



ONLINE MANAGEMENT EDUCATION 2020 AND SOCIAL RESPONSIBILITY OF BUSINESS

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Abstract: *This paper focuses on online management education with three models of education by 2020, Online MBA Schools in the world, managers and management education. Though management education is a relatively recent phenomenon, it is now widely recognized that it is vital for the process of national development. In India, the most important challenge in the coming decades is to make optimum use of management know-how in non-corporate, unorganized and other socially relevant sectors of the economy. The paper is analyzing the profit increasing in Social Responsibility of Business (SRB) and Business for the new millennium breaking through limitations. The paper also looks at business enterprise as a social entity, managers as trustees, SRB in Indian scene.*

Keywords: *online management, social responsibility of business, new millennium, national development, models of education*

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PRELUDE

By the year 2020 every education and training program leading to a qualification or a credit towards one will be available in three models: full time, part time, and through distance learning. According to International Data Corporation (IDC), the IT market forecast, the European e-learning market is set to grow from \$720 mn in 2007 to a phenomenal \$ 6.9 bn by 2011, while the worldwide value is set to reach \$53 bn.

A business organization is not only an economic entity, it is also a social entity. Therefore, it is not only a profit-making institution for the owners, but it has social responsibilities towards other requirements of the society too. As the organization are run by managers, it is necessary that the curriculum of management education be so framed as to prepare students to perform not only socio-economic functions, but also social responsibilities to consumers, workers and the society at large.

Though management education is a relatively recent phenomenon, it is now widely recognized that it is vital for the process of national development. In India, the most important challenge in the coming decades is to make optimum use of management know-how in non-corporate, unorganized and other socially relevant sectors of the economy. In fact, we are living, as we all know, in a fascinating dynamic world full of challenges and opportunities. There may be the challenge of war, energy crisis, environmental pollution, AIDS, terrorism etc. In order to exploit opportunities, human mind is alert all the time and inventions are made for the benefit of mankind. However, there is a need for an organized human effort to ace the challenges, exploit the opportunities and manage the inventions effectively. Organization are created and maintained to achieve these much desired objectives of mankind. An organization is an entity formed for the purpose of achieving some objectives and is composed of personnel and is managed by a manager or a number of them, depending upon the size, nature and scope of the organization. Thus, the incredible fast pace of changes initiated by the revolutions in different fields, such as technology, economics, computerization, informatics, automation, biotechnology, industry, agriculture etc., are negotiated by people working in different organizations. Recently organizations have grown in size beyond any expectations and have become a major source of power and influence. Further, they are becoming complicated day by day. Also, there is no escape from organizations as almost all aspects of human life are, at one time or the



other, affected by them. Therefore, society is making more difficult and challenging demands on organization people today than at any time in the past. As the organizational responsibilities have to be made effective through managers, it becomes necessary to identify their role in modern society and to examine the course content of education to be imparted to them so as to enable them to perform their role effectively. In any case, in the light of fast changes taking place in the environment and of rise in expectations from organization people, management education needs overhauling.

ONLINE MANAGEMENT EDUCATION

‘Distance Learning Programs’ have been around since the late 1880s when correspondence courses were developed in Pennsylvania to provide vocational training to miners. The basic format of distance learning changed little until the mid-1990s. During this period ‘learning packages’ became increasingly sophisticated, manuals became glossier, TV and / or radio lectures were introduced and audio then video cassettes were added to learning packages. In this era of Computer Based Training (CBT) learning packages became more sophisticated in the form of a CD-Rom. But the learning package was still delivered to the learner in the same way as it had been since the late nineteenth century that is by the national postal service. The advent of e-learning or on-line learning, with the electronic delivery of the whole or part of the learning package to a student’s PC, has made distance learning more popular.

Now e-learning has extended to management education. The Web is a cornucopia of valuable information for management students. A busy professional does not have time to waste. She / He wants quality, convenience, and flexibility. Pursuing online MBA program has become easier now. Anyone can get an MBA Online. Online MBA can be studied when and where it’s convenient for them.

The advantage of on-line management programs is that they offer the convenience of classroom accessibility 24 hours a day, seven days a week, from virtually anywhere in the world. As an online student can do all the classroom work “off-line”, her / his schedule is very flexible. If she / he has a busy schedule it is the ideal way to earn a qualification. Increasing use of the web is made for communication with tutors and on-line administrative transactions. This type of education provides a growth in on-line skills training.



Over '70 million people are receiving education on the Internet. The day is not far off when training for every job will be available on the Internet. The US Government figures claim that computer-based instruction, is cost-effective, enabling 30% more learning in 40% less time at 30% less cost. This growth has been made possible by the phenomenal growth of the Worldwide Web.

Online students of MBA can know more from around the world and they will be able to learn faster with less cost. The benefits or business are obvious greater productivity and increased profitability combine with enhanced employee loyalty and quality. Then there are the benefits for education itself information now comes from a far greater variety of sources. There's increased access for lifelong learners and an improved quality in the learning material.

American Inter Continental University (AIU) has campus in Atlanta. AIU has been educating students for over 30 years. AIU Online students have access to a complete campus experience, 24 hours a day, seven days a week. AIU are a leading provider of online education. Whether a student is at work, at home, or on vacation, AIU Online brings education directly to her / his computer. They have expanded their coverage of distance-learning MBA programs by reviewing more schools and packing profiles with extra data. A student can scan over 60 profiles to determine which MBA programs fit her / his needs and lifestyle.

The National college of Ireland (NCI) has an excellent 'traditional' distance learning package a National Diploma in Personnel Management together with three certificate programs available on-line. E-commerce for Managers, Managing Teams and Motivation and Leadership.

Other big players include Open University a UK organization, and Oscail the national distance-learning organization of UK.

Another well-respected provider of distance learning opportunities is the Institute of Public Administration. The IPA has two well-established degree programs a BA in Public Management and Bachelor of Business Studies (BBS) -which are available both through classroom delivery and by distance learning. The IPA launched its first web-based degree course. One of Ireland's longest- established distance learning providers is Kilory's College, which offers a large range o courses through a tried and tested 'correspondence course'



model. These courses include programs in Business Skills, Computer Programming etc. It also recently branched into the e-learning market. Reinforcing the boom in on-line learning in Ireland is the increasing availability of nice products.

FAS Net College of Ireland offers distance learning and development opportunities through the Internet. It facilitates lifelong learning by joining knowledge with technology to produce learning programs for individuals and companies via on-line distance learning. On-line training is a self-paced distance training system so that a student can move at her / his own pace. This is easy considering the ever availability and omnipotence of the medium. FAS Net College courses allow worker to upgrade their skills or acquire new skills. The basic course categories on the PAS program range from business to web design and programming to the various other programs. Online MBA is a boom like the Net and students should utilize it for making careers in management.

ONLINE MBA SCHOOLS IN THE WORLD

- AIU Online
- AGSM @ Lansbridge
- Aspen University
- Capella University
- Cardean University
- Colorado Technical University
- DeVry University Online
- Golden Gate University
- ITT Technical Institute
- Jones International University
- Kennedy-Western University
- Regis University
- Saint Leo University
- University of Liverpool
- University of Phoenix Online
- Westwood College Online



MANAGERS AND MANAGEMENT EDUCATION

The responsibilities of the managers are re-defined in the light of the fast changes taking place in the economy. After emphasizing the manager's role in the context of not only his organization but also the society at large, it is necessary to see how he can perform the re-defined widening area of responsibilities to all segments of the society. For this purpose, management education would have to undergo a restructuring in order that would be managers may be able to equip themselves with the fast moving developments in all spheres of life and the changed concept of the organization.

Management education should also include the study of consumer protection and satisfaction. The basic function of business should be identify as well as anticipate consumer demands; produce and distribute authentic goods and services of the right quality and at the most reasonable prices possible. After all, goods are produced or services provided with the ultimate object of satisfying consumer wants. A corollary to consumer satisfaction is the need to protect him against monopoly and unfair trade practices. Such protection can be provided if business earns to play its part in the game with fairness and liberalism. Consumer satisfaction and protection thus provide the rationale of business. So, far, however, business has failed to display the kind of social responsiveness expected of it in relation to consumers. Consumer is no longer a king. He is the forgotten man of modern economy, especially in India, where sellers' market prevails. He is least organized to offer resistance to unfair trade practices. Adulteration, variation in the contents of the pack, use of deceptive and fractional weights are all the ways and means by which the consumer is exploited to the maximum extent possible. There seems to be an organized attempt by business community to take the consumer for a ride. Though adulteration is a social and legal crime, it is an accepted practice among some unscrupulous businessmen. The absence of competition makes the things worse for the consumer. The presence of competition makes the things worse for the consumer. The presence of competition among producers and suppliers ensures keeping down prices, eliminating the less efficient, and preserving quality. But in actual practice, one or more units in an industry achieve such a dominant position that they are able to control the market by regulating prices or output or eliminating competition. Further, with the advancement of modern techniques in synthetics and chemical processing, and the persuasive powers of psychological advertising, even



educated consumers can be lured into buying unwanted and unnecessary goods to a large extent.

One of the most important segments of the organization is its workers. The position of a worker in a business enterprise cannot be explained wholly in terms of contract. This is supported not only by recent steps, both executive and legislative, but also by a number of judicial pronouncements which go a long way in emphasizing the movement from contract to status. Also, some business organizations, having vision and foresight, on their own, spend a huge sum of money on the welfare of their employees. Not only that, some organizations have organized the reality of the commercial and industrial world associate their workers in the decision making process at shop floor, middle and top levels. In an organization, people play a very important role in making it both efficient and effective. Therefore, the concept of trusteeship should be followed and welfare facilities extended to the workers voluntarily.

In a welfare state, like India, it is needless to say that the conceptual framework of the business enterprise should be one in which a fair balance exists and is seen to exist, between the needs of the workers, the claims of the investors and the interests of the community as a whole.

This is especially so when in India, as elsewhere in the world, business organizations have become dominant institutions for achieving social objectives. These organizations touch every aspect of our lives. Their policies and actions have a profound effect not only on employees and shareholders, but also on consumers, suppliers, creditors and the society at large. It is for this reason that a greater consideration is now-a-days given to the question of protection and advancement of socio-interests in the discussion of reforms of business in India.

However, the business enterprises have not only to follow merely the existing laws on the subject but rather go beyond them. They must act as catalysts for improving the surroundings and the environment.

PROFIT INCREASE IN SOCIAL RESPONSIBILITIES OF BUSINESS (SRB)

The businessmen believe that they are defending free enterprise when they declaim that business is not concerned "merely" with profit but also with promoting desirable "social" ends; that business has a "social conscience" and takes seriously its responsibilities for



providing employment, eliminating discrimination, avoiding pollution and whatever else may be the catchwords of the contemporary crop of re-formers. In fact they are-or would be if they or anyone else took them seriously- preaching pure and unadulterated socialism. Businessmen who talk this way are unwitting puppets of the intellectual forces that have been undermining the basis of a free society these past decades.

The discussions of the "social responsibilities of business" are notable for their analytical looseness and lack of rigor. What does it mean to say that "business" has responsibilities? Only people can have responsibilities. A corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in this vague sense. The first step toward clarity in examining the doctrine of the social responsibility of business is to ask precisely what it implies for whom.

The corporate executive is also a person in his own right. As a person, he may have many other responsibilities that he recognizes or assumes voluntarily-to his family, his conscience, his feelings of charity, his church, his clubs, his city, his country. He may feel impelled by these responsibilities to devote part of his income to causes he regards as worthy, to refuse to work for particular corporations, even to leave his job, for example, to join his country's armed forces. If we wish, we may refer to some of these responsibilities as "social responsibilities." But in these respects he is acting as a principal, not an agent; he is spending his own money or time or energy, not the money of his employers or the time or energy he has contracted to devote to their purposes. If these are "social responsibilities," they are the social responsibilities of individuals, not of business.

What does it mean to say that the corporate executive has a "social responsibility" in his capacity as businessman? If this statement is not pure rhetoric, it must mean that he is to act in some way that is not in the interest of his employers. For example, that he is to refrain from increasing the price of the product in order to contribute to the social objective of preventing inflation, even though a price increase would be in the best interests of the corporation. Or that he is to make expenditures on reducing pollution beyond the amount that is in the best interests of the corporation or that is required by law in order to contribute to the social objective of improving the environment. Or that, at the expense of corporate profits, he is to hire "hardcore" unemployed instead of better qualified available workmen to contribute to the social objective of reducing poverty.



Many a reader who has followed the argument this far may be tempted to remonstrate that it is all well and good to speak of Government's having the responsibility to impose taxes and determine expenditures for such "social" purposes as controlling pollution or training the hard-core unemployed, but that the problems are too urgent to wait on the slow course of political processes, that the exercise of social responsibility by businessmen is a quicker and surer way to solve pressing current problems.

The doctrine of "social responsibility" taken seriously would extend the scope of the political mechanism to every human activity. It does not differ in philosophy from the most explicitly collectivist doctrine. It differs only by professing to believe that collectivist ends can be attained without collectivist means. "There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."

BUSINESS FOR NEW MILLENNIUM - BREAKING THROUGH LIMITATIONS

Most businesses believe they exist to make money. This is the first in a series of limitations commonly exhibited by companies. While making money may be a result of the business, and is essential to the continued functioning of the business, it is not its purpose. An intake of oxygen, while essential for our living, is not the purpose of our lives. The purpose is to make this environment, the people within it, the interactions that occur, more aware of and in tune with their splendor and to manifest progressively more of that splendor.

That purpose is at least to express qualities, forces, and states of existence that lie latent where the purpose itself was formulated. These latent qualities, forces and states are referred to as splendor. The splendor may take the form of knowledge, power, beauty, or harmony. The splendor will allow humankind to become aware of its innate oneness and interconnectedness with all forms of Life and with the entire Earth and universe, and will result in beings, organizations and countries approaching and treating one another in harmonious manner.

Today's empowerment on customer satisfaction is part of that same expression. So is the success and move toward employee empowerment. Any industry's success and failure can be understood when a study is done of how well it has aligned with the Law in existence. If one is planning create a business one should think deeply on what it is one is planning to



create, and why one is planning to create it. Is it something which is going to express some of the splendor or is it something that is going to oppose the Law? But again, one's ability to understand and see is linked to one's purity either as an individual or as a company, and to develop that one must begin to take a sincere look within.

A second limitation is to act as though only the short-term mattered. Businesses have a tendency to evaluate themselves primarily by short-term results, and consequently to plan primarily if their utility has been proven. An attitude can only be detrimental to the overall health and long-term success of the company.

A third limitation is the scope that businesses may define for themselves. Oftentimes businesses will over simplify the extent of their influence by believing that they exist solely for themselves. The limits of their decision-making and scope of influence ends where their physical influence ends. Yet, businesses are intricately connected to the world around them. There are their suppliers and customers the environment in which they are located, their competitors, and their government.

A fourth limitation is the tendency of businesses to function primarily on the surface. Just as we live primarily on the surface and are unaware of the deeper parts of our being, so too businesses are unaware of the deeper intentions behind their business. An understanding of these deeper laws will help businesses function more appropriately. Oftentimes, a business does what it believes it has to do in order to become successful. Yet nothing happens. Other times, in spite of what a business does, it is still successful.

A fifth limitation is the believe what we are the becoming we see. It is easy for a business to come to believe that is the sum of its actions. Everything that a business does defines the business. Yet everything it does issues forth from some source. Every action and idea and plan has come from a silence and a depth. The more a business can consciously link with the depth, the more aware it becomes of its source, and of the source of all its ideas and actions.

A sixth limitation is a lack of coordination around a central theme. There are many parts to a business. There are many wills operating simultaneously. The question is whether these wills are aligned with or in opposition to one another. What are the goals of the individual departments? Are the departments playing off one another synergistically, or are they depleting one another? Are marketing, finance, operations, in unison or in opposition?



Oftentimes departments are operating according to their own wills and according to an agenda, which they have selected as being best for themselves .

A combination of all these shortcomings, the seventh limitation, creates a business that stumbles and guesses its way through a tremendous maze. It is a wonder that the business remains afloat for long at all. Yet this is what is happening all over the world. By seizing on some element of Truth companies happen to survive from day by day. Some go bankrupt and wonder why. Some are seizing more and more elements of Truth, through the mechanisms of employee empowerment, systems thinking, reengineering, customer satisfaction, strategy planning, executive retreats, consultative selling, organizational flattening, and are beginning to benefit by them

BUSINESS ENTERPRISE AS A SOCIAL ENTITY

A business enterprise, though producing and distributing goods and services, is not just an economic entity. No doubt, society is dependent upon organizations for the supply of goods and services but it cannot ignore the social consequences of organizational activities. In fact, an organization, in addition to being an economic entity, is also a social entity. This fact is now-a-days recognized beyond doubt and social implications of organizations are studied with keen interest. Every business operates within a certain kind of social environment. No business organization, however humble, is purely a private or personal affair and it has to function within a certain kind of social control, which is imposed both from within and outside the organization.

An organization cannot be regarded as a purely profit-making institution. The establishment of any organization is attended with social consequences. Also, many of the organizations are projections of the state and are run by it. This fact in itself makes the organization an institution with a bias for social / public, responsibility. Therefore, the managers of organizations have to treat the latter not only as important economic institutions but also as a major force for bringing about and managing a social change. They have to understand not only the economic but also the social aspects of the enterprise.



MANAGERS AS TRUSTEES

Managers stand in a fiduciary relationship towards the organization for which they are working. This relationship is based on the premise that they have a privilege to control the resources of the organization. They have financial and non-financial powers. They are vested with discretionary powers in a number of situations. They have the direction, conduct management and superintendence of the organizations affairs. They are not mere employees of the organizations. They can no longer conform themselves to the employee-employer relationship. They are not only employees but also agents and trustees for the organization.

As an agent, a manager has firstly to manage the 'change' that is being brought about in India. Secondly, he should not make use of organizational opportunities for his personal gain. Thirdly, a manager should also realize that he is a trustee for his organization. He is, however, not a trustee in the strict sense of the term, in as-much-as no ownership of property is vested in him in his capacity as a manager. In the case of the relationship between a trustee and his beneficiary, the former is vested with legal ownership of the trust property and contracts in his name in relation to the trust property, subject, of course, to his obligations to use his powers for the benefit of those beneficially entitled. A manager, on the other hand, is not vested with the organization's property; the organization owns its own property and, when he contracts as an agent of the organization, he does so in the organization's name.

Nevertheless, a manager is in certain respects in the position of a trustee for the organization. Firstly, he is a trustee of resources, which come into his hands or which are actually under his control; he will be held liable to make good money which he misapplies. In the second place, a manager is in the position of a trustee for his organization as regards the exercise of all powers which he is authorized to exercise, on behalf of the organization. In the third place, a manager's position partakes of the fiduciary character of trusteeship, so that he is precluded from allowing the interest of the organization to clash with his own interests.

Once the organizations are considered public institutions, their managers become public trustees. From the point of view of both - the general public and the government -



the standards of duties of managers have to change. New ethical standards have to come up in which the interests of the various segments of the society have to be given due consideration.

SRB IN INDIAN SCENE

Many factors in the Indian socio-economic environment have lent added significance to the concept of social responsibilities of business enterprises. Firstly, the Indian Government is committed to remove poverty and bring about a socialist society in which private interest will be subordinated to the national considerations. The Constitution of India provides for economic and social justice for all. Our country, being a welfare state, has, therefore, enacted many laws in order to make business organizations feel responsible to the various segments of the society. Recently, developments in corporate policy as exemplified in the latest enunciated policy as regards monopolistic, restrictive and unfair trade practices including the Companies Act, 1956 and labor laws seem to suggest that a fresh look at the economic and social values implicit in the existing legal provisions is called for. Legislation relating to companies have been subjected to a number of amendments in the last two decades. One could safely hope and predict that the new concept of the company form of organization projected in the Indian corporate legislation will be the dominant factor in shaping of corporate policy in the years ahead of us. Secondly, the financial institutions sponsored by the Government are contributing a great part of the financial needs of the business sector. In fact, the business enterprises are dependent upon financial institutions to a very great extent not only for loans but for risk capital also. For short-term funds, the business enterprises look up to the nationalized banks, the financial institutions and the nationalized banks expect the borrowing enterprises to conform to the declared social and economic policy of the Government. This is ensured by nominating representatives on the Boards of the borrowing companies. Thirdly, the ethical aspect of business harks back to some of our ancient teachings, and is deeply enshrined in the thoughts and writings of some of our great national leaders. In the modern context, one has to refer to Mahatma Gandhi, who aimed at, through-out his life, the promotion and development of the concept of



trusteeship in almost every field - political, social and economic. According to Gandhi, all life is trust and all power carries with it some obligations.

Some of the modern business enterprises have assumed, in addition to the primary functions of production and distribution of goods and services, obligations of diverse type. They have established training, research and educational institutions. They have contributed to the construction of hospitals, places of entertainment and workshop. They help people who suffer as result of floods, drought or some other natural calamity. But such organizations are very few.

DECISION IMPLICATIONS

- The implementation of online management education is need in upcoming countries.
- Indian B-Schools requires adapting western style of online education which caters the needs of unqualified professionals.
- Business organizations should not become a profit making centers; it should be take social responsibilities towards requirements of the society.
- Business enterprises require social and economic entity.
- Manager of an organization should not have commercial mind himself.

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