusters by RFM attributes (R: Recency, F: Frequency, M: Monetary). The K-means algorithm was suggested (MacQueen, J. 1967) for describing an algorithm that assigns each item to the cluster with the nearest centroid i.e. mean. The k-means clustering method produces exactly k different clusters of largest possible distinction and the best number of clusters k leading to the largest separation is not known a priori and must be computed from the data. The present study indicates that corporate is segregated into two clusters. Cluster 1 (C1= 48 corporate) and Cluster 2 (C2= 42 corporates). C1 is positively associated with all the variables which indicate that corporate strongly believes that all these variables are important for management institutes. C2 is indifferent and they believe that although these variables are important, but business school must pay more attention in these areas. Corporate consider that students have enthusiasm and willingness to learn (Value = 3.62), good team work and cooperation ability (Value = 3.79) and they are adaptable and flexible (Value = 3.63)

**Table 7: Final Cluster Centers**

Variables	Statements	Cluster	
		1	2
V1	Most- B-Schools are currently running industry specific courses that totally understand industry requirement and dynamics	3	3
V2	Prime responsibility of a business school is to generate work sincerity and sense of responsibility among its students	4	4
V3	Most B Schools seek corporate advice to design the academic curriculum / activities	4	3
V4	Most B Schools take mentors or experts from corporate for guiding students through expert lectures, projects etc.	4	3
V5	Most B Schools work on enhancing student knowledge by sending students to companies for live case studies and company projects	4	3
V6	Most B Schools actively collaborate with corporate for summer internship program and ensures that it is done in a professional manner	4	3
V7	Most B Schools focus on professional development of their students.	4	3
V8	Most B Schools focus on developing KSA (Knowledge, Skills and Attitude) in students	4	3
V9	Faculties have practical knowledge of the subject	4	2
V10	Faculties have diversified Industry experience	4	2
V11	Faculties play a major role in overall development of students	4	4
V12	Faculties play role of facilitators between students and corporate	4	4
V13	Faculties are limited to books only	3	3
V14	Students have Enthusiasm and Willingness to learn	4	3
V15	Students indicate good team work and cooperation ability	4	4
V16	Students are Adaptable and Flexible	4	3
V17	Students have Analytical ability	4	3
V18	Students have Commitment and Dedication	4	3
V19	Students have effective Communication skills -written and verbal	4	3
V20	Students are Creative	4	3
V21	Students are Honest and Responsible	4	3
V22	Students have Information and Communication technology skills- ICT skills	4	3
V23	Students have Initiative taking ability	4	3
V24	Students have Leadership skills	4	3
V25	Students have Planning and Organizational skills	4	3
V26	Students have Self Control	4	3
V27	Students work with positive attitude	4	4

Number of Cases in each Cluster		
Cluster	1	48.000
	2	42.000
Total		90.000

## Interpretation: Cluster Analysis

In order to segregate the sample on the basis of perception, cluster analysis was run and the output indicated two Clusters: Cluster 1 (n=48) – Positives, wherein majority of corporates believe that management institutes are considering all these factors important and they are working on it whereas, Cluster 2 (n=42) – Neutrals, indicating neutrality towards management institutes and their efforts, indicating that management institutes must put further effort to convert corporate perception from “neutral” to “positive”. Despite of their differences, both the clusters expressed common opinion on some variables. Both the clusters mutually agreed that prime responsibility of a business school is to generate work sincerity and sense of responsibility among its students (V2), which means that a business school must focus on student development. Students must be taught to become accountable and reliable for the task assigned. They agreed that the faculty play a major role in overall development of students (V11) and faculties play a role of facilitators between student and corporate (V12) which points towards the role of faculty in a management institute. Emphasis on faculty development should be given so that they can act as competent and resourceful mentors to the students. Both corporate clusters indicated that most management institutes are not running industry specific courses which totally understand industry requirement and dynamics (V1). So, management institutes must work in collaboration with corporate to understand industry demands and work on designing of management course as per the current market needs. Cluster 1 agreed that faculties at business schools have diversified industry experience while Cluster 2 disagreed and conveyed that faculties do not have industry experience (V10). Both clusters differed in the opinion that faculties have practical knowledge (V9). Faculties act as mentors at management institutes; they can guide, facilitate and mold students as per the industry requirement. Therefore, for a management institute to work appropriately, it is must that they very carefully select the faculties and train them so that they can guide students in correct direction. All other variables reflected difference in opinion of both clusters. Cluster 1 was positive on all the variables and cluster 2 was neutral. This further indicates that corporate thinks that management institute will have to go under major transitions to convert these neutral opinions into positives then only a business school can be sure of its success.

## Issues important from the view point of Corporate

The exploratory factor analysis findings put forward the following issues faced by corporates when they recruit students from management institutes. Keeping the study objectives in view, the study attempted to identify the factors that are treated as important by corporate when they seek a candidate for recruitment from a management institute.

Factor 1: Student skills and attributes: Corporates strongly believed that students pursuing management degree must have certain set of skills and management institutes must develop certain skill set amongst them, but they lack somewhere. Forty percent corporate agree that students have leadership skills, planning and problem-solving skills. As the mean value clearly indicates that though skills like, analytical (Value = 3.46), communication (Value = 3.32), ICT (Value = 3.5), initiative taking ability (Value = 3.4), leadership (Value = 3.4), planning and organization (Value = 3.3), problem solving and conflict resolving (Value = 3.6) are important but corporates do not agree that the students possess these skills. All the variables are very closely associated with the factor but still there is a gap which needs to be fulfilled.

Factor 2: Professional development by management institutes: Management institutes are doing lot of things for their survival. As the study clearly indicates that most B Schools work on enhancing student knowledge by sending students to companies for live case studies and

company projects (Value = 3.64), Most B Schools actively collaborate with corporate for summer internship program and ensures that it is done in a professional manner (Value = 3.72) but still they lack in professional development of students (Value = 3.4) and developing in them KSA (Value = 3.5)

Factor 3: Student Attitude: Past studies indicated that one of the major issues faced by management institutes was the student's attitude. The study indicates that this has improved to an extent. Although the attitude has not changed completely but it has certainly improved as it is mentioned in Students have Enthusiasm and Willingness to learn (Value = 3.6), Students indicate good team work and cooperation ability (Value = 3.7), Students are Adaptable and Flexible (Value = 3.6), students are creative (Value = 3.6) honest and responsible (Value = 3.5)

Factor 4: Faculty aided student development: Past researches indicate that one of the major reasons for downfall of management institutes is inefficient and poor quality of faculties. This study confirmed that corporates are of the same opinion that faculties play a major role in overall development of students (Value = 4.00). Faculties play role of facilitators between students and corporate (Value = 3.83) but the response of corporates was neutral when they had to give opinion on faculties have diversified Industry experience (Value = 3.00). This clearly indicates that management institutes must work on faculties as corporate believes that faculties are very important in developing students but if they themselves are lacking in those skills then they cannot impart skills in students.

Factor 5: Corporate input driven curriculum at management institutes: Lot of questions were raised on designing the curriculum of management institutes in the past. Since it was a need based designed course and there was lot of demand of skilled manpower so the detailing in designing the course was a big miss. Hence it became one of the factors to study. Corporates believed that most B-Schools are currently running industry specific courses that totally understand industry requirement and dynamics (Value = 2.92), Most B Schools seek corporate advice to design the academic curriculum / activities (Value = 3.1) and Most B Schools take mentors or experts from corporate for guiding students through expert lectures, projects etc. (Value = 3.6)

### **Corporate's increased expectation from management institutes to bridge the gap between institutional study and corporate expectation**

Cluster analysis was employed to understand management students and corporates in terms of their view towards management institutes. Cluster analysis is a technique that has been used in research studies to segment people into subgroups with similar demand characteristics. This technique can also be used to segment student populations to provide additional insight about patterns of satisfaction and to facilitate identification of possible operational improvements.

In case of corporates, two clusters were formed, and they clearly indicated their view regarding management institutes. It establishes a trend wherein corporate perception is indicated by two set of respondents. Cluster 1 (n=48) – Positives, wherein majority of corporates believed that management institutes considered all these factors important and they are working on it whereas, Cluster 2 (n=42) – Neutrals, indicating neutrality towards management institutes and their efforts, indicating that management institutes must put further effort to convert corporate perception from "neutral" to "positive", which forms a trend here. Findings of the study indicated that, according to corporates, management institutes are in developing stage as they are taking lot of initiatives to reduce the gap between corporates and academia but yet to achieve the developed stage. Despite of their differences, both the clusters expressed common opinion on some variables. Both the clusters mutually agreed that prime responsibility of a business school is to generate

work sincerity and sense of responsibility among its students (V2), which means that a business school must focus on student development. Students must be taught to become accountable and reliable for the task assigned. They agreed that faculty played a major role in overall development of students (V11) and faculties play role of facilitators between student and corporate (V12) which points towards their role in a management institute. Emphasis on faculty development should be given so that they can act as competent and resourceful mentors to the students. Both corporate clusters indicated that most management institutes are not running industry specific courses which totally understand industry requirement and dynamics (V1). So, management institutes must work in collaboration with corporate to understand industry demands and they must work on designing of management course as per the current market needs. Cluster 1 agreed that faculties at business schools have diversified industry experience while Cluster 2 disagreed and conveyed that faculties do not have industry experience (V10). Both clusters differed in the opinion that faculties have practical knowledge (V9). Faculties act as mentors at management institutes; they can guide, facilitate and mold students as per the industry requirement. Therefore, for a management institute to work appropriately, it is must that they very carefully select the faculties and train them so that they can guide students in correct direction. All other variables reflected difference in opinion of both clusters. Cluster 1 was positive on all the variables and cluster 2 was neutral. This further indicates that corporate thinks that management institute will have to go under major transitions to convert these neutral opinions into positives, and then only a business school can be sure of its success.

Corporates are converting from Neutral to positive about their opinion on management institutes, but they strongly feel that management institutes can perform better if they work on few areas like student development, faculty development, imparting skills in management institutes etc. According to them, the responsibility of the management institute is to generate work sincerely and sense of responsibility amongst student rather than just placing the student. And certainly, they are doing it but still more initiatives must be taken in order to bridge the gap completely. Currently, management institutes are running courses which are not industry specific. Since the course is not industry specific, therefore corporates have to put more effort to make the candidate industry ready. It means they will have to put more money, more time on the candidate and then also they will be uncertain about the performance of the candidate. The candidate spends two years in a management institute therefore; they can do this job better. So, these days, corporates are joining hands with academia in order to reduce the gap. The collaboration of management institutes and the corporates will certainly develop management institutes and will embark its growth.

### **Critical factors are considered to ensure the development of management institutes from corporate view point**

Factor 1: Student skills and attributes: Corporate's expectation from students pursuing management degree is that they must contain skill set like communication skill, leadership skill, presentation skill etc., which according to them the management institute is not able to impart. Students learn these skills only when they join corporate and start working. Though the corporate does hire students, they complain regarding the lack of communication and analytical skills. They also mention that this affects their training cost and time.

Factor 2: Professional development by management institutes: Overall, the management institutes will have to improve their approach towards things like live projects, corporate interactions, internships and so on. They must understand that the more they will interact with the corporate the more they will be clear on the areas of improvement.

Factor 3: Student Attitude: Past studies indicated that one of the major issues faced by management institutes was the student's attitude. Corporate do not get industry ready students. According to them, it is most imperative to breach the gap between corporate requirement and current academic processes. According to corporate, it is the job of the faculty member to bring the student closer to corporate problems and decision making.

Factor 4: Faculty aided student development: Management institutes must work on faculties as corporate believe that faculties are very important in developing students. However, if they themselves are lacking in those skills, then they cannot impart skills in students. Corporates think that the faculty teaching in a management institute does not have enough exposure towards industry and therefore they are unable to impart proper orientation in students. They very strongly believe that the faculties play a major role in overall development of students.

Factor 5: Corporate input driven curriculum at management institutes: Corporate thinks that management institutes are not running industry specific course that totally understand industry requirement and dynamics. The study indicated that according to corporate the academic processes in management institutes is bookish and does not address corporate uncertainties and its dynamics. Corporate have to hire students so that they focus on the training of students and interaction between faculties and corporate is mere formality. Faculties do not get exposure to interact with corporate. Experts point out that when corporate expects management graduates to be more industry ready, they need to shoulder the onus of working jointly with the faculty and students.

## Conclusion

Management education in Gujarat is very much similar to India. Post liberalization there was massive growth in the number of management institutes, but this growth did not last for a longer period. Soon, with the increase in number of institutes the problems linked to them were also rose. Major challenges came with the change in admission process as it diluted the overall filtration process and hence there was a steep decline in the quality of students.

Management institutes were considered to be profit making organizations, since their set up cost was very nominal unlike other pharma or engineering courses. This was also one of the reasons of increase in the number of management institutes. More number of institutes, inexperienced faculties, and unmatched demand from corporate led to decline in the overall revenue generation model. So basically, it is a vicious circle and management institutes alone cannot bridge this gap. In order to overcome these challenges, the study suggests that management education can be developed only if all the stakeholders are involved. Major stakeholders of management institutes are students, corporate and academicians, if they participate in the development of management education, then the management institutes can certainly become center for excellence. Corporate need industry prepared students so that they can save their operational training cost on them. In order to achieve this, they must invite students for work in their organization. They must visit management institutes to deliver lecture and must suggest revision on course curriculum. There shall be common forums for discussion of corporate, faculties and students which shall the path of development to management institutes and management education. Management graduates need to be polished in other skills like analytical ability, planning and organizing, problem solving, decision making and so on. Traditional teaching will not be able to make them face the real professional world. They should be invited to corporate organizations for some demo sessions to understand the areas they need to work. Management institutes must not miss the smallest of opportunity where a student and

corporate interact. The entire approach should be field driven and practical oriented. Student at management institutes must not feel that they are there to study but learn. If the student does not have any prior work experience, then they must be sent for compulsory part time work and grades should be associated to such jobs. Management institutes must impose the positive attitude towards work, amongst the student. They must be taught the value of honesty and integrity by live case studies and role plays. There shall be no room for the lethargic, careless and irresponsible students. Students shall be evaluated on the basis of their attitude towards work. They very strongly believe that the faculties play a major role in overall development of students. Faculty shall be sent to corporate to understand the real working environment. Consultations between corporate and faculties should be established and to ensure its effectiveness, the appraisals of faculty shall be linked to it. This can be improved by taking the corporate advice in designing the course curriculum. Corporate should be called regularly to management institute so that they can share their insights not only with students, but also with faculties. Real life decision problems can be shared with the faculty and students and solutions can be generated. This will overall help in the development of management institutes.

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