

## IMPACT OF GLOBALIZATION ON MANAGEMENT EDUCATION IN INDIA

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### ABSTRACT

*Globalization is impacting the institutional framework in both developing and industrial countries. It is changing the way in which governments perceive their role in the society. It has also far reaching implications for socio economic development and educational systems of countries all over the World. With abundance of natural resources, India has huge young and skilled man power to excel in every walk of life.*

*Knowledge is the driving force in the rapidly changing globalised economy and society. Quantity and quality of specialized human resources determine their competence in the global market. Emergence of knowledge as driving factor results in both challenges and opportunities. It is well known that the growth of the global economy has increased opportunities for those countries with good levels of education. Education is a crucial determinant of human capital accumulation in the country and therefore, a source of economic growth.*

*Management Education in India is at cross roads. With the dawn of new millennium, while there was phenomenal growth in the number of B-Schools, the benchmarks were also on the rise. The Globalization doesn't seem to have happened just to the Industry but also to Indian B- Schools. The expansion of B- Schools (in Number) doesn't look to be in line with the challenges posed by the globalization of Indian Management Education.*

*As more and more well-educated and well-equipped talent emerges, the task of talent selection becomes even more complex. Companies are feeling the need for global standards to benchmark human resources, and academics are encouraging the use of merit-based candidate selection*

*systems. India's position as a lead contributor to the global IT human resources pool will need to be supported by the adoption of global standards for talent selection.*

*This research paper aims to: -*

- *Understand the effect of globalization on management education in India in positive as well as negative way.*
- *To find out various aspects of globalization on education.*

**Key words:** - *Education, economy, globalization, society, technology.*

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## **INTRODUCTION:-**

The term ‘globalization’ means integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Cross border integration can have several dimensions – cultural, social, political and economic. In fact, some people fear cultural and social integration even more than economic integration.

Globalization is a complex phenomenon that has had far-reaching effects. Not surprisingly, therefore, the term “globalization” has acquired many emotive connotations. At one extreme, globalization is seen as an irresistible and benign force for delivering economic prosperity to people throughout the world. At the other, it is blamed as a source of all contemporary ills.

People can only contribute and benefit from globalization if they are endowed with knowledge, skills and with the capabilities and rights needed to pursue their basic livelihoods. They need employment and incomes, and a healthy environment. These are the essential conditions which empower them to participate fully as citizens in their local, national and global communities. These goals, can only be reached if national governments allocate adequate resources to education, basic infrastructure and the environment, and create the institutional framework which ensures broad access and opportunity.

## **HISTORICAL DEVELOPMENT**

Nothing is permanent, only change is permanent. Globalization is a feature of changing world. It is no more a recent phenomenon in the world and since India is a major player of twenty first century we are facing its socio – economic impacts. Initial enthusiasm for globalization as a beneficial set of processes has yielded to an understanding that the phenomenon is largely associated with increasing social inequality within and between countries as well as instability and conflict.

Globalization has been a historical process. During the Pre-World War I period of 1870 to 1914, there was rapid integration of the economies in terms of trade flows, movement of capital and migration of people. The growth of globalization was mainly led by the technological forces in the fields of transport and communication. Indeed there were no passports and visa requirements

and very few non-tariff barriers and restrictions on fund flows. Globalization, process was slow between the First and the Second World War. After World War II, all the leading countries resolved not to repeat the mistakes they had committed previously by opting for isolation. Although after 1945, there was a drive to increase integration; it took a long time to reach the Pre-World War I level.

In terms of percentage of exports and imports to total output, the US could reach the pre-World War level of 11 per cent only around 1970. Most of the developing countries like India, Pakistan, Bangladesh, and

Sri Lanka which gained Independence from the colonial rule in the immediate Post-World War II period followed an import substitution industrialization regime. The Soviet bloc countries were also shielded from the process of global economic integration. However, times have changed. In the last two decades, the process of globalization has proceeded with greater vigour.

The former Soviet bloc countries are getting integrated with the global economy. More and more developing countries are turning towards outward oriented policy of growth. Yet, studies point out that trade and capital markets are no more globalized today than they were at the end of the 19th century. Nevertheless, there are more concerns about globalization now than before because of the nature and speed of transformation.

The business sector in India is highly promising in the present scenario. The impact of globalization has changed the business procedure in India in terms of psychology, methodology, technology, mindset work culture etc. Newer challenges, newer opportunities are day-by-day in front of Indian industries, which are profitable and prospective.

The fundamental scope of doing business in India is lying with its people. The huge population of India has created a large unsaturated market of consumers. This is one of the reasons why global companies are very much interested in doing business in India. In the post globalization era this scope has increased immensely for global multinational companies as Government of India has also played a very crucial and supportive role in this respect through liberalized policies and legislative structure.

## GLOBALIZATION, EDUCATION AND LIFE LONG LEARNING

Education is a major concern for all societies. As the foundation and essential driving force of economic, social, and human development, education is at the heart of the change that is dramatically affecting our world in the areas of science, technology, economics, and culture. It is the reason behind social change and scientific progress, and in its turn, it is subjected to the results of progress that it itself has engendered, both with regard to content as well as methods and established aims.

In spite of the aforementioned facts, some people argue that education systems no longer seem to take into account the new needs confronting people everywhere in the world. For example, René Bendit and Wolfgang Gaiser make the following observation on the education system in the United States of America, which could be applied to many countries in the world.

The education system has failed to meet current social challenges. The increase in youth problems such as a problematic transition to the working world, increasing poverty, teen age pregnancies, drug abuse, intolerance towards minorities, juvenile delinquency and violence, are treated as a reflection of the fact that schools are no longer have any connection with the real life world.

In order to integrate into the world economy, people must not only acquire the knowledge and tools of traditional knowledge, but above all, they must be capable of acquiring new skills demanded by a knowledge society. Indeed, the resulting rapid change in technological and scientific knowledge make learning a permanent process, a lifelong learning process in the words of the Report of the International Commission on Education for the 21<sup>st</sup> Century to UNESCO, entitled: Learning, the treasure within.

Lifelong learning is based on the following four fundamental precepts:

- Learning to know, by combining a sufficiently broad general knowledge with the opportunity to work in depth on a small number of subjects. This also means learning to learn, so as to benefit from the opportunities education provides throughout life.

- Learning to do, in order to acquire not only an occupational skill but also, more broadly, the competence to deal with a large number of situations and work in teams. It also means learning to do in the context of young people's various social and work experiences which may be informal, as a result of the local or national context, or formal, involving courses alternating study and work.
- Learning to live together, by developing an understanding of other people and an appreciation of interdependence, - carrying out joint projects and learning to manage conflicts – in a spirit of respect for the values of pluralism, mutual understanding and peace
- Learning to be, so as to develop better one's personality and be able to act with increasingly greater autonomy, judgment, and personal responsibility. To that end, education must not disregard any aspect of a person's potential: memory, reasoning, aesthetic sense, physical capacities, and communication skills.

## **SOME POSITIVE AND NEGATIVE IMPACTS OF GLOBALIZATION**

Although globalization seems to be unavoidable to many countries and numerous initiatives and efforts have been made to adapt to it with aims at taking the opportunities created from it to develop their societies and people, in recent years there are also increasing international concerns with the dangerous impacts of globalization on indigenous and national developments. Various social movements have been initiated against the threats of globalization particularly in developing countries. The negative impacts of globalization include various types of economic, political, and cultural colonization by advanced countries on those developing and under-developed countries. Inevitably, how to maximize the opportunities and benefits from globalization to support local developments and reduce the threats and negative impacts of globalization will be the major concerns of developing countries.

As mentioned above, globalization is creating opportunities for sharing knowledge, technology, social values, and behavioral norms and promoting developments at different

levels including individuals, organizations communities, and societies across different countries and cultures. In particular, the advantages of globalization may include the following.

- Global sharing of knowledge, skills, and intellectual assets that are necessary to multiple developments at different levels.
- Mutual support, supplement and benefit to produce synergy for various developments of countries, Communities and individuals.
- Creating values and enhancing efficiency through the above global sharing and mutual support to serving local needs and growth.
- Promoting international understanding, collaboration, harmony , and acceptance to cultural diversity across countries and regions
- Facilitating communications, interactions, and encouraging multi-cultural contributions at different levels among countries.

At the same time, globalization, potentially creating serious negative impacts for developing and underdeveloped countries. This is also the major reason why there have been so many ongoing social movements in different parts of the world against the trends of globalization particularly in economic and political areas. The potential negative impacts of globalization are various types of political, economic, and cultural colonization and overwhelming influences of advanced countries to developing countries and rapidly increasing gaps between rich areas and poor areas in different parts of the world. In particular, the potential negative impacts include the following

- Increasing the technological gaps and digital divides between advanced countries and less developed countries
- Creating more legitimate opportunities for a few advanced countries for a new form of colonization of developing countries
- Increasing inequalities and conflicts between areas and cultures; and
- Promoting the dominant cultures and values of some advanced areas

## GLOBALIZATION AND UNEQUAL ACCESS TO EDUCATION

Many people believe that, education is one of key local factors that can be used to moderate some impacts of globalization from negative to positive and convert threats into opportunities for the development of individuals and local community in the inevitable process of globalization. How to maximize the positive effects and minimize the negative impacts of globalization is a major concern in current educational reform for national and given the phenomenon of “globalization”, economic growth of the last decades has been accompanied by a worsening of inequalities in the world and in particular, inequalities of access to knowledge.

While education deficits are obviously greater in developing countries, this is a major issue in developed countries as well. In many industrialized countries there is a persistent problem of illiteracy and low skills, which is an important source of social exclusion. Unequal access to education also fuels growing wage inequality and worsen the income distribution. The uneducated and unskilled in industrialized countries face severe disadvantage in an increasingly competitive global market.

Education is a core element of society, and the foundation of democratic choice. The large differences in opportunities in education between countries are one of the basic causes of global inequality.

All countries which have benefited from globalization have invested significantly in their education and training systems. Today women and men need broad based skills which can be adapted to rapidly changing economic requirements as well as appropriate basic skills which enable them to benefit from information technology, increasing their ability to overcome barriers of distance and budgetary limitations. While Internet technology is not particularly capital-intensive, it is very human capital-intensive. Sound education policy also provides an important instrument to offset the negative impacts of globalization, such as increasing income inequalities, with effects which may ultimately be stronger than labor market policies.

The development of a national qualifications framework is also an important foundation for participation in global economy, since it facilitates lifelong learning, helps match skill demand and supply, and guides individuals in their choice of career. Access to training and skills

development for women is often hindered by family commitments, indicating a need for childcare facilities and possibilities for distance learning. Other priorities include recognition and upgrading of skills for workers in the informal economy and the adaptation of training to accommodate workers with no formal education.

## **GLOBALIZATION, EDUCATION AND TECHNOLOGICAL GAP**

In today's global economy and information society, knowledge and information are the keys to social inclusion and productivity, and connectivity is the key to global competitiveness. Yet in our unequal world the networked economy is able to incorporate all that it regards as valuable, but also to switch off people and parts of the world that do not fit the dominant model. Technological capability is essential. Countries need the communications infrastructure and the production system which can process and use information for development; and people must have access to the knowledge and the ability to use it, in order to participate, take advantage of and be creative in the new technological environment. That puts education and skills at the centre of a fair and inclusive globalization.

Online distance learning could become a powerful tool for developing countries – reducing the need for expensive physical infrastructure for tertiary and vocational educational facilities and enabling investments to be made instead in communications equipment, with curricula and teaching provided through regional initiatives. The Global Distance Learning Network (GDLN) is one such initiative. It is a worldwide network of institutions which are developing and applying distance learning technologies and methods with a focus on development and poverty reduction. Such networks are likely to play an important role in building technological capabilities by:

- Reducing the technological gaps and digital divides between advanced countries and less developed countries that are hindering equal opportunities for fair global sharing.
- Global sharing of knowledge, skills, and intellectual assets that are necessary to multiple developments at different levels.

- Creating more legitimate opportunities for a few advanced countries to economically and politically colonize other countries globally
- Mutual support, supplement, and benefit to produce synergy for various developments of countries, communities, and individuals
- Exploiting local resources and destroying indigenous cultures of less advanced countries to benefit a few advanced countries
- Creating values and enhancing efficiency through the above global sharing and mutual support to serving local needs and growth. Increasing inequalities and conflicts between areas and cultures

## **ROLE OF MANAGEMENT EDUCATION IN THE POST GLOBALIZATION ERA**

Of the 1500 B- Schools India currently has, there might be around 200-250 schools, which might stand a standard test of quality. Should the globalization of Management education India become a reality in terms of free movement of faculty and freedom of operations across the globe, the Indian B-Schools might have to take many initiatives to stand up to the challenge. The solution seems to be, ' While the affiliated colleges are needed to be more autonomy-both financial and academic, the autonomous institutions have to strengthen their curriculum'.

For the affiliated colleges to upgrade their competencies, the Financial Autonomy will be the Key and academic Autonomy, the major Driver. The established institutions have to strengthen their curriculum by improving the standards in terms of Faculty & Research, Industry Interaction, Use of Technology and Case Method.

Increasingly open economies and decreasing governmental controls are allowing companies to break geographical barriers. After the fall of the socialist economies, a new world order is emerging, which is a heady mixture of laissez-faire capitalism and controlled socialism. Countries are vying with each other for a slice of the economic pie, as old fears and knee-jerk protectionism disappears behind a haze of prosperity.

The lifting of governmental controls may have helped unleash the power of a global economic order, but the engine of prosperity has to be fuelled by the most important ingredient—human resources. Recognizing the need for a well-qualified and highly talented workforce, countries across the world are investing in education and skill development. New engineering schools and large universities are being set up, and collaborative efforts across educational institutes are being encouraged. Increasing investments in higher education and greater emphasis on high-quality primary education will power the biggest success stories in the next decade or two.

As more and more well-educated and well-equipped talent emerges, the task of talent selection becomes even more complex. Companies find it increasingly difficult to identify and zero in on the right candidate for the right job. The onerous task of hiring the best will become more and more difficult; the situation will be exacerbated by the requirement of greater numbers of people ‘on-the-job’.

## **OPPORTUNITIES TO STUDENTS**

Traditional, time-tested avenues of employment making way for newer opportunities and career paths, and today, most students are faced with a bewildering array of choices—of colleges, study subjects, fields of specialization and methodologies. Students are faced with the unenviable task of having to make choices based on popular opinions or trends. Very few, if any, make choices based on potential and real aptitude. This means that finally, most new entrants in the professional field are there because they hope that they are in the right place and not necessarily because that is what they like and are good at doing. Identifying one’s own potential and true *métier* is, therefore, based on experience as well as trial and error.

Apart from this, we will find that with newer seats of higher education opening up across the world, the task of getting oneself noticed by potential employers becomes more difficult. Highlighting one’s abilities and hidden or unique strengths becomes even more crucial in the race to stand out from the crowd.

## **THE NEW DIMENSION**

It is out of this need that a council of companies, hiring experts, technology experts, psychologists, government agencies and test development experts came together and set up the Professional Aptitude Council. With a charter to develop and administer global, industry-standard examinations on behalf of the IT Industry, PAC helps test skills and aptitude to make a highly predictive assessment of a person's ability to perform in an IT job within a global business setting.

At the time of independence, Indian economy was developing and hence we required bureaucratic management skills. However 50 years after independence, the Indian economy has become more mature and hence we require entrepreneurial management skills. Our management schools have failed to meet this challenge. Therefore there is a need to revamp our management education.

## **GROWTH OF MANAGEMENT EDUCATION**

In 1950, the Department of Commerce of the Andhra University Started the first M.B.A. programme in India. In 1963, Indian Institute of Management, Ahmedabad was set up in collaboration with the Harvard Business School. The 1950s and 1960s witnessed the growth of commerce education and 1970 and 1980s witnessed the growth of Management Education in India.

There has been a tremendous growth of management institutes in our society. Every year about 14,000 students pass out of management schools. Keeping in mind the demand, the supply is very meager.

Management courses have become 'Academic Courses' rather than 'Professional one'. Management Institutes, barring a few exceptions, have reduced to commerce colleges. There is an urgent need to restructure management education to meet new challenges of 21 Century.

## **NEW MANAGEMENT EDUCATION**

keeping in mind the future scenario, re-engineering of management education must be done.

1. Our future global manager would require the following new skills.

- \* Information Management Skill
- \* Information Technology Management Skill
- \* Decision- making in very dynamic environment.
- \* H.R.D Skill
- \* Innovation/ Credibility
- \* Service Sector Management Skills
- \* Time Management Skills
- \* Stress Management Skills
- \* Environment Management Skills
- \* Entrepreneurship
- \* Customers Services Management Skills
- \* Entrepreneurship

Management schools will have to develop these skills among students.

2. Management Institutes will have to introduce new Service Sector Management Courses, like Travel and Tourism Management, Hospital Management, Construction Management, Hotel Management, Consultancy Management, NGO Management, Advertising Management, Banking and Insurance Services Management, Farm Management etc.
3. Needless to say, courses should be need based and syllabi should be changed periodically
4. Lack of specialization is one to the problems of our MBA programmed. MBA student must have specialization at least in one discipline.
5. Management is a performing art. Thus efforts must be made to imbibe work related values.
6. Management education must be made 'Mass Education' rather than the 'Class Education' and that too, without compromising on quality.

Henceforth, management institutes endeavor must be to develop global manager of proper knowledge, attitude, skill, insight and foresight to meet the challenges of 21st century.

## **GLOBALIZATION – EDUCATION AND HR DEVELOPMENT**

Globalization has a multi-dimensional impact on the system of education. It promotes new tools & techniques in this area like E-learning, Flexible learning, Distance Education Programs and Overseas training. Globalization will mean many different things for education. In the near future, “it will mean a more competitive and deregulated educational system modeled after free market but with more pressure on it to assure that the next generation of workers are prepared for some amorphous ‘job market of 21st century’.

Since “Life long jobs have been converted in to yearly contracts there is still possibility of even short duration jobs. Our education system should deliver such education and training so that professionals can adjust themselves as per market expectations. It has underlined the need for reforms in the educational system with particular reference to the wider utilization of information technology, giving productivity dimension to education and emphasis on its research and development activities.

The benefits of globalization accrue to the countries with highly skilled human capital and it is a curse for the countries without such specialized human capital. Developing and transition countries are further challenged in a highly competitive world economy because their higher education systems are not adequately developed for the creation and use of knowledge. Converting the challenges into opportunities depend on the rapidity at which they adapt to the changing environment.

Today our educational system is strong enough but Central and state governments should change their roles within the education system, re-inventing themselves as facilitating and supervisory organizations. Teacher training, infrastructure and syllabuses need to be urgently upgraded. Industry should come forward to share experience with students and to offer more opportunities for live Projects.

The free market philosophy has already entered the educational world in a big way. Commercialization of education is the order of the day. Commercial institutions offering specialized education have come up everywhere. In view of globalization, many corporate universities, both foreign and Indian, are encroaching upon our government institutions. Our Institutes like IIM'S and IIT'S have produced world class professionals. These institutes imparts quality education as per industry expectations and give due importance to Institute Industry Interface. Under the new scenario, Government – Private partnership is becoming important in Management Education. Now India is a transforming country. We are near to achieve status of developed nation.

Privatization of higher education has emerged in several forms and types in the recent decade in India. Private institutes thrive on the principles of commercialism, primarily focus on vocational courses and highly pragmatic. Their commercial thrust is training jobs, indeed, part of the curriculum is industrial training. Not only training for jobs but also place their students in well-paid jobs. This indeed speaks about the strong industry – institution linkages. They are narrowly focused, rather micro-specific in designing their course and training. This narrow focus is their strength as well weakness. It is strength as long as there is demand for such specific nature of the courses and a weakness once such a demand is satiated. Moreover, the built-in set up / infrastructure do not allow them to diversify. They cater to the unmet demands or rather demand-absorbing from the no university higher education sector.

This privatization has its negative impact also. Student is acting as market force. Student is the power while faculty is weak in these private institutions. Indeed, the faculty lacks the position, power and autonomy as they traditionally enjoyed at universities. Basically they serve to students and their practical orientations in commercial private institutions. These institutions rely on part-time faculty and may be drawn from full-time faculty at public universities (and hence do not add to further employment opportunities). When employing full-time faculty, they pay meager salary. Perhaps many of them have neither practical nor academic expertise and lack training.

Globalization leads to challenges and threats also. The major concern is to deliver world class education with updated curriculum and practical exposure. This is possible only by attracting talented & experienced persons in to academics.

At present it is difficult to assess not only the nature and dimensions of globalization, but also what it means to the field of education. A few educational researchers have attempted to make connections between the several dimensions of globalization and the policies of education.

India is witnessing new era in the field of Management Education. Many Corporate groups like Reliance, Nirma, Tata, Sterlite etc. have promoted Management Institutes. Some reputed foreign universities are also coming to India. But Government should issue some guidelines so that fees structure remains with in certain limit and those who are from economically poor background have same opportunity.

## **CONCLUSION:-**

This paper tries to highlights the fact that economic policies in most of the world rarely considered management education as investment for the future or as a key to development, and even less as a fundamental right of human beings. The repercussions of these policies at all levels of education systems in the world, with the exception of a few industrialized countries, have been sorely felt. Such repercussions include the worsening of teaching conditions; insufficient numbers of standardized management institutes establishments particularly in developing countries experiencing strong demographic growth; the loss of teaching quality often due to the qualification level of the faculty's and the material conditions in which they carry out their profession; and finally, the loss of relevance regarding the management education programs themselves. But still remains many questions, such as:

- What is the management education for the 21st. century? The present-day crisis in conventional education systems is only the syndrome of a society undergoing profound

change. It's political, economic, and cultural institutions and the values and symbols at the heart of those management institutions, have become inoperable and obsolete in their regulatory and integrating function concerning the same individual members of the society in question.

- How can management education respond to the challenges of increasing poverty, unemployment, and exclusion in the world and to those of intolerance and violence that affect all societies and are even to be found within schools themselves?
- How can management education answer the needs of a multicultural society which, in virtue of the cultural and ethnic diversity of that society's people, requires recognition of that diversity and of the people's own particular needs, and at the same time favor their social and economic integration into the majority culture?

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