Chapter 78
Future of Business Education and Admission Challenges

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ABSTRACT

With the mushrooming of business schools across India producing graduates that are being labeled as unemployable by industry, a serious problem is facing the business schools in India. Is it the right time to rethink how business education is being imparted? Are we actually preparing the students for the future? Do we need to relook at the way we are interacting with the industry? Is there a need for closer tie-ups? The author feels that we need to consider answering these questions if business education is to be improved. Many interesting trends such as MOOCs (massive online open classes), technology-mediated learning, experiential education (internships and field-based projects), incubator and laboratory learning (including virtual reality), and gamification need to be explored. With reference to challenges in regard to admission, only a strong differentiation in terms of content, industry tie-ups, center of excellence in collaboration with industry for knowledge creation would help.

INTRODUCTION

Thirty years from now the big university campuses will be relics. Universities won't survive (Drucker, 1997).

Although it sounds like an end of the day's kind of prediction many believe there is some iota of truth in this. Unless universities and business schools step to make themselves relevant as per the changing needs of business we are heading towards a disaster. Due to its inherent dependency on economics forces and international factors driving demand management education is more affected by any eventuality which may occur.

In fact, many critics have pointed out that

Business schools experience "a curious dual insecurity. On the one hand they fear…the scorn of other, more traditional academic subjects. On the other hand, they often stand accused of being less than relevant to business" (Grey, 2001, S27).

Most business schools…have not been very effective in the creation of useful business ideas (Davenport, Prusak, & Wilson, 2003).

Management education has been losing its sheen over the last few decades globally and unless strong corrective measures are taken the future seems to be bleak.

THE GROWTH OF BUSINESS SCHOOLS IN INDIA

After the economic liberalization in 1991, the private sector in India flourished leading to a spurt in the demand for MBAs, with many companies willing to pay astronomical figures as salary due to their belief that this new breed of executives would put their businesses on an accelerated path of growth. This lead to a belief that MBA was the key to corporate ladder symbolizing both status and money, unfortunately even those who got into B- or C-grade management schools were assured that they had secured their future (Kumar & Dash, 2011). However, the sad reality is that the degree is losing its sheen today due to demand-supply mismatch and low quality of education being imparted to students. Around 2,00,000 students have graduated from 5,000 management institutes in the year 2016-17, with barely 7% being employable, says a study conducted by ASSOCHAM.

This may be attributed to the fact that the Indian education system has been exposed to too many drastic changes in recent years (Sahney et al., 2004).The future of management education in India seems hazy at the moment with multiple reports making different claims. One report by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) released in 2013 titled "B-schools and Engineering colleges shut down - Big Business Struggles" has exposed that recruitment in business schools has been on a decline with a dismal figure of 40% reported in 2012. In fact, as many as 180 business schools had been closed in major cities across India with another 160 on the brink of closing down soon. A report by AICTE has indicated that more than half of the MBA graduates were unemployable and only 47% of MBAs were placed in 2016-17, indicating a five-year low. [2]

However, with the global economy undergoing fundamental transformation it is being projected that a workforce of 3.3 billion would be required by 2020, with major demand coming from services and capital intensive-manufacturing sectors. This would place India in a favorable position as by 2020, 90% of India's GDP and 75% of employment is expected to be come from these sectors.

While higher education in India has made grown exponentially in terms of capacity creation and enrolment especially in the last decade with the opening of many new IIMs and IITs, they are still lagging behind their global counterparts in terms of "global relevance and competitiveness". Some of the most notable problems are:

1. Low Employability of Graduates: This has been attributed to a curriculum which lacks relevance such as lesser number of sector-specific courses, faculty crunch, increasingly high student to faculty ratio, no link between institutes and industry. There is no industry exposure for most business schools. There is an alarming number of recently-graduated youth hailing primarily from private

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